AIRCRAFT SPARES CONSUMPTION PREDICTION MODEL FOR THE SMALL AIR OPERATORS

Kasun Tharanga Hettiarachchi

179210F

Degree of Master of Business Administration in Supply Chain Management

Department of Transport & Logistics Management

University of Moratuwa Sri Lanka

May 2019

AIRCRAFT SPARES CONSUMPTION PREDICTION MODEL FOR THE SMALL AIR OPERATORS

Kasun Tharanga Hettiarachchi

179210F

Thesis/Dissertation submitted in partial fulfillment of the requirements for the degree Master of Business Administration in Supply Chain Management

Department of Transport & Logistics Management

University of Moratuwa Sri Lanka

May 2019

DECLARATION

I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgement is made in the text.

Also, I hereby grant to University of Moratuwa the non-exclusive right to reproduce and distribute my thesis/dissertation, in whole or in part in print, electronic or other medium. I retain the right to use this content in whole or part in future works (such as articles or books).

Signature:	Date:
Kasun Tharanga Hettiarachchi	
The above candidate has carried out research for the	Masters Dissertation under my
supervision.	
Name of the Supervisor: Dr. Varuna Adikariwattage	
Signature:	Date:
DIFHAUIC	Daw

ABSTRACT

When an aircraft spare or component found defective on ground or during the flight

that might compromise the aircraft's safety, it is important to remove it and replaced

with serviceable component always. However, in order to avoid delays in the

operations, it is critical that the availability of the replacement at the aircraft parts store

for a quick turnaround.

Aircraft spares consumption prediction is so important. While excess inventories

expensive due to additional inventory holding cost, inventory obsolesce, tying up

capital. As well as stockouts creates huge capital losses to the air operators through

costly flight delays or cancellations, loss of brand reputation, over utilization of other

aircraft in the fleet, etc. So that availability of the right quantity at the right time of the

aircraft spares is so vital, for that aircraft consumption prediction plays the key role.

Regression analysis and the consumption prediction is classical and practical

forecasting method. Four years of Cessna 208 series aircraft Main Wheel consumption

details used for the analysis. Initially data analysed with linier regression analysis and

found relationship with the Aircraft Flying Time and Main Wheel consumption is

significant, but it is non linier relationship. Then same data was analysed with Poisson

regression analysis and the final model was developed. It can be used for the

consumption prediction model as well as a decision-making tool for the inventory level

estimations.

Key words: aircraft spares, consumption prediction, linier regression, Poisson

regression

ii

ACKNOWLEDGEMENT

I am most grateful to my supervisor, Dr. Varuna Adikariwattage, Senior Lecturer, Department of Transport and Logistics Management, University of Moratuwa for the guidance and support extended during my research. I also express my gratitude to Ms. Harshani Liyanage, Lecturer, Department of Transport and Logistics Management, University of Moratuwa for guiding me as the Co-supervisor. Course Director, Senior Prof. Amal Kumarage, Coordinator MBA Programme, Eng. Nishal Samarasekera and academic and non-academic staff of the Department of Transport and Logistics, University of Moratuwa for giving their generous support whenever needed.

From bottom of my heart I thank the management of Saffron Aviation (Pvt) Ltd., my employer who encouraged me for continuing higher studies and grant permission to use non-sensitive inventory related data wherever necessary for the case analysis.

Also, I would like to thank my wife, Ms. Navodya Gurusinghe for encouraging and helping me all the time during this MBA and research completion in various means and ways.

Last, but not least I want to thank my parents and all the family members, all my friends not mentioned individually but who helped, encouraged and assist me in one way or other to complete this exercise successfully.

TABLE OF CONTENTS

DECLARATION	i
ABSTRACT	ii
ACKNOWLEDGEMENT	iii
TABLE OF CONTENTS	iv
LIST OF FIGURES	vi
LIST OF TABLES	vii
LIST OF ABBREVIATIONS	viii
1. INTRODUCTION	1
1.1 Background of the Study	1
1.1.1 Domestic Aviation Sector in Sri Lanka	3
1.1.2 Aircraft Maintenance	5
1.1.3 Aircraft Parts Classification	9
1.1.4 Aircraft Spares Ordering Process of Cinnamon Air	12
1.2 Research Problem	14
1.3 Research Objectives	15
1.4 Scope of the Research	16
2. LITERATURE REVIEW	17
2.1 Aircraft Spares Consumption Prediction and its Impotence	17
2.2 Technology Enhancements and Aircraft Spares	19
2.3 Demand Prediction Models used for Aircraft Spares	19
2.3.1 Intermittent Demand Prediction of Repairable Spares	21
2.3.1 Artificial Neural Network Model	22
2.3.2 Double level combination approach using five direct for methods 22	ecasting

	2.3	.4	Weibull Distribution	}
	2.3	.3	Linier Regression Model	}
	2.4	Sur	mmary of the Literature Review23	}
3.	RE	SEA	ARCH METHODOLOGY25	
	3.1	Res	search Approach25	j
	3.2	Dat	ta Collection25	j
	3.3	Dat	ta Analysis and Discussion26	j
	3.2	.1	Linear Regression Model	ó
	3.2	2	Poisson Regression Model	}
4.	DA	ΛTΑ	ANALYSIS & DISCUSSION30	1
	4.1	Sca	atter Plots	-
	4.2	Lin	nier Regression Analysis35	j
	4.3	Poi	isson Regression Analysis	}
5.	RE	CON	MMENDATIONS & CONCLUSION43	i I
6.	Ref	feren	nces44	-

LIST OF FIGURES

Figure 1.1: Tourist Arrivals to Sri Lanka	1
Figure 1.2: Domestic Passengers Carried & Aircraft Movements	2
Figure 1.3: Cinnamon Air Inventory Ordering Process	13
Figure 4.1: Main Wheel Consumption and Aircraft Flying Time	32
Figure 4.2: Aircraft Flying Time and Landing Cycles	34

LIST OF TABLES

Table 1.1: Aerodromes in Sri Lanka
Table 1.2: Component Maintenance
Table 1.3: Aircraft Spares Classification
Table 2.1: Forecasting Methods of Aircraft Spares
Table 4.1 Main Wheel Consumption 2015 - 2018
Table 4.2: Regression Analysis - Aircraft Flying Time & Main Wheel Consumption
Table 4.3: Regression Analysis - Previous Month Flying Time with Current Month
Flying Time & Main Wheel Consumption
Table 4.4: Regression Analysis - Quarterly Aircraft Flying Time and Quarterly Main
Wheel Consumption
Table 4.5: Regression Analysis Results - With Rolling Aircraft Time and Main Wheel
Consumption
Table 4.6: One-Sample Kolmogorov-Smirnov Test
Table 4.7: Poisson Regression Analysis Results
Table 4.8: Omnibus Test Results
Table 4.9: Parameter Estimates Results
Table 4.10: Expected Main Wheel Consumption
Table 4.11: Main Wheel Consumption Estimation Decision Model

LIST OF ABBREVIATIONS

AMP Aircraft Maintenance Programme

AOC Air Operator Certificate

AOG Aircraft on Ground

ATA Air Transport Association of America

BIA Bandaranaike International Airport

CAASL Civil Aviation Authority of Sri Lanka

CASA Civil Aviation Safety Authority of Australia

DHL Deutsche Post/Dalsey Hillblom Lynn (International Shipping Courier

Service)

EASA European Aviation Safety Agency

FAA Federal Aviation Administration

Fedex Federal Aviation Express (International Shipping Courier Service)

IATA International Air Transport Association

ICAO International Civil Aviation Organization

IPC Illustrated Parts Catalogue

LEAP Leading Edge Aviation Propulsion

MMEL Master Minimum Equipment List

MRO Maintenance Repair Organization

MRP Material Requirement Planning

NASA National Aeronautics and Space Administration

OEM Original Equipment Manufacturer

SCM Supply Chain Management

SLTDA Sri Lanka Tourism Development Authority

UPS United Parcel Services Inc

USA United State of America