

# Nike report

[Business](#)



EAR maintains satisfactory competitive position through responsiveness, our attention to quality and technical financial capabilities as key to compete with the competitors. In both the Aviation Supply Chain and the MR.

segments, EAR competes with Memos, the service divisions of large commercialism's and other independent suppliers of parts and repairs and overhaul services. While Structures and Systems segment moment with a number vitiations of large corporations and other large and small companies.

For Government and Defensiveness segment, company competes with a few domestic superconductivity's companies and large domestication's and other independent suppliers of these types of services. C. Industry Situation and Its Outlook EAR CORP.

is running on aerospace support business, for both government and commercial area within four business line. Company has done great Job for its portfolio by balancing of sales each segments. Looking forward, EAR has opportunities and threats resulted from the aerospace industry. For commercial line, EAR sells or lease aircraft, new or modified.

This business has high risk because the aircraft is produced byBoeingor Airbus, not by their selves.

They are not the key maker in the industry. When Airbus or Boeing launch new technology or stop produces specific models, it could be harm their business because EAR has to catch up the knowledge to adapt new industry.

In addition, climate change trend could be impact to aviation business because of pollution issue. The positive development of commercial airline

such as growing of fast budget airlines could have positive impact on company business.

EAR should be aware when the airlines create cooperation and develop network including for maintenance and overhauled facilities.

To anticipate these conditions, the company aggressively expands the business with an acquisition program, for instance Detail and Norris's, which have facilities in Germany, Sweden, Singapore and Norway, China respectively. The acquisitions are also important to attract current customers and new customers because of the global distribution of the company. The company also stops operating unprofitable facilities such as in Amsterdam.

Since 2008, the company changes strategy to reduce the number of aircraft for sale and lease to commercial airlines, both joint venture or wholly owned. The company also approaches Boeing to provide support services to their products, and EAR has selected as provider cargo handling systems for New Airbus MAMMA military transport aircraft. In other sectors, Government customers also show some threats.

The Department of Defense United States will reduce the budget regarding the enactment of Budget Control Act by Congress which reduced defense spending \$487 billion over 10 years since 2012.

Another problem from this segment is short-term contracts, usually one year or less with options to extend one or two times. Moreover, the United States' military withdrawal from Afghanistan in the end of 2014 will affect EAR revenue. The company has already predicted the decreasing of sales from this

segment, and will maintain existing and expand new customers to avoid worsening of financial condition, for instant, recently EAR announce their 3 years extension of contract as support service in Afghanistan from Department of Defense worth \$161 M and EAR has chosen as Boeing 737-400 modifier by Colombians Air Force, worth \$31 M.