

Business Case On-time Performance



Improving Air Jamaica's on-time performance through quick-turn consulting engagement

Air Jamaica, a premier Caribbean carrier, flies the youngest all-Airbus fleet in the region to more than 20 Caribbean and US destinations.

Unfortunately, the airline's on-time performance was deteriorating, resulting in rising irregular operations cost, declining customer satisfaction, and low employee moral.

Like other airlines, Air Jamaica's poor on-time performance put pressure on profitability and negatively impacted passenger loyalty.

The challenge

Air Jamaica faced several fundamental problems. For example, some within its direct control included airport operations issues and lack of employee motivation and teamwork.

Other problems outside its direct control were passenger cultural and inadequate airport infrastructure.

However, Air Jamaica management believed change was possible, and in 2003, they decided to turnaround the airlines' current performance as quickly as possible.

smart solutions

In May 2003, the airlines hired a new COO, David Banmiller, to turn around the operations of the airline.

Banmiller had a track record of success in helping airlines improve operational performance, focusing on teamwork, empowerment of employees and making process improvements.

The consulting team at Sabre Airline Solutions was hired in July 2003 to facilitate and implement a Quick-Turn Program which would:

- Improve the airline's on-time performance and reliability
- Improve the airline's aircraft utilization
- Ensure highest level of safety
- Reduce delay and irregular operations costs

proven leadership

Sabre Airline Solutions consultants performed the following activities to meet the carrier's objectives under a tight timeline:

- Identified key players at all levels of the organization to form a joint project team.
- Implemented a quick-hits program that did not require significant capital spending but delivered measurable results.
- Conducted a time-in-motion study to identify key process changes needed with clear results so staff understood reasons behind new business processes.
- Gained employee and management trust to insure success in implementing recommended changes.
- Presented to management the new workflow procedures proven to achieve desired cost reduction and on-time performance results.
- Developed and delivered a communication plan and training to all Air Jamaica personnel to ensure buy in and successful implementation.
- Implemented the carrier's "Every Minute Counts" solution and measured the results.

"I have been a fan of Sabre [Airline Solutions] consulting for years. They have brought a valuable resource to this operation."

— David Banmiller
Executive Vice President and COO
Air Jamaica



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bankable results

The Quick-Turn Program was successfully completed in 12 weeks, with Air Jamaica's airport teams so motivated that they continually tried to break their own turn-time records.

After the airline experienced a 100% on-time performance day, there was no turning back to the old ways.

Key year-over-year results from the program are:

- On-time performance improved by 40%.
- First 100% on-time performance for any one day.
- Irregular operations cost reduced by 70%.
- Significant improvement in morale (smiling staff).
- Higher utilization of technology.
- Customer complaints reduced by 40%.
- Customer commendations increased by 50%.

Industry facts

ATA (Air Transport Association) estimates that direct delay costs average \$40 per minute of delay.

That does not include indirect delay costs, such as lost revenues associated with transferring passengers that have missed their connections.

When the indirect delay costs are included, the total delay cost can easily double or triple, with poor on-time performance costs equaling millions of dollars every year for many carriers.

Chart 1 shows direct delay costs per minute broken down by component of a typical flight. The easiest delays to control are gate delays.

Taxi-in, airborne and taxi-out delays are more difficult to capture due to factors the airline may not be able to directly control, such as air traffic control and weather.

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.

More than 200 airlines around the world use its broad portfolio of smart solutions as decision-support tools to increase revenues and improve operations.

More than 100 airlines worldwide rely on Sabre Airline Solutions for passenger management solutions.

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.

Chart 1 Direct delay costs per minute

