



Werner Aero Services sponsors ap&m Europe to raise its European profile An interview with Larry Montreuil, VP of Asset Management and Business Development



Q. Larry, could you start by telling us your reasons for deciding to sponsor ap&m Europe?

A. Well, although we're headquartered in the US, in New Jersey, we operate globally and we saw the opportunity to sponsor ap&m Europe as an effective way to reach out to our customers, and potential customers, in Europe. We're in the process of transitioning into the single aisle market which is something of a new area for us having previously concentrated on the regional aircraft market. So we wanted to increase awareness of the Werner Aero Services name, especially in Europe, and we thought this would be a great opportunity. We've sponsored other exhibitions in the past but sponsoring ap&m Europe is a first for us.

Q. Can you tell us a bit more about your overall business?

A. Werner is an aviation asset management business with a North American headquarter and a distribution centre in New Jersey, an Asia Pacific headquarter and distribution centre in Singapore, as well as sales offices covering North

and South America, Europe and Tunisia.

We help airlines globally with the supply and maintenance of aircraft component parts by purchasing end-of-life airplanes, disassembling them and harvesting the parts that are most marketable. We then get them repaired or overhauled and they go into our pool of serviceable parts for our airline customers.

For example, we currently have a focus on the nacelles for a particular variety of commercial aero-engines – the V2500 and CFM56-5B, CFM56-7B and the Trent 700. These nacelles are not only very expensive parts, their breakdown is unpredictable so airlines typically don't hold spares, leaving them with an open risk. We provide them with a one-stop shop for the supply and maintenance of these parts by holding our own inventory and working with a network of repair agencies around the world. Airlines send us their unserviceable part in return for which we send them a replacement which they can put straight onto their aircraft. We then get the original part repaired and it goes into our inventory pool.

Q. What do you see as the key challenges facing the MRO market over the next 12 months?

A. For Werner specifically, one of the big challenges is understanding the predictability of specific parts like engine nacelles – when are they going to fail and need maintenance? But more generally, there is the issue of what is going to happen about the cost of fuel – is the current low price going to be sustained? If so, we will probably see older aircraft flying for longer and therefore a greater demand for parts for those older airplanes. The challenge is trying to predict what planes are going to be flying and so what parts will be needed.

Q. Where do you see your growth opportunities coming from?

A. Historically we have done a lot of work in the Asia Pacific region, especially in the repair management side where airlines want to have access to US-based repair agencies but find the logistics and management of dealing with a diverse number of repair shops difficult. They find it more effective to centralise that repair management with us and this is still an important area for future growth.

We're also seeing a lot of parts trading opportunities in North America as well as in Latin America, particularly with the engine nacelles.

Europe is an important market for us going forward, which is the big attraction of ap&m Europe. We particularly like the construct of the 'Meet the Buyers' sessions – the opportunity to explain our value proposition to buyers very succinctly and set the stage for some follow-on meetings and deeper discussions.

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