

'2025 will be another busy year as we launch LEAP capabilities' – Aero Norway



Dag Johnsen took over as the COO of Aero Norway about a year back, and what a year it has been with the industry navigating supply chain woes, spares scarcity leading to increased downtime and added passenger costs – Aero Norway is navigating their way through a maze of challenges. Apart from dealing with day-to-day challenges, Aero Norway has also embarked on an expansion spree in terms of both capabilities as well as facilities. Johnsen takes us through the work culture of Aero Norway, engine shop demands and how is the new year looking for the MRO. Read On!

Q – It's been almost a year since you took the reins of Aero Norway as the COO, can you briefly describe your journey of this entire year – '2024' in Aero Norway in terms of tackling demand and maintaining efficient TATs?

A – I have to say that this has been a year focused on building a deep understanding of the Aero Norway business and developing relationships with our global airline and lessor customer base. With the facility's renowned specialism in CFM56 engine types and our forthcoming expansion into the LEAP engine variants, it has been essential to look at ways to further streamline our already highly organized workflows to manage diverse engine inductions. We have also had to take into account supporting our customers as they continue to require productive life from their older aircraft and engines to meet the rapidly expanding global demand for flights worldwide against the background of new equipment delays.

I have spent a considerable amount of time absorbing the internal processes at Aero Norway and in particular investigating the challenges we are facing getting the engines we repair and overhaul out in time. Although we have devoted a significant effort to ensuring part availability for overhauls in time and ordering new parts for a carefully calibrated buffer stock, there is still an overall industry supply chain shortfall facing all MROs. We are working closely with our customers and the engine parts OEMs to identify the critical parts needed for production, but the constant interruptions due to part shortages continue to have a negative impact on our ability to get engines out in the time we strive to deliver for maximum efficiency and shop throughput.

Q – Having worked with United Airlines previously what are the differences between an airline MRO and a third-party MRO that you can tick off easily?



A – One of the most noticeable differences between an airline MRO and an independent third-party MRO is the customer base. At United Airlines we focused primarily on our in-house engines and we had a great collaboration between the airline operation and the engine shop production team. As an independent third-party MRO, Aero Norway does not have this luxury, and to ensure a successful and profitable business we need to build relationships with our various customers to the extent that we are ‘part of their team’ and take on the role of in-house shop for them. By working very closely and in partnership with our larger customers we build a level of confidence and trust – they know we are wholly committed to delivering the scope of engine repair services that they want, from fully scheduled overhauls to smaller hospital visits. Our aim is to expand this

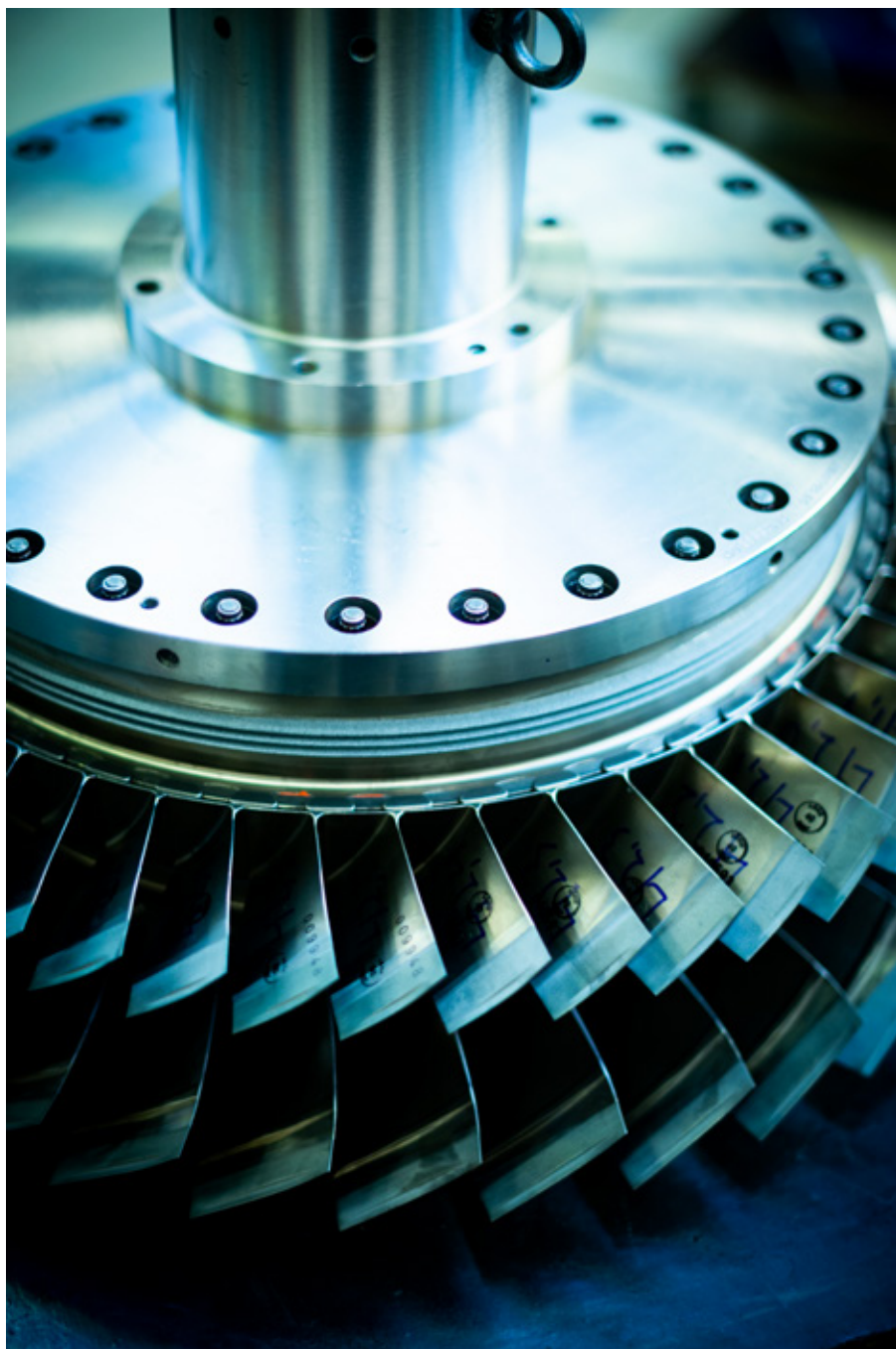
relationship-driven professional and supportive service to all our customers. Aero Norway’s Customer Focus Team is expanding with additional resources and some of the initiatives do take time to implement, but we feel it is important to build this level of trust with all our customers, big and small.

Q – Can you throw some light on the current engine shop demand? How do you foresee this demand in 2025?

A – 2024 has been a very busy year for all MROs right across the aviation industry, not only engine shops. Our market insights and customer intelligence indicate that engine shop demand will not lessen in 2025. January and February induction slots are filling up and we anticipate that 2025 will be another busy year for us as we broaden our customer base, bring in LEAP capabilities, and continue to support operators of

all sizes across their varied fleets. We even see cargo airlines that utilize the CFM56-3 legacy engine on their aircraft seeking specialist engine MRO services and we had thought this would be a diminishing sector sooner. Of course, it will boost our productivity at Aero Norway if the OEMs are able to smooth out the supply chain issues too.

Q – Aero Norway has a very different work culture from the rest of the industry in which the customer support teams are based in work units adjacent to the shop floor where the customer support leader, powerplant engineer, finance analyst, and procurement planners are co-located, enabling quick and effective communication. Can you tell us something more about this unique work culture? How does it help in enhancing the overall customer experience?



mentals to ensure a seamless transition into offering our LEAP services. We have invested in all the required tools and completed engineer training to start performing the LEAP-1A Reverse Bleed System modifications. We are also working with the OEM to assess tools, and training and understand the cost implications to start building the LEAP-1A High Pressure Turbine Rotor module. Our plan is to expand this capability to the LEAP-1B as well and continue building experience over the next couple of years getting ready to perform complete LEAP-1A and -1B overhauls. Our strategy will coincide properly with the growing requirement from global operators for LEAP maintenance as the engines mature.

Q – The current supply chain crunch has affected the entire MRO industry. How badly is Aero Norway affected by the supply chain woes? What is your action plan to mitigate the losses in this case if the problem persists for the long term?

A: The supply chain issues have had a significant impact on Aero Norway. This can be seen as engines halfway through overhaul have sometimes been put to one side as we await parts to complete the required processes. This has also increased the number of engines in our facility that are Work in Progress (WIP), thereby consuming engine stands and shop floor space. We are working closely with the OEMs to assess critical parts deliveries for each engine, and we use this for planning purposes to predict further needs and rectify the situation. Unfortunately, we do envisage having to put some engines on hold until we have a clear line of sight on the critical parts needed to complete their shop visits, but this should enable us to avoid clogging up the production line with partially disassembled engines.

Q – One of the most common challenges across MROs is the identification of critical spares early on during repairs. Your views?

A – The team at Aero Norway is highly experienced and securing the provision of critical spares is a fundamental part of any engine inspection. Our in-depth knowledge of the CRM56-3, -5B, and

A – As previously mentioned, having the Customer Focus Team located close to the production floor of the facility has a lot of benefits. Being on-site and able to converse directly with the engineers, or pop a head around a door, means the team has their fingers on the pulse of the engine programs and can provide quick and accurate updates to our customers. In addition, this is something really important to the culture at Aero Norway. Having our teams sit closely together means they share updates and experiences with each other. Innovations, troubleshooting, tackling

unforeseen issues effectively and with minimal disruption, and ensuring best practices are followed at all times, are all discussed daily. Knowledge and experience are passed on and the value of this cannot be underestimated as we focus on the importance of developing new talent in this area.

Q – Can you tell us something about the integration of the LEAP engine program? How is the process advancing?

A – I am pleased to say this is going really well. In true Aero Norway style, we have really concentrated on the funda-

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-7B engine types means that we can predict accurately what is needed for all workshops and this advanced information helps us to keep a step ahead. If we can 'engineer' out problems with the delivery of spares before we even start work on a customer's engine, then we are operating at maximum efficiency and delivering them the most cost-effective service possible. Of course, we do not want to build up a stock of expensive parts 'just in case' – that would be expensive and inefficient for Aero Norway – so this is a carefully calibrated exercise at the best of times, let alone during this period of supply chain shortages. We are in close communication with the OEMs to get updates on the various critical parts and use this information as we build our production plan for each engine before it is even inducted into the shop.

Q – Is Aero Norway facing a lack of skilled workforce? If yes, how are you managing the workload with existing

staff? Any recruitment plans for next year?

A – I am proud to say that Aero Norway has had a relatively low turnover of our skilled workforce in 2024, we have the teams in place to service our customers' scheduled and unscheduled shop visits. But we do see upcoming retirements amongst our older skilled engineers and we are looking ahead to ensure we have the resources in place to meet the anticipated demand over the next couple of years. We have an ongoing recruitment program to reach out to experienced aircraft engine technicians who want to join our team and enjoy the energy and quality of life at Aero Norway. We also work closely with several aviation colleges in Norway and provide opportunities for students seeking apprenticeships. We are looking at increasing the number of apprentices we will take in 2025 and will nurture these as future employees when they earn their certificates.

Q – Any expansion plans in terms of facilities or capabilities going ahead?

A – Aero Norway is based at Stavanger Airport and our origins here can be traced back to 1952. Over the years, the facility has grown and developed as our services have expanded and the engines we work on have evolved. We have a modern and spacious repair shop with a training center, test cell, large storage capacity, and staff restaurant and break-out facilities. We feel the current premises still meet our needs, but we are continuously looking at efficiency improvements using Lean principles. In terms of new capabilities, we are looking at adding more in-house parts repair proficiency to address the ongoing supplier turn-around times that impact customer service. We are also adding a second vertical turning lathe (VTL) milling machine in January 2025 and looking at expanding non-destructive testing (NDT) over the next couple of years.