

Let's start with the summary



- **The product: MRO software for Aerospace and Defense**
- **We have done this before - Sold company to Boeing subsidiary in 2006**
- **We know this market**
 - **We designed one of the 3 top products (Boeing owns and markets)**
 - **Our former teammates developed another of the top 3 products (IBM)**
- **Automatic small business set asides to \$47M/year in revenues**
- **A&D is quality focused - not price focused**
- **Product is complete, field tested and ready for market**

	2025	2026	2027	2028	2029
Revenue	\$300,000	\$2,000,000	\$6,000,000	\$20,000,000	\$40,000,000
Expenses	(\$2,090,000)	(\$3,310,000)	(\$3,850,000)	(\$5,450,000)	(\$6,750,000)
Profit/Loss	(\$1,790,000)	(\$1,310,000)	\$2,150,000	\$14,550,000	\$33,250,000

A&D

LOGISTICS

Miguel Foncerrada
CEO LogisticsMRO, Inc.

September
2024

What we do:

SaaS Maintenance & Supply

- Software to manage weapon systems maintenance
- FAR-45 compliant Supply System
(Federal Acquisition Regulations)
- Full lifecycle MRO capabilities
- Proven in multiple installations



[More...](#)



THE PROBLEMS

...and solutions

What we solve:

The problems with current software...

1. Implementing MRO software for A&D is a lengthy process

Each weapon system and organization requires **customization**, which extends the implementation timeline. Our architecture speeds this up dramatically. **Ninety percent of customization done by analyst!** [Details](#)

2. Correcting errors is challenging

Due to the nature of advanced weapons systems and their intricate maintenance needs, MRO software is complex. Errors are inevitable and correcting them in current systems is a difficult process. [Details](#)

3. Market leaders have outdated technology

Migrating to new technology for heavily customized systems is very difficult. [Details](#)

4. Boeing – Software provider to their competitors

Boeing dominates the market, but competitors are seeking a modern alternative. [Details](#)

Better Functionality

Our solution leverages advanced AI capabilities to outperform standard commercial offerings.

MILSTRIP Ordering:

Seamlessly handles requisitions through the Defense Logistics Agency.

Work-In-Process Reporting:

Tracks work against contractual deadlines with data-driven AI insights.

Stock Replenishment & Auto Ordering:

Utilizes AI rules and data mining for efficient inventory management.

Full DoD Data Support:

Supports fields like NSN, SMRC, ERRC, WUC, and others.

FAR-45 Compliance: Fully adheres to Federal Acquisition Regulations.

Loan & Transfer Tracking:

Manages inter-organizational transfers for funding adjustments.

Inventory Segregation & Business Rules:

Ensures compliance with DoD requirements, tracking work and inventory by contract and fiscal year, with precise rules for repair usage.

Aircraft Configuration Management:

Ensures accuracy and up-to-date configurations.

Better Technology

Customization

Performed by analyst instead of programmer.

AI – Artificial Intelligence

The technology driving significant acquisition of software systems [Details](#)

RDP vs. Browser-Based

Remote Desktop Protocol (RDP) offers full-featured Windows capabilities that browsers can't achieve. It is the best technology for cloud computing.

Major competitors remain invested in older, browser-based systems and will take a long time to adapt.

Dynamic Calculations

Harness the power of modern CPUs to automatically correct user errors and improve accuracy.



THE MARKET

MRO SOFTWARE FOR AEROSPACE & DEFENSE

MRO Software market

Commercial MRO Software

vs.

A&D MRO Software

- **Commercial - Cost is everything**

Competition is based mostly on cost. Commercial organizations are profit seeking entities. Lowest cost software gets the contract.

- **Commercial - Low modifications – Use as is**

Companies want something that just works without modifications so they can keep the cost low. Software vendor must have turn-key solution.

- **Commercial - Do everything...**

Commercial software needs to add much functionality to compete...Accounting, payroll, crew scheduling, flight schools, etc., etc.

- **Use any cloud**

- **A&D Quality focus – cost is largely irrelevant**

The need to adapt software to each weapon system and comply with government mandates makes it expensive. Cost is a secondary consideration.

- **A&D Customization is the norm**

This both increases the cost of the software and the complexity of maintaining it. Our architecture is designed to make this manageable.

- **A&D - Do one thing**

DoD prime contractors and government entities rely on specialized systems. They don't need integrated accounting and other sub-systems.

- **DoD 800-171 and other constraints**

Commercial software companies can use any infrastructure

Growth Market

Growing Defense Budgets

Defense spending continues to rise in response to evolving threats and technological advancements.

Emerging Technologies

Advancements in cloud computing, blockchain, artificial intelligence, faster CPUs, and unlimited data storage are transforming the defense landscape.

Shift to Autonomous Systems

The Department of Defense is moving from manned to autonomous weapons systems, such as UAVs, marking a key shift in military strategy.

MRO SOFTWARE MARKET SIZE

GLOBAL MILITARY SPENDING ON THE RISE

- 2023 MRO software ~ \$6B - \$7B
- CAGR 6.8% to 2030 (before current conflicts)
- Boeing acquires GOLD in 2012 (~\$150M) – 200 employees
- IBM acquires Maximo in 2006 (~\$740M)
- IFS over \$1B in revenue

Sales Channels

Direct Sales

Smaller contracts, such as those for law enforcement or black ops, are typically handled directly by our company.

Prime Contractors

When prime contractors provide a full solution for weapon systems, including maintenance of deployed systems, they need independent software that remains with the system—even when a competitor wins the next maintenance contract. Currently, Boeing dominates this space, but other prime contractors are seeking alternative solutions.

System Integrators

Large contracts often require a systems integrator to oversee the performance of all companies involved. Integrators like Accenture, Booz Allen, and SAIC will favor our system because it allows their analysts to make most of the necessary customizations, which increases their services revenue. We benefit by focusing on higher-margin software licenses rather than service-based revenues.

Sales Ramp-Up

Law enforcement

Although not DoD, law enforcement agencies will be the immediate sales targets due to shorter sales-cycle.

Federal and DoD small business set-asides

- Automatic set aside of contracts up to \$250K
- Over \$250K set aside if two businesses can do the work

System Integrators

- Large federal projects depend on system integrators (CACI, SAIC, Accenture...)
- Our infrastructure, where they can perform the majority of the customization services (and revenue) will make us a preferred software supplier

POTENTIAL CUSTOMERS

- **State and local law enforcement**
- **Autonomous Military organizations**
- **A&D MRO providers**
- **DoD Contractor support programs**
- **Foreign Military Sales**
- **DoD**

A&D
LOGISTICS

EXPERIENCE

We have done this before



- Founders have developed MRO software for 40 years
- Western Pacific Data Systems 1984 – 1999 – Developed GOLD software
 - Acquired and now owned by Boeing subsidiary
- Founders - Internet Business Applications 1999-2006
 - Company acquired by ILSmart (Boeing subsidiary)
- LogisticsMRO since 2019 – developers of LogMRO software

Meet the Team



- ▶ **Miguel Foncerrada**
- ▶ **CEO**
- ▶ **Chairman**



- ▶ **Kurt Lindberg**
- ▶ **CTO**
- ▶ **Board member**



- ▶ **Terry Lubenow**
- ▶ **Board member**



- ▶ **Brigita Rasys**
- ▶ **Board Member**



- ▶ **Investor**
- ▶ **Board Member**

Experience

Miguel Foncerrada – CEO - Extensive experience managing multiple concurrent software projects for commercial and military concerns: General Dynamics (Atlas Centaur rockets, Cape Canaveral launch pads), NAVAIR (T45 Goshawk, HMX1 Presidential helicopters), Malaysia RMAF, Saudi Arabia, Japan...

- Founder LogisticsMRO 2019 - Operational
- Founder IBA – Sold to Boeing (ILSmart) in 2006
- Director ILSmart - a Boeing company
- Director WPDS now a Boeing company
- President TFD Group - sold to A. S. I.

Kurt W. Lindberg – CTO - Extensive experience architecting software for MRO. Designed the technical architecture for GOLD current market leader as well 3 other MRO systems.

- Founder LogisticsMRO 2019 - Operational
- Founder IBA – Sold to Boeing (ILSmart) in 2006
- Manager US State Department

Terry Lubenow – Board member - GOLD salesperson to VP, to eventual sale of the company, including contracts worth multi-millions to USAF, USN, Boeing, Lockheed Martin, GD, and foreign countries

- LogisticsMRO 2019 - investor
- Raptor investor – Sold to Maximo (IBM)
- IBA – Sold to ILSmart (Boeing) in 2006
- VP Sales WPDS – GOLD software

Brigita Rasys – Board member – Extensive experience in Aerospace, Defense and commercial aviation. Executive leadership roles in product management, global sales, strategy development and marketing.

- Board member and Chief Marketing Officer – Terabase Corporation
- Director of Sales – IHS Markit
- Haystack Product Manager – Ziff-Davis Corp.
- Sr. Director Government – ILSmart.com
- Sr. Director A&D – Information Handling Service



The Opportunity

OUR SOFTWARE ADVANTAGES

- **Unique infrastructure**
 - **Dynamic screens**
- **Rapid deployment**
- **Analyst customize**
- **Proven working software**
- **FAR Compliant**
- **AI proven engine**

Competitive Outlook

- Boeing GOLD – We designed in 1990's – revenues undisclosed
- IBM Maximo – Designed by our team members 20 years ago
- IFS – Sweden – \$1.15B revenue 2023

ENTRY OPPORTUNITY

- US DoD - mostly limited to USA companies due to security
- A lot of contracts too small for the big 3 provide plenty of entry opportunities.
- DoD wants more suppliers – **Small business set asides**

Revenue & Expenses

Minimized Software Development Costs

For companies in this sector, software development typically represents the largest expense. However, our software is already fully developed and tested. A&Dlogistics will license the software from LogisticsMRO, Inc. in exchange for equity.

Focus on Sales and Marketing

The primary expenses for A&Dlogistics will revolve around sales and marketing efforts. This includes hiring a dedicated sales team and investing heavily in trade shows, publications, and other marketing channels. A small technical and administrative team will handle system setups and implementation preparations.

REVENUE SOURCES

- **Software**
 - SaaS recurring revenue
 - License sales – up-front revenue plus maintenance recurring revenue
- **Services**
 - Analysis, Customization, Interfaces, Data take-on
- **Accounts good for life of weapon system**
- **Not price sensitive, limited/expensive competition**

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Opportunity Size

- IFS – Sweden – \$1.15B revenue 2023
- Boeing GOLD and IBM Maximo revenues not disclosed
- MRO software market estimated at \$7B/year
- GOLD sold for approximately \$150M to Boeing in 2012
- IBM acquires Maximo in 2006 (~\$740M)

Exit Strategy

- Acquisition target for Boeing competitors
Other OEM don't want to use Boeing owned software
- Acquisition size within 5 years

READY FOR MARKET

- **Small Business set asides - available until company revenue goes over \$47M/year**
- **Software working and deployed**
- **Better fit for large integrators**
- **Contracts good for life of weapon system**
- **We have done this before**

Why Us?

Superior Software Architecture

Our software architecture surpasses that of our competitors, offering a significant advantage in quick deployment.

Proven Track Record

With a solid foundation in commercial aviation, our current customers can attest to the software's reliability.

The software is already available, eliminating the need for a lengthy four-year development cycle.

Experience You Can Trust

We have successfully executed similar projects in the past:

- **Development of the GOLD system for WPDS**
 - which has become the market leader for Boeing
- **Developed ARMS system for IBA. Sold to Boeing subsidiary**
- **Both companies were subsequently acquired by Boeing.**

Why Now?

- DoD budgets increasing worldwide
- Cloud adoption for new systems
- Many new weapon systems under development (unmanned)
- New weapon systems use new MRO software
- AI enabled systems will win market share
- Computer hardware has now made dynamic architecture possible
- Software Complete and ready for market
- Competitors over \$1B in revenues
- Small company set asides to get started!



CONTACT INFORMATION

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END OF PRESENTATION

SUPPORTING
SLIDES

MRO Software Market Estimates

- **2023 market size approximately \$2B in USA**
- **Worldwide A&D approximately \$6B**
- **\$7.32B aviation MRO software worldwide**
- **\$2.1B aviation MRO software USA**
 - **Commercial and A&D**
- **USA A&D total approximately \$2B**
- **A&D Projected growth to \$10B by 2030**
(study performed before Ukraine conflict – Likely higher now)
- **CAGR 6.8% to 2030**

Forbes Market Insights

<https://www.fortunebusinessinsights.com>

KEY MARKET INSIGHTS

The global aviation MRO software market size was valued at USD 7.32 billion in 2023 and is predicted to grow from USD 7.70 billion in 2024 to USD 11.68 billion by 2032, exhibiting a CAGR of 6.02% during the forecast period. North America dominated the aviation mro software market with a market share of 27.46% in 2023.



Aviation MRO software facilitates condition-based maintenance support and predictive maintenance analysis as software-as-a-service to end-users such as OEMs, airline operators, and MROs. It comprises a huge management, database and modules for business, maintenance, electronic flightbag & logbook, and operations, which can be deployed on premise or be provided through a cloud-based platform.

Technological advancements in commercial and military aviation is a significant market driver. The aviation industry has become more connected and data-driven to ground-based MRO systems for predictive maintenance, tracking, and efficient MRO operations based on data collected by aviation MRO software using aviation analytics and digital twin technologies. Aviation Digital Twin facilitates end-users to conduct various MRO functions using virtual aircraft models for predictive maintenance tracking and other MRO applications. IoT enables location and sensor-recorded data. The end-users can subject the digital aircraft twin to the environment and weather conditions for [aviation analytics](#) and predictive maintenance tracking. A rise in the use of aviation analytics and digital twin technologies drives the market growth during the forecast period.

MRO Software Market Estimates

REFERENCE MATERIAL

- https://www.sipri.org/sites/default/files/2024-03/fs_2403_at_2023.pdf
- <https://militaryembedded.com/avionics/computers/the-global-market-for-fighter-planes-and-bombers>
- <https://www.skyquestt.com/report/military-aircraft-market>
- <https://www.marketresearchfuture.com/reports/aviation-mro-software-market-8421>
- <https://www.marketsandmarkets.com/Market-Reports/aviation-mro-software-market-215684414.html>
- <https://www.fortunebusinessinsights.com/industry-reports/aviation-mro-software-market-101798>
- <https://www.forecastinternational.com/>
- [IBM Maximo acquisition](#)
- [Return](#)

Budget Forecast

	2025	2026	2027	2028	2029
Sales Staff	(\$240,000)	(\$300,000)	(\$500,000)	(\$1,000,000)	(\$1,000,000)
Marketing Staff	(\$150,000)	(\$160,000)	(\$250,000)	(\$250,000)	(\$250,000)
Marketing exp	(\$200,000)	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)
Programming	(\$500,000)	(\$600,000)	(\$600,000)	(\$800,000)	(\$1,200,000)
Analysts	(\$500,000)	(\$600,000)	(\$800,000)	(\$1,500,000)	(\$2,000,000)
CTO	(\$75,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)
CEO	(\$75,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)
Admin Staff	(\$150,000)	(\$150,000)	(\$200,000)	(\$200,000)	(\$300,000)
Overhead	(\$200,000)	(\$200,000)	(\$200,000)	(\$300,000)	(\$600,000)
Intl. sales		(\$300,000)	(\$300,000)	(\$350,000)	(\$350,000)
Intl. marketing		(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
Intl Ops		(\$250,000)	(\$250,000)	(\$300,000)	(\$300,000)
Total Expenses	(\$2,090,000)	(\$3,310,000)	(\$3,850,000)	(\$5,450,000)	(\$6,750,000)

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What we do



We provide advanced software to manage the maintenance and repair of complex equipment, with a focus on aircraft and weapon systems (rocket launchers, radars, etc.).

Our system efficiently schedules and tracks necessary maintenance, manages materials for mechanics, provides up-to-date manuals, and keeps operators informed on aircraft availability for flights.

Our software tracks:

- Maintenance requirements
- Maintenance performed
- Materials used
- All resources involved in the repair

Designed with second-generation AI, our platform sets the stage for the next evolution in AI-powered MRO systems.

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Maintenance

LINE MAINTENANCE

- Aircraft and other weapon systems – Configuration, Maintenance Operations
- Its all about mission fulfillment – data input comes later...
- That is why our architecture excels – dynamic data calculation handles randomly input data – e.g. Flights recorded

DEPOT/INTERMEDIATE MAINTENANCE

- LogMRO A&D handles full depot level maintenance of whole aircraft as well as the management of Rotables repair and overhaul
- WIP exception reporting
- Supply system integration

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Supply Chain Management

- Nothing gets done without material!
- Federal Acquisition Regulations - FAR-45 compliant supply system. Forecasting, Kitting and complex equipment tracking with full traceability and auditability.
- Segregation by contract/year
- Completely integrated with maintenance – Nirvana

Growth Factors

- Technology changes – Cloud, Blockchain, AI, Hardware speed
- 20,000+ military aircraft to be delivered in next 10 years
- DoD Transitioning from manned to autonomous weapons (UAV)
- Cloud technology – biggest growth in SaaS
- CPU improvements – many advantages...Dynamic Screens for quick modifications
- Dynamic calculated fields solve many problems

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The Solution – Implementation timeframe

The typical implementation process for this software in the market involves:

1. Analysts collaborate with end-users to document the required modifications for each screen (often hundreds).
2. Customer approval and funding are secured.
3. Changes are documented for programmers.
4. Programming, QA, and software delivery follow.
5. A review and revision process is done, often repeating the full cycle.

Our system leverages modern computing advancements to dynamically generate forms and screens. This allows screens to be configured differently for each customer by the analyst and end-user—without the need for a programmer.

90% of modifications completed in step 1, cutting deployment time from years to months.

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The Solution – Error correction

Error correction is a challenge, Complex weapons have intricate maintenance needs, leading to equally complex software. Errors are inevitable and fixing them in current systems is cumbersome.

Example:

An aircraft flies a mission and lands at a different base where maintenance occurs.

A part (X1) is removed and replaced with another part (X2).

The aircraft returns to its base, and the flight is logged, but hours are incorrectly assigned to X1 instead of X2, since the part replacement wasn't recorded in time.

Correcting this mistake in traditional systems is a difficult, manual process that few trained users can undertake.

Our system harnesses modern computing power to compute most data dynamically.

In this case, flight hours for X1 and X2 are calculated automatically when needed, eliminating the need for manual corrections.

This concept applies to numerous actions in the MRO world. Dynamic calculations greatly simplify error correction—a significant improvement over outdated ERP systems. Error correction is where our competitors struggle the most.

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The Solution – Cloud RDP Technology

Current Market Leaders Stuck in Outdated Technologies

The leading market players heavily invested in browser-based technology during the early 2000s, reworking their applications to function inside a browser—much like how online banking works. While this method is suitable for simple tasks, it becomes cumbersome for complex, fast-paced operations. We opted for .NET Remote Desktop which gives you full Windows UI and capabilities.

While we have successfully implemented second-generation AI, our system can also build-in third-generation AI capabilities. Large companies with established customer bases struggle to adopt these advancements as quickly as smaller, more agile competitors.

Cloud and Remote Desktop Technology

Cloud computing offers a far superior solution. With "Remote Desktop" technology, users can access a powerful server, providing them with a familiar Windows desktop environment. This allows for full-featured Windows applications accessible from anywhere through a browser—combining mobility with robust functionality.

Emerging Technologies

In addition to the cloud, we are pioneering advanced technologies like blockchain for secure audit trails (patent pending).

Challenge for Market Leaders

For current market leaders with numerous installed customers, switching technologies is a massive challenge. Redeveloping their entire functionality—along with the customization for each client—makes this transition a daunting and complex task.

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The Solution – Boeing and other Primes

Boeing Leads the MRO Software Market, but Competitors Seek Alternatives

The leading software for DoD MRO (Maintenance, Repair, and Overhaul) management is GOLD, sold by Tapestry Solutions, a Boeing subsidiary. Boeing's competitors in the MRO services sector are often required to use this system, even though they would prefer an independent solution.

Our team, comprised of the original designers of the GOLD software in the 1990s, knows we have a superior option:

- **Better technology**
- **Much faster deployments**
- **Improved data model**
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Challenges for Prime Contractors

Prime DoD contractors such as Lockheed Martin, Northrop Grumman, and BAE Systems regularly compete for MRO service contracts. However, they are often forced to use Boeing's entrenched software, putting them at a significant competitive disadvantage. Our solution addresses this gap by offering an independent, more advanced alternative.

Opportunities for Small Business

DoD set-asides for small businesses offer automatic contracts of up to \$250K, creating opportunities for innovative solutions like ours.

Artificial Intelligence for MRO

The "new" technology that our competitors are spending millions on isn't so new — we've been doing it for years.

1st Generation AI: Rules-based systems that respond to predefined scenarios. This has been a core part of our software from the start.

2nd Generation AI: Data mining that predicts actions based on historical trends. Our software does this in several ways - for example, to determine stocking needs based on past part usage and other factors.

3rd Generation AI: Extrapolates solutions on its own. Although limited in aviation and military due to maintenance rules and regulations that must be strictly followed, we are carefully investing in it as market demand grows. There are several applications for AI (e.g., condition based/predictive maintenance). When customer specific needs arise, our system is ready.

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