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Mario Pirobon reports on how EirTrade Aviation and Embraer are using innovative parts inventory strategies to enhance customer support



▲ Carlos Naufel, president and chief executive, Embraer Services & Support

Evolving business practices

Parts inventory management is a key process for any parts stockist, ensuring sufficient and efficient stock levels for the purpose of supporting airlines and MRO customers, affirms Dan Trigg, senior sales manager at EirTrade Aviation. "In recent times, this process has become more efficient through the use of inventory demand forecasting and predictive maintenance which provides the data to ensure optimal stock levels of spare parts are held," he explains.

Parts inventory management has to answer market demands in a smart and efficient way to support customers' particular operational needs worldwide, affirms Carlos Naufel, president and chief executive of Embraer Services & Support. "Supply chain obstacles drastically affect parts availability and lead time, and real-time data and strong global network presence are key to dealing with such challenges," he says.

EirTrade Aviation is using inventory management to optimise customer support stock, according to Trigg. "We look to procure in-demand and high changeover spares to have on the shelf ready to ship for any urgent customer requirements," he explains. "We have a huge team on site ensuring all urgent requirements can be met. All inventory and related data are stored in our operating system for quick access, ensuring an efficient and speedy response to all customer requirements."

Reducing operational costs and optimising inventory levels

According to Trigg, many airlines favour support contracts as they help to speed up the parts procurement process; at the same time, having a dedicated supplier in charge of supporting parts requirements saves the airline having to go directly to the market and negotiate with numerous spares suppliers.

He says: “By partnering with us, airlines can take advantage of our experience and expertise to enhance their operational reliability. As part of the support programme, airlines can request that the supplier always keeps a base kit of high changeover parts in stock to support any AOG/urgent demands. This can often be positioned at a location of the airline’s choosing.”

Airlines often enter a ‘power by the hour’ (PBH) contract whereby a fixed price is agreed for complete component support, explains Trigg. “These contracts can be tailored to suit the airline and can include component repair and overhaul management,” he says. “Given the current delays and long lead times with repair stations, streamlining processes through a PBH programme can often be the more cost-effective option.”

With the support of digital tools, Embraer offers two main programmes to provide cost reduction and optimised inventory level to customers, explains Naufel. “With the Embraer Collaborative Inventory Planning (ECIP) programme, our company takes most of the inventory investment, significantly reducing the financial burden on airlines,” he explains. “Additionally, fixed annual pricing for each part enables precise cost management, supported by Embraer Services & Support’s guaranteed performance levels.”

Naufel adds: “The programme is data-driven, offering weekly ordering recommendations based on customer usage and stock levels, utilising advanced software and Embraer’s collaborative planning high level of experience. Lastly, ECIP participants benefit from Embraer’s global logistics network.”

By offering its technical expertise and extensive component services network, Embraer also provides support to airlines worldwide with its Pool Programme, points out Naufel. “The results are significant savings in repair and inventory carrying costs and a reduction in warehousing space and resources required for repair management, while ultimately providing guaranteed performance levels,” he says. “Embraer Services & Support’s portfolio offers a series of solutions designed for each customer to support the growing fleet of Embraer aircraft worldwide.”

“WE LOOK TO PROCURE IN-DEMAND AND HIGH CHANGEOVER SPARES TO HAVE ON THE SHELF READY TO SHIP FOR ANY URGENT CUSTOMER REQUIREMENTS”

Dan Trigg, senior sales manager, EirTrade Aviation

Evolving airline requirements

EirTrade Aviation is observing new software being developed to help with inventory control as well as very advanced parts forecasting systems being used by airlines, affirms Trigg. “We offer an AOG service to all airlines as we strive to ensure all demands are met efficiently,” he explains. “We position our serviceable stock close to Dublin and Dallas airports which also helps speed up the door-to-door delivery of our parts. All data our customers might need (release and trace documentation, photos, repair information, etc.) are only a few clicks away and can be forwarded to our customers instantly.”

Trigg continues: “All sales staff have remote access to the system too, ensuring we can send information to customers quickly. We keep on top of inventory levels and replace any high turnover part immediately when sold. Having a high number of serviceable items in stock ready to be fitted to an aircraft is key and something all departments within our company work hard to maintain.”

According to Naufel, parts inventory management is going to be more and more affected by digitalisation and by artificial intelligence (AI). “This will request extensive data regarding the customer such as field operation, aircraft usage, inventory or parts demand, for example. Data is and will be the primary source to organise, process and define the best solution for each customer,” he concludes. ●



▲ Dan Trigg, senior sales manager, EirTrade Aviation