Boeing Signs Honeywell, Hamilton Sundstrand for Integrated Materials Management Program

Boeing [NYSE: BA] has added Hamilton Sundstrand and Honeywell International to its Integrated Materials Management program, through which Boeing and its suppliers reduce an airline's costs by maintaining the airline's inventory of maintenance supplies, including spare parts.

Boeing has memorandums of understanding with the two suppliers and expects contracts with both by year's end.

"Honeywell and Hamilton Sundstrand will add greatly to the program through their knowledge of the industry and comprehensive parts manufacturing capability," said Mark Owen, Boeing vice president of Material Management and Spares.

AirTran Airways, Japan Transocean Air (JTA) and Delta Air Lines are the current Integrated Materials Management (IMM) customers.

IMM is the next step in expanding supply chain services to provide value to airline customers and suppliers. Airlines avoid the cost of holding inventory, eliminate the problem of spare parts obsolescence, and improve their materials management productivity. At the same time, suppliers benefit from having more accurate and timely information; thus, reducing the cost of managing their supply chain.

Boeing and its suppliers own the aircraft parts, which are stored near an airline's operations until needed. An airline only pays for parts as it uses them, significantly reducing its inventory holding costs and improving return on assets.

Based in Phoenix, Honeywell's aerospace business is a leading global provider of integrated avionics, engines, systems and service solutions including aircraft landing systems, oil pumps, fuel controls, weather and wind shear radar, collision avoidance systems, and flight data management systems and recorders.

"We believe IMM meets the requirements of the Air Transport customers and are proud to be a partner in the program," said Adrian Paull, Honeywell Aerospace Electronic Systems Customer Services Vice President. "IMM will help simplify the maintenance, logistics and spare equipment availability for its customers, and Honeywell will be there to support these initiatives."

Hamilton Sundstrand, headquartered in Windsor Locks, Conn., is a leading manufacturer and service provider of aerospace and industrial systems, including aircraft electric power generation systems, fans, pumps, actuators, auxiliary power units, environmental control and cabin pressure systems.

"As a major system supplier to Boeing on existing aircraft and the 7E7, Hamilton Sundstrand is very pleased to extend our partnership with Boeing into the aftermarket," said Brendan Curran, vice president of Business Development & Commercial Spares for Hamilton Sundstrand. "IMM will provide a single point for airlines to reach multiple suppliers while reducing logistics and material handling costs.

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