Network Planning
Decision Drivers and Influencing the Outcome

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How Does an Airline Grow?

1. Find new markets
   - Served by others but not me
   - No service at all

2. Move share in existing markets
   - Add frequencies
   - Operate larger aircraft

1% of U.S. industry revenue share >$1 billion
Market Selection and Schedule Drivers

1. Flight Profitability / Forecasts
2. Fleet / Regional Constraints
3. Aircraft Rotations
4. Network Optimization
5. Industry Developments

Optimize network and maximize profitability
Flight Profitability and Forecasts

Start with a wealth of data…

…determine what market to forecast
Is the Market Assessment Positive?

Profitability is the main criteria for assessing a route, though other factors are weighed.

- 3-Month Landing Fee Abatement
- Newsletter Publications
- If you fly it, they will come…
- Forecasted Performance
- Historical Demand
- Economic Growth
- Competitive Position
- Passenger Profile
- Sales Agreements
- Community/Airport Partnership

If you fly it, they will come…
Operational Constraints Are Considered

- Fleet Count
- Geographic Constraints
- Curfews & Slots
- Network Optimization
- Maintenance Requirements
- Hub Complex Times
- Aircraft Rotations
- Minimum Ground Times
Industry Developments

Does industry capacity align with forecasted GDP?

- US-Latin America/Caribbean up 6%
- US-Japan down 1%
- US-China up 18%
- US-Europe up 8%

Forecasted GDP Growth Rate
2014-2019

Capacity based on Mar’14 v Mar’13
GDP from IHS Global Insight upd Sept 2013
How Can I Influence an Airline’s Decision

Build a relationship with Network Planners
• Visit once per year ("Routes" is perfect)
• Speak quarterly

Can you help mitigate the airline’s risk?
Do you have information/data that the Planners don’t know?

Be creative
• While new markets must fit with an airline’s strategic direction, most are open to hearing your proposal
Thank You