



Maintenance, Repair and Overhaul

Achieving a competitive edge in a changing MRO landscape

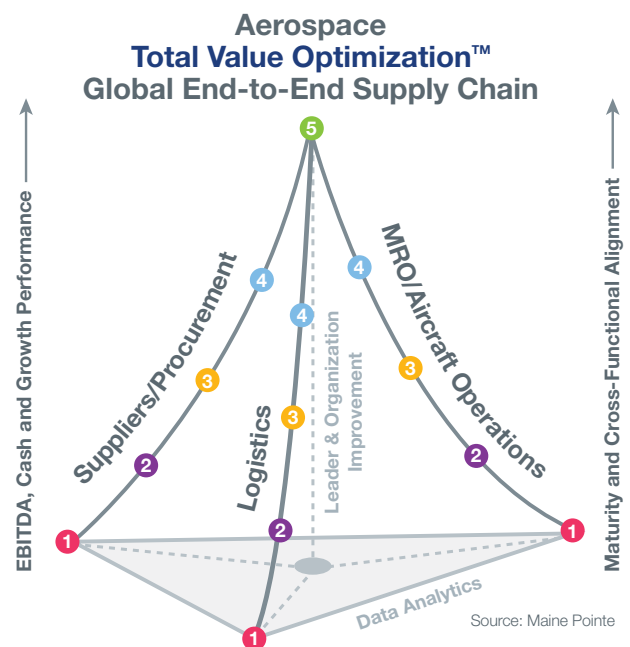
Larger aircraft manufacturers are expanding their MRO operations and anticipating continued aggressive growth, creating a “one stop shop” that includes MRO for a set period when an aircraft is purchased. This trend will have a major impact on the aftermarket and on independent MRO operations. However, it may also create new opportunities for independents to expand their service lines and seek out new partnerships and alliances.

Both commercial and military aircraft OEMs are moving to create a full “nose to tail” solution. In this new hyper-competitive environment, MRO companies are under pressure to become more competitive, productive and efficient, and to accelerate maintenance. These MRO firms can effectively compete with OEM MRO groups with a new, Total Value Optimization™ approach.

Improving MRO and reducing flow days required

Maine Pointe’s TVO approach is used in both military and commercial aircraft sectors to reduce the total number of MRO flow days required to bring aircraft into total service capability. Independent MRO organizations are seeing new opportunities to fulfill this pressing need, even in the face of competition from OEMs, with new strategies that include:

- Significantly improve productivity and efficiency (Art of the Possible)
- Creating a more agile and proactive environment
- Seeking out new alliances, joint ventures and partnerships
- Explore new lines of business
- Leverage big data and analytics to make the industry more efficient, access insights and interpret data
- Focusing on customer service – filling a gap which larger OEMs with MRO divisions may not be able to do





How independent MROs can compete against larger OEMs

Independent MROs can compete and flourish even in an environment where incumbent OEMs are offering their own portfolio of MRO services. This includes the independent's inherent advantage of being able to service a mixed fleet, and the option of servicing mid-life aircraft whose leases may have expired.

Using a TVO strategy, MROs will be able to:

- Make better use of available capital
- Increase throughput by increasing sales and capacity, and improving quality
- Reduce certification time by improving relationships with the FAA, and aligning the certification process with operational timelines

Creating a win-win scenario

Winning in today's aerospace environment, especially when competing against larger incumbents and OEMs, requires a win-win approach with end-to-end collaboration. This collaboration and optimization may be able to unlock millions of dollars. Total Value Optimization accelerates measurable improvement across the buy-make-move-fulfill supply chain, to deliver the greatest value to all parties, at the lowest cost to business.

Focus on analytics

Leading aircraft manufacturer, commercial OEMs and the military are leveraging analytics to take full advantage of the vast amount of data being generated by onboard sensors in the newest generation of airliners. Analysis of this data improves the customer experience. Predictive analytics in maintenance helps drive out unscheduled events and allows the MRO provider to anticipate when parts will fail – giving the MRO an advantage and also helping to reduce costs for the airlines.

Improve supply chain optionality

The smart move is to balance risk by exploring sourcing opportunities in countries that are not affected by the tariffs. In addition, in some areas, now is the time to negotiate the best possible deals on any raw materials, intermediate or finished goods that are not impacted by tariffs. For example, companies such as 3M and General Electrics, which have diversified global supply chains, have expressed confidence in their ability to change their sourcing in response to cost increases.

Why Maine Pointe?

- Through Maine Pointe's TVO approach and our dedicated aerospace and aviation team of subject matter experts, we can help MROs become more effective and cost-focused, and to better compete with large OEM MRO groups.
- Our Total Value Optimization approach helps break through functional silos, create a win-win environment for all parties in the supply chain, and achieve the "Art of the Possible."
- Proven ability to accelerate improvements and quality in both the commercial and military aviation value chain
- Optimize MRO with a better readiness rate, quality and cost reduction



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About Maine Pointe

Maine Pointe, a member of the SGS Group, is a global supply chain and operations consulting firm trusted by many chief executives and private equity firms to drive compelling economic returns for their companies. We achieve this by delivering accelerated, sustainable improvements in EBITDA, cash and growth across their procurement, logistics, operations and data analytics. Our hands-on implementation experts work with executives and their teams to rapidly break through functional silos and transform the buy-make-move-fulfill digital supply chain to deliver the greatest value to customers and stakeholders at the lowest cost and risk to business. We call this Total Value Optimization (TVO)™.

Maine Pointe's engagements are results-driven and deliver between 4:1-8:1 ROI. We are so confident in our work and our processes that we provide a unique 100% guarantee of engagement fees based on annualized savings. www.mainepointe.com