

"PGL custom-built a proprietary app that mirrors the departures and arrival boards seen at airports, but this app tracks parts shipments for status and location."

CASE STUDY

spirit[™]

The PGL solution provides a complete picture of Spirit's end-to-end supply chain, in real time, including where parts and the personnel tasked with repairing them are at any given time.



PGL Company Profile

PGL provides intelligent supply chain solutions that go beyond 3PL for virtually all key industry sectors, including:

- ▶ Aerospace
- ▶ E-Commerce
- ▶ Government
- ▶ High Tech
- ▶ Hospitality
- ▶ Industrials
- ▶ Oil & Gas
- ▶ Pharma & Healthcare
- ▶ Trade Show
- ▶ Retail

A Partnership Aimed at Consolidated Services

THE OPPORTUNITY

Over the course of PGL's five year relationship with Spirit Airlines, this high-profile company has taken their "lowest total cost" model very seriously.

When Spirit approached PGL to resolve a number of key issues in their repair and refurbishment processes, they knew on-time delivery was paramount. Equally important was ensuring delivery in an economical fashion.

Warehousing aircraft parts is notoriously expensive, and requires storage in a highly efficient and cost-effective manner.

The entire airlines industry is highly regulated, where specific protocols must be met to satisfy federal agency requirements.

Warehousing isn't the only major cost burden to airlines. A inoperable aircraft could cost Spirit upwards of \$100,000 an hour.

With potential significant losses at stake, Spirit knew that in order to remain competitive, their supply chain provider had to have an extremely high responsiveness. They also required 24-hour operations and a team of knowledgeable and dedicated experts. PGL was their first choice to get the job done.

Spirit Airlines used an internal inventory department, as well as multiple vendors, who had trouble coordinating with each other. Lack of visibility created oversight problems and slow-downs.

PGL's goal was to consolidate vendors, streamline communication and reduce Spirit's overall spend.

THE EXECUTION

The cost of warehousing needed to be reduced. Operating in tandem, Spirit Airlines

and PGL created facilities in Miami to house new parts. Warehousing older parts would be handled by PGL in Los Angeles (LAX) to ensure our geographical footprint matched the needs of Spirit's business model.

Additional locations in Detroit and San Juan, PR were established by PGL to match the reach of Spirit's network.

PGL took on all storage transfers, unifying the operations of receiving, warehousing, pick-and-pack, shipping and billing.

To coordinate all of these new operational elements, PGL custom-built a proprietary tracking application that tracks parts shipments for status and location.

The custom solution allows for tremendous ease-of-use, providing Spirit with visibility into the location of parts and the personnel tasked with repairing them at any given time.

THE OUTCOME

PGL continues to serve as Spirit Airline's premier provider for high-value, time-sensitive maintenance and repair operations. PGL handles approximately 90% of Spirit's global supply chain.

PGL's 24/7 desk communicates with Airbus in Germany to place orders locally with a 3am close time. The desk creates a turnaround time of next-day or up to 48 hours later.

From an administrative standpoint, invoices are now handled by a single point of contact, which makes payments substantially easier and requires fewer man hours spent by the company.

On-time deliveries now exceed the 98% mark, while simultaneously contributing significant reduction to Spirit's overall spend.

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SPiRiT Case Study

