

## Improving the lease aircraft transfer

### Key solution areas to improve a lease transfer

#### Introduction

Aircraft lease transfers don't always run smoothly as there are several parties involved in making a lease return happen, sometimes with differing agendas. VZM's experience shows that many lease returns face challenges. Often unanticipated events hinder timely and budget-neutral returns leading to both lessor and lessee being dissatisfied with the process outcome. The latter may cloud the relationship going forward as it adversely affects mutual trust. It triggers the question: how can an aircraft lease transfer be better managed such that all parties involved are satisfied with the outcome, thus ensuring a stable and productive relationship going forward?

#### Problem statement

A lease transfer check can easily be extended beyond the planned downtime due to surprises encountered during the check: such as a previous repair which must be done again due to incorrect paperwork, a landing gear which does not fulfil the requirements, or last-minute requests from the lessor / new operator.

A lease transfer involves many parties and an intricate chain of events that all must operate in sync to ensure a successful outcome. The lease transfer itself can be seen as a process involving interlinking phases.

Such a lease transfer process can be characterised as being successful once lessor, lessee, MRO provider and the NAA(s) are satisfied with the result. Which means an aircraft has been returned



from the operator through an MRO provider to the lessor ready for lease-out. Of course in accordance with the conditions as stipulated in the lease contract without significant timeline and budget overruns for all involved. Therefore, how can the current lease transfer process be improved or better managed to attain this result?

#### Key solution areas

The VZM team has identified several "key solution areas", which, in our view, are helpful in dealing with the multitude of findings and deviations which might occur during a lease transfer check.

From the start, it is crucial to really know all players in the value chain, and their expectations. As is knowing the details of the lease transfer agreements and having a clear picture of which items are important, both during the check and for the timely completion of the lease transfer.

- know all players in the value chain
- preparation
- clear process design
- SMART agreements

Preparation by the operator is a key factor, really understanding the lease return conditions and any requirements from the responsible authorities is essential. Knowing which item is on the aircraft, where and in what condition it is minimizes the surprises which will come anyway.

As an MRO provider, have a clear process design for the check execution, with built-in flexibility and with pre-defined timelines, milestones and communication points.

Last but not least, clear and SMART agreements with all the key stakeholders for the lease transfer will form the basis of such a controlled process.

