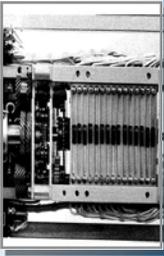




PLANE TALK®



Matrix Reloaded

By: Marijan Jozic and Kevin Kramer

Often, when you discuss the subject of the AMC's benefits over and over again, your organization is still not able to express it in readable data. In the past, there were attempts to numerically express the benefits of the AMC conference. We asked attendees to provide the USD value for each question. Those USD values were added, multiplied by 10%, and then multiplied by the number of airlines and quantity of their aircraft. After some adjustments, the result would show the benefit of AMC, which was close to a hundred million USD. The results obtained that way were not considered reasonable. Therefore, discussions continued on the AMC Steering Group on how to provide a more sound approach to realizing the benefits of the AMC.

If you try to improve the calculations, you will soon realize that it is extremely difficult to get numbers which are reliable, acceptable, and simple enough to be trusted. You must realize that the individuals who are financing your trip to AMC would exercise every number to challenge you to show what the benefit is for your company. They actually want to see the hard cash savings. It might be easier to say that you attend the AMC to prevent spending too much money for your company. Our financial people do not like the idea of preventative costs. Preventative costs are intangible for them. If you say, I went to the AMC, acquired an idea to change a procedure, and prevented spending \$50K USD to purchase new parts by repairing something instead (thanks to a tip by an engineer in the lobby of the AMC hotel), they would not see the benefit of the AMC because you did not spend money in the first place. You can show that you are actually spending millions on the maintenance of an LRU and then went to the AMC to find that there is a more cost efficient Service Bulletin (SB) to address your problem. Then, the next year you can show the cost of maintaining your LRU dropped by 70% and the airline is not spending \$200,000 USD per year but \$60,000 USD. They will be satisfied. Next year, the finance people will of course ask for another 70% of cost reduction. But that is a different story.

Intangible value is difficult to quantify, but becomes evident over time.

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The AMC brings operators together to share solutions.



Matrix Reloaded

Here is the explanation!

The left column provides the basis of savings. It can be as simple as others' experiences or the outcome of your discussion items. You may attend AMC with just one target: to see if there is a new repair available for something flying on your aircraft. Also, you could come to the realization that you are not the only one with the problem and many operators are complaining about the same issue. You might accidentally run into another operator's engineer who shares with you a new source of parts which were declared obsolete. Other engineers might tell you about a shop (MRO) who is able to repair components which are normally not repairable. Do not underestimate the possibility that you might find the solution to your problem in one of the old AMC reports.

The left column is clear. It is not limited to those 8 listed items. Use your experience and imagination to define more items. It would be interesting to know what new items you might define.

There are 5 columns with the outcome of your efforts to save cash or prevent costs. Those columns are SB/SIL, Contract, Maintenance Concept Change, and Flight Safety.

Some AMC discussion items can have the outcome that a new SB or SIL is issued. Besides the Success Story, this is the item that can be exactly expressed in cash. If you accomplish an SB, it will cost some money but you will earn much more. This is an example of the saying: You must first spend money to earn money. It is up to your sound engineering judgment to figure out if you are going to do that and if the promised SB is actually beneficial.

The column labeled Contract means that the outcome of collaboration at AMC could lead you to sign a contract for a service or hardware which should create a financial benefit for your company. A contract can be the result of different activities and again, it is up to your sound engineering judgment to figure out if you are actually going to do that or not.



Five vertical rectangular boxes with dashed borders, intended for notes or additional information.

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Matrix Reloaded

The next topic is called Maintenance Concept Change. This topic might provide huge benefits just by changing the procedure or interval of maintenance. It could be that your people are doing something so stupid that nobody even dreamed about. You might discover it during a conversation at AMC. Again, low impact within your organization, but gigantic savings! That is exactly what you are looking for. That is exactly why you went to the AMC.

The last column is called Flight Safety. You should ask yourself: does this issue affect the folks up in the cockpit? Could this component issue create a safety issue while in flight? Your Flight Ops department may be able to share with you some additional cost savings that you never thought of before (e.g., air turn-backs) that you can add to your AMC justification.

It is very possible that you can add columns with some additional outcomes or that you can express in numbers for your own savings. The matrix is designed to help you to justify the benefits of AMC. Do not hesitate to share your data. The whole purpose of AMC is to educate and share data to make commercial aviation safer, more efficient, and cost effective.

An airline recently shared an example of how attending the AMC benefitted their company. At the 2014 AMC, another operator brought up a Weather Radar issue they were experiencing in their fleet. After the AMC, this airline reviewed their own reliability data and determined they too were affected by this issue. The related costs involved with this issue started to increase when they started looking at component repair costs and operational delays. The engineer brought this issue to his or her Flight Ops department and expressed concern about how this affected the Flight Crews and their use of the Weather Radar system in flight. None of this would have been discovered if the airline did not attend AMC.

Please feel free to share any justification ideas with the AMC Steering Group so we can build a comprehensive matrix that will benefit all our members. We hope that these ideas will assist you in justifying the costs of your trip to AMC and show your superiors and fellow engineers that AMC is the place to go if you want to make a big impact in terms of Avionics for your company.

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Proactively participating in the AMC can reap benefits across many departments.

