



Maintenance Metrics The Commercial Perspective

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Introduction

- ▶ **Focus of this discussion**
 - MRO metrics on the shop floor
 - Airline customer base
- ▶ **Use of dashboards are common among leading MROs**
- ▶ **Airlines conduct periodic reviews; typically on quarterly basis**

MRO Metrics Fall Into 4 Main “Buckets”



Finance



Schedule



Quality



Safety

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- ▶ **DOD Cost Center vs. Industry Profit Center = big difference**
- ▶ **Industry generally favors fixed price contracts with long-term customers**
- ▶ **Key Indicators – drive directly to gross margin**
 - ▶ **Production efficiency**
 - ▶ **Material cost vs budget**

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- ▶ **Highly important to airline customers with high penalties for misses**
- ▶ **Key indicators**
 - ▶ **Manhours/day (Burn Rate) – typically 2X-3X higher compared to government depots**
 - ▶ **Work cards sold/day (Card Count) – serves as secondary check on manhours**

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Safety

- ▶ **Focus on both internal and external measures**
- ▶ **Key indicators**
 - ▶ **First time yield – % of rejects from first time inspection**
 - ▶ **First time quality – # of customer “squawks” per walk**
 - ▶ **Pilot write-ups first 30 days**

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- ▶ **Closely related to quality**
- ▶ **Key indicators**
 - ▶ **Days since last recordable accident/injury**
 - ▶ **Aircraft damage**

Sample MRO Scoring Criteria – Alaska Airlines

- ▶ **Quality.....50 Points (+5 Bonus)**
 - In Process Audit 10 Pts (+2)
 - Customer Safety Acceptance 10 Pts (+1)
 - 30 Day Reliability 15 Pts (+2)
 - 30 Day Performance 15 Pts
 - Letter of Investigation -20 Pts
 - Aircraft Damage -15 Pts (Based on level)

- ▶ **Performance.....30 Points (+2 Bonus)**
 - On Time Performance 15 Pts (+2)
 - Engineering Efficiency 10 Pts
 - Material Efficiency 5 Pts

- ▶ **Cost.....20 Points (+1 Bonus)**
 - Days Gained/Lost 10 Pts
 - Exhibit II vs. Billed Labor Hours 10 Pts (+1)