

Teneo Aviation Toolkit: Developing a Digital Covid-19 response

Digital transformation for airlines during and after the crisis

Airlines need to become more agile to manage recovery and thrive in the “new normal” post crisis. While airlines normally operate in a volatile environment with capacity fluctuations, fuel price spikes, and demand swings, they will have to get used to an environment far more volatile than before. Second and third waves of virus outbreaks may bring renewed disruption, with uncertain economic recovery and changing consumer behavior. Most airlines are not currently set up to operate in this way.

Challenges airlines will face as a result of Covid-19:

1

Increased market volatility

- Significant uncertainty around travel restrictions, economic outlook and demand following Covid-19
- Policies will vary by countries and could quickly change if there is a second or third wave of infections

2

Social distancing

- Customer protection through increased levels of social distancing across the airport, during boarding and on the aircraft
- Introduce new operating procedures to protect back and front office staff

3

Cost pressure

- With reduced demand and increase levels of debt funding the industry will be under pressure to mitigate losses
- Further improving productivity and increased efficiency to reduce costs will become increasingly important

Impact on select working practices that need to be done differently

- **Scheduling:** Significantly more frequency changes than the traditional winter vs summer season cycles
- **Staffing / Rostering:** Further flexibility on staffing and rostering to be aligned with variable schedule

- **Operations:** Higher degree of remote working practices including call centers and Operations Control Centre
- **Passenger check-in & boarding:** Visibility of passenger in airport and management of ‘safe boarding’

- **Process:** Streamlining to reduce reliance on manual processing in Finance and Operations
- **Functional alignment:** Increased level of integration across functions to ensure alignment and joined up response to changes

How digital can help airlines pivot rapidly to agile and lean operations

- Leveraging artificial intelligence (machine learning) and big data analytics for dynamic schedule optimization and resource allocation

- Digital collaboration and advance visualization solution for efficient and safe control tower operations
- Passenger solutions (mobile app) for airport and boarding experience

- Process simplification and automation with bots and AI
- AI and analytics-led insight for maintenance and turn around times
- IOT, mobility and analytics for field force productivity

What next

Companies need to review and reset their ‘post COVID’ digital strategy in line with new strategic and market priorities and utilize the lock down and pre-recovery periods to do this



Find value

- Assess digital portfolio and (re)set ROI-oriented digital strategy or new revenue & cost priorities
- Target ‘high-value’ use cases and quick wins
- Identify key risks to ROI and mitigation
- Review at-risk or troubled programs and course-correct



Clear picture of where to focus digital investment



Plan & mobilize for value

- Assess operating model and architecture
- Define / refine roadmap linked to economics
- (Re)set governance and (re)align leadership and stakeholders
- Deliver proof(s) of value for high-priority use cases



Validated roadmap, operating model, architecture, and financial case



Deliver value

- ‘Roll-up sleeves’ program delivery management
- Proactive risk mitigation and dependency management to deliver milestones linked to value



Realized value from digital investment

How Teneo can help

- Teneo is a CEO advisory firm with a global transport practice, comprising industry experts who understand the strategic, commercial, and operational principles relevant to aviation businesses
- Teneo’s digital transformation practice brings deep expertise across the disciplines of digital value case, customer experience, data, emerging tech, IT foundation and business change,
- We combine this extensive experience and expertise to help airline clients navigate the COVID-19 crisis to become more agile, lean and customer-centric.



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