

Handling the challenges of GSE acquisition

Aviator, the Stockholm-based aviation services provider, is spreading its wings, and procuring the right sorts of GSE in the right quantities has been a critical factor in its success

Projects director Andreas Vassilaros sits on the handler's Investment Committee, part of whose role is to consider the requests for GSE procurement tendered by Aviator's many individual handling stations (which are to be found in Sweden, Norway, Denmark and Finland, as well as London Gatwick, Birmingham and Newcastle airports in the UK).

The stations have the local knowledge and they have their own experience of working with the appropriate GSE types and models, plus they of course know their own requirements better than anybody. Thus Vassilaros and his colleagues lean heavily on and trust their judgment – however, there are always hard decisions to be made at a corporate level, he points out, and all investments have to be set against revenue targets and expectations.

Moreover, "There's no easy answer to how much GSE any individual station requires," he remarks. "There's always a balance to find." As much as any operator wants to have sufficient equipment for operating at 100% at any time, supported by sufficient GSE to provide flexibility and insurance against breakdowns and other problems, such a level of provision would lead to equipment surpluses across the company and GSE idling for potentially very long periods when not required.

Of course, demands will change according to circumstances. Stations will see their requirements evolve according to their winter and summer schedules and to the level of work (and number of customer carriers) they have at any given time. Plus, stations close and new ones open up elsewhere – all of which will mean that requirements for new GSE procurement may change, or that equipment needs to be moved from one handling operation to another. Individual stations' needs might also differ according to the requirements of the



Andreas Vassilaros, Aviator's projects director

airports at which they operate; Copenhagen's and Stockholm's famously stringent regulations concerning engine emissions, for example, have an impact on GSE procurement decisions for handlers active at these gateways.

PROCUREMENT OPTIONS

Today, much of Aviator's GSE is obtained through financial leasing, making the initial capital outlay that much more manageable. Some of the equipment is new, some of it is old, and some of it is purchased outright and some of it leased; TCR is one of the handler's big suppliers in this regard.

Of course, like any organisation, Aviator has its preferred suppliers. Given the weather conditions in which it undertakes much of its work, it has to be confident that any GSE will stand up to the rigours of a Finnish and Scandinavian winter. Individual stations have their own manufacturer preferences, partly for this reason, partly because each station's airline customers may have their own specific handling requirements – different belt loaders will be needed for different aircraft types, to mention one obvious example. But from time to time "we must also dare to try" new equipment and new suppliers, Vassilaros suggests.

INDUSTRY CHALLENGES

One of the problems facing this business is actually a consequence of the variety of GSE models available to choose from, Vassilaros says. Not that that is a problem in its own right, but given the long life-cycle of most GSE and the consequential low demand for replacement equipment, many suppliers simply cannot gain the economies of scale that accrue for mass production. It might be better to see fewer lines, and greater specialisation and automation of manufacture among suppliers perhaps; in this sense, we might have something to learn from other industries, he posits.

It's not the fault of individual manufacturers, of course. Indeed, self-handling airlines and third-party service providers are also part of the problem – their wide range of specifications, many of them unique to specific handlers, encourages this variety of production.

The nature of GSE supply is also changing, for better or worse, due to the large numbers of new manufacturers coming into the market – companies that are often based in China and the Far East. These suppliers' equipment has the reputation of being somewhat low quality and unreliable, but "we need to know the facts", not just their repute, Vassilaros insists. Moreover, the manufacturing processes employed by these newer industry players are becoming more sophisticated over time. ■