

A large circular graphic with a dark blue background and a white border. Inside the circle, there is a faint image of an airplane cabin. The text is centered within the circle.

Impact of COVID-19 on the Travel, Transport and Hospitality

Where to go next?

Industry Expert Simon Lamkin to give his views on the top strategic considerations

A view from Coforge

POINT OF VIEW

By Industry Experts: Simon Lamkin

As we near the end of this turbulent week, I feel we have all learned a lot. I have taken a seat at my desk and outlined my top ten thoughts for the Travel Transport & Hospitality (TTH) sector.

I have worked through previous challenges such as the 2005 terrorist bombings in central London and 2016 in Brussels; Ash Clouds in Europe and in Manila; run a travel technology company in a post 9/11 marketplace, but I have never seen anything on this scale. My chapters in my book on Operational Crisis Management will be getting fatter as the weeks move forward in 2020.

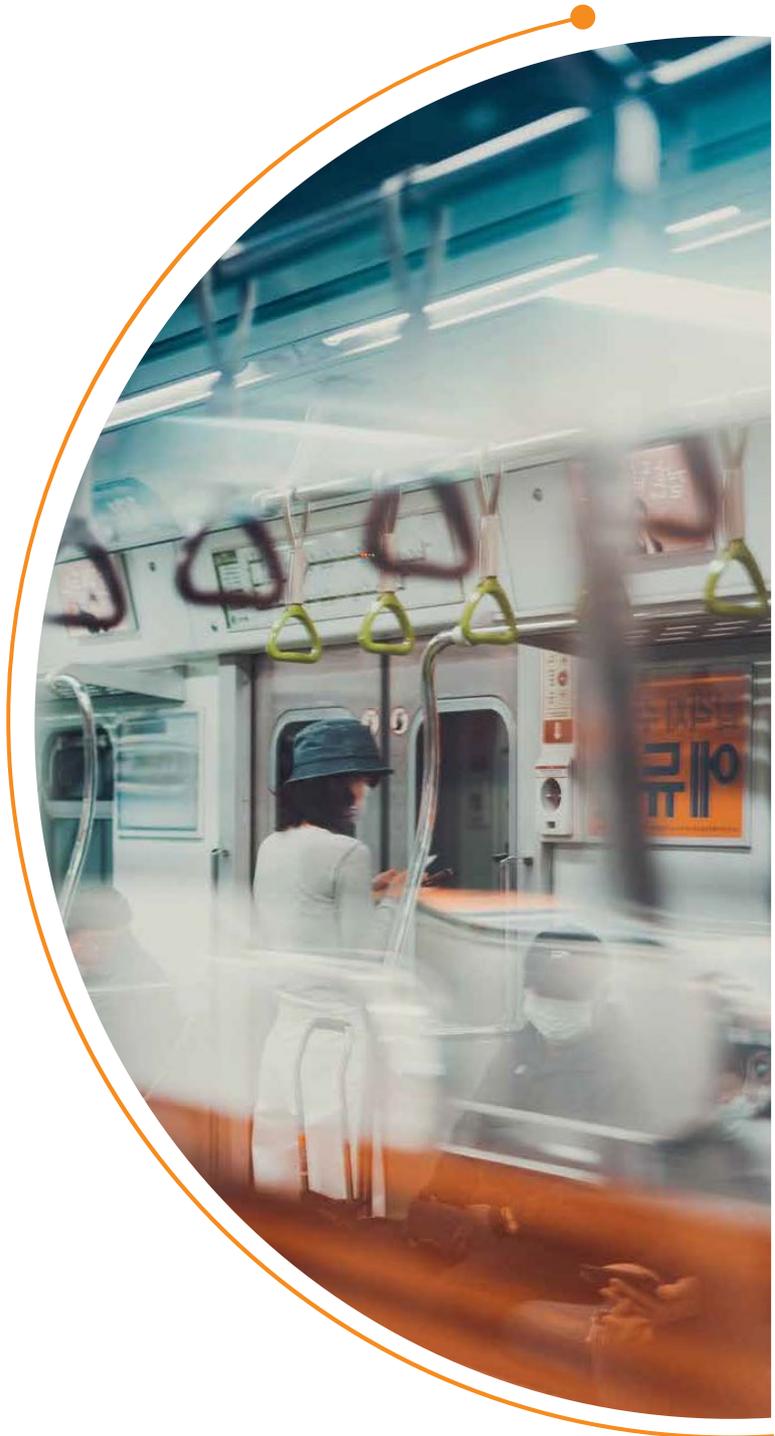


Out of every crisis comes opportunity, and here are my top observations that should be addressed by many Airlines (and other TTH Organisations) – they are in no particular order:

- **Remote Working** – over the past week, as a CIO community, we have looked to crowdsource a Remote Working Survival Kit (V2) in response to Covid-19. This came about after the realisation that organisations talk a good talk but are a less effective in the delivery of the tools, processes and training to make this work effectively. This kit looks at the practical guidance on the technical and people sides of working from home. This is now being tested to the limits – the more forward-thinking organisations managed website performance, very few if any, managed and planned for Remote Working Capacity. This should be an o.-the-shelf service and should be discussed with all customers in all sectors – this Survival Kit is free and can be shared without copyright restrictions.
- **Crisis Management** – many airlines are tried and tested for managing the worst-case scenario of ‘aircraft down’, but few are ready for more realistic events, such as airport closures, ash clouds, terrorism events and global shut-down of routes, lines of flying. There are two aspects to consider – the operational aspect of what to do, but also the customer service angle and the communication channels to use (outlined in more detail below). What assets do I stop using? What opportunity does this surface with regards to MRO activity, end of lease decision making for aircraft and engines? What is the size and shape of my skeleton team? How do I mobilise Gold and Silver command?
- **Customer Service** – despite best efforts, most airlines are being criticised for not being flexible enough, not returning emails, having spent hours waiting on the phone, not refunding money quickly, not offering the right alternatives. This needs to be fixed using technology and soon, as I fear that Pandemic and global widespread disruption will become the new normal. eCommerce solutions are designed to take money well, they are all bad at giving the money back. Some quick fixes available, but detailed customer service process planning must drive the innovation agenda in this.

- **Dynamic Business Models** – nothing demonstrates more about the need to be able to vary your way of working than right now. Borders are closed for passengers, but we all still need to continue global supply chains for food and products to keep the world moving. How can major carriers become more cargo intensive? Why do airlines treat pax and cargo as two separate businesses when they utilise the same asset? How can PSS systems be prepared to accommodate better management of the assets to the needs of the business of the day? This cannot be fixed with a band-aid, this needs strategic planning and thinking – most importantly, oddly, is to get a ‘group’ to act as a Group.
- **Commerce Programmes** – the Shop / Order / Settle programmes run by leading airlines should be positioned to take stock of the current situation and develop an ambitious plan going forward. Many organisations are taking advantage of lower productivity to take time to plan for the next iteration. Many IT teams are putting in place technology platforms when the rest of the business have stopped moving. “Filling the Void” thinking, creates momentum, allows positive thinking and keeps teams motivated. The vision for the programme must be structured and defined upfront and project teams must be deployed to work on core streams that can deploy independently from one another – allowing an agile continuous programme rather than the leviathan design thinking of more traditional airline groups.
- **Crew Management** – end-to-end supply chain management of cabin and flight crew for the world’s biggest airlines are generally managed using Microsoft Excel. How can this be the case when crew costs are one of the biggest operational costs to an airline? This model must start with Establishment and work down into day of operations to drive efficiency, flexibility and promote work / life balance for crew. Many vendors play in this space, but how can they have succeeded when the major groups still struggle with spreadsheets today?

- **Disruption Management** – I have been developing ideas for the ideal disruption management process for many years and over the last 6 months I have put my thinking down on paper and have spoken to several potential small software companies with no success. The need is here, especially in Europe with EC261 costs being a significant cost factor for every airline operating from Europe. The secret of the model is to drive and optimise normal operations as well as disrupted operations. If you can optimise small decisions well and then scale that up using the same process, then the output will be a complex disruption management tool offering options to flex decisions based upon core variables such as: Minimise Crew Cost and protect Flight Time Limitations (FTL); Maximise Customer Service at any cost; Balance of crew / customer service.
- **Pricing Models** – Many suppliers in the industry are still pricing products using 1970's models – remember when telcos charged you for the minute or the amount of data you use. 2020 the industry standard charging model for core airline messaging is MCM – Million Characters per Month. Despite pushing industry, this model will not go away, and several organisations have been created to bypass these gateways and message using IP over the internet. Now is a time to take stock of this for the core suppliers, become a true partner to aviation and help them strategically change their pricing models in this major downturn.
- **My last point is Leadership.** Organisations are doing all that they can to survive now and with the right support from government, banks and willing suppliers, they will survive and come out of this stronger. Now is not the time to be developing a five-year strategic review, now is the time to be making decisive moves to help prepare for H2 2020 and set the stall out for a return to a new normal in 2021. In one of the most powerful 79 seconds of video, Dr Michael Ryan, Executive Director, World Health Organisation Health Emergencies Programme, summed up how to lead through the times that we are in: *“If you need to be right before you move - you will never win. Perfection is the enemy of the good when it comes to emergency management”*.



For more information, contact information@coforgetech.com

© 2020 Coforge. All rights reserved.

Coforge is a leading global IT solutions and services organization which believes that real transformation cannot be driven by thinking in technology terms alone. With a mission to “Transform at the Intersect” it aims to bring both deep domain and deep emerging technologies expertise to achieve real-world business impact. A focus on very select industries, a detailed understanding of the underlying processes of those industries and partnerships with leading platforms provides us a distinct vantage. We leverage AI, Cloud and Insight driven technologies, allied with our industry expertise, to transform client businesses into intelligent, high growth enterprises.

Learn more about Coforge at: www.coforgetech.com

Stay connected:    

.....

The Coforge logo features the word "Coforge" in a sans-serif font. The letter "C" is orange, and the letters "oforge" are blue. The "o" in "oforge" is stylized with a white gap in the middle, resembling a circuit or a connection point.