



Sponsored by: IFS

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Business Value Highlights from the Entire Study

Higher gross revenue:

\$25.8 million
per organization per year

Operational savings:

\$970,000
per organization per year

Productivity improvement:

18%
increase per impacted IFS user

Business output improvements:

28%
more work orders completed

14%
faster delivery of orders/
products

21%
faster budgetary cycles

Aerospace and Defense Summary Brief

Note: This Brief is a supplemental, industry-specific view of interviews conducted in support of the overall Business Value study. See the IDC Business Value White Paper "The Business Value of IFS Enterprise Solutions with Industry-Specific Use Cases" for the full cross-industry analysis.

IDC's Business Value of IFS Enterprise Solutions study included interviews with three organizations from the aerospace and defense (A&D) industry vertical. In this industry, several factors drive investments in technology and in continuous improvement. The mission-critical nature of assets in this vertical demands that systems, processes, and technologies support complexity and timely response. When a commercial plane is not in the air, it is not driving revenue; if a military resource is not in the field, a critical mission may be at risk. Downtime in this industry is measured in millions of dollars. The challenges of long lead times combined with the use of expensive replacement components and a global environment of scarce resources necessitate pinpoint coordination and visibility.

The A&D customers interviewed for this study run very complex operations, with costly capital assets and employees working across geographically distributed business sites that need constant access to real-time operational data. One interviewed organization referred to this complexity in explaining its decision to deploy IFS Maintainix: *"We chose IFS Maintainix because it was the only product able to handle the complexity and size of our operations. ... We simply thought that IFS was a better solution for program maintenance than the other solution we considered."*

The A&D companies interviewed for this study focused their use of IFS on maintaining their capital assets, supporting the teams involved in those efforts, and ensuring smooth business operations:

- Maintaining capital assets:** Interviewed IFS A&D customers must maintain costly capital assets in a way that optimizes their long-term utilization and enables successful day-to-day operations. One organization described saving time during maintenance operations by having a common platform from which to draw information, with a core team of 60, each saving at least one hour's worth of time per week. The organization also noted that more efficient maintenance activities saved millions of dollars per year in material costs

through more effective and timely maintenance activities. Another organization noted that IFS helps it correctly assess the value of its aircraft over time, which is important to its financial reporting obligations.

- Enabling maintenance teams:** A&D organizations have maintenance teams at geographically distributed sites including hangars and repair shops that require a constant flow of accurate and timely information. One organization described how IFS has helped it address this challenge: *“IFS provides a better forecast for our future operational requirements, as well as faster response and better adherence to maintenance requirements.”* A key aspect of maintenance is scheduling activities, and one interviewed organization reported that IFS allows it to schedule maintenance activities in less than one hour rather than requiring up to one full day. Each saved hour or day means a customer can have one more plane, ship, or piece of equipment in a productive state rather than waiting for service in a maintenance hangar or depot. Furthermore, because it can take a long time to acquire components across a global network, the ability to schedule quickly and secure resources is a game changer. Another interviewed organization reported completing up to 20% more work orders per day with IFS, reflecting an important increase in the productivity of its maintenance employees responsible for ensuring the continuity of operations.
- Ensuring the continuity and success of business operations:** One IFS customer described having a more comprehensive understanding of use patterns for its aircraft fleet. This enabled the organization to not only make greater use of each aircraft but also increase the revenue generated per aircraft. As the customer explained it: *“With IFS, we can use aircraft in a better way by better monitoring maintenance. As a result, we can fly our aircraft another half or full day per year. ... The investment in IFS is justified because when we ask a question about an aircraft, we immediately have an answer in real time. It's night and day from before.”* The same organization also noted that its engineering team benefited from greater access to key information in its IFS system. Other A&D customers echoed these themes. One reported that IFS helped it increase flying time. Another customer noted that having updated and accurate information helped it minimize operational risk.

Various results from this white paper reflect value points being achieved by IFS A&D industry customers, including increased revenue, lower operational costs, more efficient finance operations, and reduced risk. Table 1 shows average financial benefits over five years for IFS customers (see *The Business Value of IFS Enterprise Solutions with Industry-Specific Use Cases*, IDC #US45472819, for details about the methodology used to calculate this data and to learn more about the areas of benefit).

TABLE 1 ROI Analysis

	Five-Year Average per Organization	Five-Year Average per IFS Core User
Benefit (discounted)	\$30.94 million	\$39,153
Investment (discounted)	\$6.03 million	\$7,632
Net present value (NPV)	\$24.91 million	\$31,521
Return on investment (ROI)	413%	413%
Payback period	15 months	15 months
Discount rate	12%	12%

n = 17 Source: IDC, 2019

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