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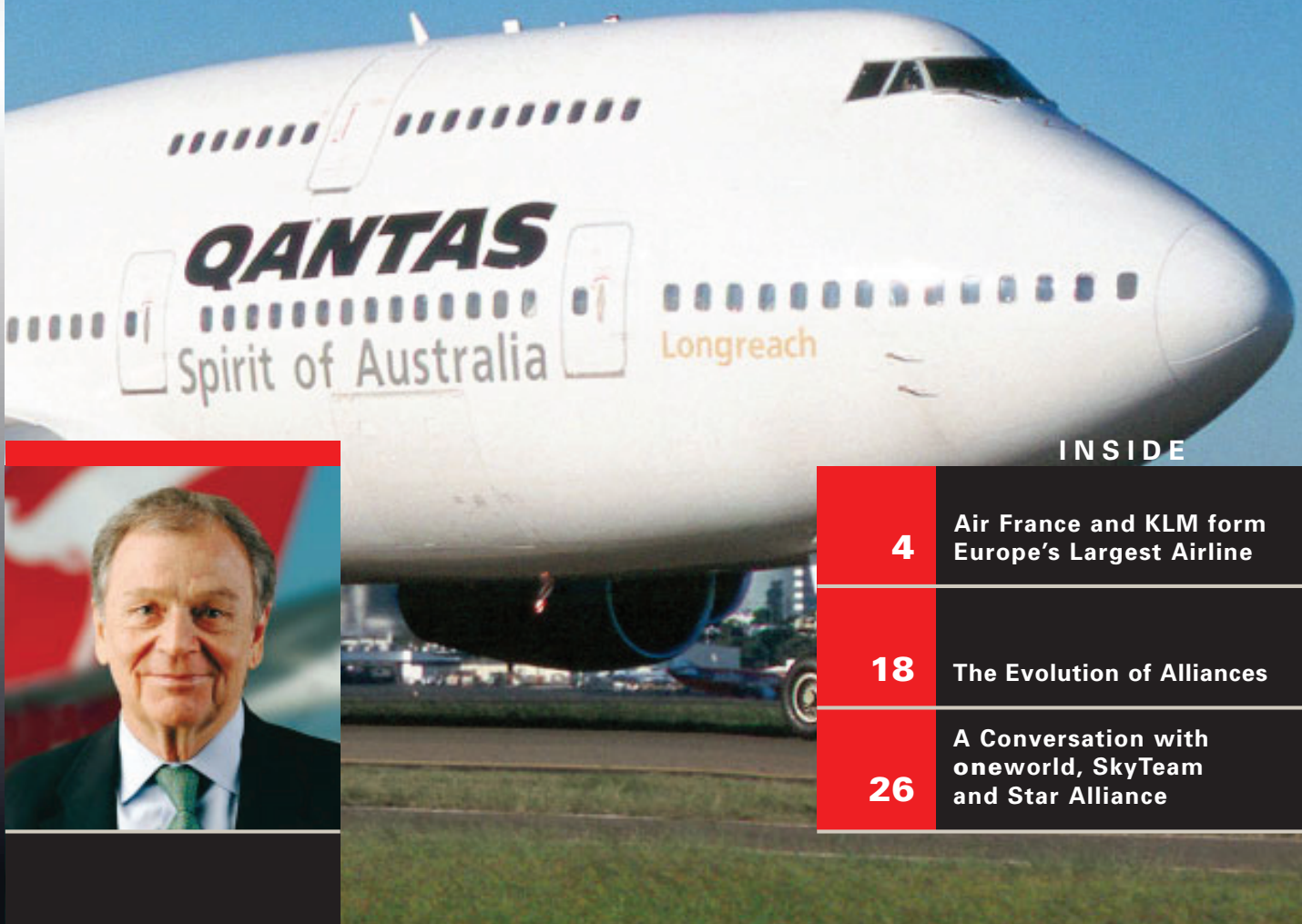
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AN ALLIED FRONT

A conversation with ...

Geoff Dixon, CEO, Qantas Airways



INSIDE

4

Air France and KLM form
Europe's Largest Airline

18

The Evolution of Alliances

26

A Conversation with
oneworld, SkyTeam
and Star Alliance





Good Neighbors

Regional associations enable member airlines to collaborate by sharing expertise, interacting with each other and leveraging purchasing power.

■ By Badal Vyas | *Ascend* Contributor

Global alliances and individual partnerships are not the only kinds of relationships that benefit airlines.

Around the world, regional airline organizations have developed to not only promote regional cooperation but also to assist members with their operations, share ideas about how to cope with a changing industry environment, and provide education and training for members.

As they developed, these regional associations also realized they could assist members by helping them bargain for products and services or by acting on behalf of all members in order to secure better bulk rates from vendors. Today's associations go beyond their original purpose by uniting to form collective bargaining consortiums focused on collaboration and attaining cost-effective solutions from vendors and suppliers.

Two regional associations — the Arab Air Carriers Organization and the African Airlines Association — are leading examples of how neighboring airlines can work together to benefit themselves.



Pan-Arab Partners

The Arab Air Carriers Organization has been a regional consortium pioneer. Since its founding in 1965, the organization has worked to

fulfill its mission “to promote cooperation amongst Arab airlines and to serve their common interests through service excellence.”

The organization, formed within the framework of the Arab League of States, now includes 20 airlines.

The organization's main objectives include:

- Promoting the highest safety standards,
- Providing a framework for a better economic environment for airline operations,
- Promoting high standards of consumer-driven services,
- Providing a high-quality and cost-effective framework for human resources development,
- Investing in the synergy of interaction between members through establishment of joint projects.

Continuously working to study and update the needs of the airlines it represents, AACO is part of an emerging new breed of partnerships. The AACO Industry Partnership Program, for example, helps create a mutually beneficial environment for airlines and other companies. The program attracts carefully selected world-leading companies and provides them with exclusive access to its spe-

cialized airline forums. The Industry Partnership Program enables these companies to build relationships with AACO members.

AACO's leading role among the Arab airlines provides fertile ground for future in-depth

Photo courtesy of AACO



“The AACO airlines have realized the need to take action and have begun introducing new revenue-generating techniques.”
— Abdul Wahab Teffaba, secretary general, AACO

cooperation and success stories. The AACO airline consortium strives to enable Arab airlines to better understand and respond to their national markets, allowing them to expand their share and services. AACO's committees, formed from subject matter experts from member airlines, meet regularly to share insights, examine industry trends and determine market needs. These committees invite vendors to present their products and then evaluate the product's features and match them with airlines' needs.

AACO joint projects entail more than volume discounts and extend into the quality of service as well as the common requirements of AACO member airlines. All AACO

+count it up

230 — Length in feet of the Russian Antonov AN-124-100, the world's largest regularly operated cargo plane. The aircraft has a wingspan of 240 feet; it weighs 175,000 kilograms (385,800 pounds) when empty and can carry a total payload of 120,000 kilograms (265,000 pounds). The aircraft's 24-wheel landing gear allows it to kneel down, which significantly reduces loading and unloading times.

members participate in at least one of the organization's joint projects, which group carriers by similar interests and needs. These joint projects provide a framework for a better economic environment for member airlines.

"The AACO airlines have realized the need to take action and have begun introducing new revenue-growing techniques," said Abdul Wahab Teffaha, secretary general of AACO.

One key way AACO has helped meet its members' strategy and revenue-generation needs is by providing them market information analysis tools. Through these tools, the member airlines are better able to examine their markets for opportunities to increase share and, therefore, earn incremental revenue.

AACO helped several of its members obtain tools from the *Sabre® Data Analysis Solutions* suite, which provides market data information to help AACO carriers make timely and fact-based operational and commercial decisions. In October 2002, five AACO members — Kuwait Airways, Middle East Airlines, Royal Jordanian Airlines, Saudi Arabian Airlines and Yemen Airlines — selected the *Sabre® ProVisionSM* MIDT processing service and the *Sabre® WiseVision™* sales expansion system. The successful usage of these tools by these AACO members has generated interest by other fellow member carriers.

One of AACO's most prominent carriers, Gulf Air, also relies on the entire *Data*

Analysis suite. In addition to using the *ProVision* service and the *WiseVision* system, Gulf Air also uses the *Sabre® TransVision®* traffic flow analyzer to manage its routing structure.

"As our airlines grow and their networks expand, a clear understanding of passenger flows in and between new markets becomes important," Teffaha said. "Sabre Airline Solutions has provided the AACO carriers with market systems and services that respond to the true needs of the carriers, and, in more than one respect, revolutionize the way business is done within the AACO carriers.

"The process of decision making in all aspects — such as market competition, commercial conditions and network scheduling — is now based on facts," he continued. "The versatility and user-friendliness of the systems ensures that correct decisions can now be made at every level and at all locations inside the member airlines."

The *ProVision* service helps AACO member airlines interpret transactions from the global distribution systems into meaningful information and provides essential competitor information to help make timely and fact-based operational and commercial decisions. The *WiseVision* system graphically presents market analysis results to support the sales process and provides users the ability for ad hoc query analysis. It also offers office automation capabilities that can save time and money while pursuing winning opportunities

quickly and reliably using the Internet.

"The (tools) have helped the AACO carriers as a whole to be more proactive," Teffaha said. "Efforts are being directed towards cost-effectively achieving tactical goals, and they go hand in hand with the airlines' strategy."

The African Connection

Another regional organization, AFRAA, also provides a framework for its member airlines to work together to share ideas to improve operations, interact with peers and also seek ways to jointly reduce costs. AFRAA, officially founded in 1968, traces its beginnings to earlier in the decade when several African countries gained independence and formed national airlines. The Africa-based carriers began meeting informally in conjunction with the International Air Transport Association annual general meeting. Realizing they had much in common and could collectively present the unique needs of the region during IATA meetings, the African carriers formed AFRAA, which today includes more than 40 members from 31 African countries.

The organization, according to Christian E. Folly-Kossi, "offers forums through which member airlines meet, develop and consolidate [a] common approach to key issues in [the] aviation industry."

AFRAA has three main objectives:

- To promote the development of safe, reliable, economical and efficient air trans-

THE HIGH • LEVEL view

News Briefs from Around the Globe

Who

British Airways and Qantas Airways

What

Successfully implemented the latest release of *Sabre® AirFlite™ SlotManager™*, enabling their flight schedulers and slot portfolio managers to efficiently request and maintain their slot portfolios.

Why

British Airways — "Our slots are very

valuable assets, and it is critical that we get the best use out of them," said Robert Moran, slots and schedules coordination manager, fleet and network planning for British Airways. "The *SlotManager* system provides decision-support capabilities that will help us identify opportunities. In addition, using the system lets us manage our slot portfolio from a single centralized database, providing multi-user access to the slot team."

Qantas Airways — "We need

to produce slot requests quickly and accurately," said Hope Antzoulatos, manager of long-haul schedule development for Qantas. "Using the *SlotManager* system as an integrated part of the *Sabre® AirFlite™ Planning and Scheduling Suite* enables us to generate slot data for initial submissions and will allow us to make changes directly from the schedules maintained in *Sabre® AirFlite™ Schedule Manager.*" [E](#)



port services to, from, within and through Africa and to study problems connected to the region's industry,

discounts. Because not all of AFRAA's members are always interested in similar technological and operational solutions for their

respective airlines, AFRAA negotiates on behalf of interested carriers. The association either approaches vendors to attain an approximate cost based on different volume levels (such as traffic volume or transaction volume), or it first identifies member airlines that are interested in a particular service and then contacts possible vendors of that service.

“ [AFRAA] offers forums through which member airlines meet, develop and consolidate a common approach to key issues in the aviation industry.”

— Christian E. Folly-Kossi,
Secretary General, AFRAA

Photo courtesy of AFRAA



particular service and then contacts possible vendors of that service.

AFRAA also works with airlines to establish their priorities for the next few years to consolidate requirements prior to approaching potential vendors. Member airlines are grouped according to their specific needs. In addition, AFRAA member airlines are organized into workgroups to discuss specific product/project areas of interest to those airlines. AFRAA then invites specific proposals from vendors on behalf of the different workgroups or task forces. These proposals are evaluated by AFRAA before a recommendation is made to the member airlines. The association then compares the various offers/pro-

posals from vendors based on several criteria such as how they fit the requirements, their cost and service level agreements, and contract flexibility. Through this approach, AFRAA gets a consensus from the workgroups or task forces on the optimal product/service offer for the specific group of airlines. Both AACO and AFRAA use several criteria to determine if they have selected the most cost-effective solution for their members, including post evaluation, feedback from users and ongoing monitoring of application usage by member airlines. These organizations closely monitor the results as well as maintain an ongoing relationship with service providers. The strongest factor, however, is direct feedback from member airlines following each project and the strong support emerging projects receive from the member airlines. [E](#)



- To foster closer commercial and technical cooperation among African air transport enterprises,
- To serve as common forum to articulate the views of member airlines on common matters and problems and defend such interests.

Today, it represents its members, not only for issues related to IATA, but also in approaching vendors to obtain volume

Badal Vyas is a senior product management specialist for Sabre Airline Solutions. More information about AACO and AFRAA can be found at www.aaco.org and www.afraa.org.

THE HIGH • LEVEL view

News Briefs from Around the Globe

Who

Aeroflot Russian Airlines

What

Selected the *SabreSonic™ Passenger Solutions*, which includes passenger reservations, a Web site that enables potential travelers to shop and book travel on Aeroflot, and airport check-in functionality as well as a number of other key passenger service capabilities. The comprehensive offering also

will provide Russian travel agencies with full access to the *Sabre®* global distribution system, which is the first to provide the ability to directly book travel worldwide including airlines, car rental agencies, cruises, tour operators and rail outside of Russia.

Why

“Aeroflot was determined to get the most advanced and effective technologies in the industry,” said Evgueni

Bachurin, commercial director for Aeroflot. “It is for this reason we chose the Sabre Airline Solutions technology package. Their solutions are the only ones that will provide flexibility for our clients’ selling, booking and ticketing airline travel as well as maximize productivity for agents. In addition, the new technology will provide many new features both for Aeroflot and travel agents as well as our passengers.” [E](#)