

Running a transparent company is the dream of every top manager, though the reality sounds like a nightmare to most employees. Imagine being able to break down all organisational barriers so that you could look at exactly where actions are taken. Imagine being able to track and react immediately if something serious goes wrong; and base your decisions on live, up-to-date, relevant information. Not having this transparency makes a company slow to react, like a big ocean liner that needs many miles to be able to stop or reverse its course – particularly futile if there's an iceberg ahead.

The majority of today's companies are managed from quarter to quarter, or at best from month to month. If something goes wrong between these cycles, the earliest management sees it is when the management information system becomes available. Every now and then a problem pops up, frequently due to a customer complaint, which causes senior management to overreact. In such cases, a task force is formed and regular reporting on the issue takes place at top management meetings. Very often it is revealed that the problem has been around for a long time and that, even though it had been reported by an employee, no action had been taken.

#### The information hierarchy

In an average company, good news travels from bottom to top at lightning speed, assuring senior management that all is well and under control. On the way up, bad news is filtered out, or at least softened, to prevent harsh reactions from the top. This is frustrating for the employees that are witnessing the problem and reporting it to their superior in order to get it solved. After a very short time such reports cease and the problem usually remains. Every once in a while, a senior manager steps down to talk to lower level staff and asks questions such as 'what would you change here if you were at my position?' Unfiltered information is suddenly available. Happy that at last somebody is listening to them, employees will then recount all the shortcomings bothering them on a daily basis. The line manager responsible is then left with an order from his senior boss to solve the problems. The CEO returns happily to his padded chair, satisfied and convinced that his visit showed that he cares for his employees and also served to rectify some faults.

This is what happens in medium to large companies. In small companies, the owner (usually also the boss) has sufficient knowledge of all the processes to know where things can go wrong and will often detect even minor faults. He

is also closer to the customer and receives their complaints unfiltered.

#### A shaky reputation

In mid 2002, Zurich Airport – Switzerland's main airport – had a serious issue: its hub carrier Swissair had just gone bankrupt, causing revenues to drop by 30%. On top of that, flight delays increased, as different companies – formerly controlled out of Swissair's operation control centre – were no longer co-ordinated. Within months, Zurich airport fell to last place on the punctuality ranking of the 27 largest airports in Europe. Unpunctuality reduces airport revenue dramatically since it scares off transfer passengers and increases costs for airlines, providers and the airport itself (as schedules can neither be planned or followed). Every airport company tries to find a sensible balance between the financial damage caused by unpunctuality and the costs

#### KEY FACTS

- In mid 2002, Zurich Airport hub carrier Swissair had just gone bankrupt, causing revenues to drop by 30%
- Unique, was forced to take over a role it was ill prepared for
- Zurich airport believes that the new model will change the way airports are managed

## All systems go

➤ **ANDREA BARONI, HEAD OF AIRPORT OPERATIONS AT ZURICH AIRPORT, EXPLAINS HOW A NEW MANAGEMENT APPROACH HAS LED TO DRAMATICALLY IMPROVED RESULTS AT SWITZERLAND'S BUSIEST AIRPORT.**

#### ANDREA BARONI,

- In 2002 he became the head of airport operation of Zurich Airport.
- He was the vice president of Swissair operations control from 1981 to 2001.
- He was Station manager, Kinshasa, Zaire between 1978 and 1981.



of reserve capacity (i.e. punctuality costs). Unique, the company that manages the airport of Zurich – which had thus far limited its activities to administrating the airport's infrastructure – was forced to take over a role it was ill prepared for. Previously, Swissair had owned most of the companies at Zurich Airport and was able to actively steer the operation. Unique, on the other hand, was faced with having to co-ordinate many different companies – all trying desperately to survive the Swissair crash by reducing staff and equipment costs.

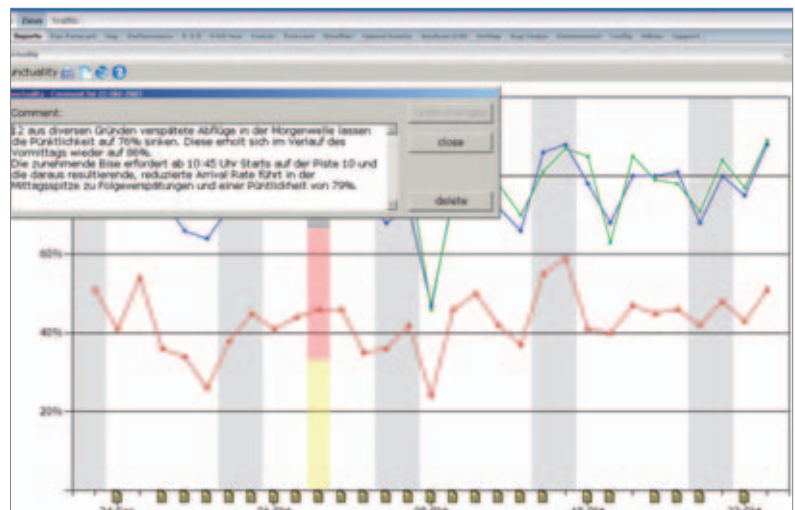
#### A new way of thinking

Unique had to find a new model to improve the quality of its product in a quick, sustainable manner. The decision was made to manage the airport out of an operations control centre, led by the airport but shared with the main stakeholders. To ensure the participation of the main players, a collaborative decision making approach was put in place. While a common operations centre would serve to improve communication between different partners, a common IT system would provide the necessary transparency – and serve as an information system for staff, as well as the different management levels of all the companies involved. When asked what he expected from such a system, Josef Felder, the CEO of Unique, replied that he needed 'access to real-time punctuality and production figures, main operational problems, resulting consequences and actions – and all this with not more than three clicks'. As there was no such system available, Neupie Solutions (a provider of high-tech innovative solutions for the air transportation industry) was contracted to integrate the project.

The design of the new system would reflect the new organisation's approach and support the collaborative decision-making approach, but the functionalities would have to include all the requirements set by future users. It would be state of the art and simple to operate – using web-based, service oriented architecture.

#### A success story

In June 2004, one and a half years after starting the project, the system was implemented. The first reaction of many users was disbelief. Some were even shocked to see all the problems and flaws now openly visible in the new system. Optimising started immediately and measures were planned to rectify the worst faults. The results were dramatic – within 18 months Zurich had moved, in terms of punctuality, from bottom of the European list, at rank 27, to rank eight. A good example of how quality improved is in late baggage delivery. So far, a regular source of passenger complaints, it improved from over 100 late deliveries per day to just four. Today there are virtually no complaints about long waits for baggage. The improved processes also had a favourable



The system enables access to real-time punctuality and production figures, main operational problems, resulting consequences and actions – in no more than three clicks.

**'The results were dramatic – within 18 months Zurich had moved, in terms of punctuality, from bottom of the European list, at rank 27, to rank eight.'**

impact on the resource situation, which resulted in an impressive rise in productivity. The same number of flights can today be handled with less equipment and staff and the ground time of an Airbus A320 has been reduced from 40 to 30 minutes – a great help in reducing delays for departing flights in case of a late inbound peak.

The system also changed the airport culture. Having all the facts to hand, the 'blame culture' was replaced by open and frank discussions on how to solve problems.

The approach chosen by Zurich Airport is general and can be easily adopted by complex, highly interdependent industries.

The system has so far been sold to British Airport Authority (BAA); a pilot programme is running in Berlin Tegel and Airports Company of South Africa (ACSA) has started a project, based on Zurich's model, to control the region's major airports.

Zurich airport firmly believes that the new model will change the way airports are managed and might have a similar impact to other industries.

Three weeks ago, Zurich was voted 'best airport of Europe' for the fourth time by travellers.

Felder says, 'this system has become really important for us, we could not live without it, not anymore'. ○