

IRREGULAR OPERATIONS:

Planning For The Unplanned

Effective Steps Toward Operational Recovery

By Troy Filson

One of the most daunting challenges facing airlines is the uncertainty of smooth daily operations. Airline disruptions can arise at any time, and each one is characteristically unique, requiring solutions on the fly. As ominous as flight delays and cancellations may be, the outcome can be smoother than anticipated and, at the same time, can be cost effective. To achieve the best results, airlines must prepare diligently for all potential scenarios. To reach a high state of readiness, it is important to take a structured approach, focusing on each stage of the irregular operations business cycle.



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IRREGULAR OPERATIONS CAN BE EXTREMELY CHAOTIC; HOWEVER, IF AN AIRLINE EFFECTIVELY COMMUNICATES WITH EMPLOYEES AND CUSTOMERS IN A TIMELY MANNER, CUSTOMERS CAN COME AWAY WITH A POSITIVE EXPERIENCE ABOUT THE WAY THE AIRLINE MANAGED THE DISRUPTION AS OPPOSED TO BEING DISGRUNTLED DUE TO THE FEELING THAT THE AIRLINE DID NOT HANDLE THE SITUATION TO THE BEST OF ITS ABILITY.

When faced with airline disruptions, the primary method of getting the airline back on track is to have a solid recovery strategy in place and ensure that all stakeholders are extremely familiar with the recovery plan and well trained to execute it.

Building A Recovery Strategy

When creating a solid recovery strategy, it is critical to perform an analysis of the current state of disruption management and address all aspects of the business cycle for continuous improvement. The analysis must also encompass every area of the company impacted by operational disruptions, including airport customer service and operations, flight operations, as well as customer care and sales channels, such as call centers and websites.

The outcome of the analysis should answer crucial questions about what matters to an airline:

- What does the airline do well, and what should be improved upon?
- How do the airline’s customers feel about the way they were treated during a disruption?
- Is the airline communicating effectively, both internally and externally?
- How are costs managed?
- Does the airline have the best organizational structure to readily and effectively manage irregular operations?

Answering these and other questions that best support an airline’s principles will enable it to implement the best possible disruption-management plan.

There are several strategic steps airlines can take to recover quickly; minimize impact to the airline, its customers and its employees; and get back on schedule to reduce the down-line domino effect that often occurs with irregular operations.

Irregular Operations Business Cycle



IRREGULAR OPERATIONS OCCUR FREQUENTLY FOR AIRLINES AROUND THE WORLD. THE REASONS ARE NUMEROUS, AND THE EFFECTS CAN BE DAMAGING TO AN AIRLINE’S BRAND, CUSTOMER RETENTION AND BOTTOM LINE. THEREFORE, IT MUST BE PREPARED FOR ANY TYPE OF IRREGULAR OPERATION WITH A SOUND STRATEGY DESIGNED TO GET ITS OPERATION BACK ON TRACK WITH MINIMUM IMPACT TO THE AIRLINE, ITS EMPLOYEES AND ITS CUSTOMERS. AS PART OF AN EFFECTIVE RECOVERY STRATEGY, SEVERAL STEPS CAN BE TAKEN TO OVERCOME DISRUPTIONS, REGARDLESS OF HOW LARGE OR SMALL.

Steps To Recovery

Policy

The creation of a coherent irregular-operations passenger-handling policy is a good starting point in the cycle. The purpose of a comprehensive irregular-operations policy is to limit and direct employees’ actions. Sound policies covering all aspects of irregular operations — from the operations center to managing post-event customer-relations compensation — are essential for airlines. Without this policy framework, the strategic vision is blurred and key decision-making responsibility is placed in the hands of functional stakeholders.

Process

To execute efficient passenger handling during irregular operations, it is crucial to have a well-rehearsed, logical business-process definition. This process must contain all the sequential activities that are required to achieve goals efficiently. The process must encompass each part of the business that is impacted and must flow logically and clearly from one end to the other. The development and agreement of this process is foundational to the formation of a comprehensive policy handbook and drives all actions by the internal stakeholders.

Procedure

Within the end-to-end process of handling irregular-operations events are the components that contribute to the final result. These procedures or actions are the “how” of passenger-handling tasks and form specific work instructions to stakeholders. These procedures may include impact analysis, reaccommodation, voucher issuance and compensation. It is critical to each stakeholder to have detailed procedural documentation to deliver the company’s customer promise.

Data

Another component of the irregular-operations business cycle is data. Data collection, storage and analysis are vital to a complete irregular-operations strategy. In irregular operations, some airlines tend to think that the most important pieces of data are the operational figures themselves. While this data is important, to secure a full picture and a window into the total impact, airlines have to go further than that. They need to review the entire business process and determine which elements contribute to the complete irregular-operations picture.

In doing so, some common questions include:

- Have the direct airline costs been identified?
- Have abstract costs been considered?
- Which data can be gained from customers’ experiences?

These are a few examples of the questions that need to be asked to gain a full view of the data and how it can be effectively used during irregular operations.

Key Performance Indicators

Once the data has been sourced, the establishment of key performance indicators (KPIs) is required. KPIs must be clearly defined and communicated to all impacted stakeholders within the airline. Keeping KPIs simple and reasonable will provide functional players in the company with a clear understanding of goals and personal accountability for the actions they take. This accountability inevitably leads to individual empowerment and can augment corporate objectives such as superior customer service.

Reporting

With the formation of robust KPIs for irregular operations, a system of regular, clear and accurate reporting is essential to communicate the results of actions within the organization. This is of particular importance with irregular operations as it provides an open window into the impact of actions to leaders and functional players alike. Again, this creates a sense of ownership and empowerment that drives excellence from within. Most importantly, every report should have a clear purpose and facilitate decisions on future actions and subsequent planning.

Decisions

The implementation of clear, meaningful reporting creates value by contributing to the decision-making process. When stakeholders at every level have the ability to envision the state of business in detail, the right strategic decisions can be made and are then crafted into the right disruption-management policy for an airline.

The End Result

Though airline disruptions are hardly seen in a positive way by anyone affected, they don’t have to be an airline’s greatest worry. Preparations that address all aspects of the business cycle can help an airline build and maintain the best possible strategy for its business.

Using these key steps as the basis of a strategic recovery plan will help improve business readiness, create valuable reporting, reduce costs and improve customer perception, which, by virtue, strengthens an airline’s brand and promotes customer loyalty. ASCEND

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