

Business Case Demand-Driven Dispatch



Creating profitable, near-term fleet solutions

The Challenge

The ever-dynamic travel industry continues to see an increase in close-in bookings, fluctuating load factors and intense competition across all segments.

This last-minute travel environment increases an airline's need for addressing demand fluctuations in near real time, reallocating aircraft in the short run to better match capacity to demand.

However, most airlines continue to set their schedules 45 to 60 days in advance and base their planning assumptions on average, historical demand.

Smart Solutions

The *Sabre Airline Solutions*[®] business assists global airlines of every size to maximize profits through identifying equipment-swapping opportunities.

Our consulting team uses *Sabre*[®] *AirFlite*[™] *Fleet Manager* to optimize an airline's schedule by matching available seat and cargo capacity to profitable passenger and cargo demand.

Fleet Manager enables an airline to design a schedule that assigns the most appropriate aircraft type to each flight leg, resulting in maximized profits.

While *Fleet Manager* can be used for long- and medium-term planning, its short-term mode takes advantage of close-to-departure swapping opportunities, with focus on crew-compatible aircraft.

Proven Leadership

Our consulting team recently completed a demand-driven dispatch engagement for a major international airline to improve the carrier's resource utilization and profit position.

These five critical steps were executed, leading to the creation of an ongoing demand-driven dispatch process:

Prepare Inputs

Our consultants utilized data from the carrier's revenue management, scheduling and operations departments in order to better match supply with demand and more accurately allocate resources (see Figure 1, next page).

Manage Outputs

Some of the data analysis included determining value statements for leg changes, isolating swap interdependencies, identifying sources of available aircraft time and revising the schedule with aircraft routing changes.

Make Decisions

Working with the airline, our consultants validated the suggested swaps and assessed them for any special qualifications or disqualifications, and then finalized a more optimal fleet schedule that provided a smart and profitable use of resources.

Implement Changes

The *combined Sabre Airline Solutions* and airline team updated the operational schedule, resynchronized authorization levels with the carrier's revenue management system, addressed any passenger reaccommodation needs and implemented processes to improve internal and external coordination.

Net gains of up to 3 percent of an airline's revenue base are generally achievable with a rigorous demand-driven dispatch process.



Helping airlines better market, sell, serve and operate from planning through execution.

Market

- Quasar™ system
- Revenue Integrity
- Sabre® AirFlite™ Suite
- Sabre® AirMax® Suite
- Sabre® AirPrice® systems
- Sabre® CargoMax™ Suite
- Sabre® GDS Analysis
- Sabre® Loyalty Suite
- Sabre® Rocade® Suite
- Sabre® SmartFlow™ tool kit
- SabreSonic™ Inventory

Sell

- Customer Data Delivery
- Customer Insight
- Sabre® Qik® Solutions
- Sabre® WiseVision™ Suite
- SabreSonic™ Res
- SabreSonic™ Shop
- SabreSonic™ Ticket
- SabreSonic™ Web

Serve

- Sabre® Inform™ mobile services
- Sabre® Qik® Solutions
- Sabre® Virtually There®
- SabreSonic™ Check-in

Operate

- Maintenix® MRO System
- Ramco MRO System
- Sabre® AirCrews® Suite
- Sabre® AirFlite™ Suite
- Sabre® AirOps™ Suite
- Sabre® AirServ® Suite
- Sabre® Flight Control Suite
- Sabre® GS Fusion™ Suite
- Sabre® Rocade® Suite
- Sabre® Streamline™ Suite

Our consulting services offer seasoned expertise across all product areas, helping airlines and airports reach their performance targets.

Demand-driven dispatch processes use the airline's resources more efficiently and effectively, resulting in continual profit improvements.

Audit Results

To ensure continual fleet optimization, our consultants reviewed post-departure results from the carrier's revenue accounting system to assess forecast accuracy and response effectiveness.

In addition, operational feedback was reviewed, and recurrent aircraft swaps were identified and made part of the flight schedule.

Bankable Results

The major international carrier's initial revenue improvements exceeded US\$1.5 million* over the first three months following the implementation of demand-driven dispatch practices.

The consulting team at Sabre Airline Solutions has documented annual benefits of up to US\$27.3 million for mainline carriers and up to US\$3.3 million for regional carriers.

With a rigorous demand-driven dispatch process, customers can generally expect net gains of up to 3 percent of their revenue base

Our Unique Expertise

Sabre Airline Solutions, a Sabre Holdings™ company, is the world's proven leader of software products for the airline industry, offering passenger management solutions and consulting services for airlines to simplify their operations and lower costs.

In addition, more than 100 airline industry clients around the world have turned to the Sabre Airline Solutions consulting group for strategic, commercial and operational consulting.

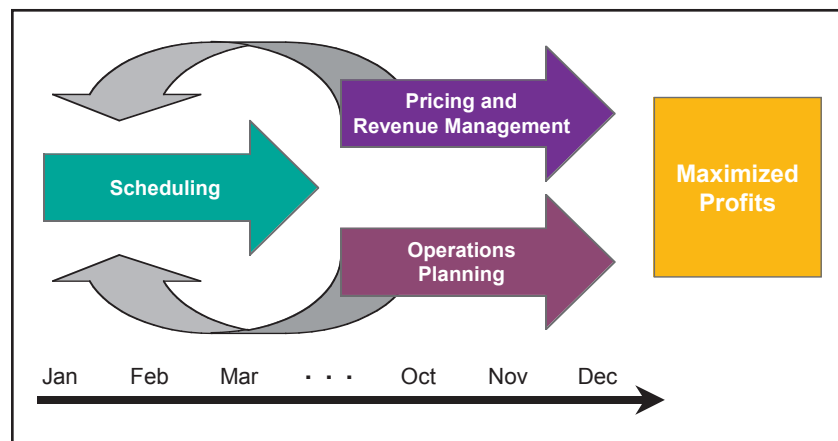


Figure 1 Demand-driven dispatch requires tight feedback and work processes, and close coordination among teams in order to maximize profits.

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