Electronics Lab Powers Ontic Expansion

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by **MATT THURBER**

Working on capacitance probes on the fuel quantity indicating system for the Airbus A320 are Ontic's electronics lead Pedro Paiva and electronic technician Sigfredo Mendoza.

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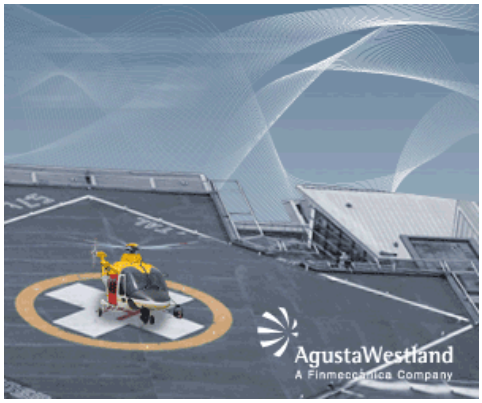
BBA Aviation's Ontic division is rapidly developing a new source of growth, the support of legacy electronics products. Ontic is an aerospace manufacturer that focuses on making parts and components that other original equipment manufacturer (OEMs) don't want to make or can't make efficiently anymore. The U.S. company also operates repair stations to support the products that it makes.

Ontic manufactures parts and complex assemblies under license from the OEM that originally made the product. In some cases, the OEM can't afford to keep making those parts, preferring to apply those resources to more remunerative and higher-margin products. Or the volume of those parts has dropped so low that it is impossible to make and support them efficiently, yet there remain actively flying aircraft that need those parts. Ontic does not compete with OEMs, although it is an OEM itself and complies with all of the quality standards and processes that apply to any aerospace manufacturer.

"We focus on keeping parts producible and sustainable, but also product support," said Robert Sadler, director of marketing and licensor relations. "That is our model and it takes a big headache away from the prime [OEM]." Ontic either makes parts and components for OEMs or simply acquires the product line and then supports those products as long as there is a viable market. Ontic's main lines of business include environmental control systems, control and actuation, hydraulics, electronics, avionics, pneumatics, heat transfer, electric power and fuel controls. Some typical business aviation products include Honeywell TFE731 electronic engine controls, Bombardier Challenger trim tab actuators and Hawker fuel quantity probes.

About a year ago, Ontic (Stand 827) began strengthening its electronics manufacturing and support capabilities by building a new electronics lab at its Chatsworth, California, headquarters. In March 2011, Ontic bought GE Aviation's fuel measurement business,



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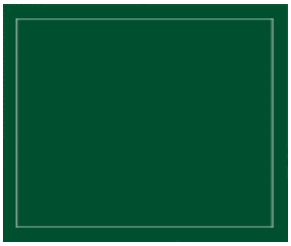

which also boosted Ontic's electronics capabilities by adding facilities in Slough and Cheltenham, UK. Ontic is also building a new facility next to BBA Engine Repair & Overhaul's new facility in Singapore.

Electronics components fit into four generational categories, according to Ontic president Peg Billson. The first generation was the vacuum tube era; later in the 1960s and 1970s, OEMs began installing second-generation computers on aircraft; the third generation added integrated circuits and software; and finally digital circuits and embedded software represent the fourth generation, the modern age. The GE fuel systems business is mostly third-generation software and hardware.

"All generations are equally attractive," Billson told **AIN**. "A generation-four needs different support than generation-one. You have to understand the nuances of the different generations."

Many of these electronic systems are still flying on a variety of older and even modern aircraft, giving Ontic the ability to target the spares market for fleets already flying and for new aircraft as well.

The addition of the dedicated electronics lab, which opened about six months ago, is big business for Ontic. In 2010, electronics manufacturing and support represented just 3 percent of revenues, and after the GE acquisition that number climbed to 30 percent. "Our vision is that electronics can and should be 50 percent of our portfolio," Billson said.

The electronics business represents another challenge for Ontic, however, and that is dealing with components that require software to operate. "We must be ready for that," she said. "But one of the capabilities that Ontic is expert at is sorting out the unknown. That's a skill we have in our engineers and technicians. What motivates them is the challenge of figuring things out."

Ontic isn't concerned about the volume of products that are involved in a particular program and makes its services available to any customer, regardless of size. Parts are always made in cooperation with the OEM that owns the intellectual property underpinning the product, but the parts also carry an Ontic nameplate. Ontic can supply the parts either to the OEM, which then installs them on new aircraft or distributes them to customers, or directly to the aftermarket. This includes obtaining the necessary parts manufacturer approval (PMA) certification so that Ontic can ship parts directly to end-users. Ontic currently is licensed to make nearly 4,000 LRUs, which use up to one million discrete parts.

Ontic offers another advantage to OEMs, and that is the ability to store inventory. When evaluating a program, Ontic's "procurement detectives" and "forensic engineers" look at the demand for the component by the OEM and the aftermarket. This includes evaluating the sales, inventory and planning process for making the item.

"We're balancing how best to supply it," Billson said. Ontic, for example, can make money off both a large batch-production process or by making a complex item in small numbers and keeping them in inventory. OEMs typically make parts and components in large continuous-flow processes that can't be scaled down efficiently, and maintaining inventory is costly and not a goal of an OEM.

In Ontic's view, what it doesn't just come down to being more efficient than any given OEM. It also has to ensure that it is delivering the same level of quality in what it produces.

Here at the EBACE show, Ontic announced that it has added support for the Hawker Beechcraft King Air series to the long roster of legacy aircraft that it is already qualified to service. The component-level support will be managed from Ontic's Houston, Texas MRO facility. King Air operators can now have landing gear, flight controls, oxygen, pneumatic, airframe and sheet metal work performed through Ontic service centers.

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