



evs

www.evsgroup.aero

Material Recovery Solutions



Increased revenue through
Material Recovery

Scrap Avoidance
Material Recovery
BER Repairs
PMA Development
Capability Policing
Cost Evaluation

EVS at work for you

CONNECTING YOUR NEEDS TO.....

Replacing material deemed un-repairable or BER comprises a significant expense for any operator. Traditionally there has been little recourse to reduce the impact of this attrition, other than looking to switch repair placement to a vendor promising lower scrap rates. Now however our Material Recovery Solutions (MRS) program offers an alternative process for un-repairable, BER or even slow moving surplus material. The MRS system was developed by EVS to re-evaluate the units prior to a scrap decision in order to realise their potential value; or even to recover an assumed BER unit through innovative repair solutions.

IT'S NOT DEAD?

Units are declared un-repairable for a variety of reasons. Mainly this is due to unit genuinely being Beyond Economic Repair, however this is not always the case. A unit which one vendor may deem beyond their capability to repair may actually be recoverable by another vendor with a greater engineering expertise available. Unfortunately there are also some occasions where the "economics" of the repair facility can come first, particularly for those airlines who have signed up to fixed price contracts.

One operator who signed up to the MRS program saw 17% of the BER declarations overturned in a 12 month period, with their units repaired and returned to service.

- **Not all Components are necessarily scrap when declared BER**
- **Most un-serviceable units have valuable sub-components which are not scrap**
- **The MRS process provides a methodology to repair or recover unwanted or BER components**
- **DER and PMA development is an easy next step**

PMA AND DER DEVELOPMENT REAL TIME

One major obstacle to effective PMA and DER development is the pool of data available, one operator could see as little as three valid occurrences a year. With the MRS program looking at potential BER material from a number of major carriers, there is a much stronger data set for alternative repair capability.

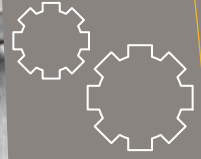
The methodology of capturing data during the part out process means that repeated failures are flagged automatically as trends occur. Supported by data from our partnership with One Aero, this provides significant proof of suitability for the development of alternate repair technology .

The potential future benefit of focused alternate repairs, offers a huge cost avoidance to our customers.



.....THE TECHNOLOGY AND RESOURCES REQUIRED

At the heart of the MRS system, are a simple web-based program to control and manage the process and high quality repair facility partners. This ensures units submitted to the program are reviewed to the industry standard by facilities with an innovative and cost-saving approach. Guided by the online system the facility follows a procedure to either recover the unit, or part it out storing pre-defined spares for onward sale or use by the airlines in the pool. All data revealed in the part out process is captured to maximize future cost avoidance and revenue return for operators, from repair development opportunities to visibility of incumbent vendor practices.



DIRECT REVENUE AND COST AVOIDANCE

When a unit's operational use expires most operators believe that it holds no inherent value – this is not the case! With the backing of industry acceptable practices, the MRS process recovers valuable piece parts which are pooled for sales back to the market, or stored for future use. **One airline alone has generated over \$47,000 of direct piece part sales in the first 6 months of 2010.**

As a further example, another operator was forced to consider scrapping and replacing an actuator due to the requirement for a lead screw only available from the OEM for \$20k. By buying this part from the pool and providing to their repair supplier, **the operator was able to repair the unit and save the \$130k it would cost to scrap and replace it.**

This is money back for items that were previously written off with zero value. With more parted out inventory on the shelf, further revenue and cost avoidance are assured.



Various examples of MRS at work

- 82% of the units which have been through the MRS process have generated saleable material
- 5% of all units received as BER, were successfully overturned, repaired and returned to service.
- Only 13% of applicable BER units were deemed to have no revenue potential from part out (Crushed, Seized Etc)
- The estimated resale value of the piece parts currently in stock is \$835,000.
- There are 2 major carriers signing up to multi-year agreements on this program, with 3 more operating trial programs.

TOTAL VISIBILITY

The MRS process is simple in concept, but somewhat more complex in operation. For example, failure to make quick decisions of whether to part out or repair units, and what piece parts to recover will quickly see the program flounder as cumbersome and time consuming.

EVS's web based system is designed to ensure all critical decisions are fully supported, and a smooth progression of workflow from LRU inspection and teardown, through to piece part sale.

Available to anyone with internet access and a login, the system provides a holistic single point of access for customers and recovery facilities to easily manage the program; from consolidated sales reports and failure trend monitoring down to drilling into individual recovered piece parts.



As well as Material Recovery Solutions, EVS offers a further range of products designed to reduce or control operating costs.

These are:

Engine Maintenance Management

The significant cost of Engine Overhaul means that there has to be a process to manage that cost. EVS provides a range of support services for this process from simple Invoice analysis through to Contract negotiation and full engine monitoring through the repair cycle.

Component Management

EVS provides an integrated portfolio of cost reduction and cost avoidance opportunities for airlines and operators on Components. EVS has an unrivalled package of services for parts and repairs - from sourcing, through purchasing, delivery, repair management and value analysis to full service sourcing of hard-to find parts and components for VIP's

Warranty Management

Warranty' represents an assurance that an item will last a certain amount of time, and that if this promise or condition is not met, the user will receive appropriate compensation. EVS have an online system, operational either as a stand alone or integrated with a clients existing information systems to flag any warranty opportunities proactively, and manage the resultant claims through to resolution

Check Management

Along with Engine Maintenance Management, EVS have developed and applied Shouldcost analysis to the routine and non-routine processes of Check Management, in order to manage and reduce cost and add value for airlines and operators.

Damage & Insurance

EVS have developed an innovative and comprehensive solution for operators to record damage to their assets. As well as complying fully with the expected Mandatory reporting from EASA, this also allows progression of insurance claims and monitoring and reporting of 3rd party damage.



evs

E. Warner Road

Victoria Close

Tempe Arizona 85284

Leeds LS25 6NR UK

+1 480 381 3038 ph

+44 1977 680112 ph

+1 412 202 8167 fax

+44 1977 680113 fax