

Lufthansa has committed to growth in Munich.

# Partners for progress

➤ LUFTHANSA'S COOPERATION WITH MUNICH AIRPORT HAS BEEN PRAISED FOR ITS RESULTING HIGH LEVELS OF PASSENGER COMFORT AND EFFICIENT HANDLING PROCESSES. NOW, WITH A NEW SATELLITE TERMINAL IN THE DESIGN PHASE, LUCY SCHWERDTFEGER ASKS THOMAS WEYER OF MUNICH AIRPORT AND STEFFEN HARBARTH AT LUFTHANSA MUNICH, WHAT LESSONS HAVE BEEN LEARNT FROM THEIR GROUND-BREAKING AGREEMENT, AND IF IT SHOULD BECOME A ROLE MODEL.

Passenger satisfaction always took precedence when it came to planning and organising the new terminal at Munich Airport and it was the process that led the way. 'It's important to recognise this, look at how passengers are guided through the terminal, and look at the contact points with Lufthansa,' explains Steffen Harbarth, vice-president of hub development and capacity management at Lufthansa Munich.

'Look at where the stores are, how waiting areas are shaped and at customer touch points and you can see how Lufthansa found the best way to check passengers in. We are going to go through exactly the same processes we had for Terminal 2, but with all the knowledge we gained,' he continues. 'We made mistakes, but we are running the same process from the airport authority and the Lufthansa side, and managing these processes together.'

Harbarth is not afraid to admit that mistakes were made. 'The most important thing we've learnt to

take into consideration is how many passengers are transfer passengers, and how many will be checking in or out at Munich,' he says. 'It is key to acknowledge that those using the airport from a point-to-point perspective and those using it as a hub are going through completely different processes. The catchment area isn't growing, but the number of transfer passengers is, so we need to make sure we can cope with that capacity to the same high standard we have at the moment.'

## 'Growth is the main concern for Lufthansa and its strategic partner, FMG.'

### Anything is possible

Growth is the main concern for Lufthansa and its strategic partner, FMG. But, in the face of an economic crisis with passenger numbers falling all over the globe, how can there still be a focus on capacity and increasing passenger capabilities? Surely ensuring your current capacity levels are met is the main priority for the foreseeable future. ►

### KEY FACTS

- The Terminal 2 management company was a joint venture, staffed by 50% Munich Airport Authority and 50% Lufthansa.
- In 2008, Terminal 2 had 296,000 aircraft movements and 22.5 million passengers.
- Munich Airport handles 90 movements an hour, in eight waves a day.

**TERMINAL 2 HIGHLIGHTS**

**2003**

**27 June:** official opening with 2,500 invited guests  
**29 June:** start of operations – first flight is to Rhodos, Greece

**2004**

**March/April:** Lufthansa inaugurates Charlotte and Delhi routes  
**11 August:** first Air China flight to Beijing

**2005**

**2 May:** Lufthansa launches Washington service  
**1 June:** new Eastern European destinations added to Lufthansa timetable

**2006**

**13 September:** maiden flight on Lufthansa's new Munich-Sao Paulo route  
**November:** Lufthansa adds London City Airport as a new destination

**2007**

**31 March:** Lufthansa launches Munich-Denver service  
**6 August:** opening of Lufthansa first-class lounge

**2008**

**3 May:** Lufthansa launches first-ever flights from Munich to Bombay  
**10 June:** terminal 2 welcomes its 100-millionth passenger



The product must revolve around the reason that there is an industry at all - the passenger.

Thomas Weyer, COO of Munich Airport has admitted that the project for the new satellite terminal has had to be cut back. 'It's hard

to get financing for projects so we have made it smaller, but we are still planning to have it open in 2012/2013.' It is, however, still viewed as a key development not only for the airline but the airport as well. The third runway is also a factor in ensuring its success.

Weyer continues: 'Lufthansa have committed themselves to grow in Munich. For the next year we expect that they will grow more in Munich than in Frankfurt and that is due to the fact that they are the part owner of Terminal 2 and therefore they have an economic interest. So they are pushing for things to happen as much as we are.'

**Joining forces**

Both Weyer and Harbarth attribute the success of the partnership to the fact that it was agreed in the very earliest stages of development of the terminal.

Harbarth states: 'We had a joint team planning it, the whole Terminal 2 management company – a joint venture, staffed by 50% Munich Airport Authority and 50% Lufthansa. If you have a team comprising both airline and airport specialists and shaping the whole process of passengers running through an airport, it brings both uses together.'

The dependence they have on each other is also evident. 'It's a personal issue, an issue of trust, and finally, to be honest, it's also a question of money because it's not only doing business together, from an airline perspective it's a heavy investment,' he says. 'Of course we are looking for advantages, but on the other hand we have taken a huge risk.'

The story has been a great success, despite two airlines moving to Terminal 1 last year (Condor and Germanwings), Terminal 2 had 296,000 aircraft movements and 22.5 million passengers. 'We have

completely independently handled runways,' says Harbarth. 'For a high-performing airport with 90 movements an hour, in eight waves a day, we have so many inbound flights connected to so many outbound flights, that we need the state-of-the-art hub and spoke system that you only find in two or three other places worldwide to ensure that the passenger service is never over burdened.'

How are Lufthansa looking to weather the economic storm? 'We still plan to grow next year in Munich, by adding new intercontinental traffic, and the continental traffic will also grow by having future aircraft here,' he says. 'But we observe the market, and crises are always chances. You have to see what your competitors are doing and see where the opportunities are. In 2009 perhaps there will be new destination opportunities, but you have to make sure you are careful while doing this.'

**A template for all?**

There is opportunity for other airports and airlines to follow suit, although both gentlemen make it clear that what their respective companies have done can not be duplicated precisely, or used as an exact template for others.

'It's our development,' states Harbarth. 'It's been a wonderful success story. In a couple of years I'm sure it will be copied somewhere else in the world, but it's not easy to copy. If you have an established airport, with airlines already established there, you can't tell them that next year everything will change.'

In Weyer's words, 'always increase your capacities.' He believes that the efforts made now, while passenger numbers and developments have slowed down, will pay off in the end. This is a cyclical industry, which has withstood heavier storms than this. The opulent behaviour of the previous few years has come to an end but the vision of greater things has not. It must just become leaner and more efficient with new organisational trends and systems. The answer is to make sure the product being sold is geared around the reason there is an industry at all, the passenger. ○



**STEFFEN HARBARTH**

➤ Steffen Harbarth has been head of hub development and capacity management at Lufthansa's southern hub in Munich since January 2007.



**THOMAS WEYER**

➤ Thomas Weyer has been COO of Munich Airport since September 2008. His previous role was managing director of Berlin Schönefeld Airport.