



Fair Dynamics Consulting: company profile

We are a young and dynamic company offering management consulting solutions, supported by methods and practices which distinctive character is represented by the systemic approach, modeling techniques, dynamic simulation and data analysis. Fair Dynamics Consulting expertise, in the airport sector, is demonstrated by many years of continuous collaboration alongside many Italian airport operators, in order to implement strategic and operational improvement.

The discontinuity and the evolution of the airport business paradigm

The air transportation market is rapidly changing all over the world. During the last ten years, the advent of the peculiar "low fare" business model, increasingly diffused, and the general growth of flights volume have pushed both airlines and airport operator to rationalize financial and industrial resources in order to effectively support the discontinuity generated by volumes increase.

Interventions that usually stems, from that considerations, are aimed at strengthening:

- The service system overall efficiency, with particular emphasis on how to improve efficiency in the operational areas;
- The supply effectiveness, very often projected into systemic dimensions that go beyond the traditional "catchment area" references. This dimension is one of the most interesting and in many cases show a shareholders tendency to extend the business model beyond the "local" territorial boundaries, projecting the system to larger horizons in order to capture valuable relationships. The research for extra-territorial flows to the airport, designed as a structural element to capture relationships and support new business, leads the Airport Operator to a reinterpretation of the traditional business model, supported by the vision of the whole airport as a "center of attraction" of air traffic, passengers, visitors, service users and opportunities available within the area.

Manifest implications:

- the clear distinction between "aviation" and "extra-aviation"

SELECTED CUSTOMERS



TECHNOLOGY PARTNERS



activities: the latter defined according to the needs expressed by the territory, understood as market, and, if possible, by local institutions;

- the exploitation of opportunities, also in terms of diversification (services, real estate, investment in related business, etc.), resulting from the management of the airport infrastructure;

The research of new opportunities is constrained by the fact that:

- the market "states" the validity and, as a consequence, the attractiveness and success of an airport infrastructure;
- the concept of "market" for airport tends to evolve into larger forms and no longer overlaps with the historic definition of the "airlines will" to work with a particular infrastructure.

Briefly, according to what has been observed, it becomes increasingly important for the Airport Operator to intervene on two well-defined aspects:

- Efficiency:** the improvement of operational services provided, in order to ensure an adequate service level, but nonetheless consistent with an attentive and focused model of investment;
- Effectiveness:** the definition of an appropriate business strategy with attention to the attraction of external flows, in line with systemic corporate objectives, allows to aggregate new categories of external relations, able to extend mission capabilities and create further value.

Efficiency intervention

According to an appropriate level of effectiveness, it emerges a specific need to operate with increasing efficiency.

For this reason we need to intervene with a variety of programs, starting from a clear picture of the current situation, in order to develop potential operational improvements and indicate implementative paths.

Efficiency measures should be intended as applicable: to the activities that are directly related to personnel management, to the outsourced services control, to the number of means and equipment performing services.

It becomes important for the manager to deal with this criticality with a robust analytical method that might contain reliable decision evidence in order to limit risks and maximize benefits. FD has developed a sizing methodology that allows the planning manager to improve resources allocation, in relation to the effects generated by planned scenarios.

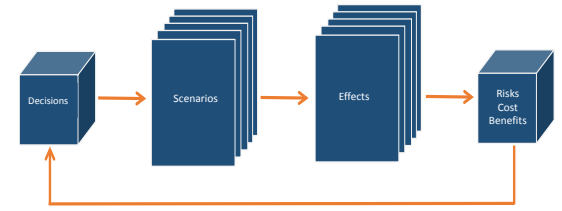
These processes are:

- Handling area:** check-in/drop-off, boarding, ramp and apron services;
- PRM area:** assistance to PRM (booked services and not), waiting areas management and regulatory requirements compliance (SLAs and internal policies);

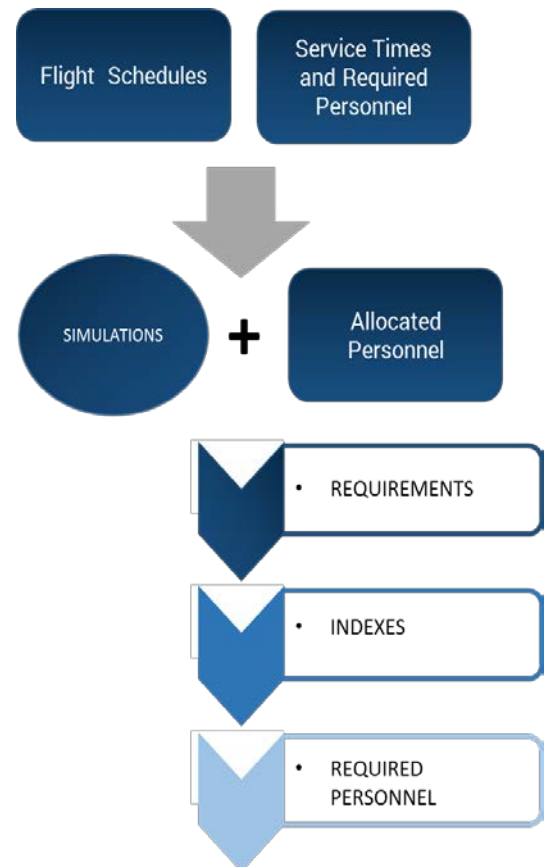
According to our methodology, programs that has to be implemented are the result of a project that involves the following main sequential stages of development:

- Phase 1:** identification and mapping of existing processes (as-is).

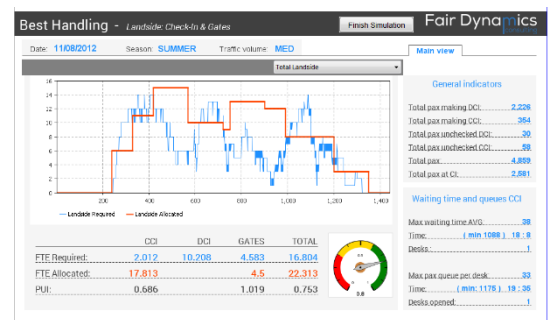
SYSTEMIC EFFECTS OF DECISIONS



FROM FLIGHTS SCHEDULES TO PLANNING



HANDLING DASHBOARD: LANDSIDE



- **Phase 2:** discussion of critical issues and definition of improvement models (gap-analysis, to-be).
- **Phase 3:** launch and implementation of improvement programs.

FD methodology provides:

- taking charge of company policies regarding the operations resulting from the strategic objectives (for example, the evaluation of outsourcing all or part of the handling activities, the assessment of a correct rightsizing according to a streamlining processes compatible with service levels, etc.);
- collecting all data required for: simulation, model calibration, analysis of processes and criticalities;
- determining the daily full-time equivalent, that is necessary to ensure the service level required by the "service level agreement" and other business policies for Winter and Summer seasons, mapped by the type of contract;

Therefore our methodology provides a dynamic simulation model for the perspective rightsizing, an application that encapsulates our expertise. Simulation models are valuable tools in support of both strategic and operational planning: it reproduces the real dynamics of processes (flight plan, available means and resources, company policies, etc.) and complexity hidden in coordinating a large number of critical variables (resource contracts, resources availability, space constraints and/or time, service level agreements and regulations, etc.).

Some Italian airports use to run FD simulation models for handling areas (landside, airside) and PRM assistance areas.

Simulation, what is it?

The business complexity, the economy volatility (and associated scenarios) and the need to deal with an increasing number of legal and administrative rules set the decision-making process as the greatest business challenge. In businesses that are not always represented by linear systems and behaviors simulation tools are the adequate instruments, by implementing appropriate logic and algorithms, to quickly explore possible evolutions of complex systems and decisions over time.

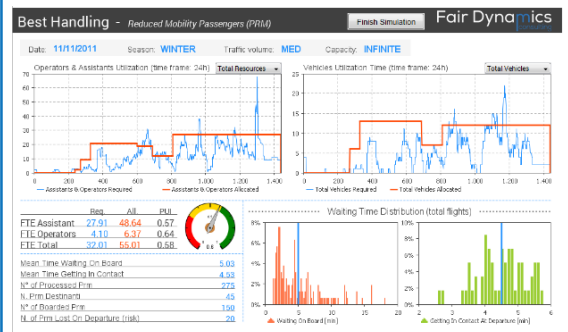
Simulation benefits for the airport operators

- ✓ Strategy implementation:
 - Policy robustness test;
 - Process analysis, implementation and optimization (physical layout as well);
- ✓ Planning:
 - Quantitative determination of FTEs number needed for Winter and Summer seasons;
 - Resource rightsizing and planning support;
 - Planning training (personnel training);

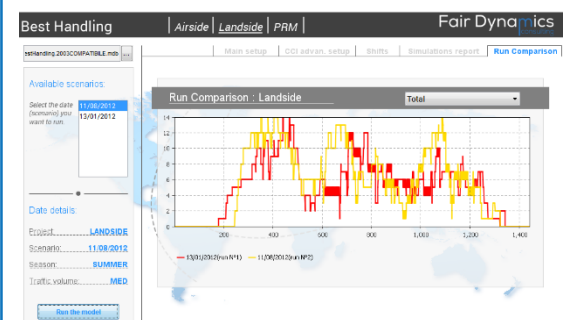
HANDLING DASHBOARD: AIRSIDE



PRM DASHBOARD



OUTPUT: GRAPHICAL DETAILS



- ✓ Cost management:
 - Economics/financial model implementation/validation:
 - Planning Cost management,
 - Forecasting, Budgeting,
 - Controlling e Reporting;
 - «Advanced analytics» e quick reporting;

Configuration of:

- ✓ Sensitivity analysis;
- ✓ "What if" analysis and Design Of Experiment;
- ✓ Automatic generation and management of reporting systems on "business automation" software;

The methodology we use to support our projects is based on "workshops".

Workshops are meeting held by company representatives, responsible of well identified areas, where our experienced consultants act as mentors

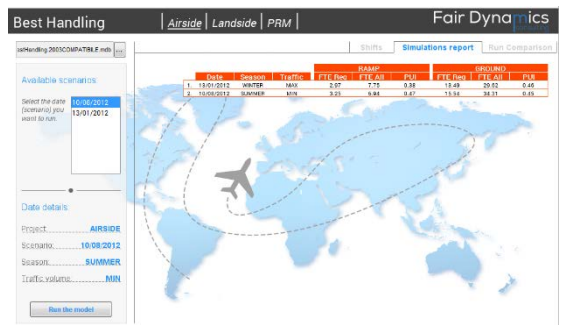
Technical details

Our simulation models are usually implemented in Java applications, developed through the AnyLogic® platform:

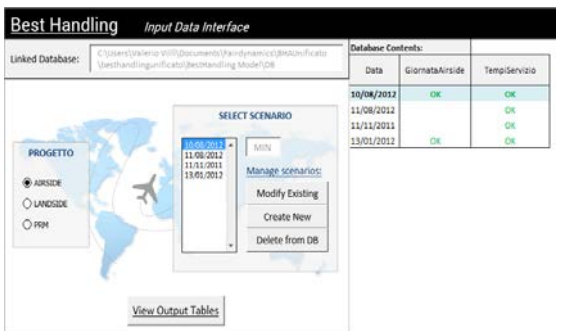
- ✓ "Stand Alone", executed by the local operating system;

It requires only the Java Virtual Machine, which is free and embedded on almost all business platforms, and it is compatible with all operating systems (Windows®, OS X®, Linux®).

OUTPUT: ANALYTICAL DETAILS



INPUT MANAGEMENT: MS EXCEL



CONTACTS

Contacts & Info

Phone: 02.87.166.556

Fax: 02.87.152.913

Email : info@fairdynamics.com

Web Site: www.fairdynamics.com

Operational Office: via Carlo Farini 5,
20154 Milano-MI, ITALY.