

ADAPTING TO THE

NEW REALITY

HELI-ONE HAS ADJUSTED TO A SLOWER HELICOPTER MARKET BY DIVERSIFYING ITS OFFERINGS AND FOCUSING ON DELIVERING VALUE TO CUSTOMERS.

BY LISA GORDON | PHOTOS COURTESY OF HELI-ONE

After three hard years of weathering a decline in the oil-and-gas market and its impact on offshore helicopter operations, one thing is abundantly clear for both helicopter operators and the companies supporting them.

Those who adapt will survive. Nowhere is this truism more evident than at Heli-One, an international provider of helicopter maintenance, repair and overhaul (MRO) services and support.

With around 600 employees worldwide, Heli-One has major facilities in Canada; Stavanger, Norway; and Rzeszów, Poland. This includes three facilities in British Columbia, with its headquarters in Richmond. The company also supports the Canadian Department of National Defence by providing rotary-wing maintenance services at Canadian Forces Base Borden near Barrie, Ontario.

It provides a full range of MRO services—airframe, engines and components—for most of the medium and heavy category helicopters from Bell Helicopter, Leonardo, Sikorsky and Airbus. Accredited by manufacturers and approved by a host of regulatory agencies around the world, Heli-One also sends mobile teams into the field to help operators get their aircraft back into the air quickly and safely.

Adaptability has always been critical to the company's success, and it's been especially important in recent years. "The industry has changed fundamentally and all of the providers have to adapt to the reality of what customers are wanting," said Eddie

Lane, president, Heli-One.

He said the oil-and-gas decline hit the industry hard. As the work dried up, helicopters were returned to the leasing companies, reducing the overall number of machines in service.

Consequently, Heli-One adapted its approach to sales, concentrating on other industry sectors as well as reducing its overhead and facility costs in recent years.

"It has, in my mind, made us much more competitive," continued Lane, who said Heli-One's customer base has diversified significantly.

"The leasing companies are now our customers as they take aircraft back and have to repurpose them or adapt them to new operators. Our military and para-military work is still significant as well."

An ongoing project with a Malaysian customer involves a VIP configuration with significant modifications, enabling Heli-One to flex its engineering and design expertise.

"We design modifications to helicopters. We have installed things like glass cockpits with all new avionics; we have converted aircraft into VIP configurations with sophisticated in-flight entertainment systems and luxurious interiors; we repurpose aircraft from oil-and-gas to a utility configuration; and we also have the ability to change registrations and move them from one country to another."

CONTROLLING COSTS

Heli-One also has considerable experience in maintenance program management.

"Not only can we do maintenance work, but we can help with planning maintenance programs, and help operators to lower their overall maintenance costs," said Lane.

"We can do that because we have access to considerable operating data and experience, and we bring an operator's perspective to maintenance requirements."

As well, Heli-One stocks an extensive array of parts, including exchange parts and consignment inventory, and offers power-by-the-hour programs.

In addition to maintenance program adjustments, there are opportunities to save money when it comes to parts.

"The market is changing for certain fleet types," explained Lane. "There is a real push for value from the operators. Before, when a component came into the shop, the standard would be to overhaul it using all new parts. Now, the operators are looking for us to provide reliable components at a lower cost. One of the ways we can do that is to utilize serviceable overhauled parts. I think the demand for that will increase."

This is a major area of focus for Heli-One, as evidenced by the fact that it has incorporated more than \$10 million in used serviceable materials into its projects over the last year.

In addition, Heli-One's extensive in-house capabilities allow it to develop custom-crafted repair solutions.

"We design our own repairs," said Lane. "Where some maintainers may scrap parts and charge for a replacement, in many cases we can repair that part to keep the customer's costs lower."

FUTURE FOCUS

There are signs that the helicopter industry may be emerging from the oil-and-gas doldrums.

After three years of decline, some industry analysts are pointing out a few positive signs for the offshore helicopter market. Westwood Global Energy Group, an Aberdeen, Scotland-based energy market analyst, has predicted that the global oil-and-gas helicopter spend will increase moderately between 2018 and 2022. While many challenges still remain, there is cautious optimism.

"Overall, the industry mood seems to be improving," agreed Lane. "We have seen some customers ready to spend a little bit more compared to the first few years of the downturn."

Heli-One sees opportunity in the military and para-military segments, as well as in ancillary services, including design, engineering, maintenance program support and aircraft reconfiguration. Lane said on-site maintenance services are also growing in popularity.

"We must tailor to what they [operators] want. We are doing everything we can to support them."

In the meantime, these positive signs and the new opportunities they may open up are sure to put an extra spring in the step of those attending HAI's Heli-Expo, Feb. 26 to March 1, 2018, in Las Vegas, Nevada.

Lane said Heli-One will be there in full force with a number of exciting industry announcements. ✦

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