

Boeing and Aviall Sign Contract for Innovative Supply-Chain Solution

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Boeing [NYSE: BA] and Aviall Services, Inc. [NYSE: AVL] recently signed an agreement that will allow them to significantly reduce an airline's maintenance-related costs.

The companies partnered as part of Boeing's Integrated Materials Management initiative. Through this program, Boeing and suppliers such as Aviall maintain an airline's inventory of maintenance supplies, including spare parts, and provide items as needed. By reducing the airline's own inventory, this reduces an airline's cost of doing business. Aviall is the world's largest independent provider of new replacement part sales and related supply chain services to the aviation aftermarket.

"Airlines will avoid the cost of holding inventory, eliminate the problem of spare parts obsolescence, and improve their overall materials management productivity," said Mark Owen, Boeing vice president of Material Management and Spares. "At the same time, Aviall and other parts suppliers will benefit from having better, more timely information, which will reduce the cost of managing their supply-chain."

Implementation with Aviall to support Japan Airlines (JAL) will begin June 21, 2004.

"This agreement underscores Aviall's commitment to creative supply-chain solutions in support of the global airline community," said Dan Komnenovich, Aviall Services' president and chief operating officer. "Our relationship with Boeing fits perfectly with strengthening our position as the premier service provider for key original equipment manufacturers in all market segments."

Integrated Materials Management builds on existing programs that Boeing has with a number of other airlines. It is considered the next step in expanding Boeing supply chain services to provide value to both airline customers and supplier partners.

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