

Comments to my presentation “Synchronize your airport: Infrastructure improvements with optimizations of your passenger and aircraft operation to gain additional high revenues”, given at the ATO conference 2010 in Moscow.

The underlined Headlines refer to the Airport-Quick-Check presentation.

## **Synchronize your airport: Infrastructure improvements with optimizations of your passenger and aircraft operation to gain additional high revenues**

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Having built or planning to build a new terminal and operating it in the old fashioned way is like putting a tractor driver in a formula one race car and expecting that he will win.

Or let me put it in another way: An airport is a very complex system like an analogue clock unit with hundreds of elements. If one of the gear wheels is changed or manipulated, you have to synchronize the whole unit, otherwise you won't get the exact time.

### **Starting assumption**

My beloved clock unit: nothing else is the airport complex. If you change or manipulate one unit – no matter if it is an infrastructure detail or an airport department, other parts of the airport have to adopt and synchronize as well to get the best result in capacity or revenue.

Coming back to the Session's topic “Getting Ready for International Public Events”:

As someone who has real practice – **and not only theoretical ideas or plans** - on operating airports for huge events like 2 Summer Olympics, observing 1 Winter Olympic operation, operating 1 World Economy Summit and 1 European Economy summit, not to forget the airport operations for several huge international high ranking trade fares and operating an airport far beyond its capacity but very well when Germany's Duesseldorf airport was closed in April 1996 for some weeks because of a fire disaster and about 65% of the 15 millions per year capacity was moved within hours to the airport Cologne where I was the traffic and operations planner at that time. Or increasing the capacity of an existing apron by around 40 % just by developing a new aircraft parking layout according to ICAO standards within a days work.....

**As you can see, I am not only talking “THEORY”, I am also talking “REALISTIC PRACTICE” for huge events or infrastructure or operational issues!**



The aviation business does not need to ask Socrates to get the solution for the “Secret of Success”, but it helps to know his philosophy.....

Knowing that the airport is one of the most complicated industry systems to run (***observing laws, taking airlines' wishes into account, satisfying passengers, providing safety and security for everyone at the airport, always working under time pressure, making money, keeping the shareholders happy etc., etc.,***), you should not only simply start improving something at your airport because you or someone else saw or requested an improvement in a certain area. First you should evaluate what improvements or changes will promise the best result in revenue and customer satisfaction!

I always advise my customers to have a look at the existing situation of the market potentials, the demands of the airline industry as well as the demands of the travel industries or the demands of the region, the airport infrastructure and of course a look on the organizational structure of the airport first before making any decision on improvements.

**Especially for big events where most of the visitors use your airport for travelling to and from the event venue, it is important to have a look into the future development of your airport for not wasting invests!**

Because such big event airport operations can result in enhancing revenue and prestige – **but also in losses!**

Preparing the infrastructure and operation of your airport needs a lot of forward looking decisions. As such big event preparation or planning starts long ahead of the real event, it is very easy for an airport to be well prepared to serve the visitors in the best way and make a financial success out of it.

**But once again, you should start early, thoroughly and comprehensively with your planning for such an event!**

Offering a high level passenger and aircraft operation, even under the constraint of a big event burden, can push your airport's reputation a lot!

But how should you decide where to improve your airport infrastructure or organization sustainably?

I will show it to you in some minutes.

### **Airport-Quick-Check®**

I often see that an airport thinks “we are the greatest” – They are right at one point, but it turns out in nearly every case that no airport is the greatest in all regards. **Why?**

A scoring is always based on a priority ranking. One airport wants “to be seen well” by the Government, another airport wants to have a good relation to the airlines and another airport wants to be highly accepted by the passengers and so on..... All these airports can claim to be good because they are right in the view of their priority – but does this really reflect the needs and demands of the airport infrastructure for an operational and economical optimum airport, even for big event operation?

**No!!!!**

Coming back to my example with the clock unit: You can not change or improve only one thing at your airport; in 100% –yes 100%- of the changes or improvements you will have an impact on other areas at your airport!

***You want an example? No problem: ..... (Check in capacity/boarding pass control; bus gates/sufficient busses; early check in/BHS storage capacity; shorter turn around/equipment, staff; ) or name me your improvement and I will tell you where it has also impact on***

Analyzing and evaluating an airport allows wise and necessary improvements, but you have to survey your airport **first** before starting any improvements if you want to be successful.

This is what I learned in the past 11 years at 34 successful airport improvement projects around the world (**9 of them in Russia**).

My registered and patented Airport-Quick-Check® enables us to survey an airport within six weeks to decide which improvements are most likely to be successful.

***In a lot of projects the airport management was surprised that improvements in another area than the one they originally considered promised more success – and my advice always turned out to be correct!***

As you can see, the Airport-Quick-Check® is subdivided into six fields of surveys:

- Market potential
- present Business Areas
- Benchmarking
- Organizational structure
- Infrastructure
- Capacity of the service points

My experience is that if you take these areas into consideration for your improvements, you will always detect the weak points at your airport where your improvements will have the highest result in capacity, customers' satisfaction and increase of your revenues!

### Market Potentials

Knowing your positions on the four market potential factors allows your airport to react exactly on the needs and demands of the market. Of course, sometimes you have to consider "political issues" to make for example your Governor happy who may determine your salary, the airport budget or what else; but you always should have your business vision of the airport in mind and **that you as an airport director or manager will be made responsible for the financial situation of your airport at the end of the day!**

**However, to be successful I recommend evaluating your market potential first, because this is an external factor on which you have to react, not visa versa!**

Knowing your market potentials, it is much more efficient to improve your business area according to the needs and demands of your market or catchment area.

### Business Areas

If you did not already analyze your business areas, it should be the next thing to look at.

With such a survey you will get in connection with the market potential figures and determine what your core business should be and what the consequences will be if you improve and optimize a certain business area at your airport.

Out of this survey you will also receive a draft business plan to see which economic effects your proposed actions will have on your airport.

### **Benchmarking**

As it is always good to know where your airport ranks in the competition with surrounding airports, a benchmark survey will clearly point out **the Pros and Cons and the position of your airport** among other airports.

The results of a benchmarking will also show up where your core business is or if there is a business area which is not covered so far by surrounding airports and in connection with the survey of the market potentials and business areas, you might find another auspicious field of business ( a new international, national or regional passengers or cargo hub-airport?) !

### **Organizational Structure**

**A very hot but interesting topic indeed!**

Especially under the influence of the Russian laws, regulations, decrees etc. **which –to my understanding-** are the biggest hurdle for airports in Russia to be as efficient as Western airports.

***But I am hopeful that the information, given by the Government and agency colleagues in the morning session will come true soon and enable also the Russian airports to be as efficient and successful as western airports!***

I learned that at most of the Russian airports that we visited or were invited to, the organizational structure was or is blown up; in many cases to the absurd..

## **Why?**

I found out that in most cases a misinterpretation of the laws etc. is high ranking in the reasons, but also a “mismanagement” is responsible for a outworn organizational structure or an excessive amount of staff.

Sometimes I had the feeling that an airport thinks the airport is good if he implements a lot of managers with deputy managers and deputy-deputy managers who all get lost in having one meeting after another without practical results, setting up one job technology after another or are forced to deal with other airport issues than originally intended.....

## **This is not being the way to operate an airport efficiently!**

First of all, managers should be responsible for the department staff and work and to instruct and train them how to perform the necessary jobs efficiently, Secondly, they have to report to the Airport Director so that he is able to plan for the future success of his airport.

And of course an organizational structure has to be designed and implemented according to given laws etc.

The Government should endeavour to adapt these laws etc, to actual and best practice knowledge to guarantee the airports not only feasible regulations etc. but also economic success.

## Infrastructure

Maybe you are wondering, why the infrastructure is so late in my presentation?

There is only one answer:

Without knowing which business areas you have to cover, how much you can invest and what service points you have to install, you can not make decisions on your airport infrastructure – **or do you buy tires first and then look around to find a car which meets the specification of your bought tires.....**

***And I can only recommend to the colleagues of the Federal Agency of Air Transport urgently to find a satisfactory reply at not State owned airports on the unsolved question of who is responsible for financing and administrating the airport's runway(s), taxiways and apron improvements or use. This is also true for the relationship of ATC at and with an airport!***

I also hope that the Lol between the Russian Government and IATA for implementing the IATA Ground handling operation regulation will soon become reality. This will make it much easier for the airports to operate their business and allows them to serve the airlines and their passengers much better than under the existing laws and methods.

**Having covered your core business area(s), designed an optimum and sustainable infrastructure, a proper trained staff, you will nearly have no other barrier to be successful with your airport!** The best way of improving your infrastructure is to plan a sustainable one and not one which just meets the upcoming demand and has to be changed in some years because something else needs to be built on this spot.

**Even if you say the finished infrastructure improvements will be paid off by this time, please think about the**



**interferences of your operation when you have to close such an area for improvements again!**

### **Passenger Service points**

The analysis of the existing infrastructure is the starting point for improvements of the passenger service points and its results will rule the demands to sustainable infrastructure improvements.

To receive realistic data for the service points it is essential to have a reliable traffic forecast calculation, at least a robust one for the next 3 to 5 years and an outlook for the next 10 to 15 years. This is the only way to built up a successful and sustainable infrastructure including optimum service points for airlines and passengers.

The important side effect of such a forecast is also to receive reliability for your staff and equipment planning.



I hope my presentation gave you one or more ideas how to improve your airport to be functional and financially successful! As I mentioned earlier, handling a big event at your airport is not a burden if you face the challenges in the right way.

**Trust someone who has managed a lot of such events successfully for airports and passengers in the past 16 years! That is why we offer our consultancy mostly on a success fee base and not on a fixed one: we believe in our success!**

If you want to know more about my experience on such big events, please feel free to meet me after the presentation.

Thank you for your attention!