



# Maintaining quality and value

Keeping GSE up and running is vital to all operators and there are many ways to go about it

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Harold Delloye

**R**epair and maintenance (R&M) forms a vital part of the operating lease offer of Brussels-headquartered GSE service provider TCR, as do rented equipment and fleet management. This holistic approach is seen by TCR as the best way to guarantee GSE availability to customers at all times, while taking the worries related to that equipment’s ownership away from the GSE operator. As a result, TCR’s customers can concentrate on their core business: handling, it says.

Companies which have chosen TCR’s operating lease option have, in the main, gone on to adopt it on a more permanent basis – showing the popularity today, amongst this company’s customers at least, for the operating lease model. In fact, TCR claims a customer retention rate of 95% since 1999, whilst growing the business with each customer and adding new clients.

Simon Houlahan, general manager for TCR UK, observes: “TCR’s reputation is often focused on our status as the number one provider of rented GSE to ground handlers and airlines, which of course is core to our business. However, over many years TCR has enhanced our expertise and knowledge to encompass a USP (unique selling point) that is built on a philosophy of quality and flexible products to complement the whole GSE ‘journey’ with our customers. We pride ourselves that our sound market savvy and experience has allowed us to provide a first-rate R&M business with state-of-the-art facilities, in-house

parts sourcing and supply, refuelling, fleet management, diagnostics equipment, optimisation tools and telematics.”

The close partnership between TCR and its customers delivers benefits both from an operational and a financial point of view, he continues, with clients able to leverage TCR’s infrastructure and services. Moreover: “Our customers are fundamental to our technical skill set as they often engage with our specialist team members on a daily basis. This engagement ensures that we share best practice and knowledge, which enhances our service provision and promotes continuous development.”

## AMS: a specialist in its own market

WHILE TCR HAS A GSE maintenance presence on many continents, other service providers are dedicated to a more regional market. Airport Maintenance Services (AMS) handles ground equipment maintenance at Tasmania’s Launceston Airport, for example, while a sister operation – AMSGSE – builds GSE. It supplies all the Australian airlines, plus some overseas carriers, explains director Brian Hawkins.

It might be a specific regional market, but the vast distances involved in supporting operations at different Australian airports certainly throw up problems, Hawkins notes.

AMS specialises in developing innovative solutions to meet customers’ GSE needs, Hawkins says; in doing so, the company has been built up from a single-person repair and maintenance shop established in 1991. The fact that it has distribution agents located worldwide allows it to respond to client needs in a timely manner – vital, he notes, given that “time is of the essence where GSE needs are concerned”. ●



TCR repair and maintenance work underway in the UK



"The synergies realised through the pooling concept are passed all the way through the value chain"

Simon Houlahan

Harold Delloye, TCR's international business development manager, explains a little more about the R&M requirements of a typical GSE operator. "The various needs of our customers are dependent on the country of operation and type/brands of equipment used. The type of GSE used in Italy, for example, differs from the equipment used in Scandinavia or Malaysia.

"On top of this, customers have operational requirements in function of the flight schedule managed. The combination of peaks, type of flights and aircraft handled imposes a certain complexity in the service level agreements (SLAs). In the end, with all this complexity in mind, what our customers expect from us is GSE availability and reliability, regardless of the type of equipment, its brand, the original equipment manufacturer's capacity in supplying parts on time, etc.

"At a certain point, when equipment is way past its lifetime, it will be very hard to ensure the availability of the equipment in an economically sound way. Customers recognise this and, frequently, this leads to a discussion about full service rental," Delloye remarks.

#### EVOLVING REQUIREMENTS

"Over time, we have seen a number of innovations in the market to improve handling operations (including ergo-loaders, automated de-icing, fast chargers for electric GSE, and so on). In addition, equipment has changed as needed for the handling of the newer aircraft and, perhaps most notably, their composite fuselages. There has also been a natural evolution towards green GSE, which impacts maintenance operations," Delloye notes.

All these changes require an R&M services provider to work closely with OEMs in order to develop its own OEM-approved maintenance plans. Those maintenance plans are needed to guarantee the lifetime of the assets of a provider like TCR, and hence a lower total cost of ownership (TCO) for the customer.

In order to keep up with the changes, TCR has invested heavily in facilities and modern tooling and diagnostic equipment, Houlahan points out. These investments have worked to ensure that its employees are able to work safely and securely. Employees also participate in personal development planning exercises. The resulting training programmes are constantly being adapted, he says, to target areas where TCR can further complement its service offering and customer support.

#### POOLING

Most airport stakeholders are aware that pooling of GSE is something that is gaining traction in the industry, Houlahan says. Pooling of GSE may be an instrumental tactic in tackling the issues of GSE congestion, lowering emissions, managing age profiles and fleet standards, he posits. And: "With more than a decade of experience in the field of pooling management, TCR has been at the forefront of piloting this activity at a number of locations including the cargo handling at London Heathrow," Houlahan adds.

Pooling is a win-win concept for the airport, the airlines and the handlers – and for a provider such as TCR, he considers. "The synergies realised through the pooling concept are passed all the way through the value chain." Ultimately, pooling lowers R&M revenues for TCR – as there is less equipment on the airport, there is also less maintenance required. However, this is partly compensated through efficiency gains and longer term contracts.

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This means that less space on an airport is required for the GSE footprint, facilitating potential further savings. However, "Pooling of GSE can only work when there is a common consensus amongst the stakeholders to respect the forum rules so that overlaps and variations in flight schedules can be addressed and accommodated," Houlahan concludes.

**FURTHER GROWTH**

TCR recently expanded its already extensive footprint in the GSE maintenance business with the acquisition of TGM fleet services at London Heathrow. The deal increased the company's customer base significantly and is also said to have fitted in well with TCR's other long-standing partnerships.

Elsewhere, TCR also grew recently in the Asia-Pacific region through the acquisition of a local player. In the process, major R&M contracts with Malaysia Airlines and AirAsia were trans-



ferred to TCR. TCR now manages over 1,300 GSE units of GSE in Malaysia, that equipment being used at 14 different airports. TCR operates its own airside state-of-the-art workshop at KLIA2 Terminal in Kuala Lumpur International Airport.

Finally, in the Americas, on 2 February this year, TCR International USA, Inc and Aeroservicios USA, Inc established a joint venture company called TCR Americas, LLC that will act on behalf of both parent companies to develop the GSE full-service rental market in North, South and Central America. TCR International USA and Aeroservicios USA each own 50% of TCR Americas. ■



**IATA shows concern about OEM after-sales service'**

IN A STATEMENT RELEASED on 23 March, the International Air Transport Association (IATA) announced that it is acting as a complainant in an investigation being conducted by the European Commission's Directorate General for Competition (DG-COMP) into alleged abuses of dominant positions by manufacturers of aviation equipment.

The IATA statement notes that, in 2015, DG-COMP sent questionnaires to several industry stakeholders, including IATA member airlines, requesting information to validate claims of abuses of dominant positions by original equipment makers (OEMs) with respect to their control of after-market repairs, including parts and services.

"This is an area of deep concern for our members," Tony Tyler, IATA's director general and CEO, said. "There are relatively few equipment vendors and our members are frustrated that there is little flexibility in negotiations for after-market services. Airlines do not have the leverage to resolve these concerns individually. So IATA is fulfilling its role as their global trade association and representing their interests as a complainant."

IATA is making no claims for monetary damages or any other forms of compensation for past conduct. Instead: "Our focus is on the future," Tyler insists. "Our members want to be able to negotiate contract terms more effectively and with more options than the OEM community will entertain today. Our aim is to help re-balance the relationship so that airlines and OEMs can work together as true business partners in a normal commercial relationship."

Tyler emphasised that while this is an important issue in the airline-OEM relationship, it is only one aspect of that relationship. "OEM revenues are airline costs, so there is a natural tension on this issue. But airlines are and will continue to be important customers for OEMs. And we all have major common interests in our dedication to the continuous improvement of safety, efficiency and sustainability."

"Whatever conclusion the investigation comes to, at the end of the process there will be greater clarity on the rules of the game and how they should be applied. That will be a good development for all involved," Tyler added. ●