




COMPUTERWORLD

SNIA<sup>®</sup>

**SNW**

April 12-15, 2010 | Rosen Shingle Creek Resort | Orlando, Florida

SNIA<sup>7</sup>



**SNW**

COMPUTERWORLD

April 12-15, 2010  
Rosen Shingle  
Creek Resort  
Orlando, Florida



**Who We Are**



## Aviall Services at a Glance

Largest diversified aircraft parts distributor

- 93,000 unique part numbers sold annually
- More than 1,800,000 part numbers listed
- 3,600 customer shipments daily
- 25,000 customers
- 230 OEM supplier product lines





## Global Market Coverage and Service


- Global market coverage
  - General aviation
  - Airlines
  - Military
- Leading industry worldwide operations service and support
  - Central Distribution Center in Dallas
  - Multiple stocking locations in USA & Canada
  - Seven stocking locations in Australia & New Zealand
  - Stocking locations in Dubai, India, Singapore, Hong Kong, and Netherlands
  - Location planned for mainland China in by 2010



# Product Repair Services Add Value

Battery  
Wheel and Brake  
Hose Assembly  
Kitting  
Rotable/Exchange  
Paint Mixing

# Aviall Services North America Locations



SNIA



**SNW**

COMPUTERWORLD

April 12-15, 2010  
 Rosen Shingle  
 Creek Resort  
 Orlando, Florida



**27 Stocking locations  
in North America**


**230 Professionals  
providing world-class  
customer Service**

**7 Battery repair  
stations**

**7 Wheel & Brake repair  
stations**

**4 Hose assembly  
facilities**

SNIA<sup>7</sup>

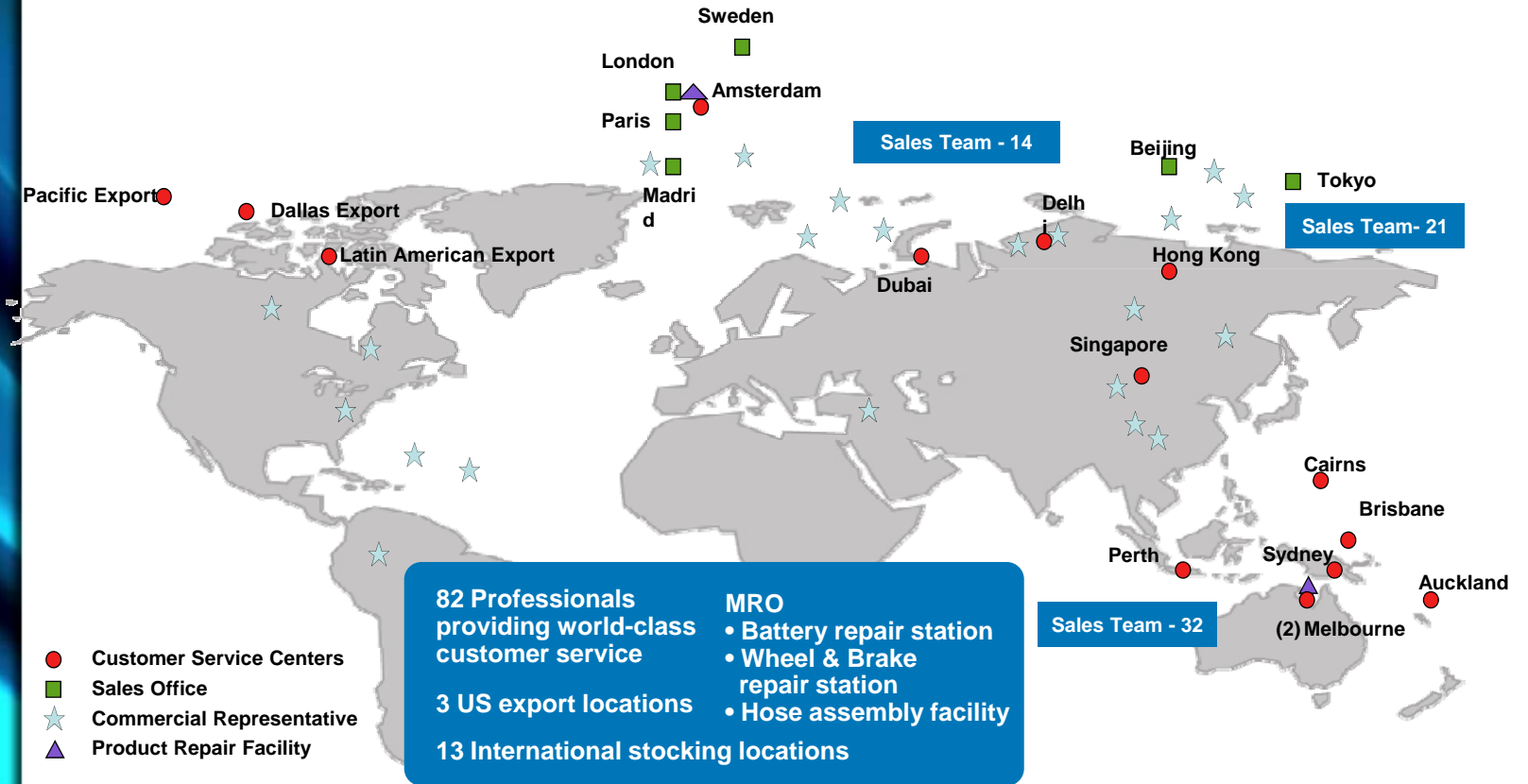


**SNW**

COMPUTERWORLD

April 12-15, 2010  
 Rosen Shingle Creek Resort  
 Orlando, Florida

# Avial Services International Locations





## The Market Basket

- Aviall represents over 230 OEM suppliers, distributing their products and services to over 25,000 active customers in all aftermarket segments and regions of the world.



SNIA<sup>7</sup>



**SNW**

COMPUTERWORLD

April 12-15, 2010  
Rosen Shingle  
Creek Resort  
Orlando, Florida

# Aviall Top Suppliers





## Companies That Started in 1929

- Three months after the company forms the risk is taken to invest heavily in new film production technology.
- What company?

SNIA<sup>7</sup>



**SNW**

COMPUTERWORLD

April 12-15, 2010  
Rosen Shingle  
Creek Resort  
Orlando, Florida

# Disney





## Companies That Started In 1929

- An automobile manufacturer invests heavily technology play that revolutionizes engine displacement technology.
- What Company?

SNIA<sup>7</sup>



**SNW**

COMPUTERWORLD

April 12-15, 2010  
Rosen Shingle  
Creek Resort  
Orlando, Florida

# Ferrari





## Companies That Started in 1929

- McGraw-Hill forms a new format for a business publication that uses new printing technology.
- What Company?



SNIA

**SNW**

COMPUTERWORLD

April 12-15, 2010  
Rosen Shingle  
Creek Resort  
Orlando, Florida

**BusinessWeek**



## The Aviall Story

- January 1, 2000 – The company is at \$380 million in annual revenue and going the wrong way.
- In 2000 the stock dipped below \$6 dollar a share.
- The decision is made to heavily invest in technology.
- Our technology investments enabled us to win new contracts and virtually eliminate competition.





## We Doubled Down

- During the first part of 2001 we negotiated a new major contract with a large OEM.
- On 9/11/2001 our funding was lost.
- Aviall decided that we would continue to fund technology and the new major OEM contract through higher risk alternative funding instruments.
- The risk to the company was large but appropriate under the circumstances.



## How Aviall Chose Our Investments

- Our investments were strictly based on improving customer and supplier service.
- The business owned the decision on where to invest and were responsible for the success of the projects.



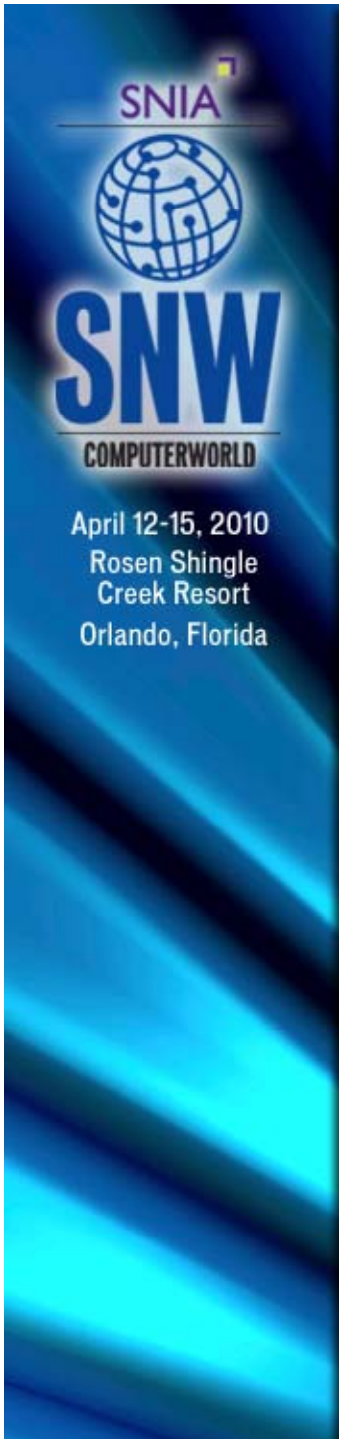
## The Aviall Mission

To be the world's leading technology-based provider of aerospace aftermarket parts and related support services.



## Business Alignment

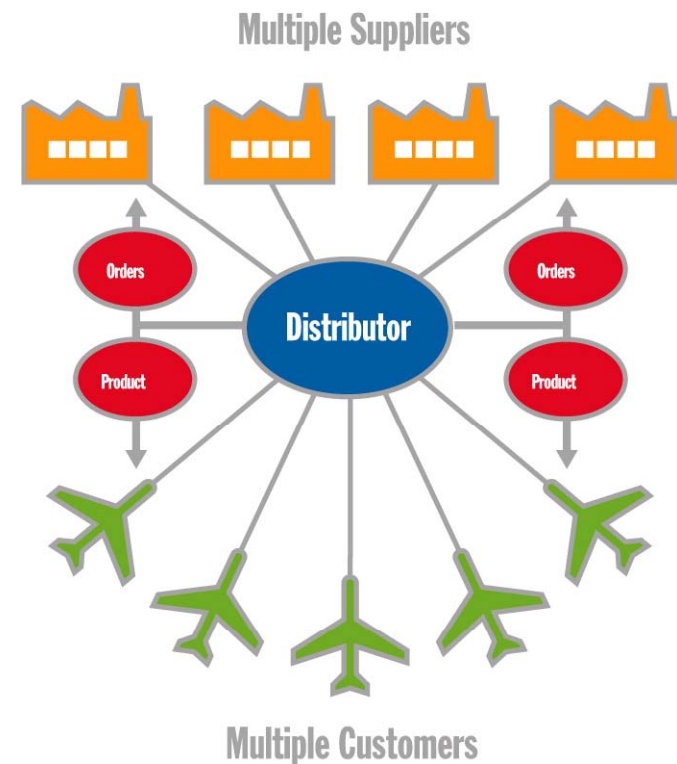
- The IS Team worked jointly with the Business team to develop both the business and technical architecture to enable growth.
- This alignment allowed us to increase risk for greater reward.



## The Traditional Distributor's Role

Historically, most distributors have provided a base level of service to suppliers and customers

- Sales and marketing multiplier
- Working capital reduction
- Product delivery
- More consistent demand

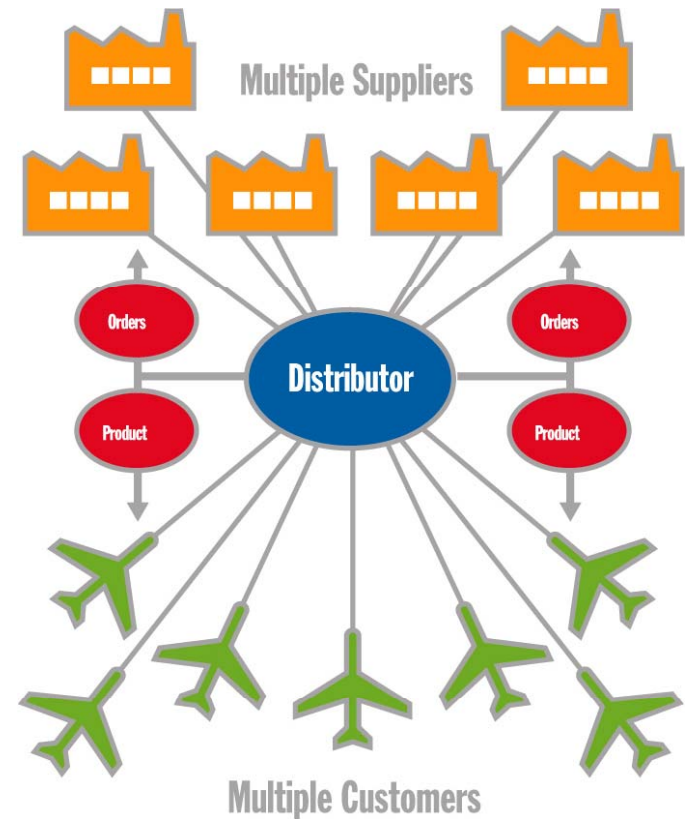




## The Expanded Role of Aviall

Aviall has provided extra value links in several areas of the supply chain

- Sales and marketing multiplier
- Working capital reduction
- Product delivery
- More consistent demand
- Demand Forecasting
- Global presence
- Product repair
- Customer-focused marketing programs
- Customer feedback
- Research and analysis
- Relationship management
- Brand leverage
- Documentation
- Market basket leverage
- Technology solutions
- Market specialization





## Aviall Portfolio Prioritization

- We prioritized five key strategic projects base on impact to customer and supplier service
  - Real time integration
  - CRM
  - Warehouse Management
  - Forecasting/Planning/Inventory Management
  - Infrastructure to support



## Technology Investment

- A technical architecture was created to support the aligned direction of the company.



SNIA<sup>7</sup>

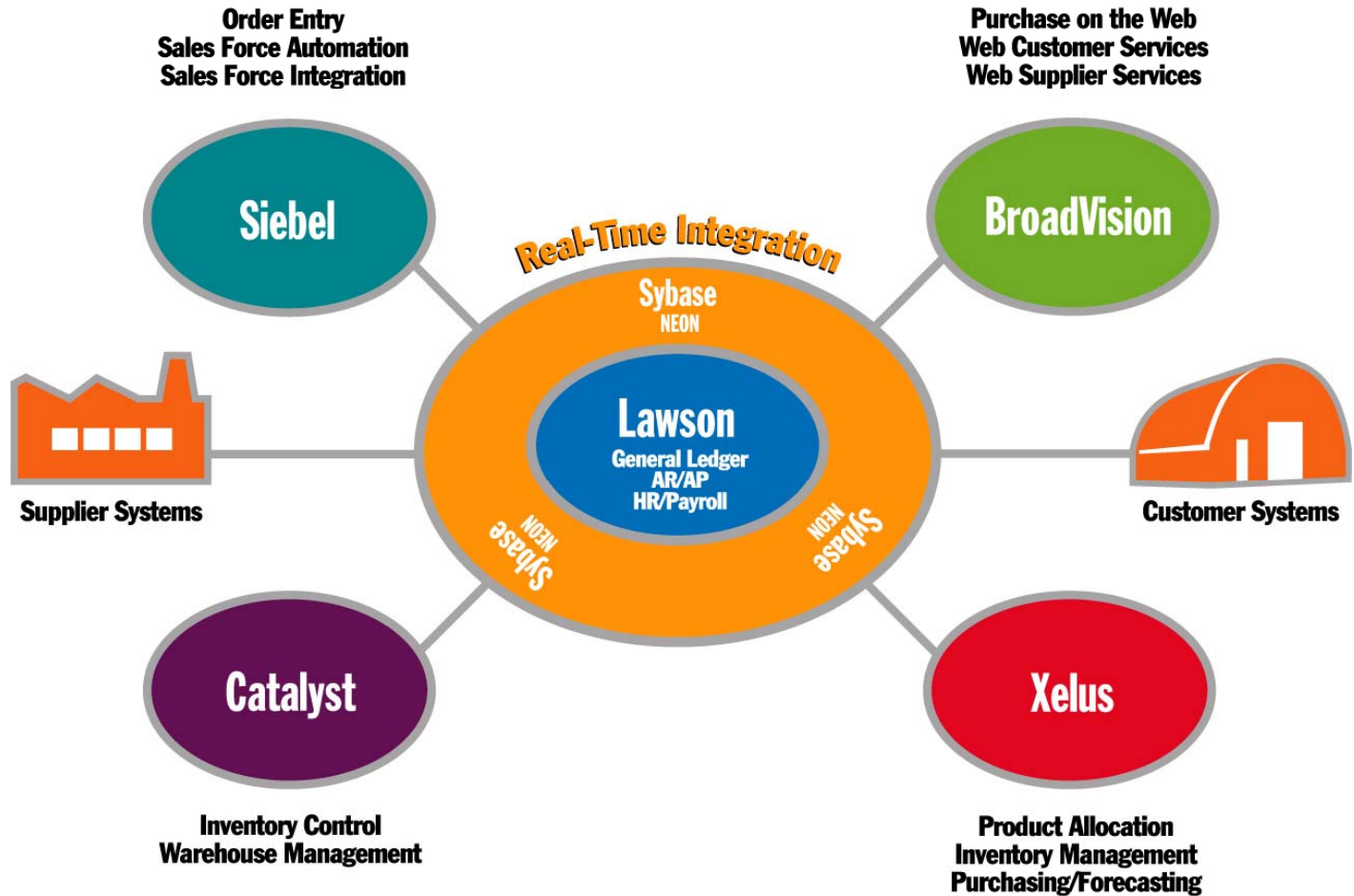


**SNW**

COMPUTERWORLD

April 12-15, 2010  
 Rosen Shingle  
 Creek Resort  
 Orlando, Florida

# 2001





## Electronic Inventory Management – Our own SaaS offering

- Automatic recording of consumable items
- Full traceability, shelf life and MSDS documentation
- Customized setup for each customer
- Link to customer systems via My eStock
- Multiple stocking locations supported
- Improved service level and product availability
- Supports Aviall suppliers' products
- Special hazmat reporting available



## Inventory Management and Forecasting

### Xelus Forecasting System

- Paperless; exception driven
- Over 1,800,000 part numbers listed in system
- Over 45,000 part numbers forecasted
- Work queue flexibility
- Continuously updated
- Demand smoothing
- 12-month rolling forecast
- Inventory Management

### Forward Stocking System

- Automatic weekly replenishment of CSC's-31,000 line items per month
- Fast-moving, customer requested items stocked in the CSC's
- Cross-shipping through Lawson ERP



## Continued Growth


- As a result investment and appropriate risk Aviall grew to \$1.2 billion by the end of 2005.
- In 2006 Aviall was purchased by the Boeing Company.
- The technology investment was key in moving from the stock from less than \$6 a share to \$48.



## Leadership

- We created an environment of respect encourages team members to take appropriate risk for growth.
- In tough times the true leaders always emerge. Opportunities

SNIA<sup>7</sup>

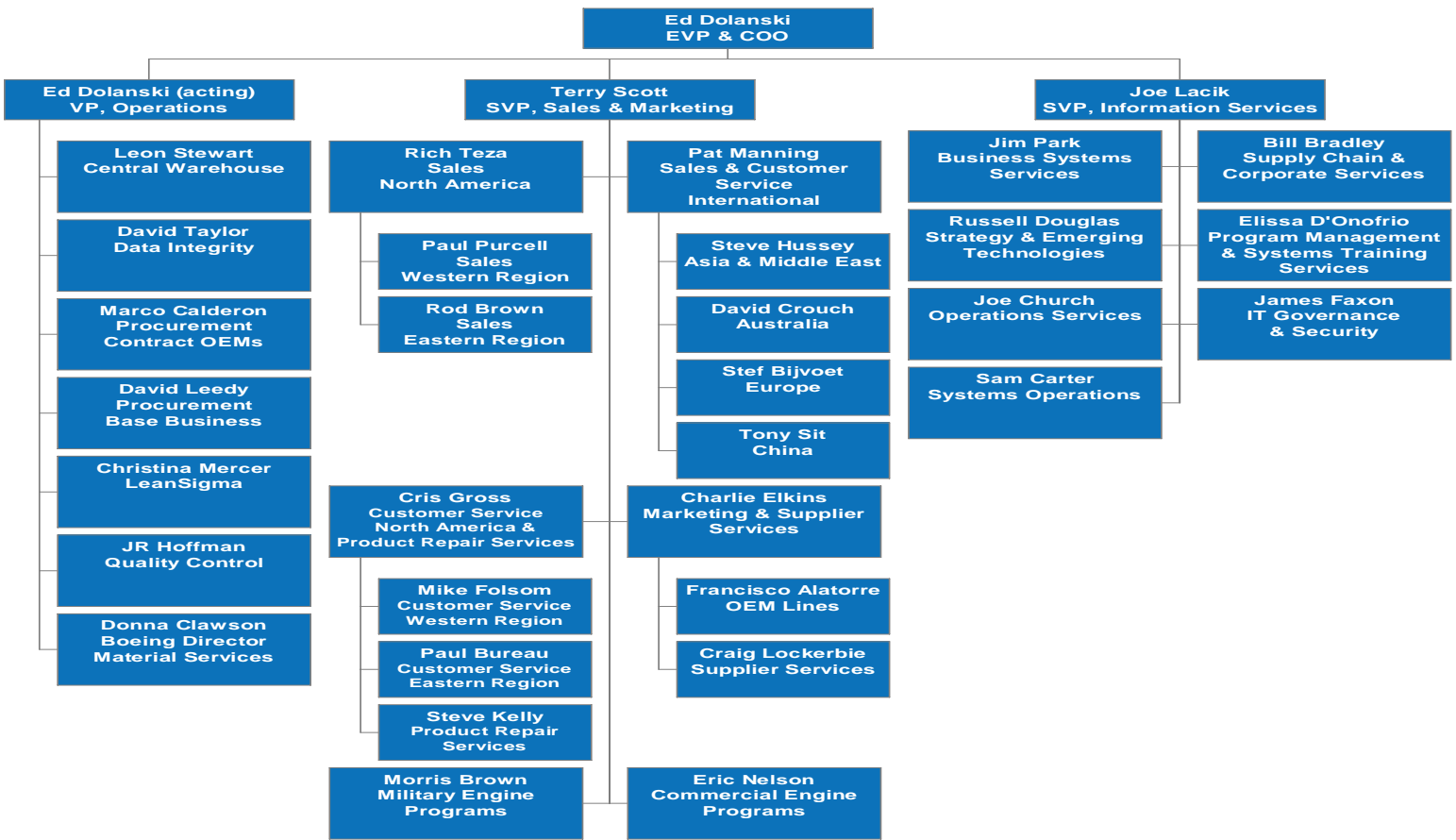


**SNW**

COMPUTERWORLD

April 12-15, 2010  
Rosen Shingle  
Creek Resort  
Orlando, Florida

# Leadership Team





## We invested in our Team

- Training is key for Aviall.
- Aviall prepares training plans for each member of your team. The plan is developed jointly by the manager and the team member.
- The two key areas we focus on are technology and leadership skills.
- Team members at all levels are trained in leadership skills.



## The Story Continues

We are doubling down again by strong risk and investment in tough times.

- Business Alignment
  - We are currently moving to a new business model that concentrates on process optimization.
  - Aviall and Boeing are looking for ways to jointly leverage capabilities.
- Portfolio Management
  - Reprioritizing projects that optimize process.
- Technology
  - We are in the process of creating a completely new architecture based on a ESB and eliminating our middle ware technology
- Leadership
  - Developing the next generation of Aviall Leaders.
- Team Investment
  - Training multiple lean green belts on both the business and technical side.





## The Bottom Line

- Appropriate Risk in Hard times yields maximum reward.
- Aviall continues experience strong growth by taking the appropriate risks.