

# Customer Centric Aviation:

Achieving high performance for  
airline business models



*High performance. Delivered.*

• Consulting • Technology • Outsourcing

Accenture's Customer Centric Aviation offering helps airlines reengineer their operating processes to be more cost effective and customer focused with built-in flexibility to react to market changes.

## Customer Centric Aviation:

Achieving high performance for airline business models

The current issues for airlines worldwide include: An unexpected spike in fuel costs, fierce competition from new entrants on established turf, natural disasters, economical downturns, delays and costs coming up through union negotiations....the list goes on. Every year, the industry is battered by unforeseen forces that take a chunk out of revenues and degrade business performance. Both, "traditional" and "low cost" players have strived to create business models that are responsive—and to some extent have succeeded. The new flexibility achieved by some carriers makes it more important than ever for other players to gain the ability to rapidly react to changes in the marketplace. To help create high performance businesses—flexible enough to fly high above marketplace turbulence—Accenture created an approach we call Customer Centric Aviation. Through our unparalleled industry experience and proven techniques, we help airlines achieve high performance and shape organizations that can respond to—and even anticipate— marketplace trends.

## Gaining altitude through Customer Centric Aviation

To help escape the marketplace turbulence that is part of the business, airlines need to take their operations to a higher altitude. They need a "built-in" ability to respond, react and even anticipate the industry's ever-shifting winds. And they need to continue to take the cost out of operations. To help them do both, Accenture developed Customer Centric Aviation, a suite of solutions that address key areas for creating nimble, cost-effective organizations.

Customer Centric Aviation looks at front-end functions like distribution and customer service as well as support areas like back office administration and maintenance repair and overhaul (MRO) through a single perspective: "What is the optimal airline model and what is the customer willing to pay for?"

Accenture brings a vast amount of expertise to this industry and has demonstrated its commitment through investments like Navitaire — a wholly owned subsidiary that services the world's leading airlines, including many of the world's most successful low cost carriers. Airlines can expect a wealth of expert knowledge from Accenture when seeking high performance in the following areas:

### Distribution

Carriers need to strike a balance between cost and revenue generation and create the right blend of direct sales and third-party distributor channels. Accenture provides the technology and helps identifying the right processes to ensure success.

### Customer Service

Customer Centric Aviation leverages the industry's most sophisticated cus-

tomers relationship management (CRM) tools to help airlines define varying degrees of service for key segments. From web check-in and seat selection to flexible ticketing options and in-flight "pay-as-you-go" extras—Customer Centric Aviation helps define, differentiate and deliver what your customers expect.

### Operations

Nimble operations "behind the scenes"—in MRO and administrative functions—are as vital as customer-facing ones. MRO expenses alone consume 15 to 20 percent of an airline's operating expenditures. Too often a maintenance job that should take a day takes several. Accenture's Customer Centric Aviation approach has helped airlines cut repair turn times by 80 to 90 percent—and boosted labor efficiency as much as 40 percent. For day-of-flight issues, Navitaire's cross-functional SkySolver Recovery Suite System allows airlines to recover aircraft, crew, and passenger schedules holistically, with results that improve customer service, reduce disruption costs and increase resource utilization.

### Back office administration

Combine Navitaire's depth of experience in airlines, with Accenture's leadership in business process outsourcing, the result is a model of success. Accenture has dedicated travel industry delivery centers—locations that provide a wide range of back office services—for example in Prague and Manila. Highly-educated professionals with deep technical skills serve our clients in more than 14 languages, covering the major European and Asian languages.

In addition, Accenture has developed a large number of alliances to complement the above services and to provide the best approach and assets to the airlines.

## High-flying business performance

It used to be enough for airlines to strive for responsiveness: to create business models flexible enough to react to marketplace changes. Now the bar has been raised. To stay ahead, airlines need to anticipate which way the market is moving and implement changes rapidly. Customer Centric Aviation helps airlines reengineer their operating processes to be more cost effective and customer focused—giving them built-in flexibility to react to marketplace changes. Our unparalleled industry experience, assets like Navitaire, our delivery centers and our proven techniques, combine to help airlines achieve high performance; and shape organizations that deliver what customers want.

For more information on achieving high performance through Accenture's Customer Centric Aviation, please contact:

Europe  
Alex Cruz  
alex.cruz@accenture.com  
Tel: +44 207 84 49088

Americas  
Malcolm A. McNamara  
malcolm.a.mcnamara@accenture.com  
Tel: +1 703 947 1040

Asia Pacific  
Cameron Curtis  
cameron.curtis@accenture.com  
Tel: +61 2 9005 5000

Accenture's Customer Centric Aviation approach allows airlines to gain flexibility—while controlling costs—and delivery exactly what customers are willing to pay for. We have a host of solutions that address distribution, customer service, operations, and back office administration.

#### Distribution

- Navitaire Open Skies System
- Navitaire DirectNet System
- Navitaire Revenue Management and Pricing Optimization Solutions

#### Customer Service

- Customer Contact Transformation
- Customer Insight

#### Operations

- Navitaire SkySolver Recovery Suite System
- Flight and Crew Tracking and Scheduling
- Crew and Workforce management
- Flight Ground Control Operations Re-Design
- MRO Airline Supply Chain Optimization
- NextGen MRO
- Radio Frequency Identification (RFID) Tracking and Tracing
- Departure Control Systems

#### Travel Back Office Services

- Sourcing Strategy and Execution
- Customer Relations Call Center
- Navitaire Passenger Revenue Accounting
- IT Transformation
- Outstation Back Office Services



## Case Studies

How does Customer Centric Aviation help carriers fly above industry turbulence? Here are just a few client stories that illustrate how.

### From standing in line to checking in on-line with KLM

Partnering with Accenture, KLM developed a ground-breaking Internet Check-In tool that enables passengers departing from Schiphol and booking tickets through KLM's website to print their boarding passes from their personal computers. With the new system, passengers go straight to high-speed baggage drop-off points where their documents are checked, and their bags are weighed and linked to their boarding passes through a barcode reader. Self-service kiosks enable passengers who haven't printed out their boarding passes before arriving at the airport to print them there without waiting at a check-in desk. The Internet Check-In system has improved staff efficiency and reduced overall operating costs. Another benefit: The system has driven more users to KLM's online ticketing feature because the service is only open to passengers booking through the Internet.

### Open Skies helped this low-fare carrier innovate service and reduce cost

This European low cost carrier was poised to become a marketplace leader, but was encumbered by an inefficient legacy reservation system. The company also lacked a streamlined system for

ticket-less travel and Internet booking: its system needed to handle extreme peaks and allow the company to offer outstanding "Internet only" specials, and substantially lower distribution costs. Accenture leveraged Navitaire's Open Skies system that saved the airline more than \$9 million (US) in the first quarter of its operation. Distribution costs were reduced from eight dollars to less than one dollar per booking by eliminating all GDS booking channels through electronic ticketing. Sales, marketing and distribution costs were reduced by a whopping 62 percent during a six-month period while traffic grew 37 percent over the same time frame. Today the company conducts nearly all—95 percent—of its ticketing online and is one of the most profitable low cost carriers in the world.

### An established North American carrier reduced costs and increased control through passenger revenue accounting

An established North American airline recognized a need to significantly reduce costs—and increase business performance—in its passenger revenue accounting (PRA System®) function. Accenture and Navitaire helped the carrier re-engineer the process—turning it from a cost center to a source of value creation. The PRA System® for hosted revenue accounting, enabled the airline to effectively audit agency sales, automatically capture relevant information, and easily identify opportunities for increasing revenue. Based on industry benchmarking measures, the company now produces significantly higher overall revenue per passenger and generates the highest net contribution per passenger relative to its competitors. In 2003, approximately

300,000 items weekly passed through the Agency Sales automated audit, resulting in net recoveries of over \$14 million (US), a deterrent of 65 percent, and total audit benefits in excess of \$43 million (US).

### A traditional carrier manages the unexpected with SkySolver Recovery Suite System

To stay competitive, this traditional carrier recognized opportunities to significantly reduce operations costs by applying cutting-edge operations research tools to adjust aircraft and crew assignments more quickly and effectively. The airline leveraged Navitaire's SkySolver Recovery Suite System to do so. The SkySolver Recovery Suite System provided the airline with a complete set of tools to approach and solve resource disruption issues in a matter of minutes to highly optimize schedules, maximize asset utilization and reduce passenger re-accommodation costs. The president of the airline noted the benefits of SkySolver: "We save anywhere from one to five million dollars on each major disruption. We had several of these disruptions in 2001, including Tropical Storm Allison and the tragic events of September 11th. But the benefits go far beyond dollars. The improvement to our operation from both a passenger and a crew perspective is the most important benefit. In addition, it fits seamlessly into our operation and our overall strategy for dealing with disruptions."

## About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills, and technologies to help clients improve their performance. With approximately 100,000 people in 48 countries, the company generated net revenues of US\$13.67 billion for the fiscal year ended Aug. 31, 2004. Its home page is [www.accenture.com](http://www.accenture.com).

## About Navitaire

Navitaire Inc. provides reservation, direct distribution, revenue protection, operations recovery, decision-support and passenger revenue accounting technology to the airline industry through its hosted delivery model. The company's worldwide customer base comprises more than 45 airlines, including six of the world's 10 largest airlines, and such successful carriers as jetBlue, AirAsia, GOL Airlines, Ryanair, Continental Airlines and Air New Zealand. A wholly owned subsidiary of Accenture, Navitaire is headquartered in Minneapolis, with offices in Salt Lake City, Austin, Sydney, Manila and Prague. Its homepage is [www.navitaire.com](http://www.navitaire.com).

Copyright © 2005 Accenture  
All rights reserved.

Accenture, its logo, and High Performance  
Delivered are trademarks of Accenture.