

How Digital MRO Is Shifting Toward Integration

[Lee Ann Shay](#) August 11, 2023

AAR/Trax: Parts Ecosystem



AAR and Trax are starting to create a parts ecosystem. Credit: AAR Corp.

Since AAR purchased MRO software provider Trax on March 20 for \$120 million, it has learned more about Trax than what it knew in the due-diligence stage.

For instance, Trax has several initiatives under development—including apps for its E-Mobility Suite, a hosting service and artificial intelligence (AI) applications, says John Holmes, AAR's president, CEO and chairman.

"It's not just because the flavor of the day is AI. They're actually using AI to automate MRO and maintenance tasks down the road," he says.

In addition to growing Trax's core business, AAR sees an opportunity to create a parts ecosystem to streamline parts purchasing.

“Access to parts in the aviation market is so critical” whether it’s an AOG situation, a routine part of a heavy check or a component repair—and “all of these activities happen thousands and thousands of times every day around the world, yet it’s still fairly disjointed,” Holmes says.

That’s where AAR’s parts ecosystem idea comes in.

While using systems like Trax, its 138 airline customers have to leave their purchasing system to find parts. AAR sees an opportunity to integrate those functions by “building access to the parts world and integrating it with Trax so that a buyer or planner can transact right in Trax, as opposed to going out and searching multiple sources, such as ILS, PartsBase, Aeroexchange and others,” Holmes says.

To ensure that the parts are available and are legitimate, “we want to bring to the parts world what Amazon, Uber and others have brought to the consumer world,” including confidence in availability, delivery date, price and correct documentation.

That means setting up a trusted supplier network, similar to five-star Uber drivers, where the buying community would vet and rate the suppliers in this network.

The Trax team is starting to build this functionality. AAR anticipates using a third party to look at the ratings and potentially help curate this, says Andrew Schmidt, AAR’s senior vice president for digital services and Trax.

At this point, the company is thinking of rolling it out as the ecosystem of the Trax customer, so the “Trax customer decides which suppliers are in their ecosystem,” Schmidt adds.

“We hope to ultimately show that the direct access to the buying community—and the value of this trusted supplier network—is worth participating in as a supplier,” Holmes says.

###