



# HOW CAN QUALITY-ORIENTATED APPROACH INCREASE REVENUE FOR GROUND HANDLERS

News / Airlines



**Ground handlers are constantly facing new challenges, which are not static and constantly evolving. Moreover, technological advancements, emissions and higher security regulations are causing quite a disturbance to deal with. This fight is endless, and the most adaptive companies are winning, while others are slowly losing ground and trying different methods to increase revenue by optimising operational and administrative processes to gain a small yet important advantage.**

Undeniably, safety in aviation is vital, but so are the revenue streams – here we can observe different strategies put to the test: some decide to go for maximum cost savings and others choose to provide high-quality services. Naturally, everything is decided by the airline's strategic behaviour, values, and competition. Konradas Dulka, Product Director at Sensus Aero examines situations when efficient quality management can bring ground handlers long-term gains.

## **The beginning – standards and efficiency**

First of all, good, efficient, and structural quality control increases efficiency, as it drastically

accelerates the improvement rate and indicates root causes. As this becomes part of the organisational culture, the long-term effect starts to shape and unnecessary processes are stopped, the interaction between departments changes, and operational flows are optimised. As a result, we can gain structural organisational stability, which leads to a less chaotic work environment and better on-time performance, as well as resource reduction.

To control and ensure this process, we need something that will serve as the basis: QMS (Quality Management System) and a constant auditing process, resulting in improvements. In essence, we are creating the framework on which we are building our quality standards.

## **Gaining an edge**

Airport location can have a massive impact on competition and how the chessboard is played. One way of understanding which direction to take is by predicting and understanding airlines' games. As it is quite different to ground handling, knowing what each airline stands for, and its long-term strategy can open quite a lot of possibilities. If an airport is attracting airlines – for which quality, on-time performance, and operational stability are crucial – reputation can become the key to winning the contract on favourable terms. In other words, even if ground handler will suddenly change the strategic initiative to improve drastically on-time performance, or the first/last bag delivery metrics, it won't help much, as there are some historical statistical data.

However, if a company has been working constantly to be known as high-quality oriented, then retaining current customers, gaining new ones, or expanding to new locations can be a lot easier. In addition, if the airline values high-quality services, then, in the negotiation process, quality-orientated companies can win the contract even with higher pricing, which increases your revenue.

## **It's a proactive measure, not reactive**

As we know, safety is vital for all aviation players, however, incidents do happen and usually are caused by human errors. Chances of an error can be minimised by adjusting processes, and constantly reminding staff about the importance of safety and surroundings, paired with Information systems. Each incident has a massive effect on revenue, as insurance can go up higher and with GH profit margins it can be quite a juggling act. In addition, though it is hard to evaluate, the company's reputation suffers as well, which may prevent it from winning contracts in the future. With correct execution and implementation of culture, where quality is one of the top priorities in organisational goals can build a self-improvement culture – where everyone shares the same core values and does not require a push from top management to be more efficient and create safety-enhancing processes. This not only reduces risks but improves efficiency and mitigates revenue loss.

As we have established, in some situations being aware of the competition and airline's directional strategy makes it possible to gain a substantial advantage. To control everything in a structured way, not only a framework is needed, but tools as well. Digitalisation and the adoption of flexible platforms can increase your efficiency furthermore and help achieve your targets. So, how exactly can this platform help you?

- The auditing process can be fully digitalised both for internal and external audits. That means, that targets are set for each airline specifically and execution may be controlled automatically from the system side.
- Incident/Delay investigation process can be centralised and structured, as it involves complex flow transactions. Interaction between business units can be quite difficult and without a proper platform, it can lead to mistakes and a slower improvement process. In

addition, this part is helpful when providing reports for third parties, as reports are available on demand.

- Risk management – controlling and understanding the state of the organisation from a risk management perspective is a proactive measure for prediction and the direction the company is heading. As processes can be complex, it is quite critical to identify the areas which need attention and improvements and what risks currently company is facing.
- KPIs – metrics are always important in business and goals always must be set. Tracking the progress each day can help with decision-making.

Overall, we can see, that establishing a quality-orientated approach in an organisation is not an easy task but can bring an edge in the long term. Understanding competition and being aware of the ever-changing market can lead to a stable, efficient, and more profitable organisation with a perfect reputation.

08 MAY 2023

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