



REMOVING THE COPY+PASTE BARRIER IN AIRCRAFT SPARE PARTS SUPPLY

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As it stands today, Airbus and Boeing have a total of over 11 000 new aircraft in their backlogs. Inevitably, all of these machines will blend into the ageing worldwide fleet, amounting to a colossal 40 000 aircraft in 2035, says Boeing. Nevertheless, as the numbers in this graph flourish, delays and flight cancellations are also on an upward trend, amounting to losses of almost quarter of a million US dollars in the states alone. These costs generate not only from the part prices, maintenance works and unsold tickets, but due to idleness as well – finding the right part takes time, or should it not?



Experts in the industry agree, that there's a "bubble" in the market – more aircraft are coming into services than are being retired, thus, increasing pressure on the aftermarket. Being the life blood of this troublesome market, aircraft spare parts supply industry is destined to grow. In fact, ICF International predicts it will double in a decade – to \$6.2 billion in 2023.

"A sector with such investments and demand seems like one to develop rapidly, says economics theory. However, in reality, companies working in the spare parts supply seem to live in the "dark ages", still doing most of the processes manually, hence, losing valuable time and money along the way," comments Dainius Meilunas, CEO of Locatory.com. "Major traders receive thousands of RFQs every single day and managers at the end of the line manually transfer the data to the ERP systems from inbox. According to our survey, a person can process 100 of these enquiries a day (making 7 errors along the way), but it seems there's a way to handle close to 120 times that amount."

According to the recent study from Service Now, 44% of workforce in US alone agrees that using email and spreadsheets excessively lowers work productivity. Therefore, it is no wonder that even if you hire thousands of customer support managers to tackle the RFQs, you will still result in inefficient copy and paste work (if they last even a year doing such tasks). According to Locatory.com data, by converting highly skilled tasks into administrative ones, companies could increase productivity of their customer support staff by 35%.

And the conversion would start with an integrated IT tool that would allow you to strip off the copying and pasting and just do the most important task to you and your client – picking out the necessary parts at the most cost-efficient price. As Dainius Meilunas explains, the tool would automatically extract the RFQs and import it to your ERP system, boosting work efficiency from 300% up to 1200%.

“As our tests show, using artificial intelligence, the tool could handle 12 000 enquiries a day. This would ensure the component can be located immediately and the AOG costs that can amount up to \$150 000 per hour can be downsized,” explains the CEO of Locatory.com. “In addition to that, it would help to distribute the workforce more effectively, use employees’ skills to its full potential – a common challenge every component supply company comes across.”

Given that airline industry’s spending on aircraft spare parts is continuing to evolve and is currently estimated at around \$5 billion per year, every player in the supply market is eyeing for a way to distinguish itself from the competition for the most-valued features – cost-effectiveness and reaction time. In a modern era, where no company can do without clever systems, it is imminent that the way to increase RFQ processing time will be found in IT, retiring copy+paste processes for good.

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