An airline must provide its passengers with convenient schedules priced in a competitive manner. An integrated solution of planning and scheduling, pricing, and revenue management systems enables macro-level as well as micro-level decision making, producing optimal results.

While flight experiences and customer service drive customer loyalty, revenue is increasingly more dependent on accurate market forecasting, convenient and customer-oriented schedule offerings, competitive prices, and appropriate inventory management.

integrated revenue planning
However, the best plan by itself does not always guarantee success. Challenges can be managed through processes and tools that encourage alignment among different airline departments, sharing information and working collaboratively towards the same goals. Simply put, integration can be defined as combining parts so that they work together to form a whole.

An integrated revenue planning solution has numerous benefits:

- Improved market strategy planning,
- Improved schedule planning,
- Improved competitor response,
- Improved pricing actions,
- Improved revenue using fares in the marketplace,
- Improved revenue with advanced inventory control,
- Improved revenue with close-in-refleeting,
- Improved quality and timeliness of data.

Our approach to integration encompasses the total value chain from technology, products and services, sales and marketing, delivery and customer care. Consistency in products and processes along with a breadth of portfolio and knowledge leadership defines a truly integrated solution.

Integration among our products not only leads to improved decision making, but also results in tangible IT cost savings. Since many of our systems offer built-in standard interfaces, your airline can forgo expenses related to building and maintaining custom interfaces. This results in faster implementation and lower total cost of ownership and, therefore, quicker return on investment.

Integrated systems also offer improved operational integrity. All systems are simultaneously upgraded with improved systems stability and reliability results. Additionally, the use of a single sign-on provides advanced security and reduces administrative support.
Often, analysts have to read output from different systems to make optimal decisions. Having consistent system outputs eliminates the need to calibrate the results to achieve compatibility. Plus, a common look and feel reduces time and costs to train your analysts who need to be able to read outputs from different systems. Reports are generated in less time, and those generated by different systems look consistent, eliminating the need for manual adjustment.

Without a doubt, the benefits of integration can be seen in many aspects of an airline’s business including revenue planning. Revenue planning represents the business function of managing the planning and scheduling of flights, fares and inventory while increasing revenues. A high degree of cooperation among these departments can optimize an airline’s network revenue and profitability position. It might seem intuitive to consider only best-of-breed solutions to manage these functions, however, the advantages gained by ensuring that these systems are integrated provides more overall value. We offer an integrated approach to managing these decisions while offering flexibility to meet an airline’s strategic goals.

As depicted in Figure 1, integrated revenue planning includes several business functions. Airlines operate in a complex environment that increases the importance of having a common repository of knowledge that multiple people can access. The right decision-support tools along with sound business processes are required to better coordinate revenue planning activities. Integrated systems help identify actions that can improve future revenues and ensure the most efficient and beneficial services are planned and priced according to market demands. Additionally, integrated systems help to ensure optimized price points and better inventory management. And an airline’s ability to quickly respond to dynamic changes in the market across any of the revenue planning functions provides a competitive advantage.

An airline must also embrace a technology philosophy that provides value in efficiently solving problems while creating new opportunities. Technology must be advanced for the sake of improving customers’ business performance — not for technology’s sake. Technology must be extensible, seamless, interoperable and capable of evolution, in essence, making it “future proof.”
Integrated Revenue Planning Benefits

Together with the right decision-support tools as depicted in an integrated revenue planning solution has many key benefits including: (Figure 2 depicts the subset of functions that work together for producing optimal market, schedule and pricing actions.)

Improved Market Strategy Planning

The availability of market data is a powerful asset when making critical pricing and route decisions. It eliminates the need to make assumptions and improves accuracy by focusing on those critical factors that support an airline’s marketing strategy. Processed market and customer data including market sizes, passenger preferences, and time-of-day and day-of-week preferences enable analysts to plan their fare offerings and maximize profitability given the historical trends in any given market segment.

Improved Schedule Planning

Traditionally, planning and scheduling has been separated into two segments determined by long-term and short-term requirements. However, with tools that are integrated, separation is no longer necessary. For example, airlines use the integrated tools for long-term activities such as forecasting as well as short-term activities such as distributing the schedule. Changing one flight can have ramifications in several markets and may result in changes to other flights. Evaluating what-if scenarios enables airlines to forecast and evaluate schedule changes while ensuring the feasibility of those changes so that a profitable, practical schedule is created and distributed. Measuring schedule profitability after carefully considering the impact of inventory controls drives better decisions.

Improved Competitor Response

Changes to competitor schedules can be evaluated and any corresponding schedule change can be made and distributed to down-line systems. Airlines can incorporate competitor pricing into forecasting and optimization processes which provides the capability to effectively react to competitor price changes by adjusting price and seat authorizations. This capability is imperative in an environment of simplified pricing, typically practiced by low-cost carriers.

Figure 2
Improved Pricing Actions

An airline’s schedule strength is representative of its forecasted market share and is often used as a measure of competitive positioning. An effective fares management tool requires input not only with historical market trends but also current and dynamic information. This data includes future average fares, fare seasonality and even price sensitivity within the market. The communication between external sources such as ATPCO and internal sources such as a schedules analysis tool provides the pricing analysts the data required to publish the most competitive fares to support the airline’s position in the markets it serves.

Improved Revenue Using Fares In The Marketplace

Most non-integrated systems receive average fares values from historical data maintained by the revenue accounting department. This information is not always a good indicator of fares and can lead to sub-optimal decisions. Using effective communication between the fare management and revenue optimization tools, revenue planning solutions enable the airline to operate in a price-competitive market without risking unlimited revenue dilution. The use of fare information ensures that optimal inventory controls are driven by the reality of fares in the marketplace. The result: significant improvement in an airline’s ability to react dynamically to changing fares in the marketplace and the quality of inventory control resulting in an increase of 0.2 percent to 0.25 percent in incremental revenue compared to a static fare source.

Improved Revenue With Advanced Inventory Control

An integrated revenue management planning and execution environment enables real-time decisions based on optimal physical and financial availability and drives additional revenue. Functionality including execution of inventory controls based on revenue management recommendations and dynamic re-optimization, all contribute to a well-integrated solution. An integrated revenue management planning and inventory control execution framework enables O&D control in a continuous nesting environment (resulting in 1 percent to 1.5 percent additional revenue). It also provides additional revenue of 0.5 percent from advanced point-of-sale, proration and dynamic optimization capabilities. Dynamically updated data minimizes data obsolescence and drives additional revenues through better inventory controls and consistent reporting.
Improved Revenue With Close-in Re-fleeting

Airlines are faced with the difficult task of forecasting passenger demand. When capacity is misallocated, it is often addressed in an ad hoc manner. Reactive capacity adjustments often fail to bring out the best revenue opportunities. Close-in re-fleeting provides consistent practices by using current booking and demand forecasts 45 days in advance. This enables the decision-support tools to reassign the fleet in a fully dated, constrained mode. Crewing and operations management solutions can review the operational aspects of the process. Finally, the new schedule is sent to reservations and operations for execution. Close-in re-fleeting is proven to add up to 0.25 percent in incremental revenue. Figure 4 illustrates the communication available for close-in-re-fleeting decisions based on the airline’s fleet and market strategies.

Improved Quality And Timeliness Of Data

With disparate systems, airline personnel usually have to perform manual transactions that often result in loss of data integrity, data corruption, duplication of data, multiple and conflicting reports, improper synchronization and poor real-time performance. An integrated solution ensures that the right decisions are being made at the right time while optimizing the airline’s financial position.

Aeroflot Case Example

Aeroflot installed the Sabre® AirMax® Revenue Manager, which was fully integrated with SabreSonic™ Res. Because they are integrated, SabreSonic Res automatically and seamlessly sends inventory booking data to the AirMax system daily for each flight. SabreSonic Res also automatically sends post-departure data to the AirMax system daily.

Aeroflot teamed with Sabre Airline Solutions® to upgrade its technology to meet membership requirements. Because of this, Aeroflot was able to utilize open-systems technology from Sabre Airline Solutions that could interact with the systems from other SkyTeam airlines.
Integration Throughout The Business Lifecycle

Today’s airlines face many challenges including more aggressive competitors, shorter planning cycles, fleet rationalization, stronger alliances and fare simplification to name a few. Airlines must offer a schedule that will maximize revenue potential without losing sight of the costs. It takes the right information and a high degree of collaboration among airline departments to put all the pieces together to ensure smooth and profitable airline operations.

When it comes to integration, we employ a full-business-view approach resulting in an effective, business-oriented solution. Our approach includes a robust product portfolio as well as expert consulting services, convenient remote application access and top-of-the-line delivery and service.

Revenue Planning Offerings

We uniquely offer a product portfolio that addresses business issues across an airline’s operations. Our portfolio receives continuous investment by integrating technology, data flows and user interfaces along with services. We provide integrated revenue planning products working effectively together for better decision-making capabilities. These products include the Sabre® AirFlite™ Planning and Scheduling Suite, Sabre® AirMax® Revenue Management Suite, Sabre® Fares Management System, Sabre® WiseVision™ Data Analysis Suite, Quasar™ System and SabreSonic® Passenger Solutions.

Consulting Expertise

Our consultants have worked for airlines and airports in executive capacities and understand business dynamics and their implications on strategic decisions. Our aviation consultants provide a full range of business consulting services helping airlines and airports of all sizes reach their performance targets while our experienced industry professionals help travel and transportation companies all around the globe improve their profit position by leveraging our pacesetting software products, technology and data.

Using best-practice techniques designed to address organizational challenges, regardless of size or business model, our consultants can provide results-oriented solutions ranging from carefully crafted strategic alternatives to improving commercial or operational results. Our consulting services are offered across the following practice areas: aviation business, airline planning and scheduling, pricing and revenue management, airline operations, sales and marketing, airline turnaround, airline start-up, product implementation and airports.

Remote Application Access

Sabre® eMergo® Web Access provides a cost-effective alternative to an installed on-site system. The eMergo environment delivers a complete application access solution, including application delivery, hardware and third-party software as well as hardware and software management, data storage, help desk support and maintenance releases. In addition, when major disasters occur, Sabre® eMergo® Disaster Recovery can provide hosted disaster recovery for all Sabre Airline Solutions customers, letting you get back into operation as quickly as possible.

All applications accessed through the eMergo environment are hosted by Sabre Airline Solutions in a secure data center with system administration and data security handled by experts in data center management. Your confidential information is safe and secure yet a single sign-on with password protection provides your approved personnel with seamless access to multiple applications.

Service Excellence

Through our service excellence commitment, we are dedicated to your success. We offer value-added solutions to drive exceptional business results for you. With our unmatched depth of industry experience, we focus on eight key areas to help you reduce cost, grow revenue and improve your competitive advantage — airline business consulting, solution design and delivery, knowledge transfer, quality assurance, customer community, global service centers and customer care.
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.

The complete Sabre Airline Solutions portfolio comprises more than 100 diverse decision-support products and services, arranged into four distinct groups — Market, Sell, Serve and Operate. The highlighted solutions mentioned in this document are offerings of the Market and Operate groups. Other products within these categories are listed to the left.

The goal of Sabre Airline Solutions is to fundamentally transform the airline business by developing an appealing schedule to market to potential customers, utilizing the preferred distribution channels to sell more tickets, helping to serve passengers by providing the best customer experience throughout the travel process and managing daily activities to operate efficiently — now and into the future.

Visit our Web site at www.sabreairlinesolutions.com

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