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## LEAPS AND BOUNDS

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# On The Same Wavelength

*Integrated systems as well as business processes can enable airlines globally to achieve effectiveness and efficiency throughout their entire range of activity — resulting in significant competitive advantage and enhanced revenue potential.*

■ By Phil Johnson | *Ascend Staff*  
and Lalita Ponnekanti | *Ascend Contributor*

A combination of untimely impacts have converged in the aviation industry — from rising fuel costs and government mandates to growing information technology expenses and increased international flying — requiring airline executives to more closely examine systems and business process integration.

The age-old approach to choosing a religion of best-in-class or best-of-suite buying is going by the wayside. The industry is seeing a straightforward need to simply reduce complexity, increase flexibility and pull in what has typically been a long road to return on investment and lower cost of ownership for IT systems and software.

For airlines to win in a new world of nimble business models and anxious customers and investors, they must understand the facets of integration. They must also focus on flying and rely increasingly on their core group of responsible partners for ensuring people, processes and systems act as one. In addition, there are distinct issues that can be mitigated in operations, commercial, customer sales and service areas of an airline, with superior synchronization of solutions, data and business processes. Tackling only one part of the equation will not be enough to do battle with the impacts the industry is witnessing.

Airlines striving to succeed under these challenging economic circumstances need to make full use of every advantage — and integrated systems are key.

In its simplest definition, “integration” involves bringing various components together to form a whole. So a genuinely integrated airline environment requires the right business processes to properly make use of the tools, the appropriate support structure and the enabling underlying technology.

Integrated systems are essential to allow Sue, an airline revenue analyst, to effi-

ciently and effectively do her job, maximizing her airline’s revenue opportunities.

The same integrated systems enable

## HIGHlight

**While integrated systems bring substantial benefits to airlines and the professionals using them, passengers also reap the benefits of a fully integrated airline.**

Ian, an operations manager working in a major airline’s system operations control center, to more effectively perform his job of keeping the airline schedule running smoothly, even when day-to-day conditions sometimes conspire against it.

And integrated systems are also what enable airlines of every size, shape and description to best serve the interests of their loyal customers such as Priya, who frequently flies to destinations around the world on business as well as pleasure.

With market conditions and technology continually changing, integration may never be complete. But the applicable tools, experience, support and technical leadership that are available today — and those that will be

available tomorrow — can be adapted with the business environment, enabling airlines around the world to become more agile.

Integrated information systems can provide today’s airlines capabilities that may have hardly been dreamed of previously, yet those capabilities are within airlines’ grasp if they work with a carefully selected vendor to address relevant business needs.

Possible advantages of a fully integrated airline can best be explored through the eyes of Sue, Ian and Priya.

Sue, an airline revenue analyst, uses all of her professional skills in planning flights — sometimes up to a year in advance, right up to departure.

Successful revenue planning demands meticulous analysis to maximize the airline’s revenue opportunities. Integrated systems can help provide Sue much of the real-time information she needs in this long-term process.

For example, she knows it’s always essential on competitive routes to stay as informed as possible about a competitor’s fares as well as current market conditions. Being unaware of competitive moves in the marketplace can cost Sue’s airline a lot of money.

What if Sue, however, were working with integrated systems in this ultra-competitive environment in which access to competitive fares could help her dynamically alter revenue decisions and either display, alert or create automated response actions for routes across the airline’s markets?

Not only that, but could she benefit from integrated systems that would help her re-optimize inventory on a real-time basis? Consider a group booking that has been confirmed for the holiday season: Such information can drastically affect revenue decisions, and having access to the information is vital to Sue’s revenue analysis role.



Photo by Shutterstock.com

**Dynamic communication through integrated systems can provide a revenue analyst with the very latest data needed to make the best decisions for her airline.**

commodating passengers or reassigning aircraft (see related article on page 64).

Every flight has a necessary crew assignment, which is based on preferences and pairings decided in advance according to labor rules and agreements. So when flights are affected by schedule changes, those labor rules and agreements still have to be accounted for when reassigning crews to help get the airline's flight schedule back together.

The same principle applies to ground personnel at the airport. Any flight that comes in has to be served by the correct number and types of personnel at the gate to handle arriving passengers, their baggage and aircraft preparation for its next route. And when irregular operations occur, those ground personnel must be reassigned and rescheduled according to flight delays and cancellations.

Appropriate tail assignment of aircraft to serve specific routes is also vital to recovering from irregular operations. The aircraft must have the correct capacity, range and equipment to fly the route.

Additional primary concerns revolve around fuel and fuel price. Any opportunity to save fuel must be taken into account when making tail assignments and plotting or adjusting routes during a recovery operation.

There are also the obvious effects of irregular operations on passengers who may need to be shifted to another of the airline's flights, or even to be accommodated by rebooking with an alliance-partner airline.

It's possible for Ian or others in operations to perform all of these tasks by hand, but how long will that take? Integrated tools and business processes can help speed up the necessary adjustments by significant measures — significant enough to save the airline millions of dollars by getting everything back on schedule in a much quicker timeframe.

Ian's task is largely to streamline and minimize the effects of mechanical delays, gate congestion or developing adverse-weather conditions. He must also be able to maximize the airline's revenue opportunities, and that sometimes means limiting the dilution of planned revenue that is threatened by every increment of delay or flight cancellation, which alters the schedule due to irregular circumstances.

It is Ian's responsibility to manage the disruptions effectively so they don't spill over into tonight's schedule — or even into tomorrow's schedule — costing the airline significant amounts of revenue.

And integrated tools are just part of the picture — they're important in providing up-to-the-minute information, but Sue has to apply all of her own professional expertise to properly use that data. This is also where an experienced vendor and business partner can be invaluable.

As a revenue analyst, Sue must understand how to set inventory controls, given schedule changes that potentially upgrade or downgrade aircraft types within the airline's fleet on various routes. She concentrates on booking the right passengers in the right seats, such as loyalty-club passengers or last-minute travelers looking for bargains on the Internet.

In properly performing her job, Sue is entrusted to maximize the airline's revenue opportunities on a flight, and those opportunities are constantly changing as the flight departure date gets closer and closer. Only through the sharing of common data elements can she truly maximize the flight's revenue, because only the latest information can help in making optimal decisions.

A full flight with the right revenue mix results from Sue's capability to assimilate and analyze the data at hand. Dynamic communication through integrated systems can provide her with the very latest data she needs to make the right decisions for her airline.

Now that the airline's revenue management function is working at optimal

levels, what about day-to-day operations and the SOC function? Ian, the airline's operations manager, when combining his expertise with superior integration across the carrier's range of solutions, is also equipped to optimally manage its operations side of the business.

On a "normal" day when flights are departing on time, passengers are making their connections, the aircraft fleet is up to date regarding maintenance, and crew and ground personnel are where they need to be, Ian's job may appear rather routine.

In his operations management role, he coordinates operations on the day of departure to make sure everything runs smoothly. But when irregular operations develop due to weather or mechanical delays, Ian must be able to react quickly to help get things back on track.

Irregular operations occur every time a single aircraft is unable to depart its gate on time due to last-minute developments. And these unanticipated events can rapidly become much larger if there's a massive weather system that shuts down any given major airport for a period of time.

Either way, Ian must work diligently to get the airline back on its routine schedule, because every irregular incident ripples through an airline's system with a multiplier effect. And every minute that an airline schedule is disrupted costs the airline immense amounts of money due to canceled flights, reac-



But if Ian is able to work with integrated systems, sharing information that can change every split second among all the disparate functions of the airline, he has tools that can help him work effectively to overcome even the greatest of delays that can quickly spread throughout his airline's route system when irregular operating conditions develop.

While integrated systems bring substantial benefits to airlines and the professionals using them, passengers also reap the benefits of a fully integrated airline.

As an airline passenger, Priya has traveled around the world and accumulated many frequent-flyer miles and loyalty points with her favorite airline. She travels for both business and pleasure, and she enjoys traveling.

However, she doesn't like to be burdened by hassles when flying globally. That's one of the reasons she appreciates the treatment she's accustomed to getting from her favorite airline.

That particular airline is able to treat Priya like the favored customer she is through its implementation of integrated systems. Because of integrated systems, the airline always has Priya's personal preferences on hand, whether she books via telephone, over the Internet or she has last-minute schedule changes at the check-in counter at any airport around the world.

Integrated systems enable the airline to keep on record and immediately call up Priya's personal traveling data, ensuring it properly accommodates her as one of its best customers at every opportunity.

It's essential that the airline provides a consistency of quality customer service for Priya — as well as for every other highly valued customer — so it wins and retains her loyalty through all the years she travels.

For example, Priya recently visited Canada for a business conference, and when departing Toronto after the conference, she went online to book herself on one of her favorite airline's alliance partners, which provided service to Vancouver, Canada.

From Vancouver, her latest business assignment necessitated a flight to Hong Kong. Once again, even though all of her flights on this particular leg of her trip were on her favorite airline's alliance partners, because of integrated-system connections, her vital traveling preferences were always available and flawlessly accommodated by the airlines she flew.

On another trip, when weather conditions caused a several-hour delay in Priya's departure for her next destination, her airline provided her with a pass to the airline's VIP lounge at the airport at which she was temporarily grounded.

And when her flight was close to boarding, Priya received a courtesy reminder on her cell phone so she had plenty of time to pack up her laptop computer and get down to the gate before her flight's departure.

The only way Priya's favorite airline was able to provide her these privileged conveniences was through integrated systems — always making valuable passenger information available and usable at a moment's notice to treat the airline's loyal customers the way they expect (and deserve) to be treated.

So Priya's passenger experience is always consistent — and consistently superb. It's a function of an airline that

## HIGHLIGHT

### Airlines striving to succeed under these challenging economic circumstances need to make full use of every advantage — and integrated systems are key.

makes excellent use of integrated systems to help it know and understand its customers, as well as their needs.

When an airline truly knows its passengers and has critical customer information stored within its integrated systems, it can identify touch points at which it might, for instance, offer attractive special merchandising opportunities during the customers' visit to its Web site. This might include giving a customer an opportunity to upgrade to a better seat at a reasonable fee or to reserve extras such as a rental car or a leisure excursion for use during the trip.

All successful businesses understand that it's forever of paramount importance to treat their customers

right. Taking that fundamental concept all the way through its logical reasoning, of course, it's of paramount business importance to treat all customers right.

The personalized passenger experience that Priya enjoys would not be possible without integrated systems and business processes — the same systems and processes that enable Sue as a revenue analyst and Ian as an operations manager to excel at their jobs. In fact, many things Sue does — due to integrated systems and processes — affect Ian, and many things Ian does affect Sue. And both Sue and Ian help make Priya's passenger experience even more satisfying.

There is no canned answer in providing any particular business solution. Every business situation demands individual analysis and studied consideration before recommending and implementing a desired solution.

But the right solution will always involve the right tool combinations, the right business processes and the right services to properly support a successful business conclusion. It's very much like assembling a giant jigsaw puzzle — but a puzzle in which all the pieces are not necessarily perfectly sized and shaped. And it is an airline's responsibility, in partnership with its trusted business consultants, to make sure the pieces fit.

The power of integrated systems is huge. And the capability of an airline — in company with a well-selected partner with a comprehensive set of integrated solutions — to attain positive business-building results through diligent pursuit of integrated-systems advantages can genuinely prove of substantial long-term benefit. ■

*Phil Johnson can be contacted at [wearelistening@sabre.com](mailto:wearelistening@sabre.com). Lalita Ponnekanti is product marketing principal for business and operations planning at Sabre Airline Solutions®. She can be contacted at [lalita.ponnekanti@sabre.com](mailto:lalita.ponnekanti@sabre.com).*