

Creating Successful New Business Concepts From Old Ideas

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Outline

Old to New

- Blending Strategies
- Opportunistic Mixing
- Recycle the Old

PMA Application Old to New

- Today's PMA
- Old Ideas
- Implementation – Internal and External
- Effect on Industry

Old to New



NBA

- Two 15-minute halves
- 3 consecutive fouls, opponents receive a point
- No 3-point line
- No shot clock



NFL

- No game clock
- Player substitutions were prohibited
- No communication from the sideline was allowed
- Players from both teams could grab their opponents' facemasks at will

Old to New - Blending Strategies

Merge the Best of Two Different Business Ideas



Opportunistic Mixing of Quantitative and Qualitative Information

Quantitative Approach

Highly analytical but may appear to lack in real life perspective

Opportunistic Mixing

Takes two opposing beliefs –

- 1) Existing ideas are tried and tested through experience
- 2) Current methods and data validate existing approach

Adds to the breadth and depth of our conversion of Old ideas to New

Qualitative Approach

Highly experiential with the appearance of lacking in data and detail

Recycle

- Some ideas have been the mainstay of our businesses and strategies but they have become stale, overused or are no longer relevant as they once were
- Some of these may need to be recycled just as we do with paper and plastics and metal
- Through the recycling process we rebrand the practice or idea and create a new and better product than what we had before



PMA Today



2015 PMA Market was about \$550 million with a 1.7% penetration

PMA Market last 5 year average of \$500+ million

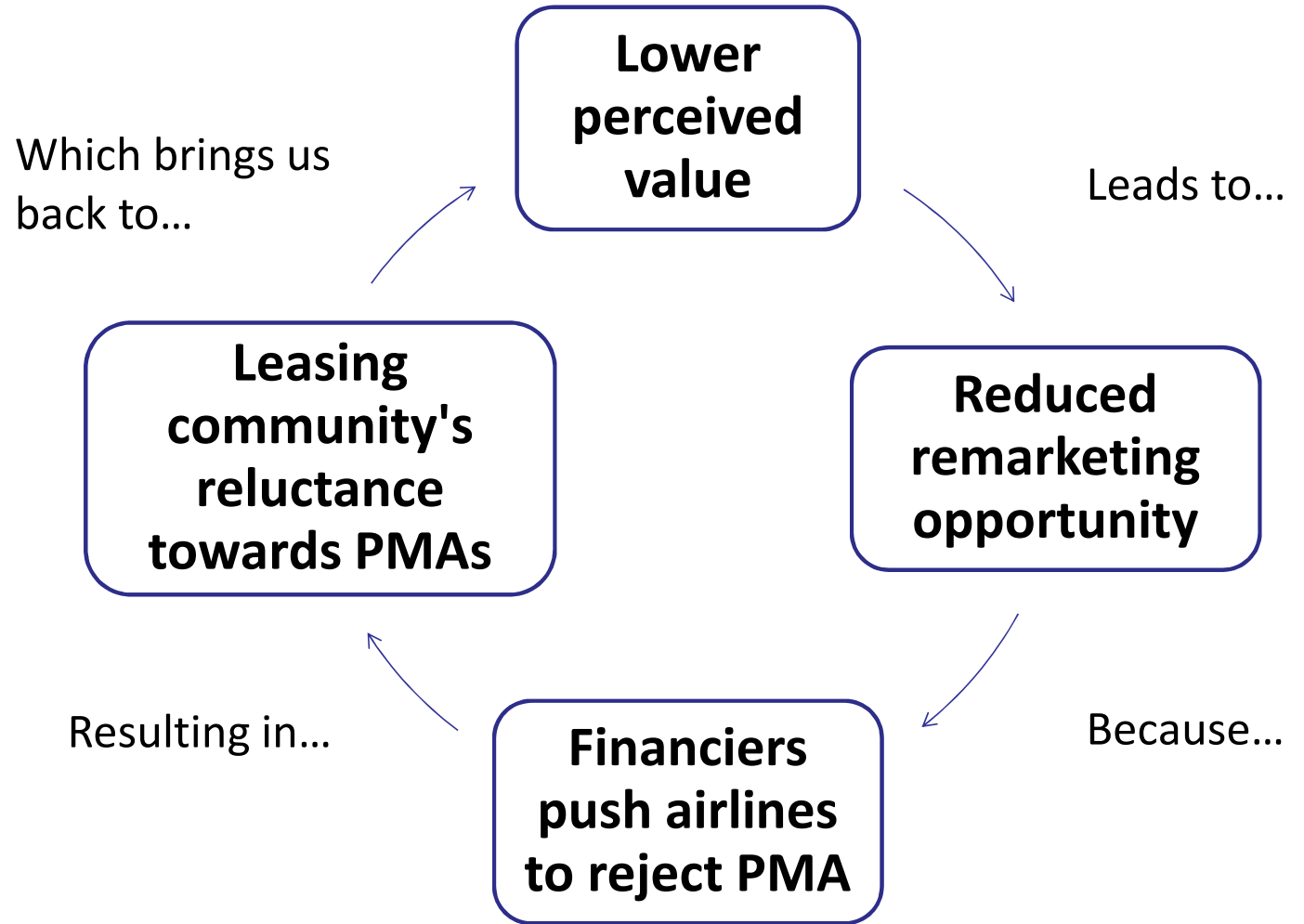
- **At 40% savings from OEM total savings of \$1.67 billion last 5 years**

2018 projection of \$770 million

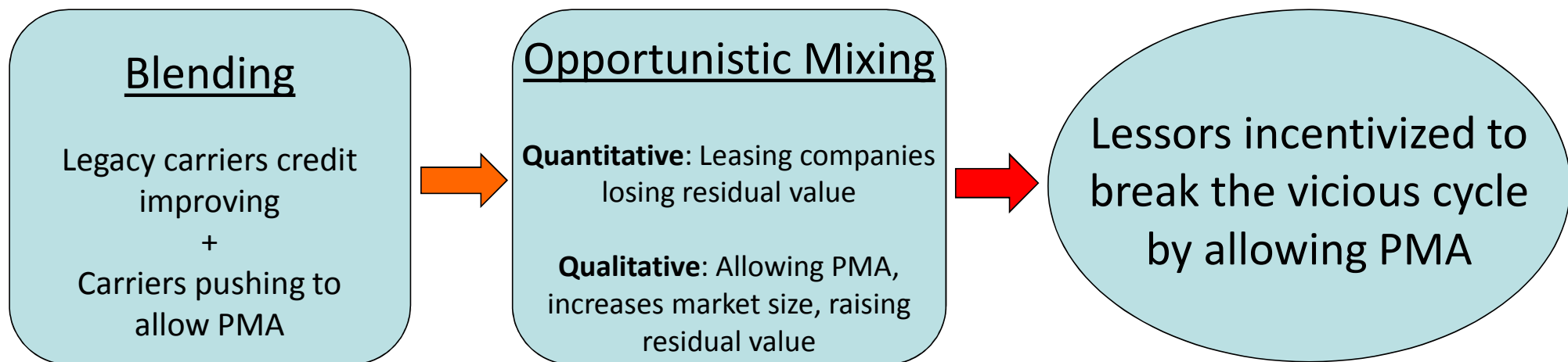
Old Ideas Related to PMA

- PMA parts are bogus or inferior
- Airline contracts should exclude PMA
- No warranty on PMA
- Internal organizational matters
- **PMA parts cannot be used on leased aircraft**

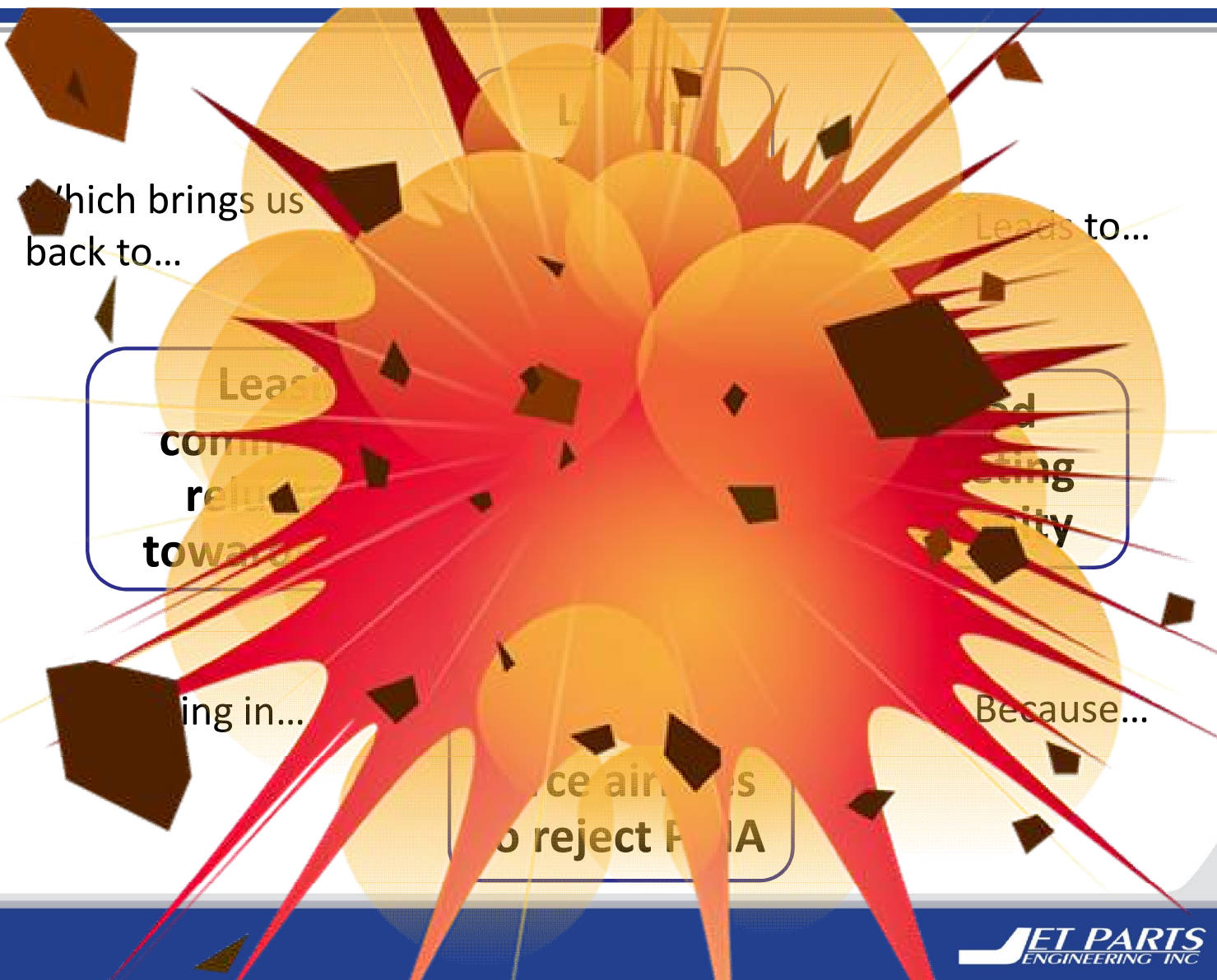
Leasing – Old Concept



Leasing – New Concept



Leasing – Old Concept



How Do You Get the Benefit

Change An Old Idea Into Something New:

- Establish Partnerships
 - Intra-company
 - External



Intra-Company Examples

- PMA project identification
- PMA implementation at airlines
- Airline engineers find solutions using PMA or DER repairs
- IT & technology
- Win/Win relationships workers and departments

External (B2B) Examples

- PMA development contracts
- Engineering cooperation between PMA companies and Airlines/MRO
- Airline leasing agreements
- Long term purchasing contracts
- Repair contracts
- Joint ventures
- Distribution agreements
- Gov't relationships
- Civil Aviation Authority agreements and relationships
- Manufacturing and technology contracts
- Competitor relationships



So what is the end result of “new” ideas!

