



In the hot seat.....

Glenford Marston

Chief Executive Officer, Aero Norway

What attracted you to this business?

Marston: I have always loved aircraft, and that was and still is the attraction. I started my career in the military where I enrolled in the RAF and spent many years as an aircraft engineer. Having moved from Jamaica, where I was born, to England, I then made the move to Norway to be with my partner. People generally move for two reasons: love or money. I'm still in love but a poor man!

During my time at Aero Norway in its various incarnations, I have seen the business go through a significant evolutionary period. I first joined when it was owned by Pratt & Whitney in 2001 and was part of the later transition to Aero Gulf. I joined Aero Gulf in 2014 and was appointed to CEO in 2015. I remained CEO when the company became Aero Norway and I am particularly proud of the work that has been done in this facility over the last five years.

The team at Aero Norway has always been renowned for the good reputation it has built in the engine MRO marketplace because of the quality product it delivers - this even goes back as far as the Braathens'

days. Pratt & Whitney further evolved working practices by introducing the Lean processes which are very much part of our every breath now. When you combine this ethos with our support offering, customers find working with Aero Norway very attractive.

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

Marston: Typically, I will start the day by speaking to my right-hand man, Chief Operating Officer - Neil Russell, as well as my Chief Financial Officer - Gunnar Johan Eriksson. We aim to meet every morning whether it is for ten or thirty minutes. This is our established routine to find out what is required and what has been done. This was in place even pre COVID. I also interact daily with our HR people to ensure that everything is good and balanced on a personal level with employees, as well as talking with our quality team to ensure our standards are being met. We have established management meetings which we aim to hold twice a week liaising with individual managers to ascertain our position in the market and any additional requirements.



Aero Norway is adapting to changes quickly in response to issues related to COVID.

As a direct result of COVID-19, and more specifically the cancellation of meetings and events combined with the difficulties surrounding travel, I am focusing more of my time on instigating and maintaining telephone contact with customers. Keeping in touch is vital for any business – now more than ever; this typically results in a long business day spanning all time zones as I'm speaking to operators and lessors worldwide.

What is the most challenging part of your job?

Marston: Now, it is ensuring that enough quality engines are entering our facility. As a result of COVID-19 customers are reluctant to commit as it is impossible for them to assess demand when they do not know if their aircraft will be flying. This has presented challenges with schedule planning, strategic placement of parts, and manpower. But we are adapting quickly and endeavouring to be as flexible as possible.

How has Covid-19 affected the business for CFM56 MRO and how are you coping?

Marston: Widebody engine shops are suffering more than Aero Norway as there are currently less long-haul aircraft in operation. As a CFM56 specialist repair station, all the engines we repair and overhaul are deployed on narrowbody aircraft: we have the CFM56-5b on Airbus, the -7B on the Boeing NG and the -3 on the Classics. Due to the high demand for air cargo, it is the Classic freighter engines that are currently coming into the shop – although these rewards may be limited in the short term, in the long run business will perpetuate as these carriers will fly the NGs in the future so we can undertake the -7B work.

Did the storage of aircraft fleets around the world affect the supply of CFM 56 inductions?

Marston: Aircraft storage has impacted significantly on engine inductions in the short-term, however demand will rise as maintenance

which has been postponed will need to be carried out. Carriers cannot delay shop visits indefinitely if they wish to continue to utilise their assets – those assets will eventually need to come for maintenance or teardown. I anticipate that after COVID-19, when things start moving in the right direction, the demand will rise – it will either be shop visits or teardown. I think there will be a growing trend towards teardowns as operators and lessors will need to restructure their businesses, assets will be rationalised and we will see a reduction in fleet size everywhere.

There will certainly be an influx of torn down material. Most operators are now very cash conscious, those who used to buy new, will be looking for used material to save money. Operators will also be looking to generate revenue tied up in grounded assets and may find that teardown is the easiest option.

All parked aircraft will have some form of on-going preservation system in place and will not deteriorate if looked after correctly and certain parts will be operated periodically to ensure they do not lose functionality.



Classic freighter engines are currently coming into the shop.

How is the unequivocal pursuit of industry recognised EGT margins progressing?

Marston: EGT is a recognised measurement for operators because everything they do technically is based around EGT. When receiving a quality engine, Aero Norway can then deliver a 40° EGTHD margin for a CFM56-3C1 engine whereas the market can generally give them 25°. They can deduce from that they will get another two to three years' operation from an engine that goes to Aero Norway, that's just our industry standard. It is important to emphasise that there is not just one measurement of quality at Aero Norway. We pride ourselves on providing a consistently superior product, and it's not just the EGT margin that drives our quality. When an operator decides they would like to fly an engine for eight or ten years, they need something to measure the eight or ten years against – EGT lends itself

to that. The chances are that an engine with 25° EGT will not fly 8,000 cycles, but with 40° they can expect more than eight years' worth of flying.

Some lessors are under immense pressure to be ready to re-position serviceable aircraft and engines when the COVID situation passes. Do you anticipate a surge in engines from this segment?

Marston: Lessors like nothing better than securing a long-term lease. Although the responsibility of the maintenance of the aircraft and engines lies with the operator for the duration of the lease itself, in the first instance, lessors consider that supplying an aircraft with engines that have come from the Aero Norway shop as supplying operators with a quality product at the outset of the relationship, therefore enhancing their offering. This is advantageous for the

lessor as their engines will not cause issues during the lease, as well as for the reputation of Aero Norway.

Back in 2018 you mentioned that Aero Norway had sights set on the LEAP engine. Is there a set timeline for this?

Marston: LEAP has been pushed back during COVID-19 and we are still in the evaluation stage, but our sights remain set on bringing LEAP in. Given the situation, our current focus remains on supporting our customers to help them to get through this time. There is still a lot of demand on the shop with current engine inductions, so the LEAP is not our priority now.

We are continually trying to find innovative ways to try and keep aircraft flying with decent engines whilst demonstrating our flexibility and reducing the operational costs and supporting our customers where possible. For example, we are accommodating special payment terms and strategic placement of materials. LEAP will certainly be the next model at Aero Norway – there is some delay to the programme, but all the preparatory processes are still underway.

What is your key priority now as some airlines resume limited operations?

Marston: COVID-19 has put a delay on everything. I think the CFM56-3 will retain its presence, and the life of the Classics will be extended somewhat. I anticipate that we will be engaged with the CFM56 -3 until 2028 in order to support operators. Some of our customers have already asked whether we'll be supporting the CFM56-3 on their Classics up to 2026, and we have agreed to do that.

We're not turning our backs on CFM56-3s, but our business model requires us to work on more CFM56-5bs and 7bs than -3s. Before COVID, our forecast was that 70% of our inductions would be 5s and 7s over the coming year, and 30% CFM56-3s. But with COVID-19 that forecast has been turned on its head and the divide will be 50% -CFM56-3s and 50% 5s and 7s. The customers that we are supporting with the -3s, will be our future -5, -7 and LEAP customers, so we are constantly looking at ways to satisfy our customers and keep our business agile. We are fortunate however, that we are small enough, but also big enough, to be flexible.