

## Should You Outsource Your Aircraft Rotable Repair Management?



If your operation does not have a repairs department or the resources to handle your aircraft rotatable repair process, it may be time to consider outsourcing repair management. Although there are numerous benefits to choosing third-party aircraft rotatable repair management, determining whether it is the right choice for an airline's operation requires careful consideration.

In this article, we share the benefits of working with a third-party provider, who is a good fit, and what to look for in a provider to assist you in making an informed decision.

### What is Aircraft Rotable Repair Management?

Rotable repair management encompasses the entire repair process and is usually handled

by an operation's repairs and purchasing departments. The rotatable repair process includes the following:

- Finding and vetting cost-effective and dependable repair vendors
- Sending rotables to vetted repair vendors
- Following up with associated repair tasks (such as documentation, shipping, and other logistics)
- Sourcing replacement aircraft parts, if necessary

### Who is a Good Fit for Aircraft Rotable Repair Management?

Third-party aircraft rotatable repair management can be beneficial for aircraft operators, directors of maintenance (DOMs), repairs and purchasing departments, and some MROs.



Typically, aircraft operations that are a good fit:

- Do not have — or have limited — personnel and resources for managing their repairs, vetting vendors, and sourcing parts
- Are considering outsourcing the entire repair process
- Have a small to mid-sized fleet (1-50 aircraft)
- Are either a start-up operation or are adding new aircraft to its fleet

Generally, third-party rotatable repair management is provided as needed or as part of a Power-By-the-Hour (PBH) program.

## What are the Benefits of Aircraft Rotable Repair Management?

Working with a third-party provider offers the following benefits:

### *Cost-Saving Opportunities*

A third-party provider offers their customers volume-based, negotiated prices. As part of this process, they may also source piece components necessary for repairs at significantly reduced prices. These cost-savings are passed onto the customer. Cost savings vary by situation.

### *Time Savings*

By managing the entire repair process, third-party providers decrease the amount of time that operators spend on managing rotatable repairs.

Third-party providers may also shorten turnaround times (TAT) by offering exchange options for parts with long lead times.

### *Reduced Workload*

By allocating repair responsibilities to a third-party provider, operation personnel can focus on other priorities. For instance, in addition to saving time for repairs and purchasing departments, third-party providers reduce time-consuming burdens on the operator's accounting department. By combining costs and invoices and by establishing terms with a small number of repair vendors, third-party providers create fewer invoices and administrative costs associated with repair management.

### *Tracking Warranty Claims*

A third-party provider tracks warranty claims by serial number to ensure the operator is not paying for repairs on a part with warranty coverage.

### *Work Scope Expertise*

Experienced third-party providers can provide expertise and recommendations on the repair work scope to ensure best practices and quality work.

## What to Look for in Aircraft Rotable Repair Management

Consider the following when determining how well an aircraft rotatable repair management provider can extend support.



## *An Approved Repair Vendors List*

Ask the provider about their criteria for vetting repair vendors and if they have an approved vendors list. The rotatable repair management provider should send rotatable components to approved, top-quality repair vendors.

## *References*

Always ask for references to ensure the provider and repair vendors provide quality service in accordance with applicable regulatory authorities.

## *Fee Structure*

How costs are structured will vary from provider to provider. Most of the time, providers offer a flat fee (a predetermined percentage markup for a type of rotatable repair) that may help operators anticipate upcoming costs. Operators should also note the minimum charge per repair order.

## *Contracts*

Some operators may want to work exclusively with a rotatable repair management provider to handle all their rotatable repairs. In these cases, the operator could establish a contract with the provider. Having an agreement with the provider may lead to more advantageous pricing structures and provide better tracking of warranty claims.

## *Power-By-the-Hour Repair Management*

Operators may work with a third-party provider via a PBH rotatable repair program. In a PBH, operators pay a monetary rate for each hour the aircraft is flown. The funds are allocated to rotatable repairs, which the provider manages.

## **What is an Alternative to Aircraft Rotatable Repair Management?**

Some operators need an aircraft part quickly and cannot wait for the repair process to be completed. In these situations, an alternative to repair is an exchange. In an exchange, an unserviceable rotatable (core) is traded for a serviceable unit ready for installation. Operators pay an exchange fee and the repair or overhaul costs for the core. This option may be an alternative for repairs or to augment existing rotatable repair management.

## **Concluding Thoughts**

Outsourcing a third-party provider for your rotatable repair management requires careful planning and financial analysis. With the knowledge gleaned from this article, you'll be able to determine whether a third-party provider will benefit your operation. You'll also be able to identify experienced providers you can trust with all our rotatable repair requirements.

