



International Centre for Organisational Management

MSC AND DIPLOMA IN AIRPORT MANAGEMENT

INTRODUCTION

Airports are no longer boring, public sector dominated, poorly managed, cash cows. Together with sea ports they constitute the exciting core of a global supply chain, the hub of the value adding system of international trade, a critical link between global companies and their worldwide customers. In addition, they are in the forefront of the rapidly expanding worldwide service and travel industries, where customer care and other leading edge developments in management are paramount.

Throughout the world there has been a dramatic increase in airline passengers and cargo. Tourism is the world's largest and fastest growing industry. Airports are therefore coming under increasing pressure to improve the service they give to their customers; passengers, airlines, retailers etc. all without relaxing the need for a safe operating environment.

In response to these pressures airports have been privatised, others corporatised, others simply commercialised without a change in ownership. These attempts to improve effectiveness have been varied. There are spectacular success stories and reforms where the benefits have been less obvious. In some re-structured airports retail revenues have expanded dramatically while passenger traffic has not. In others, the same of land has been beneficial to the stakeholders but benefits to customers and the economy as a whole have not materialised.

As economies become more integrated and businesses increasingly global, it is essential that airport facilities are kept up to date if countries are to develop competitive advantage. Emerging industrial nations are competing with established, economic powers and the performance of their airports is a factor in this competitive battle. Accelerating globalisation, deregulation and privatisation, technological innovation, changes in capital markets etc. have created an environment which can be either bewildering or full of opportunities. It is imperative that restrictive regimes and service shortages are thoroughly addressed and investment structures designed to maximise benefits for the commercial 'customers' of the airport.

Airports have become capital-intensive businesses which have to provide a return on their assets and to differentiate themselves from their competitors. How is this done? What is meant by strategic positioning, customer care, product development and improving total factor productivity? Management practice is also changing apace as old notions of hierarchy and centralisation give way to more co-operative relationships combined with decentralisation. Also, new skills and knowledge have to be acquired and a culture of innovation and responsiveness to customers created in order to generate business value.

This rapid pace of change requires the managers of airports and individual employees to engage in a continuous process of learning.



What is the best way to achieve these goals? We believe challenging action learning based programmes, tailored to the present and future strategic needs of the airport industry and to particular client airports, are the answer. They put learning and change at the heart of each organisation.

Action learning is a dynamic, proven and different approach to training and development. It provides the airport sector with a cost and time efficient approach to developing organisations and management skills dovetailed to the realities of the international workplace.

ICOM has developed an action learning approach to Airport Management with faculty members of the Cranfield University Department of Air Transport to address these issues. The programme can lead to a Certificate and MSc in Airport Management, using the action learning model of projects, personal development plans and customised workshops designed by experts in the airport business. Examples of what will be covered in the workshops follows:

CONTENT OF WORKSHOPS

Workshop 1- Start-Up Workshop – Business Strategy and the Learning Process

- Ø Business strategy and how to create an “excellent” organisation and achieve competitive advantage within airports. Airports as the hub of the international supply chain and the key link in the worldwide tourist/travel industry. How to define a business strategy and cascade it down into the organisation.
 - Critical success factors and annual performance improvement plans.
 - Case studies of successful business strategies.
- Ø The importance of transportation to the economy and society.
- Ø Globalisation and its impact on the international transportation and airport systems.
- Ø The increasing demands of airlines as their business becomes more competitive. How airports fit into the broader air transport industry.
- Ø The international supply chain from manufacturer to shipper to airport to inland transporter and customer, the logistics chain. The tourist/business travel supply chain.
- Ø The privatisation/commercialisation process; its impact on airports and airlines.
- Ø Worldwide transportation economies; supply and demand for travel, the nature of the markets, role of governments and the regulatory environment.
- Ø What is action learning; how do experienced managers learn to be more effective; the projects to improve organisational performance; personal development plans.

Workshop 2- International Trade and Travel

- Ø World trade, international competition, trading blocks, the World Trade Organisation and the multi-national company.
- Ø Tourism – the world’s largest industry.
- Ø The economics, structure and growth of the global airline transportation system. The growth of business travel – forecasting.
- Ø Emerging markets and the growth and decline of international trade.
- Ø Corporate strategy as a framework for marketing. The marketing mix, segmentation, differentiation, pricing etc. in this capital-intensive market. Critical success factors, key business processes, key performance indicators.
- Ø Customer service and its application to airports and airlines.
- Ø Case study of Changi Airport, Singapore.
- Ø Case studies of Kuala Lumpur and Hong Kong’s new airport.

Workshop 3 - Operations Management of Airports

- Ø Airport operations strategy and its link into the business strategy. International best practice.
- Ø Airfield operations; international standards for rescue, fire-fighting, safety and security, aeronautical services, equipment purchase and maintenance, lighting, runway and taxiway systems, power systems.
- Ø The management of demand, forecasting, capacity planning.
- Ø Terminal operations; property and land use management, passenger service delivery, baggage handling, control of emergencies, security, retail policy, management of sub-contractors, work-flow analysis and process management.
- Ø Air traffic control.
- Ø Customs and the interface with the airport.
- Ø How to improve the utilisation of total resources (people, materials and capital). A concentration on total factor productivity, not just labour productivity. Quality control.
- Ø Introduction of new technology and the management of information and process technology.
- Ø Maintenance of airport infrastructure. Procurement process from equipment selection to disposal.
- Ø Managing environmental compatibility.
- Ø Best practice case studies.

Workshop 4 - Management of People and Quality

- Ø H.R.M. in its business context.
 - HR strategy and its alignment with business strategy.
 - What motivates individuals; the organisational context.
- Ø The development of the H.R. function from administration, through human resource management to the business partner model.
- Ø H.R. strategy and how it fits into the business strategy.
- Ø Organisational design.
 - Organisation structures.
 - Centralisation and decentralisation.
 - Supervisors and first line managers.
 - Organisational trends.
- Ø Compensation systems.
 - What do we mean by compensation and benefits?
 - Traditional pay systems.
 - Variable pay, added value and performance based schemes.
 - Wage payment systems.
- Ø Industrial relations; collective bargaining; sub-contractors and terms and conditions of employment; power of interest groups, impact of continuous shift patterns.
- Ø Training and career development (e.g. multi-skilling, succession planning, performance appraisal).
- Ø Management of safety.
- Ø Total quality management (e.g. the internal customer, the moment of truth, design for quality, cost of poor quality etc).

Workshop 5 - Finance and Performance Measurement and Controls

- Ø Understanding balance sheets and profit and loss statements; ratio analysis; the building blocks of financial measurement and analysis.
- Ø Analyses of cash flow statements; how cash flow is planned and controlled, maximising cash flow.
- Ø How to optimise return on investment; investment appraisal; risk and required rates of return; capital structure and the cost of capital.
- Ø Modern methods of measuring performance; management by fact and cost of poor quality; innovative customer and employee measurement systems.
- Ø How to transform corporate performance by measuring and managing the drivers of business success; why integrating measures with business strategy is critical to success.
- Ø Critical self-assessment and business excellence success factors. The Baldrige and European Quality Awards.

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