

Good as GoldCare

Revolutionary 787 fleet support program complements airplane's technical achievements

BY CHAZ BICKERS

With more than 400 orders and commitments, the sales success of the new Boeing 787 Dreamliner is testament to the efficiency and performance the airplane promises to deliver to customers when it enters service in 2008.

Yet the value of the 787 goes beyond its ability to outfly the competition. GoldCare, a comprehensive life-cycle-management service specially developed for the Dreamliner, offers a strategic new business choice for customers to acquire, operate and transition their fleets.

Under GoldCare, Boeing leads and inte-

grates a global team that supports customer fleets: It performs all maintenance and parts support, tracking airplane condition and configuration and guaranteeing airplane schedule reliability—all within a set, predictable per-flight-hour cost. This turnkey service, which includes Boeing employees from numerous organizations, gives the new jetliner—and Boeing—another discernible advantage in the competitive airplane market.

“We have an outstanding opportunity to further help customers by taking risk and complexity out of their operation and offering operational costs that directly reflect airplane usage,” said Bob Avery, vice president 787 Services & Support.

Avery said his team worked closely with customers, suppliers and the investment community over the last three years “to understand how we could offer a revolutionary set of services that matches the innovation of the airplane.” To deliver the GoldCare service, Avery developed a team with diverse skills covering airline maintenance and operations; airplane production and

supply-chain management expertise; business and financing development; and information systems development and large-scale systems integration experience.

One of the most important elements of GoldCare is that Boeing—and every supplier—is motivated to provide the best service to the customer. By structuring GoldCare on a dollar-per-flight-hour basis, Boeing and its supply chain are focused on reducing costs and improving airplane reliability.

GoldCare builds on the success of the Integrated Materials Management program offered by Commercial Aviation Services and contracted by nine airlines worldwide. IMM allows spares inventory to be held by suppliers and managed by Boeing, bringing fleet-wide economies of scale to individual operators.

Customers have the option to purchase the GoldCare IMM service with or without maintenance. The GoldCare IMM service, which includes service-level guarantees, ensures lower and more predictable material costs aligned with customer revenue and maintenance operations.

“Our strategy has been to draw on the skills and talents of our current IMM organization as well as existing IMM customers, to develop this new service,” said John Borst, director of GoldCare IMM. “It’s a great example of leveraging our strengths into new business opportunities.”

To operate efficiently, GoldCare also requires an information management system that leverages the 787’s ability to generate and transfer airplane health, maintenance and operational data. The GoldCare team has integrated proven Boeing information management tools (see box at right) into a seamless information-management system that interfaces with the GoldCare Operations Center in south Seattle.

Integrating the system requires technical knowledge that can be applied in the airline maintenance environment.

“GoldCare has assembled talented individuals from the airline industry who are directly shaping these technologies,” said

To fulfill the promise of GoldCare, Bob Avery, vice president of 787 Services and Support, built a team of employees with diverse airline, airplane, technology and supply chain management skills.



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Advantage maintained

How GoldCare, a comprehensive life-cycle-management service specially developed for the 787 Dreamliner, helps customers:

- **Minimizes risk.** GoldCare is provided at an agreed cost per flight hour, with guarantees for schedule-reliability and parts-availability service levels
- **Lowers operating costs.** Individual operators benefit from economies of scale for spares and maintenance generated by the entire GoldCare supplier-partner network.
- **Simplifies operations.** Customers have a single provider—the GoldCare team—with extensive capabilities for managing and planning maintenance, material and information.
- **Helps secure better financing.** GoldCare's ability to monitor the airplane closely means its asset value may be better-preserved over its life cycle—making the airplane a more attractive investment to financiers.

Mark Hester, GoldCare Internal Implementation Systems manager.

Per-flight-hour costing for maintenance and spares support in the commercial aviation industry already is employed by engine manufacturers with solutions such as TotalCare from Rolls-Royce, and OnPoint from GE. It is also increasingly the norm for third-party suppliers to provide maintenance and logistics services for airlines.

GoldCare builds on that industry momentum by using designated regional partners to provide maintenance, repair and overhaul (MRO) services, rather than Boeing attempting to provide those functions in-house.

“Customers need to have absolute trust in our team, so we have developed robust operating processes and scoured the world for top-tier MRO partners that are committed to delivering the high quality that Boeing and our customers demand,” said Jay Maloney, GoldCare Operations director.

GoldCare's proving ground will be on airline ramps in the highly competitive commercial aviation services sector—a \$60 billion annual market, about equal to that for new airplanes. Yet while Boeing captures around 50 percent of new airplane orders, the company captures about 5 percent of the services business.

The GoldCare sales team has customer proposals under consideration and said interest has been strong.

“The intense competitive pressures in the airline business mean that every customer is taking a long, hard look in the mirror and asking, ‘What do we do best and how do we add value?’” said Steve Aliment, vice president of Sales for Commercial Aviation Services. “For many, the answer does not include maintenance and spares management. So they are looking to find ways to reduce their costs in those areas, while preserving their high-quality service.”

As a strategic business choice for customers, GoldCare requires a more consultative style of sales engagement, Aliment said. “Customers commit the highest level of executive attention to examining GoldCare, with Boeing and the airline working together to root out every cost element in their maintenance and logistics operations. Only when we have a detailed model of how that particular customer's business works can we fully understand the value GoldCare will bring.”

With the first 787 due in service in mid-

Mark Hester (center), GoldCare Internal Implementation Systems manager, confers in the GoldCare 787 Operations Center with teammates Chris Nicosia (left) and Kurt Hunter, as they prepare the facility for serving airlines.



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Steve Aliment, vice president of Sales for Commercial Aviation Services, said customer executives' interest in GoldCare has been strong. The GoldCare sales team has proposals under consideration.

2008, early customers are approaching decisions on how to support the airplanes. As expected, that has increased customer interest in GoldCare. MRO partner contracting has begun, and Avery's goal is to sign the first GoldCare customer this year.

“Everything we're doing on GoldCare is aimed at helping our customers be more profitable and creating a preference for Boeing products and services,” Avery said. ■

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A system of tools

The GoldCare team has integrated existing Boeing information-management tools into a system that interfaces with the GoldCare Operations Center. Among these tools:

- **Airplane Health Management.** Monitors the health of an airplane in flight and relays that information to airline personnel on the ground.
- **Maintenance Performance Toolbox.** Serves as a single location for operator maintenance and repair data. This software toolset is hosted on MyBoeingFleet.com.
- **Electronic Flight Bag.** Digitally stores all documentation and forms, including paper log books that pilots typically carry onto airplanes.
- **Maintenance and Engineering Management.** Allows dynamic planning and replanning of maintenance tasks to optimize efficiency and keep airplanes in the air.



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