

## **Case Study**

### **Mature Aircraft End-of-Life Management**

A large aircraft OEM (original equipment manufacturer) was a major commercial and military aircraft designer and manufacturer for years. Due to market conditions and a change of corporate direction, a decision was made to reduce work effort and support of the commercial line of business. However, agreements with operators left the need for support of the remaining fleets.

In addition to support issues, the OEM had large amounts of inventory occupying large amounts of warehouse space. Most of the remaining inventory was large structural items that would be virtually impossible to manufacture today – due to tooling and original suppliers issues.

ATC worked with the OEM and developed an “end-of-life” revenue and sales forecast. With that information, a contract was written and ATC took over all sales, marketing, parts support, purchasing and customer interface for the remaining commercial aircraft for the OEM. Due to FAA obligations, the OEM retained all of the design and engineering responsibilities under their type and production certificates.

ATC purchased the remaining inventory and had it shipped to our Cincinnati warehouse, where we still maintain that inventory for possible need.

The advantages for the OEM were:

- Elimination of 60,000 square ft. of warehouse space freed for other use
- All sales people reassigned to other higher profit projects
- Material handlers and FAA designee responsibilities eliminated
- Contracts and purchasing employees reassigned to other positions
- Inventory ownership transferred to ATC