

THE CHALLENGE

Our client is a leading Asian airline that flies to more than 100 destinations globally.

- Managing the airline's First Class and Business Class Lounge at the Sydney International Airport was an operation that was fiddly, required substantial management and administration attention yet was not part of the client's core business.
- There were many suppliers to manage and invoices to process, to run a relatively small area (compared to all other areas of their operations) with little buying leverage and synergies with the other areas.
- There were legacy staffing issues as a result of changes in organisational structures and policies over the years.
- Suppliers had little opportunities to build a partnering-type approach as there was little management emphasis on building supplier relationships and two-way dialogues.



OUR APPROACH

- Managing multiple suppliers across various cost categories (from cleaners, to food and beverage, right through to laundry and plants) is our core business so we took over all the contracts swiftly, and immediately reviewed each supplier's pricing against our own benchmarks.
- Leveraging on our representation of multiple clients and through better communication with the suppliers and adherence to payment terms, we were able to secure reduced pricing, improved service levels and better account management. A few new suppliers were introduced only in areas where we identified opportunities for improved service and quality at better price.
- We reviewed all internal procedures and policies, and streamlined them, ensuring that controls were in place but were not overly burdensome, and that inefficient or unnecessary steps or tasks were removed. We engaged staff in a communication session, to ensure good understanding of why things had to be a certain way, and that there was opportunity for their feedback before implementation. This ensured staff buy-in to the process and those previously resisting any change responded with more enthusiasm and cooperation.

CLIENT BENEFITS

- Operating costs were reduced by more than 20%.
- Staff morale was improved significantly and staff retention rate has increased.
- The variety and quality of food and beverages served was improved resulting in very positive customer feedback.
- Better processes, systems and reporting were implemented ensuring that there is efficiency, visibility and the right information for decision-making and continuous improvement.
- The airline has acknowledged the benefits in outsourcing an area of business that is not core to them, enabling their resources to focus on areas that are revenue generating. All this while keeping costs down without sacrificing, and in fact improving quality of service.

