Boeing and Honeywell Sign Contract for Innovative Supply-Chain Solution

Boeing [NYSE: BA] recently signed an agreement with Honeywell Aerospace that will allow the two companies to significantly reduce an airline's maintenance costs.

The companies partnered as part of Boeing's Integrated Materials Management (IMM) initiative. Through this program, Boeing and suppliers such as Honeywell maintain an airline's inventory of spare parts, providing items as needed. By reducing inventory, IMM reduces an airlines cost of doing business.

Honeywell is the first contracted original equipment manufacturer (OEM) to support the IMM program. Honeywell will provide a variety of mechanical products such as valves, switches and seals. The company is a major supplier of products and aftermarket services and support for The Boeing Company.

"Our airline customers are looking for innovative solutions to reduce the cost of operating their aircraft," said Tim Kuboshige, director of Global Services & Support Partners, Material Management and Spares. "Boeing's offering of IMM is aimed at maximizing efficiencies within the supply chain. We appreciate Honeywell for being an integral part of Boeing's Network Supplier System. They continue to be a major partner in the collaborative efforts required to implement IMM."

Tim Mahoney, vice president, Aerospace Aftermarket Services, Honeywell Aerospace, said his company understands the customers' need to reduce cost. "Through our improved asset availability program, we believe we are helping deliver the efficiencies Boeing expects from its supply-chain partners. Boeing's IMM is a well-targeted response to customer needs, and Honeywell is proud to be the lead OEM for this program."

IMM is considered the next step in expanding Boeing services to suppliers throughout the world to provide value for airline customers and supplier partners by building on existing materials management programs with airlines. Current customers for IMM are AirTran Airways, All Nippon Airways, Delta, Japan Airlines, KLM and Japan Transocean Air.

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