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in the middle of
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IATP Conference

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shows out in London



The MRO Europe event in London in October.
Photo: Informa Markets

London sets the tone for resilience and opportunities in MRO

The MRO and aftermarket industries met in London recently to discuss the challenges and opportunities in the European market. *AviTrader MRO* was there and caught up with some of the experts.

The MRO Europe event in London in October brought back the key stakeholders in MRO at a crucial moment when airlines are ramping up capacity amidst a backdrop of rising fuel costs, supply chain problems, labour shortages and geo-political issues in the region.

Despite the challenges in the market, MRO Europe was also a platform to speak about new opportunities and celebrate milestones and new frontiers. Willis Lease Finance Corporation (WLFC) for instance, unveiled its new brand identity that unites its multiple WLFC businesses to demonstrate the extent of its combined offerings.

"The response to our branding has been overwhelmingly positive," declares



Garry Failler, SVP, Materials & Services and Chief Technical Officer at Willis Lease

Garry Failler, SVP, Materials and Services and Chief Technical Officer at WLFC. "We chose to unveil it at MRO Europe so that we could share our expanded service offerings with our valued customers first hand." Failler reports that WLFC has experienced significant interest in the growing areas of the business, and in the brief time since the conference, the company has already hosted site visits from keen customers at its operations in Teesside, UK – "Being able to clearly articulate our growing services through our branding has led to many discussions with customers about their current and future needs," he says.

The key message from London at WLFC was that the company is more than just an engine leasing company, Failler notes.



AJW signs a component agreement with JOB AIR Technic.

Photo: AJW

"It is still surprising when customers are not aware of all that we do, though it is clear to see that is rapidly changing. What our new branding helps to convey is the breadth and depth of our organisation."

WLFC leases large and regional spare commercial aircraft engines, auxiliary power units and aircraft to airlines, aircraft engine manufacturers and maintenance, repair and overhaul providers in 120 countries. These leasing activities are integrated with engine and aircraft trading, engine lease pools and asset management services supported by innovative technology through the

subsidiary, Willis Asset Management Limited, as well as various end-of-life solutions for engines and aviation materials provided through another subsidiary, Willis Aeronautical Services, Inc.

With business units Willis Engine Repair Centre US/UK and Jet Centre by Willis, as well as subsidiary Willis Aviation Services Limited, the service offerings also include Part 145 engine maintenance, aircraft line and base maintenance, aircraft disassembly, parking and storage, airport FBO and ground handling services.

WLFC is pushing the message that it is a multifaceted aerospace business while

keeping a close eye on the European markets when developing these business sectors. Failler feels upbeat to see Europe strong and flying again - "In fact, we are nearing pre-pandemic travel levels. With planes flying, comes the need for our varied services, be it engine or aircraft maintenance, aircraft storage or teardown, Willis Asset consulting services or engine lease support programmes and with a sizable percentage of our customers in Europe, we think the impact will be significant," he states.

Meanwhile, AJW is celebrating its 80 years in business in 2022 so MRO Europe was certainly one of the highlights of the year and proved to be a highly successful one for AJW Group. "Looking back at the event, we recall the hive of activity at our stand, the back-to-back meetings with suppliers, customers, and partners, and opportunities that were created for growing our business going forward," says Louis Mallette, SVP Operations at AJW Technique, Montreal.

AJW signed a handful of agreements in London including a new component repair agreement with JOB AIR Technic. The agreement supports JOB AIR with a closed-loop PBH support contract for the supply and repair of components including logistic services and a support pool of components.

Looking ahead, the driving focus at AJW is to continue the journey of developing digital transformation strategies to improve business operational efficiency to enable the company to reinforce customer service delivery. "This is happening across all sectors of our business, from warehouses and workshops right through to administration and customer management. As industry leaders, we must move with the times, so digitisation is not a choice right now, it is a necessity. By transforming the way, we work, and by continuing our agile approach to business we will make our operations more effective."

Mallette says the focus is not only on continuing to bring digital transformation into AJW systems and operations but also on working with the aviation industry, OEMs, and airlines, in the development



Louis Mallette, SVP Operations at AJW Technique

and implementation of predictive maintenance. "We hope to see all stakeholders in the industry collaborate on this going forward, for the good of the industry which has recently experienced a general downturn and lack of trust from the public," he observes.

By pooling the vast sea of industry knowledge and gathering digital data that innovative technology provides, Mallette believes the industry can achieve connectivity across all areas of aviation and work towards reducing operational costs for the airlines – "In so doing, we all work toward the common goal of a more sustainable industry that will grow and strengthen going forward," he adds.

With its bright purple colour palette, the Magnetic Group certainly stood out with its modern-designed pavilion. The stand had digital screens with capacity to have up to sixteen meetings for various business units at the same time. "During the drinks' reception time, our booth became a hot spot – a lot of aviation professionals came by to chat and get to know each other. It was especially pleasant to see our customers and partners after a tough time with the pandemic and be able to meet and greet everyone in person without any restrictions," mentions Stella Täht Marketing Lead at Magnetic Group.

Magnetic brought a strong team of over 20 employees to London this year, thus representing all business units – base and line maintenance, painting, CAMO and engineering, spare parts trading, interior solutions, assets trading, and engine repairs. Considering the variety of exhibitors and attendees, the company was able to meet long-term partners and present itself as an innovative total provider of aviation services for new customers.

The focus at the Magnetic Group was on networking with customers, discussing the market situation, and sharing the experience post-Covid – "It's not over, but thankfully, the future looks brighter than a year or two ago," Täht says, candidly.

Aero Norway was awarded a contract at MRO Europe from an undisclosed operator to provide engine MRO for the next seven years - more revelations about the deal are expected soon. Meanwhile, the key



Magnetic Group represented all of its business units.

Photo: Keith Mwanalushi

note from London is that Aero Norway has sustained full production CFM56 engine MRO capacity over the past couple of years and kept all its technicians and engineers employed through Covid and post-pandemic.

"We have invested in people and training, maintaining continuous improvement across all processes," says Ramon Peters, Global Sales and Marketing Director at Aero Norway. "There has been a very positive market response to this

and as a result we see market demand increasing too." However, he notes that the lead-time for slot availability is increasing accordingly.

On the current supply chain issues in Europe in particular, Peters doesn't see a return to consistency to support engine repairs and MRO quite yet – "However, we do see a slow and steady improvement which should lead to normal support being fully resumed within 2023," he indicates.



Setna iO, an aftermarket aircraft part supplier at MRO Europe.



Tom Boulcott,
Managing Director, and Partner, Setna iO

Setna iO, an aftermarket aircraft part supplier had perhaps the most creative stand at the event and brought around 20 team members from seven countries to attend MRO Europe. The company proactively invests in assets and repairs to build up large inventories, as well in house capabilities at its FAA/EASA certified repair shop, Setnix.

Interestingly, Setna iO just announced the acquisition of an 11-year-old CFM56-5B6/3 powered A319-100 (MSN 4713). It's reported to be the youngest non-incident related narrowbody Airbus to be disassembled yet.

The company scours the globe for

asset acquisitions to process through Setnix and other repair shops with an aim to build the world's largest "in stock, ready to go" inventory. "This inventory supports the high demand global fleet, which is grappling with significant supply chain disruptions for parts," states Tom Boulcott, Managing Director and Partner. He adds that there is consistently high demand, with consistent supply chain issues. "We do not see supply chain issues clearing up any time soon," he suggests.

Speaking further on supply chain issues, Mallette from AJW says the supply chain within the commercial aviation market has gone, and continues to go, through the most challenging and distressing of scenarios possible. "Operators have gone through two years of hardship, falling margins and mounting losses, and many within the supply chain have had to reorganise themselves for the prospect of enduring lower aviation related volumes."

Pre-pandemic, OEMs were reacting to 'just-in-time' inventory strategies. Mallette explains that this was about moving parts quickly, "which was fine when supply chains were replete with components. However, when persistent shortages arose – as was the case with semiconductors –

this rhythm was interrupted."

He feels there has been an extended and continued deterioration in the OEM and supplier performance environment concerning shop processing time. "Driven by the higher cost of raw materials and labour costs, we have seen double-digit annual escalation increases, and skills and staff shortages besiege the sector. In short, the lack of raw materials, qualified human resource shortage, the Russia-Ukraine conflict, and the impact of climate change, have been a melting pot that has fractured the logistic chain," Mallette stresses.

AJW Group is working to collaborate with partners to adapt to the new normal by utilising innovative technology, maximising, and empowering existing human resources, while also drawing new talent into the industry, to minimise disruption.

"By embracing and adapting to what is happening around us, we are confident that over the coming year we will see a steady return to a more consistent supply chain in the MRO and aftermarket sectors. Through embracing technology, having an agile approach to change, and collaboration within aviation industry stakeholders, we will see a definite recovery in the industry," Mallette concludes.