

# SUPPLIERS SAVED MY BACON.

How suppliers supported  
American Airlines through  
a challenging decade.



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[AA.com](http://AA.com)

# FACTOIDS

- 3.0 Billion
- 1.1 Billion
- 105 Million
- 3400
- 650
- 45 Minutes
- 15 Minutes



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# EVENTS THAT CHALLENGED AA



2001	2002	2003	2004	2005
<ul style="list-style-type: none"><li>• 9/11</li></ul>	<ul style="list-style-type: none"><li>• Gulf War II</li></ul>	<ul style="list-style-type: none"><li>• SARS</li><li>• Restructuring</li></ul>		<ul style="list-style-type: none"><li>• Katrina</li><li>• Rita</li><li>• Heathrow Fuel</li></ul>



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# EVENTS THAT CHALLENGED AA



2006	2007	2008	2009	2010
<ul style="list-style-type: none"><li>• Industry Expansion</li></ul>	<ul style="list-style-type: none"><li>• Industry Expansion</li></ul>	<ul style="list-style-type: none"><li>• Fuel Price Spike</li><li>• IKE</li><li>• Financial Collapse</li></ul>	<ul style="list-style-type: none"><li>• H1N1</li><li>• Big Bang</li></ul>	<ul style="list-style-type: none"><li>• E-15</li></ul>



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# COST SAVINGS

- Price Concessions
- Value Strategies
- Supply Chain Mapping



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# FINANCIAL SUPPORT

- Payment Terms
- Product Investment
- Debt Financing – Airplanes/AAdvantage



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# FUEL CONSERVATION

- Fuel Load Optimization
- Weight Reduction
- Engine Wash Program



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# OWNERSHIP PARTICIPATION

- Royalties
- Warrants with Suppliers
- AMR Stock Options



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# INVENTORY MANAGEMENT

- One Day Lead Time
- Consignment Inventory
- Inventory Pooling



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# SUPPLY ASSURANCE

- Industry Cooperation
- Strike Protection
- Safety Stock



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# CAPACITY SUPPORT

- Flexible Schedule
- Reserved Capacity
- Geographic Proximity



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# EVENTS THAT CHALLENGED AA

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	• 9/11	• Gulf War II	• SARS • Restructuring		• Katrina • Rita • Heathrow Fuel	• Industry Expansion	• Industry Expansion	• Fuel Price Spike • IKE • Financial Collapse	• H1N1 • Big Bang	• E-15
COST SAVINGS	X		X		X				X	
FINANCIAL SUPPORT	X		X						X	
FUEL CONSERVATION					X			X		
OWNERSHIP PARTICIPATION			X							
INVENTORY MANAGEMENT					X	X	X	X		
SUPPLY ASSURANCE	X	X			X	X	X	X		X
CAPACITY SUPPORT			X			X	X			



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# QUESTIONS



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