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ascend

Taking your airline to new heights



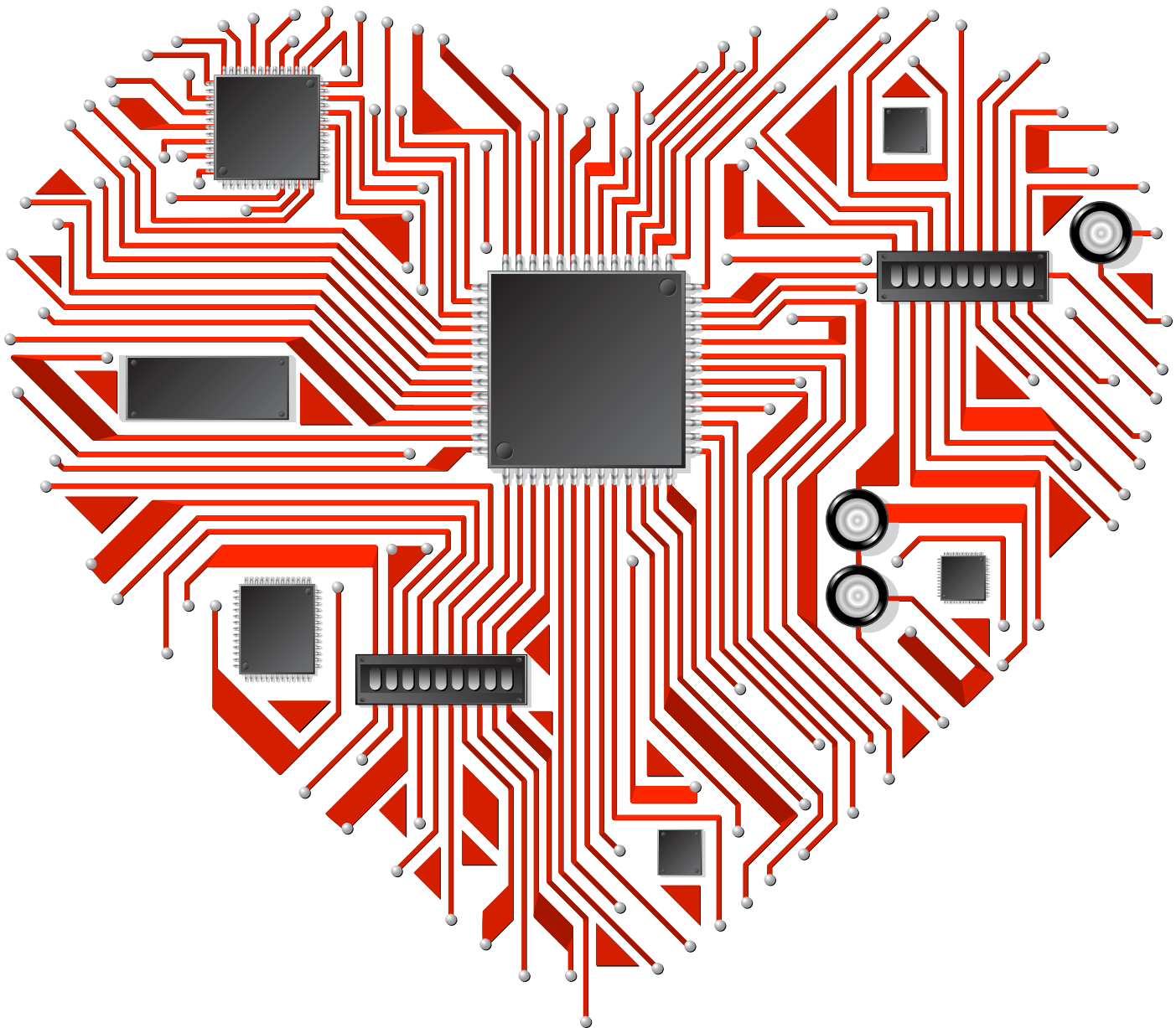
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Processes At The Heart Of Competition

An in-depth analysis of an airline's business processes combined with its ability to make necessary process adjustments using specific technology provides a balanced strategy that exceeds customer expectations and promotes efficiency across the entire operation.

■ By Chris Bird | *Ascend* Contributor

There is a constant tension in any business between delighting customers and managing costs. Erring too much on the side of pleasing customers can result in an unsustainable business model. Leaning too far on the side of managing costs can bring about a growing dissatisfaction among customers.

In the airline industry, you constantly hear the “process” word with customer interactions — “The boarding process will start in 10 minutes” or “To expedite the security process, please remove ...” As such, we expect to perform business actions according to set processes (often found in process and policy manuals), but often technology isn’t leveraged to its full potential when assisting with process development and implementation.

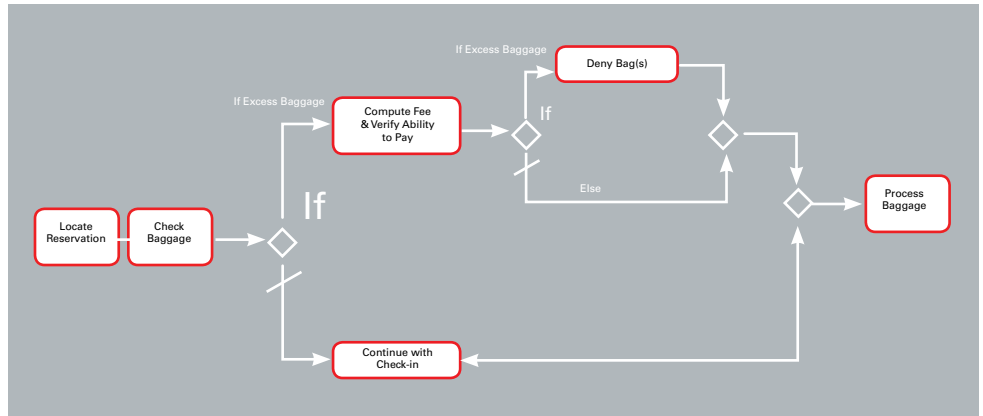
When developing a strategy around key processes, several questions come into play, such as:

- Where are the bottlenecks in the check-in process?
- Which steps in the baggage loading process are the most expensive?
- Which of your processes generate the most criticism from your customers?
- With the advent of new technologies, should you change any of your processes? How will you go about making process changes?
- Does the same process apply for check-in at every airport (training efficiency versus local custom; large/small/domestic/overseas; local regulations/workforce rules, etc.)? Should it?
- Do you need to take a different flow through a process dynamically based on current data?
 - Check-in for “elite” versus non-elite customers,
 - Ramp processes for different equipment types/kinds of load,
 - How to apply rules with processes.

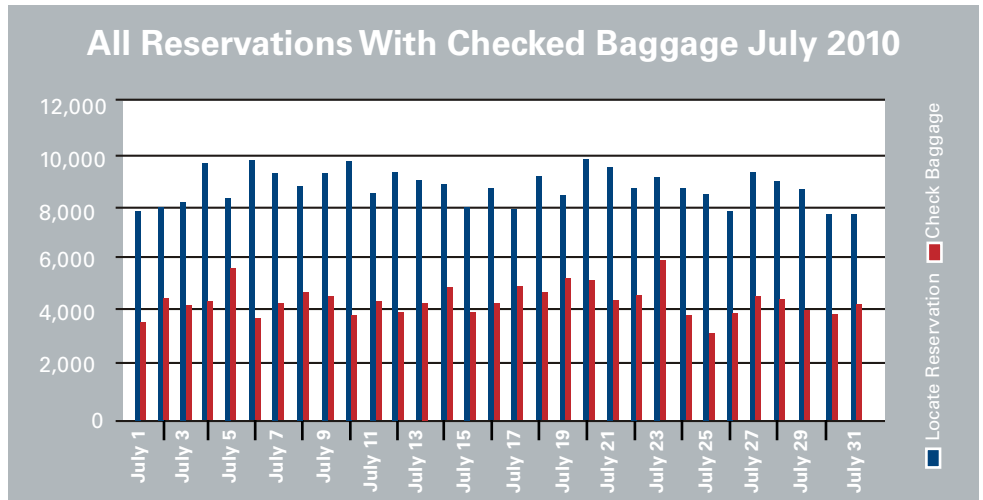
In each case, how do you know there’s an issue? What action will you take to address it? What will the necessary changes cost?

There’s a theme here. We need to know what’s working and what’s not working with current processes and then employ a method to systematically analyze, make decisions and implement changes to processes with specific goals in mind ... all while keeping the business operating in its current mode.

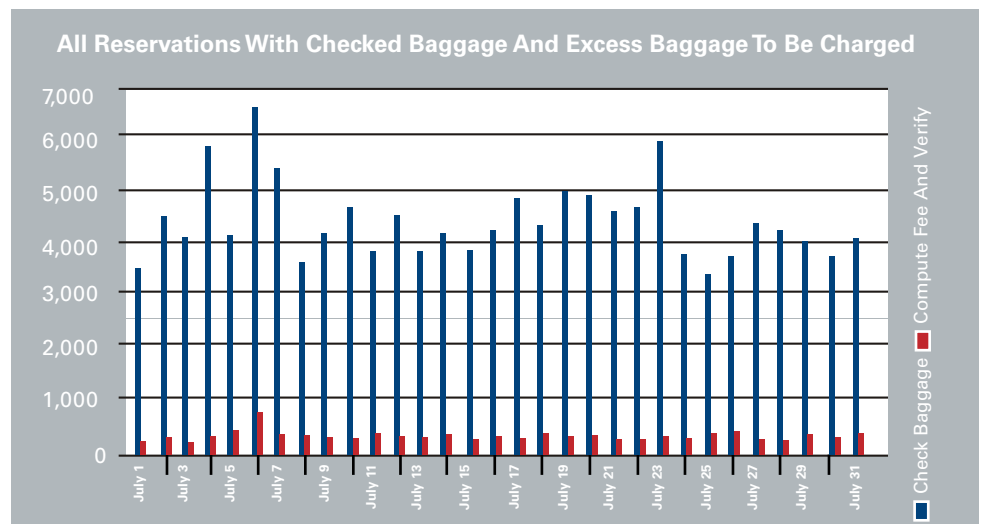
Enter the world of “business process automation and management.” When you buy solutions, you want to implement your processes. When you execute your business processes, you want to be able to measure how well those processes are working for you. When you are planning, you want to be able to redefine your processes, making informed decisions, with the technology being an enabler and not an impediment.



The traditional check-in process begins with locating a passenger’s reservation prior to checking in baggage. However, increasingly, arguments about excess baggage fees cause friction and slowdown in the check-in process, often causing the agent to waive the excess baggage fee and resulting in lost revenue for the airline. The bottleneck happens in the “unwilling-to-pay” branch of the logic flow and takes valuable time from the check-in agent. An airline can perform data analysis from the processing engine to gain insight into the impact the current process has on a particular airline.

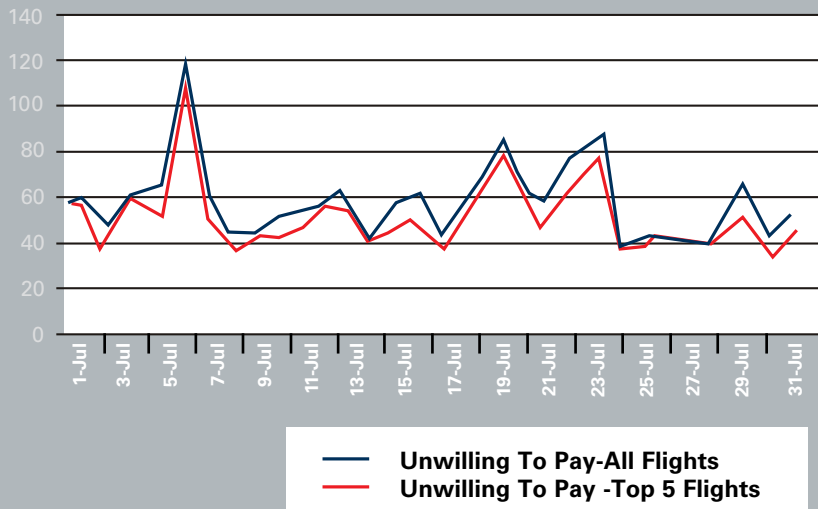


The data analysis showed that in July, less than half of all passengers had checked baggage. Of those that processed checked baggage, a relatively small number had excess baggage fees to pay.



This prompts the question, “Is the distribution of excess baggage arguments uniform across the flights, or are there some flights that tend to have more arguments than others?” Analysis of the data shows that the top five flights contribute the most arguments and that this is relatively consistent across the entire month.

Top 5 Unwilling To Pay = 85.37% Of All Unwilling To Pay In July



It may therefore make sense to change the process so discussions about excess baggage are handled by a special team prior to actually retrieving bookings, resulting in a process flow where the computation of willingness to pay is handled separately.

Of course, process change requires considerable modification in the organization. Processes need to be redefined, labor negotiations undertaken, customer satisfaction surveys conducted, IT systems adapted to the new process, etc. The changes to IT are in some ways the least predictable and, because the changes often come late in the change-management cycle, they are often rushed and need heroic efforts by IT groups, suppliers, domain experts and others — not exactly a freeing experience.

Our vision with the Sabre® ASxSM Airline Services Exchange process management strategy is that we deliver our solutions on the ASx exchange platform with reference processes

built in. When partnering with your airline, we'll begin with our pre-determined reference processes, which are then refined to optimally support your business needs. The refined process flow uses prebuilt components from our solutions and other components within your business for execution. The components that are embedded in your processes are those enabled by the ASx exchange platform.

During the execution of a refined process, metrics are captured (business activity monitoring) that enable you to see and report on the flow through the process. Simple metrics collected for each step in the process include:

- The length of time taken,
- The number of times the step was executed,

- The person who completed the step (role based or individual based), if it was a human interaction,
- The number of times it was completed normally/abnormally.

From a study of these metrics, you can drill down to discover problems. For example, one human step appears to take a lot of time. Why? Or you expected to check in 100 passengers per hour at the premium desk with five people but are only getting 70 passengers per hour checked in. Why? Using the refined processes and accompanying metrics, you now have the opportunity to understand what is happening during the execution of the process and then make staffing adjustments accordingly.

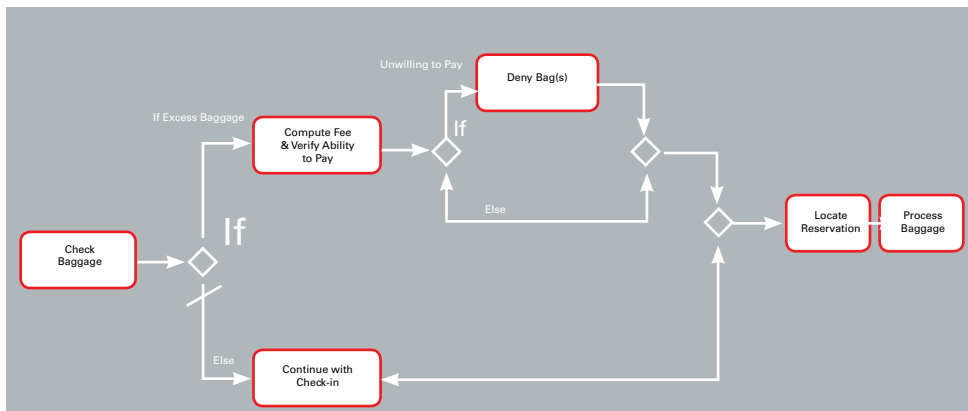
As a matter of course, many of the interactions during check-in are captured on video, so by analysis of the actual numbers taken from the process capture along with video footage of the scene, better insight into the process can be discovered, resulting in significant improvements to the process — in customer experience and staffing costs.

Without actual numbers, process improvements are simply guesswork — often good guesswork based on the experience of the personnel involved. However, having precise numbers provides a base for experienced airline professionals to make even better process decisions.

While check-in processes have been used as a prime example, the methodology is applicable across your entire business. Key to a successful strategy includes:

- Formalizing the process to allow for accurate measurement,
- Leveraging the measurements, which provide the baseline data, to make improvements,
- Rapidly implementing those improvements via the ASx platform.

Business processes across your organization are vital to your airline's success. Being able to quickly identify gaps in processes and refining those processes to collectively meet the needs of customers and your entire enterprise is the difference between simply breaking even, or falling short, and excelling in one of the world's most competitive industries. **F**



This process does not have to be standard for all flights or for all airports. The key is that they have the freedom to quickly describe a new process, place it in limited roll out for a handful of flights. It doesn't require system-wide training; it is only needed by the people who actually execute it for the trouble flights at the trouble airports.

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