

KEY FACTS

- A vision statement was created for Heathrow with the objective being to run 'a world-class hub airport'.
- Heathrow's Terminal 5 is due to open in March 2008.

# Holding pattern

➤ AS IATA'S AIRLINE COMMUNITY REPRESENTATIVE AT HEATHROW, **DAVID STEWART** IS NOT AFRAID OF FIGHTING FOR HIS REPRESENTATIVES' INTERESTS. HE TELLS PHIN FOSTER WHY A LACK OF LONG-TERM PLANNING AND STRATEGIC LEADERSHIP IS UNDERMINING BAA'S PASSENGER SERVICE TARGETS, HINDERING PASSENGER PROCESSING AND PREVENTING HEATHROW FROM BECOMING A 21ST CENTURY AIRPORT.

The world's leading airport company,' David Stewart sighs. 'I have to look at those signs every day and all I can say is, "sorry, guys, but I hope you're not buying your own hype".'

Nobody could accuse BAA's slogan of lacking ambition, but for the manager of the London (Heathrow) airline consultative committee, the words do seem to ring particularly hollow. Engaged by IATA to represent the airline community and oversee any BAA activity that might impact upon their interests, to call Stewart's relationship with airport management 'complicated' would be an understatement. 'For an industry that is so interdependent,' he says, 'I have never seen so much arguing.' He says that this is not unique to Heathrow but is indicative of the lack of understanding between airlines and the operators who run the airports where they do business.

He is in a good position to judge. With nearly 30 years in airport master-planning throughout Asia, Australia, North America and Europe, Stewart has been responsible for everything from specialised infrastructure studies to airport mega-projects.

The sense of exasperation is tangible. In discussing his committee's work on passenger processing, service quality and operational concerns, Stewart returns time and again to what he sees as a lack of long-term planning. 'It's been a bit of a piecemeal approach,' he begins. 'Where is the 20-year plan for this place? BAA have what they would term a master plan, but, coming from an architectural and planning background, I believe a master plan is a physical representation of where you intend to go. They have been saying that their capital investment plan will suffice. It won't. A financial representation is not enough. You also need a physical plan, a master programme that covers the project plan and you



need to outline the passenger service goals and objectives of the operation itself. These are four distinct elements and they do not always appear to be aligned.'

Perversely, Stewart believes that British Airways is a step ahead of the airport owners in this regard, with a master plan developed in-house alongside private consultants. 'Most international carriers have had to cut back to core business,' he says. 'Masterplanning an airport does not usually feature on that list. In BA's case, because Heathrow is such a fundamental component of its operation, it knows that without a strategic plan, they will be at a major loss.'

But BA can not carry the burden alone. As part of the Civil Aviation Authority's latest review, the introduction of a constructive engagement programme has at least brought some of these concerns to the fore. As part of this process, a vision statement was created for Heathrow. The objective is to run 'a world-class hub airport'.

'The use of the word "hub" is extremely important,' Stewart explains. 'We're not just talking about long haul and transatlantic services; it's important to keep an eye on what is going on closer to home. The ball has been dropped here in the past. It may be more financially beneficial for BAA to see bigger, fuller airplanes, but the airlines maintain that to support this operation, they still need the connections to group people together and fill up the big planes.'

At present, this hub is creaking. The close relationship that Stewart has cultivated with those working in operations has exposed the lengths these people go just to keep Heathrow moving. 'They implement a process called "push and hold",' he explains. 'In order to keep the level of pier service up, they'll push an un-cleared airplane off its stand and have it wait over in the corner. I've only ever seen this used as a contingency measure at other airports, but at Heathrow it's every day.'

'BAA is being let off the hook by people constantly pulling rabbits out of hats. It may have to increase its charges to airlines in order to provide more infrastructure – its rates are only 19th in the world – but the current scenario isn't benefiting anyone.'

This theme of what is good for the airlines also benefiting the airport is one that Stewart returns to time and again. 'Constructive engagement has proven that we can align our goals objectively,' he believes. 'A lot of the dialogue has followed along similar lines: we're trying to protect your business for you. If a passenger doesn't want to fly to or from Heathrow anymore, it's not just us who will suffer. The difference is, BAA will have to wait three months to see the drop off in revenue; it's on our books today. Taking the airlines as a



While London will always attract a steady flow of passengers, according to Stewart, Heathrow does not provide the smoothest of passenger experiences. Photograph © BAA Ltd

barometer should afford the opportunity to look at instantaneous, monthly variations. BAA doesn't necessarily project it into its business plan.'

While the draw of London will always guarantee a steady flow of passengers, Heathrow is certainly not known for providing the smoothest of passenger experiences. Stewart applauds the latest upgraded service quality initiative, with a target of 95% of passengers waiting less than five minutes and 99% less than ten in the queue for security screening, but he is concerned about the manner in which BAA hopes to implement it. 'The talk of additional staff does concern us,' he begins. 'I think the latest figure stands at an extra \$46 million in addition to ongoing operative costs. You cannot simply throw money at this problem; there must be better ways of managing manpower as well.'

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But this brings us onto the rather sticky issue of the unions. While reluctant to stoke the flames further, the Canadian national's attitude has a particularly North American bent. 'Without complete transparency to the union agreement, it appears that the degree of flexibility BAA requires in order to do a better job of management is obstructed by their contracts,' he opines. 'Bring them up to a level of reality in synch with the rest of the industry – the airlines had to. Where's Maggie Thatcher when you need her?'

The union issue is just one aspect of what Stewart sees as a greater cultural failing within the organisation, harking back to the grand old pre-privatisation days. 'Because it's an ex-government agency,' he begins, 'you still see areas that people look upon as governmental responsibility and are afraid to tread. They need to understand that no-one is going to hold their hand anymore. This is one of the biggest companies in the UK. It needs to stand up and take some responsibility for their future.'

This anti-competitive environment could not be further away from Stewart's six years with the Airport Authority of Hong Kong, first as design manager and then overseeing the start of terminal operations. 'Hong Kong has an ongoing battle with the other airports in Asia about who is the best,' he explains. 'Once you lose the top spot, it's particularly difficult to get it back so they continuously fight to maintain the number one status. There needs to be a little bit more of that over here.'

But in Asia, developers are far less encumbered by concerns such as planning regulations. In bowing to restrictions and red tape, the layout



Heathrow keeps traffic moving by using a process called 'push and hold', which involves pushing an un-cleared airplane off its stand and making it wait in another area.

terminal, the sense of frustration quickly returns. 'With both projects', Stewart begins, 'they're still building these grandiose check-in halls. This used to be the front door to the airport, but not anymore – it's your laptop now.'

This apparent lack of progressive planning is prevalent. 'With the east terminal,' Stewart begins, 'I believed we had the opportunity to build the airport terminal of the 21st Century. "What is that going to look like?" I asked. The response I got from BAA was that they had consulted the airlines at Heathrow and it was going to be more of the same. Well, obviously: people are always going to fall back onto what they know. You should know what the future holds; it's vital to your business. Otherwise, we're all spending money on things that won't matter any more.'

But wasting money does appear to be a recurring theme. 'The proposed east terminal won't have a baggage system at first, partly because it is sitting on top of the Heathrow Express tunnel,' Stewart exclaims with a hollow laugh. 'BAA holds its hands up and says, "If only we'd known", but that tunnel has only been there for seven years. The lack of forward planning is extremely frustrating.'

Debate over the east terminal will continue for some time yet. With Terminal 5 due to open in March, however, the time for discussion has long since passed. Stewart's feelings are mixed. 'It's

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of Heathrow has, in Stewart's eyes, served to undermine long-term strategic goals. 'At an ACC meeting about a year ago,' he reveals, 'a BAA director held up a plan of Heathrow as it looks today and said, "If I'd come to you with this plan ten years ago, you would have thrown me out of the room". While I appreciate that the recognition is there, I'd also like to know what we are going to do about it.' Offered the hypothetical opportunity to tear the airport down and start over, Stewart's eyes glisten mischievously. 'I would start by getting rid of the central terminal area,' he says, with obvious glee. 'Because it's served by a tunnel, it's a security nightmare. No new airports are planned like that.'

As we move onto the slightly more delicate subjects of Terminal 5 and the future east

a step change for Heathrow,' he acknowledges, but he does not believe this will solve all the problems. He remains concerned about the balance between passenger processing and aircraft parking capacity. 'BAA blames it on the delay in building Pier C. I mean, what kind of an excuse is that?'

While Stewart obviously has a lot to get off his chest, he also goes to great lengths in stressing that there is hope for the future. 'The people I work with on a daily basis are some of the most sincere, proactive and honest that I've ever dealt with,' he says. 'What is needed now is a cultural and strategic shift.'

This may not have quite the same grandiose ring to it as 'world's leading airport company', but it certainly sounds like a start. ●