

# MRO

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# In the hot seat.....

Boris Wolstenholme, Chief Strategy Officer, AJW Group

**AviTrader MRO: Briefly explain your job function at AJW.**

**Wolstenholme:** As Chief Strategy Officer at AJW Group, I am responsible for defining the Group's strategy and executing delivery of that strategy with the strategic business development team. This includes market research and understanding market developments, new platform development and new product development.

We have recently expanded our portfolio beyond commercial aviation, into the business and defence sectors, and I will continue to lead our contracted services within these sectors and develop solutions for major contract opportunities, ensuring a synergy with business line capabilities and company strategy.

As a company, AJW provides airlines and lessors with flexible and innovative solutions to monetise their assets and streamline their operating costs through tailored plans. Within the wider organisation, a large part of my job involves developing these tailored plans with our customers.

**AviTrader MRO: What is the most challenging and rewarding part of the job?**

**Wolstenholme:** The most challenging part of my job is by far the development of a tailored solution to meet the needs of the customer. Whilst all customers have the same generic issues, their particular requirements and context is always bespoke. Delivering this high level of efficiency and effectivity creates a challenge within

the organisation as we must develop something that is bespoke to the customer but still as generic as possible for us in terms of doing our job. This is challenging, exciting and rewarding. On the other hand, the most rewarding part of the job is being able to engage with customers at a meaningful level and dealing with tangible problems, with real shared objectives. As an organisation we only work with companies that want to work with us, so that we don't enter into contentious or conflicting relationships - hence the high-level customer satisfaction that we strive for and achieve. I really enjoy the 'can do' attitude of our organisation and find it extremely rewarding. On top of this, doing that on an international scale, dealing with multicultural organisations and environments at an executive level is even more rewarding.

We are always innovating, developing new products, solutions and marketplaces within our organisation, we are agile and striving at all times, and this is both challenging and rewarding. Challenging because we come across new environments all the time and it can cause complications and rewarding because shareholders or owners lead us to strive for constant new environments and new standards of delivery. There is definitely no room for complacency within our business!

**AviTrader MRO: What are AJW's capabilities in terms of asset management?**

**Wolstenholme:** AJW has a unique insight into asset management as it manages the out-



Boris Wolstenholme, Chief Strategy Officer, AJW Group

sourced inventory for a major airline, and supports hundreds more in AOG situations, ad hoc requirements or MRO and vendor network management.

AJW can optimise its customers' profitability by converting surplus aircraft and engine inventory into a revenue generating asset. It provides airlines and lessors with flexible and innovative solutions to monetise their assets and streamline their operating costs through tailored plans.

AJW is also able to manage all items of stock from all major aircraft platforms including Airbus, Boeing, Bombardier, Embraer and ATR; be it the spare components in a warehouse or entire aircraft and engines that are reaching their end-of-life. Our asset management service offerings include inventory planning, asset monetisation, teardown management, consignment and lease redelivery. It is a 360 service.

Investors also benefit from AJW's asset management solutions. Financial institutions, including banks, often end up owning stock and they rely on AJW to provide a retail outlet in exchange for a share of the proceeds generated. Through AJW Group's companies, we develop projects where investors can purchase assets as an investment and benefit from AJW's market insights.

AJW's leasing arm works together with the financial community, primarily on engines, where we act as lease managers for third-party owned engines, in addition to the engines AJW owns and leases. AJW has unique insight into the engine requirements of airlines and by having our broad network of asset owners, we can match available engines to specific airline requirements.



AJW explores all options for customers to achieve inventory optimisation.  
All photos: AJW

**AviTrader MRO: How can a third-party like AJW help airlines with their material planning and stock levels?**

**Wolstenholme:** With the asset management capabilities, I just mentioned in the previous question, it is fair to say that AJW supports airlines in their planning. We explore all options for our customers to achieve inventory optimisation, considering factors such as component availability and reducing the balance sheet risk and exposure, while maximising their revenue potential.

**AviTrader MRO: Should airlines be looking to monetise their excess inventories?**

**Wolstenholme:** In reality, material planning and inventory management can sometimes be underutilised, resulting in surplus stock sitting redundant in warehouses and absorbing capital at an alarming rate. The logical answer is for airlines to outsource the management of their assets to specialists, rather than owning and managing their own inventory.

In these circumstances, access to the aftermarket is crucial - this is achieved through utilising provider's established global sales teams who have long-standing relationships with the world's airlines. With tailored plans, this increases the opportunity to monetise assets and gain a return on surplus and often redundant stock. Finally, by working closely with the customer, providers such as AJW, create transparent, strategic and tailored plans to control and manage inventories, profiling demand and aligning them with airline's unique needs.

**AviTrader MRO: Several excess inventories are obsolete and/or slow moving throughout the market. What challenges do these present for the airline and inventory specialists like AJW?**

**Wolstenholme:** It never ceases to astound me what airlines accumulate through their organic procurement processes of meeting their operational needs. The material has been bought for different reasons, but it is usually never tracked against that reason. When reflecting on why you own it and therefore what's the relevance to anyone else, that piece of the puzzle that is missing.

The industry is very good and efficient at monetising and managing the hot moving, standard assets, but is rather inefficient at moving the slower environment inventory.

This is where our expertise comes in. We can profile inventories by what is generically required across a platform, serial numbers, engine types etc before we can focus in on what is specific to that operator or specific to that aircraft type.



Inventory Optimisation System (IOS) measures demand on a geographic level.

If inventory has been bought because of its criticality, we can also feed it into our own programmes, whereby it may not be high moving but organisations like AJW or airlines may need to own it to support its own programmes and AOG events.

Our database can cope with the alternate part numbers, the higher-level assemblies and the modification standards that are required to make something effective or more desirable in the current fleet environment. Our MRO network means we can use units / piece parts if required. Another challenge would be the need for different mechanisms for different market access. Fortunately, our global reach and brand gives us a high level of accessibility. As an approved vendor to almost every airline in the world, our barriers to transact are very low. We support over 1000 airlines across 117 countries and we can do single trades at low value, right up to large total supply chain contracts.

**AviTrader MRO: Do you have any deliberate systems in place to enhance the value of surplus inventories?**

**Wolstenholme:** As an organisation we believe in investing in inventory. Not only from its mod standard but also from its repair and certification status. We ensure that it is fully saleable at the point of demand. Most modern demand is for 'just in time' requirements and therefore holding the right inventory with the right certification standards to meet everyone's requirements is adding value to it.

Our Inventory Optimisation System (IOS) measures demand on a geographic level and therefore we can position the right material at the right location and where the highest level of demand is. This aligns with our sales teams who are positioned geographically to match this demand.

**AviTrader MRO: In your experience, which aircraft or types of parts are you**

**seeing greater demand for inventory management?**

**Wolstenholme:** Let me put that in context first. At AJW we manage the inventory of moving rotatables and optimise their availability. We put in a solution where we optimise availability of what the customer needs through inventory planning, positioning and with the correct service level; thus, creating a supply chain and repair management processes that supports that. Everything the airline doesn't need for its day to day operations (i.e. doesn't need to own) we then put a supply chain solution in place to meet and manage that demand.

What we tend to see as a growing focus is that airlines optimise their critical and core components very well for their main hubs, but they carry greater levels of excess inventories at their remote stations, particularly for long haul fleets. They tend to simply hold the material just in case, but also tend to hold excessive inventory around the repairables and the lower value rotatables that have been poorly planned.

We notice that the airline often accumulates inventory off the back of programmes such as retrofits, campaign modifications and engine programmes following shop visits. These excess types of inventory then start to accumulate. But also, the legacy aircraft types that were operated, but had no sunset solution in place prior to the exit of that aircraft.

The inventory challenge tends to manifest itself across all operators. Those that have been traditionally outsourced also accumulate inventory unnecessarily. The airlines that were traditionally insourced will have greater levels of surplus inventories but there is no particular pattern by aircraft type per se.

If we were to pick one, it may be the long haul widebody fleet aircraft as they could be more susceptible to creating surplus inventories due to the challenges they face at their destinations.