

Boeing and Singapore Airlines Sign Contract for Integrated Maintenance Solution

Boeing [NYSE: BA] and Singapore Airlines recently signed a maintenance agreement that will help the airline reduce operating costs. Boeing will manage the airline's total expendable spare parts inventory as well as provide a means to monitor the health of its airplanes in flight.

Singapore Airlines is the first to sign for this integrated maintenance solution, which combines Boeing's Integrated Materials Management (IMM) and Airplane Health Management (AHM). Through IMM, Boeing will be responsible for purchasing, inventory management and logistics for Singapore Airlines total expendable aircraft parts. Through AHM, Boeing will provide real-time airplane information to reduce schedule interruptions and increase maintenance efficiency. Specific terms of the agreement are not being disclosed.

Airplane Health Management monitors the health of an airplane in flight and relays that information in real-time from the air to the ground. When the airplane arrives at the gate, maintenance crews are ready to make any needed repairs quickly. If a repair can wait, maintenance crews will use AHM to more effectively obtain parts and schedule repairs when and where they are needed. Managing and prioritizing maintenance through AHM will help Singapore Airlines reduce flight delays, cancellations, turn-backs and diversions. AHM is accessed through MyBoeingFleet.com, a secure business-to-business web portal that provides customers with a single point of entry to Boeing information and services.

Using the IMM program, Boeing and other suppliers will own the aircraft parts, which will be stored at Singapore Airlines' maintenance operation until needed. Singapore Airlines will only pay for parts as it uses them, thereby significantly reducing inventory holding costs and improving its return on assets. Boeing takes responsibility for purchasing, inventory management and logistics of the carrier's expendable aircraft parts.

IMM builds on existing materials management programs that Boeing has with several other airlines - Air Tran, All Nippon Airways, Delta Airlines, Japan Airlines, KLM and Japan Transocean Air. This program is the next advance in expanding Boeing's supply chain services to provide value to both airline customers and supplier partners.

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