Boeing and SAS Technical Services Sign Contract for Integrated Materials Management Parts Solution

SEATTLE, May 29 /PRNewswire-FirstCall/ -- Boeing (NYSE: BA) and SAS Technical Services (STS) have signed an Integrated Materials Management (IMM) maintenance agreement that will significantly reduce operating costs and improve service to STS airline customers. Boeing will manage a part of the STS expendable (gaskets, nuts and bolts) spare parts inventory with incentives to gradually expand the volume. Benefits will include improved spare parts availability, increased service level to the mechanic and improved cash benefits for STS with a simplified point of management. Under this program, Boeing will handle all invoicing and provide increased competitive parts pricing through Boeing's buying power.

"As a maintenance, repair and overhaul (MRO) shop, SAS Technical Services knows firsthand how important it is to hold down maintenance and repair costs," said Mark Owen, vice president of Boeing Commercial Aviation Services Material Management. "The IMM agreement helps SAS Technical Services share cost savings with its customers as well as return planes to the air more quickly."

STS is one of many customers who are integrating Boeing products and services to reduce operating costs and grow the third-party maintenance business. Through Integrated Materials Management, Boeing will be responsible for purchasing, inventory management and logistics for SAS expendable aircraft parts.

Using the IMM program, Boeing and other suppliers will own the aircraft parts, which will be stored at STS maintenance sites in Stockholm, Oslo and Copenhagen until needed. The airline customers at STS only pay for the parts when withdrawn from the store, thereby significantly reducing STS inventory holding costs and improving STS and the STS customer return on assets. Boeing is responsible for purchasing, inventory management and logistics.

"A vital part of the business is to have material available when performing the work. As airline fleets change, it is a challenge for any MRO to adjust the storage of expendables to avoid lack of material and overstocking," said Gustav Johansson, director STS Material Management. "STS sees an advantage when joining the IMM program and the goal at STS is to gradually increase part numbers so more parts are available to customers for a quick turnaround."

IMM builds on existing materials management programs that Boeing has with several airlines -- including AirTran Airways, ANA (All Nippon Airways), Delta Airlines, Japan Airlines, KLM Royal Dutch Airlines, Nippon Cargo Airlines (NCA), Japan Transocean Air, Singapore Airlines, SIAEC and Thai Airways. This program is the next advance in expanding Boeing's supply chain services to provide value to both airline customers and supplier partners.

The Boeing Company is the world's leading aerospace company, providing products and services to customers in 145 countries. Boeing Commercial Aviation Services, a unit of Boeing Commercial Airplanes, provides products, services and integrated solutions to improve fleet utilization, reduce costs, leverage leading-edge information and ensure passenger well-being.

SAS Technical Services AB is the leading provider of technical aircraft maintenance in the Nordic region. The company has approximately 2,400 employees and a turnaround of around 550 million Euro. Among others, the services and products offered include Line Maintenance, Airframe Maintenance, Engineering Services and Maintenance Training. The head office is located at Stockholm Arlanda Airport with production bases in Stockholm, Copenhagen, Oslo, Tallinn, Bergen and Gothenburg. SAS Technical Services AB is a fully owned subsidiary of SAS AB and a member of SAS Aviation Services of the SAS Group.

SOURCE: Boeing

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