

In brief

The challenge

- > Change an airline IT infrastructure in months
- > Face down intense competition from national and regional rivals

The solution

- > Altéa Customer Management Solutions (CMS) slots into place in weeks
- > Dedicated IT products and services maximise dba's resources

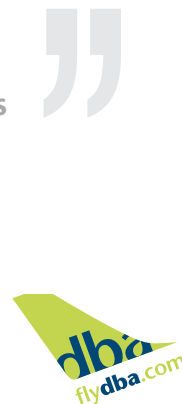
The results

- > Customer numbers rise by 65%
- > Fleet size and flexibility increase



The migration to Altéa inventory was “peanuts”, thanks to a lot of hard preparatory work from the dba and Amadeus teams.

Claus Fischer
Commercial Director, dba



The airline industry has never been an easy business. New pressures emerge all the time. For Munich-based dba, spun out of British Airways in July 2003, the role of an airline serving a customer base consisting largely of business travellers means it faces being squeezed between the national carrier Lufthansa and a slew of budget airlines with aggressive ticket pricing. dba has not just survived in this tough environment. It has thrived. Customer numbers are up by 65%. By the end of the financial year 2005/2006 it is estimated that 4.3 million people will have flown with it during the previous 12 months. How has one small airline equipped itself to climb above the opposition?

Claus Fischer has worked in regional airlines since 1990 and joined dba in late 2003. “So much has changed since then,” he reflects. “We have seen the rise of the low-cost carriers and the technology we can purchase to make our business function is very different today. But the speed of the business is increasing. We used to see a new service or product rolled out every two years. Now it is every two months.” As Commercial Director of dba he characterises both his carrier and the challenge it faces in one neat phrase. “We deal in ping-pong traffic.” A fleet of small airliners bounces between German and international cities and the business community loves it.

Facing the deadline

One of the most pressing challenges Fischer and his colleagues faced as dba experienced its first months as an independent entity was a looming contractual deadline. As of July 2004 dba's entire technology support would be removed from under the protective umbrella of British Airways and would have to stand alone. This demanded rapid decisions on purchasing sophisticated IT solutions and the narrow time window left no space for delays or errors. If dba could not get its inventory, reservations and departure control systems working smoothly in a few months the entire operation would be undermined. dba set itself a tough target. The new systems would have to be up and running by March 2004.

Following a survey of the airline systems market and considering the situation it was in, dba concluded that Amadeus, with its Altéa family of new generation solutions for inventory, reservations and departure control, would be the IT solutions provider behind the newly-



independent airline. The simplicity of the Altéa portfolio – and in particular the fact that it is based around a single PNR (Passenger Name Record) – convinced dba that they would slot into its day to day operations without disrupting the expansion curve. The migration to Amadeus proved painless. In the world of IT projects delays and frustration seem to be commonplace. But Amadeus’ dedication to the unique requirements of the airline sector meant dba got what it needed when it was needed. And the Window-based user-friendly interface that links Amadeus’ powerful capabilities to the working world of airline staff meant dba could introduce the new programs without cumbersome training courses. As the airline operates on a lean model, with just 700 staff, this was a huge attraction.

The migration itself was “peanuts”, thanks to a lot of hard preparatory work from the dba and Amadeus teams, says Fischer. And it was not without its fears. “Airlines are terrified of migrating technical systems” confesses Fischer. This is hardly surprising, given the extent to which every aspect of the carrier’s operations relies on smoothly functioning software running behind the public face of uniformed staff and branded check-in kiosks.

Altéa Inventory benefits

Maximised Yield from each flight

- > Deploy revenue management techniques most suited to your business
- > Optimise flights real-time
- > Tailor availability

Cost Savings

- > Reduced training costs
- > Avoid data duplication
- > Improved data quality and integrity

Productivity Gains

- > Automated schedule process
- > Automated re-accommodation process
- > Automated mass updates
- > Automated waitlist clearance

Seamless interaction with partners

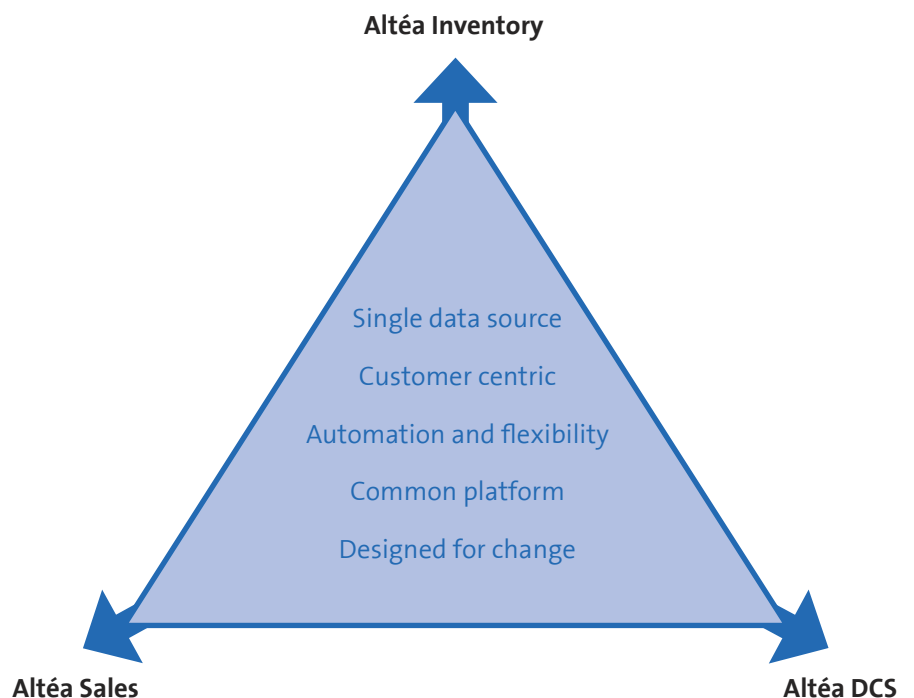
- > From traditional code share to true inventory code share

Improved customer service

- > Automated re-accommodation process
- > Waitlist clearance based on customer value

Altéa, new generation solutions from booking to baggage

Designed around 5 core concepts:



... juggling aircraft codes & assets used to require about 5 minutes. Now the same job takes 30 seconds.

Claus Fischer
Commercial Director, dba

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Altéa optimises fleet use

dba's fleet has undergone a remarkable expansion and now comprises 29 aircraft, of which 15 are Boeing 737s. The remainder are all smaller Fokker 100s, and the introduction of Amadeus' Altéa inventory system has given dba an ability to deploy both types in response to sudden peaks and troughs in booking patterns. This mixed fleet is intended to help dba maintain optimum levels of seat occupancy. Every airline aims for this goal. But the key to success lies in making sure that equipment is selected to match fluctuations in customer numbers.



Switching assets in a flash

With 70% of its customers coming from the business market, dba knows which times of the day and days of the week are going to generate peaks in demand. But using Altéa to manage equipment changes has delivered tangible benefits. If a flight needs a bigger or smaller aircraft Altéa will show available aircraft codes in a drop down menu. Juggling assets in this way used to require about five minutes. According to Fischer the same job now takes thirty seconds. "With the inventory module of Altéa we can change aircraft type quickly and easily." And this has consequences for the scope of dba's route network. "Now we have the flexibility to get into routes that do not always require an aircraft the size of the Boeing 737. The Fokker 100 is great to use at the weekend when many of our business routes are quieter, but when we still have plenty of loyal customers who want to fly with dba."

The very last thing dba wanted was to become involved in a long-term and over-ambitious IT project. Any solutions and systems the airline purchased had to be up and running with a minimum of project work. The objective of all technology is to allow people to work more efficiently while improving the quality of their product or service. By this criterion dba has certainly succeeded in exploiting the potential of Amadeus says Fischer. "Now we have faster, more productive staff."

The Amadeus community system effectively allows Davids like dba to get the same technology and business benefits as Goliaths like Qantas or British Airways.

Amadeus Revenue Integrity has produced a 400% ROI for dba

Farewell to empty seats

Flexibility in ticketing and travel arrangements is a desirable commodity for the traveller. But the agile airline has to fit around each customer's personal timetable while ensuring it is not burdened with empty seats caused by customer "no shows". One suite of dba's Amadeus installation is a Revenue Integrity solution designed to sidestep this very problem and protect the integrity of the airline's revenue.

Reviewing each reservation as it comes into dba, Amadeus identifies unticketed reservations and assigns a ticketing deadline, as per dba's business rules. If the deadline passes without a valid ticket being issued, the reservation is cancelled and the seat made available for another customer to purchase. Amadeus Revenue Integrity alone has produced a 400% return on investment for dba as it isolates and highlights seats whose booking has lapsed. Speculative, duplicate or unticketed bookings are eliminated.

Fischer looks to the future. "We cannot sustain the 65% growth rate, obviously, we have to slow down and continue to improve on everything we do." But a key aspect to his confidence in dba's future is that its toolbox of IT services from Amadeus will expand and progress to meet whatever surprises the regional airlines market has in store for the next 15 years of his career. The fact that Amadeus works in a common systems environment, with every technical advance shared throughout a community of customers, is critical for smaller airlines like dba. The Amadeus community system approach effectively allows Davids like dba to get the same technology and business benefits as Goliaths like Qantas or British Airways. To invest in internal development of these vital support systems would be wholly impractical and prohibitively expensive. Amadeus makes sure that its customers participate in every new product as it is specified, written, and rolled out. This in turn means dba's own staff do not have to divert their resources to irritating computer programming tasks such as writing small software routines known as patches. Amadeus has freed dba to concentrate on creating a popular and reliable airline that Germany's business travellers know they can trust.

dba Snapshot

Major domestic airline, based in Munich

4.3 pax (expected 2005)

700 staff

Fleet of 29 aircraft: Boeing 737s and Fokker 100s

Amadeus solutions: Altéa CMS, Revenue Integrity, Electronic Ticket Server

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