



The Embraer Program

EMBRAER FLIES HIGH WITH NEW SERVICE PARTS STRATEGY

For more than 40 years, Empresa Brasileira de Aeronáutica (Embraer) has been involved in designing, developing, manufacturing, selling, and supporting executive jets, commercial jets (with up to 120 seats), and defense aircraft. It has produced more than 5,000 aircraft that are operating in 92 countries worldwide.

As its customer base has grown, the company has experienced a dramatic increase in the demand for aftermarket parts services. Embraer's logistics team concluded that its ERP and legacy systems were not able to meet the needs of its increasingly complex services organization.

In addition, the company's existing parts systems made it difficult to consolidate inventory data and calculate stock requirements. This lack of critical functionality was causing insufficient service levels, low inventory turns, and high levels of obsolete stock.

Single solution delivers inventory improvement

Embraer needed to implement a more sophisticated parts planning process. After reviewing available options and completing a formal RFP process, the company selected the PTC Service Parts Management solution to replace its existing parts software.

The PTC solution has allowed Embraer to use a single strategy to manage complex interchangeability relationships, rebalance inventory across a global network, create location and part types with associated attributes, forecast different streams of demand, and automate its inventory replenishment process.

New service parts capabilities drive operational excellence

PTC Service Parts Management has allowed the spare parts planning team to create accurate parts-consumption forecasts that so far have reduced inventory for commercial aviation by 12.5 percent and improved inventory turns by 35 percent while improving service levels. By leveraging the new resources and processes, the executive aviation group has been able to achieve impressive growth in business volume without an increase in staff headcount.

Vastly improved parts planning information has enabled Embraer to avoid unnecessary purchases, increase inventory turns, lower costs, and improve visibility across its service parts network. With the ability to generate accurate forecasts as needed, the logistics staff has been able to achieve its challenging targets for off the shelf parts availability.

Perhaps most important, PTC Service Parts Management has helped transform Embraer's services culture. Planning staff are now able to use the PTC platform to forecast supplier requirements and perform collaborative planning with the company's customers. Since the implementation of the PTC solution, service quality scores for key customer groups have improved dramatically.

Challenge

Empresa Brasileira de Aeronáutica (Embraer) needed complete visibility and control into its spare parts inventory. Without this capability, it could not deliver timely and affordable services to its aviation customers.

Results

Embraer deployed PTC Service Parts Management to make inventory forecasting and distribution planning more efficient. The organization has been able to make significant reduction in spare parts inventory while improving shelf parts availability.



Selecting the PTC Service Parts Management platform has led to a very powerful partnership for Embraer. It has given us an incredible set of forecasting and planning tools for optimizing our inventory levels and improving service delivery. The improvements to our spare parts planning capabilities have been dramatic.”

Marcos Simas Magalhães
Embraer Logistic Projects Engineer

Embraer is using PTC Service Parts Management to create an integrated logistics ecosystem, giving them a powerful capability for further controlling inventory levels and improving service delivery.

To learn more, please visit:

<http://www.ptc.com/service-lifecycle-management/service-parts-management>.

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