

Replacement or refurbishment?

Dave Marone, VP of sales and marketing at BLR Aerospace, examines the booming upgrades market and how cost-effectiveness is driving its success.



The OEMs established a strong foundation for fleet modernisation when they designed and built exceptional aircraft that fly for decades, and now the market is stepping in with innovations and enhancements to maintain mission effectiveness and relevance when budgets will not support a decision to purchase the latest OEM offerings.

Helicopter operators are smart, practical, rational decision-makers. They are managing their portfolio of assets with best value in mind. If they need advanced capabilities for a specific mission, they will make the investment in a new aircraft.

Otherwise, the basic medium-lift utility helicopter can be acquired on the open market for a small fraction of its new counterpart – for many organisations with serious budget constraints, the best value option becomes clear. The best value wins. **RH**

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In a quest to accomplish the mission, virtually every helicopter operator, military and commercial alike, must answer some tough questions.

These include: what are my missions; what capability must I have to perform my missions; what capability do I need to perform my missions reliably and safely; and what can I afford?

Once the answers to these have been determined, the operator must then make hard choices. Do they simply maintain the helicopters they have? Maintain and enhance what they have? Or maintain and significantly upgrade or modernise their fleet?

Alternatively, the option always exists to buy new aircraft.

Staying within budget

However, in today's challenging operational and economic environment, more and more operators are deciding to fly what they already own, making upgrades as they are able to ensure they can continue to perform their missions successfully, safely and reliably – all while staying within established budgets.

This is clearly the case with military operations, and is consistent with the military market growth at BLR Aerospace, but it equally applies to parapublic operators.

Independent reports confirm that Western military and paramilitary end users are favouring platform retrofit in lieu of new-platform acquisition.

Frost & Sullivan forecasts that system integration opportunities during platform upgrades will rise steadily at a compound annual growth rate of 2.71% in North America and 4.3% in Europe, with both regions representing a market valued at \$9.37 billion through 2022.

The reality is that helicopters have long been – and will continue to be – crucial to military operations. Military spending reductions and the high acquisition cost of new helicopters

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have combined to drive increasing demand for modifications that upgrade the reliability, operational capability and safety of rotorcraft assets, while ensuring logistical supplies critical to any successful service life extension programme.

While many operators opt to enhance, upgrade or modernise existing fleets, others may establish 'new-to-them' fleets with pre-owned aircraft, modifying the helicopters to meet their specific needs. And even those with larger budgets may opt to order new aircraft while keeping and upgrading some portion of the existing fleet.

Such trends are naturally followed in the commercial and parapublic world as operators look to get the most out of their helicopter fleets.

It all comes down to best value. And in the end, best value wins. This is why the helicopter upgrade market is thriving – as are the businesses that make the upgrades possible. It's a vibrant and growing market niche that encompasses everything from engines and blades, to wire harnesses and parts manufacturer approval (PMA) or breakout parts, and it has not peaked yet.

Filling the gap

As OEMs focus on new products and innovation, entrepreneurs have filled a gap in the logistics supply chain to help sustain legacy aircraft. As they also deliver more complex and highly capable aircraft for specialised missions, these same entrepreneurs have stepped in to help operators sustain helicopters used for basic utility missions that are the mainstay of most commercial and military operations.