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A Conversation with
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Secretary General
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Special Section

Airline Mergers and Consolidation



INSIDE

21

Carriers can quickly recover
from irregular operations

46

Singapore Airlines makes
aviation history

74

High-speed trains impact
Europe's airlines



In Sync

Airlines that leverage integration in the areas of technology, processes and service experience lower operational and technological costs as well as boost revenue and customer loyalty.

■ By Lauren Lovelady | *Ascend Staff*

The successful operation of an airline's schedule is one of the most logistically complex processes. On any given day, hundreds of known factors, including crew and aircraft availability and passenger loads, can affect the schedule, and just as many unknown factors do, as well. After all, who could have known that consecutive days of stormy weather in much of the United States during June and the first two weeks of July would mean one in three flights would be delayed and cancellations would increase 121 percent compared with the same time period last year. The result: huge headaches for airlines worldwide that serve the United States and hundreds of frustrated, displaced passengers. In situations such as this, communicating the most up-to-date information to the right people within an airline in a timely manner is critical. To

achieve this, an airline's employees and business processes and the technology supporting them must be in sync. They must be integrated.

Integration is often defined in technological terms, but it encompasses even more, including technology foundations, products and solutions, workflow processes, and customer services and support. While each area has its own benefits and merits, the real value comes in understanding and utilizing all aspects of integration simultaneously. The result for airlines: better quality decisions, which, in the long run, can lead to lower operational and technology costs as well as increased revenues and customer loyalty.

An integrated technology backbone provides a flexible foundation for the integration of an airline's systems and the implementa-

tion of those systems into its environment. For example, a single crew feasibility check component can be used as the basis for a number of different applications. Necessary design changes or defects found during testing can be corrected one time and the "fix" will apply to all applications. As a result, the same component is utilized by a number of different departments, promoting the integration of business processes across the airline.

An enterprise service bus, or ESB, is a useful tool for the integration of disparate technology applications. A scalable and secure software infrastructure, ESBs enable users to integrate new and existing applications and disseminate information without disruption to systems currently running. Because solutions do not need to be recoded or redesigned to fit

Operate in Harmony

There are several steps airlines can take and tools they can use to enhance revenues, cut costs and keep customers coming back.

■ By Lauren Lovelady | *Ascend Staff*

While some carriers are greatly impacted by aging fleets and airport facilities, others find it difficult to execute profitable schedules that incorporate ever-tightening government and environmental regulations. Many airlines

also feel the pressure of increased competition and fluctuating fuel costs that often cut into revenues. Although each carrier deals daily with a combination of issues unique to its own operation, there are some basic business challenges that almost every

airline, at one time or another, must rise to meet.

How successfully those challenges are met will depend, in great part, on the ability of an airline's functional areas and the systems supporting them to work together.



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Communicating in a timely fashion to the right people within an airline is critical to the overall success of its operations. To do this effectively, the technology used to support the carrier's employees and processes must be integrated.

into ESBs, existing applications and data may be successfully reused.

Although flexible technology foundations, such as ESBs, undoubtedly reduce development costs for information technology solutions providers, the result for airlines is just as beneficial — lower total cost of ownership, quicker and easier product implementations, and the ability to react quickly and effectively to the volatile environments in which they operate.

Rarely is a decision made during the planning process or even up to the day of operations in one area of an airline that somehow does not impact areas down the line. For airlines to communicate critical information from one department to another, their systems must share data. They must “talk.” A decision made in isolation, without the benefit of input from other areas and what-if scenarios provided by technology solutions, can lead to loss of revenues and consumer trust. Integrated data interfaces and business processes are key to effectively developing a set of solutions in response to rapidly changing operational environments and service disruptions. Integrated real-time solutions help prevent, for example, aircraft from being parked at gates for longer than necessary waiting for available crews or crews waiting at gates for arriving flights that have been delayed or gate locations changed. And in the case of disrupted operations, airlines’ system operations control centers can better decide which flights to cancel and which to operate when they have data on forecasted revenues for entire network’s flights readily accessible. Presenting the necessary information in a format that is easy to access and understand is critical for optimal decision making.

For years, solutions providers have offered best-of-breed systems to assist airlines with a num-

ber of critical tasks including schedule development, revenue management, fare pricing, crew scheduling and flight operations. And what airline would not want to purchase the best solution it can afford for the task at hand? But while a best-of-breed system may provide a marginally better solution for a particular area or task, what happens when another area needs access to the data to make accurate decisions? What if the systems are not easily able to share data? Although flexible technology backbones may provide some help, in almost every case, airlines underestimate the amount of time, money and effort they will need to spend to integrate various applications.

Once the systems have been pieced together, which solutions provider or providers does an airline contact for customer service and support? An integrated suite of tools from a single provider, such as *Sabre Airline Solutions*[®], can provide an airline with optimal decision support across its entire network. And that provider can simplify an airline’s service and support concerns by offering a single help desk number and integrated business process and organizational support.

With no end in sight for the need to develop strategic responses to schedule disruptions, airlines must become adept at anticipating and responding to the known factors and even the unknown factors affecting their schedules, for the sake of both the air travel industry and their passengers. And to accomplish this successfully, integration is key. **F**

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In an ideal situation, all of an airline’s technology tools would be able to seamlessly share data. However, that day has not yet arrived. Given the constraints of the “real” world, here are some common business challenges and solutions available today that can provide maximum benefit to an airline and its customers. In addition, there are examples of integrated products from *Sabre Airline Solutions*[®] to assist with these processes.

Increasing Revenues

There are several steps airlines can take to increase revenues:

- Automate the passing of future average fare data from the fares management system to the revenue management system, enabling better inventory control.
- Review and reassign aircraft capacity allocations closer to the day of operations. Using current demand forecasts generated by the revenue management system, the planning and scheduling system’s capacity optimization tool will identify opportunities to swap aircraft.
- Incorporate competitor fares data into the forecasting and optimization process based on the exchange of real-time information between the revenue management and fares management systems.
- Develop pricing strategies based on the schedule’s strength as dictated by market share data and passenger booking patterns, in addition to competitor price comparisons. The goal should be to provide passengers with the most convenient routes at the most convenient times priced in a competitive manner.
- Track booking activity within the reservations system and respond in real time by applying advanced inventory controls based on revenue management data.

Solutions are available to assist with revenue generation:

- *Sabre*[®] *AirMax*[®] *Revenue Management Suite*,
- *Sabre*[®] *AirPrice*[™] fares management system,
- *Sabre*[®] *AirFlite*[™] *Planning and Scheduling Suite*,
- *SabreSonic*[®] *Inventory*,
- *Quasar*[™] passenger revenue accounting system.

Operational Efficiencies

Steps can be taken to lower operational costs and increase operational efficiency, including:

- Find practical ways to improve relationships between functional areas. At any time, one group may have vital informa-



tion that needs to be shared with other areas.

- Implement decision-support tools that utilize shared data and business logic, resulting in higher-quality decisions.
- Use these tools to create and evaluate various what-if scenarios, incorporating necessary constraints, to find optimal solutions — sometimes within minutes — to challenges in the planning stage all the way to day of operations.

- Focusing on customers rather than just passenger name records by enabling service personnel and travelers to easily access real-time personalized information about itineraries via self-service kiosk and the Web. Flight delays and cancellations or even special promotions can be relayed to travelers via e-mail or phone.
- Using advanced operational customer relationship management to enrich and

one-stop customer services and assistance. Products equipped to address these issues include:

- Sabre® Flight Control Suite or Sabre® Rocado® Airline Operations Suite,
- Ramco MRO System,
- Sabre® AirMax® Revenue Manager,
- Sabre® Traveler Loyalty System,
- Quasar passenger revenue accounting system,
- Sabre® WiseVision™ Sales Essentials,
- SabreSonic Customer Sales and Service Solution,
- AirPrice fares management system.

Unexpected Disruptions

Airlines can do several things to handle unexpected disruptions due to weather, mechanical, air traffic control or security issues while maintaining passenger safety and loyalty:

- Utilize proactive decision-support tools with what-if simulation capabilities to efficiently recover and reassign aircraft, crews and passengers.
- Minimize passenger frustration and loss of revenue by sharing data regarding recovery decisions across all impacted functional areas.
- In addition to revenue and cost data, incorporate information from the loyalty system to assess each passenger's value to the airline when rebooking.

Products that can help airlines get back on track after a disruption include:

- AirOps suite, in particular Sabre® Decision Manager and Sabre® Reaccommodation Manager;
- Flight Control Suite or Rocado Airline Operations Suite;
- AirCrews suite.

In addition, Sabre Airlines Solutions is researching further development and integration of solutions in the areas of schedule and passenger forecast data distribution, pricing and planning capabilities, maintenance program updates, and dissemination of real-time day-of-operations aircraft movement messages. **F**

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HIGHLIGHT

“Although each carrier deals daily with a combination of issues unique to its own operation, there are some basic business challenges that almost every airline, at one time or another, must rise to meet.”

- Coordinate aircraft rotations and crew rotations to minimize unnecessary costs and increase operational reliability.
- Exchange data on regularly scheduled maintenance events between the flight planning and scheduling system and the day of operations system to create optimal aircraft rotations and tail number assignments that are not changed when the schedule is passed from one area to the next.
- Ensure crew scheduling and operations areas are continually fed real-time information about changes made to the schedule by the scheduling department to help minimize operational disruptions.

Software designed to assist in these areas include:

- AirFlite Planning and Scheduling Suite,
- Sabre® AirCrews® Crew Management Suite,
- Sabre® AirOps™ Operations Suite.

Best Travel Experience

Airlines can provide the best possible travel experience so their passengers feel like valued customers before, during and after their trips by:

- Implementing flexible technology, such as an enterprise service bus, or ESB, to increase options for reaching customers at various touch points during their travel experience.

synchronize the reservations, self-service and departure control environments.

Solutions that can help optimize the traveler experience include:

- SabreSonic® Customer Sales and Service Solution,
- Sabre® Loyalty Suite,
- Sabre® Virtually There® Web site,
- Sabre® InformSM mobile services,
- Customer Data Delivery option within SabreSonic® Res.

Ideal Technology

Advanced technology is available to help airlines not only get up and running but continue down a long-term, successful path, including:

- Start with the essential systems. Depending on the size and type of operation, the list may vary, but will likely include technology tools that assist with flight planning and scheduling, day of operations, revenue management, pricing, crew scheduling, traveler loyalty, revenue accounting, and reservations and sales.
- Add consulting services into the mix to better optimize the use of these tools in business processes, enabling the airline to grow as demand for its services grows.
- Focus on saving time and money from the start. Some solutions providers offer integrated systems that easily share real-time critical data across multiple functional areas. In addition, these providers offer