

## **Case Study**

### **Spare Parts Services**

A large OEM (original equipment manufacturer) of electrical distribution, auxiliary power equipment and environmental controls for Boeing and Airbus applications had a serious problem with inventory and customer service level of service parts. Many parts were for aircraft applications that have been out of production for 20 years or more.

In many case, the OEM had 25 to 30 years of inventory in stock. Other parts were difficult, if not impossible, to source using traditional approaches. Customer service level had fallen to 55% to customer request date.

The cost to procure these difficult spares was significantly higher than normal purchases due to the small lot size requirements and difficulty in finding sources that had either gone out-of-business, been purchased, facilities closed and/or tooling and test equipment destroyed.

ATC Aerospace using forecasting tools and unique techniques was able to develop a program to purchase existing OEM stock. ATC performed all backroom supply chain operations (inventory planning, purchasing, warehousing and distribution) and the OEM maintained all direct customer interface.

Some of the benefits for the OEM included sales of slow moving parts to ATC and an increase in customer service level from 55% to 95%. In addition, the OEM was able to reduce shipping costs, purchasing, planning and quality efforts.

Contact ATC Aerospace to develop a similar approach to your issues.