

In the hot seat.....

Keith Mwanalushi speaks to Mike Cazaz, CEO, Werner Aero Services.

AviTrader MRO: What attracted you to this business?

Cazaz: The aviation industry is incredibly fascinating with many different aspects that are always evolving. One of the things I truly enjoy is that this is a global business which gives me a chance to work with many different airlines in a variety of countries with different cultures and people. Of course, dealing with airplanes and engines makes this business more exciting.

AviTrader MRO: What does a typical day's work entail in your job?

Cazaz: As President and CEO I spend a lot of time developing new businesses with our different unit managers (asset management, engines, and airframe components). I also spend part of the day running the day-to-day business including meetings and problem solving. No two days are the same and you never know what opportunities or challenges the day will present which is why I love my job.

AviTrader MRO: What is the most challenging part of your job?

Cazaz: The most challenging aspect revolves around putting deals together for assets. You first need the ability to access greater capital to be able to get the deal done, but you also need to try and predict the future value of an asset. We want to ensure that we are betting on the right asset at the right time especially when there is a lot of capital at stake. We are proud of our ability to convince the customer that we are different from our competitors and demonstrate what separates us from the others.

AviTrader MRO: Since being established in 1993, what are some of the key achievements at Werner Aero Services?

Cazaz: Our biggest accomplishment is that we started out as a local company dealing mainly with regional aircraft and now we are a global asset management firm with two headquarters, one in New Jersey USA and one in Singapore. We are much more diversified having grown from focusing on parts, to today as an asset management company dealing with larger, mainly narrow body, aircraft with our business comprised of three units: components, engine sale/lease, and asset management. Another significant achievement is that over the past 20 years we have turned down dozens of airplanes and engines from turboprop to jet engines. All this could not have happened without the Werner Aero Services staff comprised of professionals and industry

experts who have decades of experience and are incredibly passionate about this business.

AviTrader MRO: The Dubai Airshow just concluded. What emphasis do you place in the Middle East region as a market?

Cazaz: Our plan is to develop more business in the Middle East. We have found that the airlines which typically operate in that market have new aircraft under warranties, so there is no need for us. However, we have identified a number of opportunities for us there that we are pursuing as we typically work with airlines that have less than 36 airplanes. At the moment we are also looking for the right staff to hire in this area to help us build our establishment there.

AviTrader MRO: Werner recently announced an FAA supplier accreditation upgrade. What does this mean for the customer?

Cazaz: We are very proud to have the FAA supplier accreditation upgrade as it demonstrates our commitment to provide the best service possible. We want our customers to know that they are getting the best product backed by a company that focuses on quality control and service. Customers can also always be sure that we are always up to date with the latest technology and safety standards.

AviTrader MRO: In terms of engine supply, which types are you seeing the greatest demand for sale and/or lease?

Cazaz: Narrow body engine requirements (V2500-A5, CFM56-5 and 7) remain relatively robust with the A5 coming back from a low demand requirement- driven by increasing MRO demand and short term leases. There also continues to be increasing demand for CFM56-3 leases. These requirements overall may be driven by lower fuel prices which at the margin are extending useful life of, the less fuel efficient models.

On the widebody types, there continues to be demand for CF6 -80 at the right levels, although with the planned retirements over the next two years of major fleets of 767s this could wain, unless we see the continued effect of lower fuel prices extending useful lives. On the RR side, this remains a difficult market controlled by the OEM with the small exception of the RB211-535 which there will continue to be demand for useful green time lives—unfortunately most Trent types supply is controlled by the OEM and we would suggest that from an independent viewpoint – “buyer beware.”



Mike Cazaz, CEO, Werner Aero Services

AviTrader MRO: Managing parts inventory is key to your business. Do you see that some airlines still resist to outsource their inventory management?

Cazaz: We have found that airlines like to manage their own inventory as a way to have better control and save money. There is a shift towards third party inventory management as airlines realise that they can save time and money by outsourcing. Third party inventory managers like us, deal with parts on a large scale basis so very often we can secure better prices based on our annual volume.

AviTrader MRO: What can we expect from Werner in 2016?

Cazaz: We expect 2016 to be a big year for Werner Aero Services as we continue purchasing narrow body aircrafts which will allow us to increase our component supply for both our asset management customers and AOG needs. Our successful purchase and teardown of a Boeing NG plane in 2015 has shown us that we are nimble enough to take on new products without compromising attention to our existing businesses. We also have plans in place to increase our engine nacelle business and asset management programmes as we are always looking for ways to provide better and more efficient solutions to our customers. Lastly, we are looking to grow our engine and aircraft sale/lease back business while transforming the organisation to bigger and more diversified projects.