IATA MRO SmartHub User Forum
How Lufthansa Technik uses IATA SmartHub to reduce costs and increase efficiency in material procurement
Lufthansa Technik at a glance

- **800+** customers worldwide
- **4 bn** billion euros revenue
- **<30** subsidiaries and affiliates worldwide
- **20,569** employees worldwide
- More than **4,208** aircraft under exclusive contract
- **Hamburg** headquarters
- **5.2%** Adjusted EBIT Margin in 2021

More than 4,208 aircraft under exclusive contract

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Our business lines

- Engine Services
- Aircraft Component Services
- Aircraft Maintenance Services
- Orig. Equipment & Special A/C Services
- Digital Fleet Services
Lufthansa Technik worldwide

Locations of major Lufthansa Technik Group facilities:

**Americas**
- LAX
- TUL
- MIA
- BQN
- YUL

**Europe**
- SNN
- LHR
- HAM
- BER
- DUB
- BRU
- FRA
- ERF
- MXP
- MUC
- BUD
- SOF
- MLA
- MOW

**South East Asia**
- DXB
- BLR
- KUL
- SIN
- PEK
- SZX
- HKG
- MNL
What keeps us busy at LHT Procurement?
MRO market players need to cope with different challenges

- Pressure of OEMs
- Supply Chain Dynamics
- MRO Market Player
- Customer Pricing Pressure
- Process Efficiency
How can we cope with these challenges?

**Procurement of Alternatives**
- lower avg. purchasing price
- avoid single source situations

**Supply Chain & Market Transparency**
- find material sources
- evaluate material correctly

**Digitization**
- increase process efficiency
- increase share of value-adding activities
How can IATA MRO SmartHub support in improving our procurement?
The Connector supports solving multiple challenges

- Trade channels with partners offering reliable material sources for used material
- Improving material management by sharing stock levels with trade partners
- Reducing manual effort and process time
Our standard purchasing process contains inefficiencies.

Standard purchasing process:

1. Screen demands & offers
   - Increases process time & manual effort necessary
2. Send RFQ
3. Negotiate/clarify if necessary
4. Upload offer to database
5. Evaluate & select offer
6. Create PO

Manual effort necessary
Using the Connector increases process efficiency

IATA SmartHub target purchasing process

1. Screen demands & offers
2. Negotiate/clarify if necessary
3. Evaluate & select offer
4. Create PO

- Less manual work
- Less Excel
- Less process time needed
The Evaluator supports us in selecting the best offer

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Evaluate & select offer

- Is the price offered a fair price?
- Is it worth to buy used material compared to new material?
- Does it make sense to buy proactively?

→ Reduction of material costs
Thank you for your attention.
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