

MANUFACTURING BEST PRACTICES IN A SERVICES ENVIRONMENT

AMERICAN AIRLINES



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May 8, 2012



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Fly in My Shoes



- > 1.1 BILLION
- > 105 MILLION
- > 650
- > 7500

- > 3400
- > 45 MINUTES
- > 15 MINUTES

- > 1 DAY
- > 10 DAYS
- > 400+ DAYS



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Historic Department Progression – Manufacturing or Service

Characteristics

- Order placers
- No strategic direction
- No college degree required
- No formal training provided
- No college recruiting
- Few measurements/goals
- No supplier visits



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Strategic Roadmap to Current State



4

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Lessons Learned

- Yes you can:
measure service procurement as you would manufacturing
- Yes you can:
develop market strategies for service as you would manufacturing
- Yes you can:
map supply chains for service as you would for manufacturing
- Yes you can:
use technology products for service as you would for manufacturing
- Yes you can:
use the seven step sourcing process for service as you would for manufacturing



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Evolution of AA Purchasing & Transportation Using Manufacturing Concepts



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Track 7: Services Procurement

Sunday		
AB	3:30 - 4:45	Executive Panel: Services Procurement Best Practices
Monday		
BD	9:20 - 10:20	Trends and Best Practices in the Services Spend
CC	10:40 - 11:40	Developing an Effective Scope of Work for Services Contracts
DC	3:00 - 4:15	Best Practices in Negotiating Software Contracts
Tuesday		
EA	10:20 - 11:40	Transformation of Purchasing for Services
FD	3:00 - 4:00	How to Reduce Small Package Transportation Costs in a Challenging Economy
Wednesday		
HA	7:45 - 8:45	Intel's Journey to Affordability: Indirect Spend Management Competitive Advantage



American Airlines