APPENDIX A  REQUEST FOR INTERVIEW LETTER

Cranfield
UNIVERSITY

c/o The Research Office
18 April 2001

Dear

THE NOTIONS OF 'SUCCESS' AND 'FAILURE'
IN THE AIRLINE INDUSTRY

I am a Senior Lecturer at the Coventry Business School, Coventry University, who is undertaking a part-time PhD at The Cranfield School of Management, Cranfield University, in the above topic.

My starting point has been that previous academic explorations of the airline business have generally been impersonal quantitative investigations, giving little insight into either the distinctiveness of individual airlines or their senior management. I believe that only by talking to those who operate at the top in the airline industry, the board members, the strategic players, can a real insight be gained into how an airline’s strategy evolves in the way that it does. Underpinning this is the way that those senior managers have constructed their own personal views of what is ‘success’ and what is ‘failure’. In other words, by gaining a direct insight into how top airline executives personally define ‘success’ and ‘failure’ it should be possible to gain an insight into what shapes their strategic decision-making process.

The methodology of the PhD project is based on conducting structured interviews with those Captains of the Industry (typically the non-flying ones!) who are willing to talk to me. In all, I hope to speak to approximately thirty top managers, from the airlines based in the United Kingdom or Ireland. Your views would therefore be extremely important in allowing me to proceed with my intended plan. On the basis of the pilot interviews, I would expect to need forty to forty-five minutes of your time, about half of which would involve mapping your thoughts on the causes of airline success in a general sense, rather than specifically in relation to any particular airline at any particular time. Those who have done this already, and they include a current MD and a past MD of major UK airlines, tell me that it is an interesting and thought-provoking exercise, and not in the least painful!

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My previous career was in airline training, with twenty years’ service at the old Air Service Training establishment at Perth Aerodrome, and I am therefore well aware of the need for the utmost confidentiality in matters of this kind. No source, individual or organisational, will be identified in my PhD thesis, nor will any comment be attributed unless you explicitly grant me permission to do so.

I hope that you would be willing to grant me an interview. I understand the frantic lifestyle of airline executives and am therefore willing to be very flexible to meet you either at your main operating base, if in mainland Britain, or anywhere within reason that may be more convenient for you. Similarly, I am willing to be flexible in timing – either early morning or evening meetings would be in order from my perspective if it helped solve the problem of finding a window in your diary.

You may be aware that I have written to other top executives in your organisation, and, in an ideal world, a perfect result for me would be to able to meet perhaps two colleagues as well as you separately but in the same day. I realise, however, that might be problematic from your perspective, and I am therefore willing to travel as many times as is necessary to complete the set of interviews. With the end of teaching in sight for this academic year, my diary is fairly sparsely filled until mid June.

*I really would be extremely grateful if you would find the time to grant me an interview.* Attached is a proforma reply and a reply-paid envelope, addressed to my Coventry office, for your convenience.

The work I am trying to do will, I hope, be of significance, and I will provide you with a copy of either the thesis or a summary of its conclusions, once complete, if you would find it of interest.

Best regards

Yours sincerely

John Beech, MA MBA
Acting Subject Head (Marketing),
Coventry Business School, 5 Priory Street, Coventry CV1 5FB

Work tel.: 024 7688 8475
Work fax: 024 7688 8400

E-mail: J.Beech@coventry.ac.uk
THE NOTIONS OF ‘SUCCESS’ AND ‘FAILURE’ IN THE AIRLINE INDUSTRY

o I am willing to talk to you about my views of ‘success’ and ‘failure’ in the airline industry. I could meet you at the following dates, times and locations:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
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<tbody>
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</tbody>
</table>

Please contact me / my Personal Assistant / my Secretary to arrange a suitable date, time and venue

Telephone no. .........................

o I also recommend that you contact

...........................................at.........................

You may / may not mention my name.

o I am unwilling to meet you. (A reason would be much appreciated if this is the case.)

.................................................................

Name: .................................................................
Contact Address: .............................................................
Phone: .................................................................
Fax: .................................................................
E-mail: .................................................................
Date: .................................................................

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APPENDIX B  FINALISED INTERVIEW SCHEDULE

INTERVIEW with of

1. What do you do here?

2. Please tell me about your past experience.

3. Can you give me an example of one of your organisation’s major successes?

4. Can you give me an example of what might be considered a failure by your organisation?

5. Do you feel that your organisation is operating effectively (Lickert Scale 1 to 5)? What do you mean by effective?

6. You’ve already given me examples of success and failure within your organisation; why did you pick those particular examples? (Probe for criteria for deciding that something succeeded or failed and assumptions about causes.)

7. Which of these technical factors do you see as relevant to success? (Lickert scales 1 to 5 - read out full list before returning to the individual items):
   - having the right routes
   - having the airport slots you want
   - having the right operating base
   - having the right aircraft
   - having the right aircrew
   - having the right groundcrew
   - having the right admin people
   - having the right marketing

8. How would you rate your organisation in terms of success on a scale of 1 to 5?

9. How would you see that position in relation to other UK and Irish airlines?
   You’ve rated your airline as # on a scale of 1 to 5.

10. Who would you identify as the three most successful UK or Irish airlines? (Expand to four if BA is nominated; encourage to look at the last ten years, further back only if they offer)

11. What do you attribute their success to? (Probe initially at first level, then seek deeper levels in a causal hierarchy)
12. *What criteria are you using to assess their 'success'?*

13. Which three UK or Irish airlines do you see as having the greatest potential for failure over the next few years?

14. Why do you think they might fail? (Again, probe for deeper levels)

15. *What criteria are you using to assess their 'failure'?*

16. Let’s go back to ‘success’ again. What would you see as the essential parameters for defining an airline as a ‘success’?

17. Similarly, what would you see as the essential parameters for defining an airline as a failure? (Probe for anything subtler than bankruptcy)

18. I’d like to ask you whether you think the following airlines were/are successes or failures and why you think that: (Conclude each one with a rating on a Likert scale 1 - 5)
   
   Air UK (pre KLM uk)
   Brymon Airways
   EasyJet
   DanAir
   Laker Airways (the original one)
   ScotAirways (ex-Suckling)

19. Which airline, UK, Irish or any nationality, would you consider to be the most successful ever, and why?

20. *Mapping*
APPENDIX C  POSTAL QUESTIONNAIRE

Cranfield
UNIVERSITY

c/o The Research Office

Dear

THE NOTIONS OF ‘SUCCESS’ AND ‘FAILURE’, AND THEIR CAUSES, IN THE AIRLINE INDUSTRY

I am a Principal Lecturer at the Coventry Business School, Coventry University, who is undertaking a part-time PhD at The Cranfield School of Management, Cranfield University, in the above topic.

My starting point has been that previous academic explorations of the airline business have generally been impersonal quantitative investigations, giving little insight into either the distinctiveness of individual airlines or their senior management. I believe that only by getting the views of those who operate at the top in the airline industry, the board members, the strategic players, can a real insight be gained into how an airline’s strategy evolves in the way that it does. Underpinning this is the way that those senior managers have constructed their own personal views of what is ‘success’ and what is ‘failure’. In other words, by gaining a direct insight into how top airline executives personally define ‘success’ and ‘failure’, and to what they attribute the causes of ‘success’ and ‘failure’, it should be possible to gain an insight into what shapes their strategic decision-making process. The scope of my research is all UK and Irish airlines, with the exception of British Airways, which I see as significantly different from all other UK and Irish airlines.

My previous career was in airline training, with twenty years’ service at the old Air Service Training establishment at Perth Aerodrome, and I am therefore well aware of the need for the utmost confidentiality in matters of this kind. No data arising from these questionnaires will be directly presented; all data will be processed to give generalised industry views, and therefore there will be no way that your personal thoughts will be attributable either to yourself or to your airline.

I hope that you would be willing to complete the attached questionnaire. It has been designed to be completed quickly, and, in order to increase the number of responses, I am offering a bottle of 1990 Grande Année Bollinger vintage champagne, provided at my own expense, to one lucky respondent. The first sheet asks for some basic biographical details which you should be able to fill in while asleep. The second sheet
asks for three examples of UK or Irish airlines which you consider to be a success, plus
the reason why you think they are successful. Similarly I then ask for your thoughts on
three potential failures, and the reasons why you think they might fail. The third section
asks you to rate a number of factors on how you see their contribution to the success of
an airline. The final section explains how you might win the bottle of vintage
champagne as a thank you for your efforts.

Enclosed is a reply-paid envelope, addressed to my Coventry office, which should help
in replying to me.

_I really would be extremely grateful if you would find the time to complete and return
this short questionnaire. A summary of the results of the research will be made
available to those who complete and return the questionnaire._

You may be aware that I have written to a number of your colleagues. I would ask you
not to discuss your answers until you have completed filling in the questionnaire - my
interest is in the _individual_ views of airline executives, rather than in a homogenised
company consensus.

Best regards

Yours sincerely

John Beech, MA MBA
Head of Tourism Management
Coventry Business School, 5 Priory Street, Coventry CV1 5FB
Work tel.: 024 7688 8475
Work fax: 024 7688 8400
E-mail: J.Beech@coventry.ac.uk
SUCCESS & FAILURE IN THE AIRLINE INDUSTRY

Section 1 - Biographical

In your professional background how significant have the following been?
(Please circle each as appropriate from 1 as largely irrelevant through to 5 as highly significant)

<table>
<thead>
<tr>
<th>Professional TRAINING</th>
<th>Professional EXPERIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance / Accounting</td>
<td>Finance / Accounting</td>
</tr>
<tr>
<td>Human Resources</td>
<td>Human Resources</td>
</tr>
<tr>
<td>Management</td>
<td>Management</td>
</tr>
<tr>
<td>Marketing</td>
<td>Marketing</td>
</tr>
<tr>
<td>Flying</td>
<td>Flying</td>
</tr>
<tr>
<td>Engineering</td>
<td>Engineering</td>
</tr>
<tr>
<td>Cabin Crew</td>
<td>Cabin Crew</td>
</tr>
<tr>
<td>Other (please specify)</td>
<td>Other (please specify)</td>
</tr>
<tr>
<td>1 2 3 4 5</td>
<td>1 2 3 4 5</td>
</tr>
</tbody>
</table>

Which of the following describe the airline you currently work for?

- Scheduled carrier
- Charter operator
- Full Service operator
- No-Frills operator
- Cargo operator
- Regional carrier
- Franchisee
- Passenger carrier

Which of the following (one only) best describes your responsibility?

- Chairman
- MD/CEO
- Director of Finance
- Director of Marketing
- Operations Director
- Cabin Services Director
- Director of Engineering
- Chief Pilot
- Commercial Director
- Other (Please specify: ........................................)

I have spent most of my professional life in the airline industry: Yes o No o

My highest level of qualification is:

- First degree o
- MBA o
- Other o
Section 2 - Examples

Please identify what you consider to be the three most successful airlines in Britain and/or Ireland, excluding British Airways from consideration. Please also give a reason or reasons why you think each is successful.

1

2

3

Next, please identify, again giving reasons, your choice of the three British or Irish airlines, again excluding British Airways from consideration, which have the greatest potential for failure in the next few years.

1

2

3

Section 3 - Key Success Factors

Please rate the following factors which contribute to the success of airlines. Circle the appropriate numbers using the following scale:

1 Very low contribution
2 Less than average contribution
3 Average contribution compared to other factors
4 More than average contribution
5 Extremely high contribution

to show the RELATIVE contribution of each factor - overall, your responses should roughly average a score of three.

Access to finance 1 2 3 4 5
Choice of aircraft operated 1 2 3 4 5
Controlling costs 1 2 3 4 5
Generating revenue 1 2 3 4 5
Innovation 1 2 3 4 5
<table>
<thead>
<tr>
<th>Factor</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
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</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Location of operating bases</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Management of change</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Market orientation / Customer focus</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Market research</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Passenger service quality</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Pay &amp; conditions for staff</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Planning and strategy</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Procedures &amp; processes</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Product offer</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>Public image</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Punctuality</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Quality / Reliability</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>Routes</td>
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<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Schedules / Slots</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Selection &amp; recruitment</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Training</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Utilisation / Yield management</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
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<tr>
<td>Other(s)?</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Please specify</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

I believe the single most important factor for success in operating an airline is:

Section 4 - Administrative

I would like to receive a summary of the results of this survey:  Yes o  No o

Please attach your business card before returning this questionnaire in the enclosed prepaid envelope. This will be removed by admin staff and logged to ensure that you are not bothered by an inappropriate reminder. Only then will the questionnaire be given to the researcher, thus ensuring anonymity. All business cards so attached to completed questionnaires will be entered in a free draw for the bottle of 1990 Grande Année Bollinger vintage champagne.

Many thanks for your help.

John Beech, MA MBA, Head of Tourism Management,
Coventry Business School, 5 Priory Street, Coventry CV1 5FB
APPENDIX D  SENIOR EXECUTIVES INTERVIEWED

Listed in alphabetical order of airline. This order does not correspond to the chronological order from which the numbers associated with individuals is derived.

<table>
<thead>
<tr>
<th>Role</th>
<th>Airline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Safety &amp; Regulation</td>
<td>Air 2000</td>
</tr>
<tr>
<td>Engineering Director</td>
<td>Air 2000</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Air 2000</td>
</tr>
<tr>
<td>Commercial Director</td>
<td>Airtours International</td>
</tr>
<tr>
<td>Director of Finance</td>
<td>Airtours International</td>
</tr>
<tr>
<td>Director of In-Flight Services</td>
<td>Airtours International</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Airtours International</td>
</tr>
<tr>
<td>Deputy Managing Director</td>
<td>Atlantic Airways</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Atlantic Airlines</td>
</tr>
<tr>
<td>Chairman</td>
<td>Aurigny</td>
</tr>
<tr>
<td>Chairman</td>
<td>BAC Express</td>
</tr>
<tr>
<td>Change Programme Director</td>
<td>Britannia Airways</td>
</tr>
<tr>
<td>Deputy Managing Director</td>
<td>Britannia Airways</td>
</tr>
<tr>
<td>Flight Operations Director</td>
<td>Britannia Airways</td>
</tr>
<tr>
<td>Flight Safety Director</td>
<td>Britannia Airways</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Britannia Airways</td>
</tr>
<tr>
<td>Commercial Director</td>
<td>British European</td>
</tr>
<tr>
<td>Customer Focus Director</td>
<td>British European</td>
</tr>
<tr>
<td>Customer Services Director</td>
<td>British European</td>
</tr>
<tr>
<td>Logistics Director</td>
<td>British European</td>
</tr>
<tr>
<td>Managing Director</td>
<td>British European</td>
</tr>
<tr>
<td>Managing Director</td>
<td>British European and Air UK *</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>British Mediterranean Airlines</td>
</tr>
<tr>
<td>Engineering Director</td>
<td>British Midland Commuter</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>British Midland International</td>
</tr>
<tr>
<td>Commercial Director</td>
<td>Buzz</td>
</tr>
<tr>
<td>Customer Services Director</td>
<td>Buzz</td>
</tr>
<tr>
<td>Chairman</td>
<td>Eastern Airways</td>
</tr>
<tr>
<td>Flight Operations Director</td>
<td>Excel Airways</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Monarch</td>
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</tbody>
</table>

* No longer in post; currently an airline consultant.
## APPENDIX E  QUESTIONNAIRE RESPONDENTS

For reasons of sustaining confidentiality, in order not to discourage openness in responding, especially with respect to the question regarding potential airline failures, the source of response was separated from the questionnaire before it reached the author. The business cards of those who had provided them were available after separation, and the questionnaire respondents included the following, in alphabetical order of airline:

<table>
<thead>
<tr>
<th>Position</th>
<th>Airline</th>
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</thead>
<tbody>
<tr>
<td>Group Chief Executive</td>
<td>Aer Lingus</td>
</tr>
<tr>
<td>Director of Operations</td>
<td>Air 2000</td>
</tr>
<tr>
<td>Group Aviation Director</td>
<td>Air 2000</td>
</tr>
<tr>
<td>Chairman</td>
<td>Air Foyle</td>
</tr>
<tr>
<td>VP Commercial</td>
<td>Air Foyle; HeavyLift</td>
</tr>
<tr>
<td>Commercial Director</td>
<td>Astraeus</td>
</tr>
<tr>
<td>Chairman</td>
<td>Atlantic Airlines</td>
</tr>
<tr>
<td>Company Secretary</td>
<td>Atlantic Airlines</td>
</tr>
<tr>
<td>Group Chief Executive</td>
<td>Aurigny Anglo Group</td>
</tr>
<tr>
<td>Chairman</td>
<td>BAC</td>
</tr>
<tr>
<td>IT &amp; Change Director</td>
<td>Britannia</td>
</tr>
<tr>
<td>Director of Flight Safety</td>
<td>Britannia</td>
</tr>
<tr>
<td>Strategy Director</td>
<td>British European</td>
</tr>
<tr>
<td>Managing Director</td>
<td>British International</td>
</tr>
<tr>
<td>Financial Director</td>
<td>British Mediterranean</td>
</tr>
<tr>
<td>Chief Executive</td>
<td>British Mediterranean</td>
</tr>
<tr>
<td>Director of Ground Services</td>
<td>British Midland</td>
</tr>
<tr>
<td>(Unidentified director)</td>
<td>British Midland</td>
</tr>
<tr>
<td>Director - A300 Programmes</td>
<td>Channel Express</td>
</tr>
<tr>
<td>Operations Director</td>
<td>Channel Express</td>
</tr>
<tr>
<td>Group Finance Director</td>
<td>Channel Express - Dart Group</td>
</tr>
<tr>
<td>General Cargo Director</td>
<td>Coyne Airways</td>
</tr>
<tr>
<td>Special Projects Director</td>
<td>Coyne Airways</td>
</tr>
</tbody>
</table>
Summary of Job Titles from Questionnaire Responses:

<table>
<thead>
<tr>
<th>Position</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Operations</td>
<td>Emerald Airways</td>
</tr>
<tr>
<td>Joint Managing Director</td>
<td>Excel Airways</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Flightline</td>
</tr>
<tr>
<td>Managing Director</td>
<td>GB Airways</td>
</tr>
<tr>
<td>Operations Director</td>
<td>GB Airways</td>
</tr>
<tr>
<td>General Manager, Operations</td>
<td>Go</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Highland Airways</td>
</tr>
<tr>
<td>Commercial Director</td>
<td>Highland Airways</td>
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<tr>
<td>Chief Executive</td>
<td>Loganair</td>
</tr>
<tr>
<td>Chairman</td>
<td>Loganair</td>
</tr>
<tr>
<td>General Manager Flight Operations</td>
<td>Maersk Air</td>
</tr>
<tr>
<td>Commercial Director &amp; Chief Financial Officer</td>
<td>Ryanair</td>
</tr>
<tr>
<td>Operations Director</td>
<td>Titan Airways</td>
</tr>
<tr>
<td>Managing Director</td>
<td>Virgin Atlantic</td>
</tr>
<tr>
<td>Chief Financial Director</td>
<td>Virgin Atlantic</td>
</tr>
</tbody>
</table>

Which of the following best describes your area of responsibility?

![Bar chart showing frequency of job titles]

**Table 61**  Reported areas of responsibility in questionnaires
APPENDIX F  CURRENT TYPE A LICENCE HOLDERS

Air 2000 Ltd                        Emerald Airways Ltd
Air Cordial                          Euroceltic Airways Ltd
Airfreight Express Ltd               European Aviation Air Charter Ltd
Airtours International Airways Ltd  Excel Airways Ltd
Atlantic Air Transport Ltd          Flightline Ltd
BAC Express Airlines Ltd             GB Airways Ltd
BAe Systems (Corporate Air Travel) Ltd  Go Fly Ltd
Bristow Helicopters Ltd             HC Airlines Ltd
Britannia Airways Ltd               Jersey European Airways (UK) Ltd
British Airways Plc                 JMC Airlines Ltd
British Airways (European Operations at    KLM UK Ltd
    Gatwick) Ltd                     Loganair Ltd
British Executive Air Services Ltd  Maersk Air Ltd
British Mediterranean Airways Ltd   Monarch Airlines Ltd
British Midland Airways Ltd         South Coast Airways Ltd
British Midland Regional Ltd        Streamline Aviation (SW) Ltd
Brymon Airways Ltd                  Suckling Airways Ltd
Channel Express (Air Services) Ltd  Titan Airways Ltd
CityFlyer Express Ltd               Twinjet Aircraft Sales Ltd
Cougar Leasing Ltd                   Veritair Ltd
DHL Air Ltd                          Virgin Atlantic Airways Ltd
easyJet Airline Company Ltd

Source: (Civil Aviation Authority Consumer Protection Group, 2002)
APPENDIX G  CAUSAL MAPS

The following pages show the causal maps produced by interviewees, and are based on the notions of success as surfaced during the interviews.

The initial two interviews pre-dated the decision to introduce the production of causal maps as part of the research methodology. All other interviewees produced causal maps, with the exception of [I4] and [I5], who failed to produce maps in spite of repeated requests, time constraints having precluded their production directly following the structured interviews.

There are therefore a total of twenty-six causal maps, produced by [I3] and [I6] to [I30] inclusive.
313 Being Profitable

301 Having adequate funding

302 Providing the best training

303 Having the right managers

304 Operating from the right base(s)

305 Having the right pilots

306 Having the right engineers

307 Having the best commercial decision makers

308 Having the appropriate support organisations

309 Having the right aircraft

310 Delivering the right product

311 Having the right marketing

312 Using the most efficient yield management

Interviewee I03
701 Safety

702 Punctuality

704 Profit

703 Service

705 Training

706 Focus on detail, repeated at regular intervals

707 Regular review of processes

708 Focus of company and suppliers

709 Constant pressure on all areas

710 Make reward depend on success

711 Staff attitude - supply what customer requires

712 Training

713 Constant review of the product

714 Customer opinion

715 Quality and cost control

716 Maximum use of assets

Interviewee 107

- 269 -
Interviewee 109
1001 Profitability

1002 Consumer focus
1004 Cost focus
1005 Consumer feedback
1006 Innovation
1007 Willingness to change
1008 Efficiency
1009 Doing things differently

1003 Optimal utilisation of aircraft
1001 Operation integrity
1010 Coordination of the vertically integrated parts
1006 Innovation

1011 Implementation and delivery
1013 Aircraft specification
1014 Aircraft selection
1015 Aircraft type appraisal
1016 Appraisal of current ability (SWOT)
1017 Planning capacity with tour operators
1018 Identification of consumer demand - macro/regional

1024 Awareness of competitors
1019 Ethos of consumerism
1025 Market definition
1026 Knowing who you are

1020 Structure
1021 Culture
1022 Mission
1023 Individual leadership

- 272 -
Interviewee 112
1301 Making Money

1303 Having a viable business model

1304 Revenue optimising factors

1305 Cost control factors

1302 Value Creation

1306 Establishing appropriate cost base

1307 Picking the right market at the right time

1308 Identifying the kind of airline you would like to be

1309 Determining likely revenue streams

1310 Aircraft choice

1311 Network choice

Interviewee 113
1401 Profitability
1404 Lowest cost base consistent with operation
1405 Efficient systems - robust 3rd party contracts with SLA's
1406 Highest yield consistent with customer budget
1407 Repeat business - recommendation; loyalty

1402 Customer Focus
1408 Knowledge of customers; CRM (segmentation); anticipating future needs
1409 Product / service delivery at appropriate level

1403 Network
1410 Routes (reliability; punctuality)
1411 Appropriate aircraft

Interviewee I14
1501 Profit

1511 Ground service
1505 Routes
1506 Fares & Inventory management
1507 Schedule
1512 Slots
1502 Right product
1508 Marketing
1516 Reliability
1520 Punctuality; Regularity
1509 In-flight service
1510 Aircraft
1515 Passenger appeal
1517 Experienced staff
1503 Right admin
1513 Catering
1514 Cabin crew
1504 Cost control
1518 Suitable technology
1519 Working environment & rewards

Interviewee II5
1701 Return to Shareholders

1702 Profit growth

1703 Performance goals

1704 Service

1705 Marketing

1706 Sales

1707 Punctuality

1708 Technical despatch reliability

1709 Safety

1710 Management

1711 Aircrew

1712 Engineering

1713 Robust planning

1714 Fares; reliable; constant

1715 Defining and targeting the market

1716 People

1717 Being known

1718 Knowing the competition

1719 Presence

1720 Process; procedures; training; recruitment

Interviewee: I17

- 279 -
1801 Safety → 1802 Reliability → 1803 Financial Success

1801 Correct procedures in place
1802 Fully trained staff
1804 Aircraft type choice
1805 Choice of correct routes
1806 Passenger retention
1807 Knowledge of aircraft/airports
1808 Effective marketing
1809 Keeping costs under control
1810 Training
1812 Recruiting the correct staff
1813 Keeping costs under control
Interviewee 119
2001 Financial Results

2002 Clear slot strategy

2004 Well developed route portfolio

2011 Availability of slots

2003 Maximisation of profit per slot

2005 Correct aircraft type

2012 Forward planning for aircraft purchases

2006 Well developed brand

2008 Aggressive marketing

2010 Having sufficient funds

2009 High level of sales distribution

2007 Maintaining and developing margins

Interviewee I20
2101 Profitability

2102 Customer acceptance

2103 Administration

2104 Overall planning

2105 Commercial

2106 Financial

2107 Personnel

2108 Outside agencies

2109 Marketing

2110 Profile

2111 Industry knowledge

2112 Hedging funds

2113 Satisfactory equity base

2114 Outside gearing facilities

2115 Operating

2116 Crewing

2117 Engineering

2122 Reservations process

2123 Agencies

2124 IT

2125 Equipment (A/C)

2126 Presentation

2118 Anticipation

2119 Sound knowledge of industry rules

2120 Training

2121 Availability

Interviewee I21
2201 Mission

2204 Identify your market
2205 Sufficient funding
2206 Identify niches
2208 Business plan
2209 Set product
2210 Punctuality

2203 Flexibility
2209 Set product
2210 Punctuality
2211 Changing market & conditions
2212 Prepared to change

2202 Market
2207 Choice of equipment (A/C etc.)
2301 Survival
   2304 Family responsibilities [of leader]
   2305 Personal circumstances [of leader]

2302 Industry Perception
   2309 Self respect [of leader]
   2306 Peer review
   2310 Intellectual challenge

2303 Contented Workforce
   2307 Managerial responsibility
   2308 Social conscience

Interviewee 123
2401 Survival

2402 Reputation with customers

2404 Safety track record
2407 Quality and training of [engineering] staff
2408 Not scheduling too aggressively
2409 Timing of schedule
2410 Age/fit of aircraft
2413 Contingency planning

2405 Reliability of service
2406 Quality of offering
2411 Training of customer service staff
2414 Quality of management / Leadership

2403 Sound financial base

2412 Price and price range
2415 Flexibility of asset (A/C) base
2416 Strong balance sheet
2417 Good relationship with bankers
2418 Supportive shareholders

Interviewee I24
Interviewee 125
Interviewee 128
Interviewee 129
# APPENDIX H  SINGLE MOST IMPORTANT SUCCESS FACTOR

<table>
<thead>
<tr>
<th>SUCCESS FACTOR</th>
<th>FREQUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Not answered)</td>
<td>10</td>
</tr>
<tr>
<td><strong>FINANCIAL</strong></td>
<td></td>
</tr>
<tr>
<td>Creating a flexible cost base</td>
<td>1</td>
</tr>
<tr>
<td>Controlling costs</td>
<td>1</td>
</tr>
<tr>
<td>Managing costs</td>
<td>2</td>
</tr>
<tr>
<td>Cost control</td>
<td>3</td>
</tr>
<tr>
<td>Cost reduction</td>
<td>1</td>
</tr>
<tr>
<td>Cost control - BUT useless on its own!</td>
<td>1</td>
</tr>
<tr>
<td>Adequate capital funding</td>
<td>2</td>
</tr>
<tr>
<td>Access to appropriate levels of capital</td>
<td>1</td>
</tr>
<tr>
<td>Managing the cash / Generating cash</td>
<td>1</td>
</tr>
<tr>
<td>Managing profit</td>
<td>1</td>
</tr>
<tr>
<td>Being profitable</td>
<td>1</td>
</tr>
<tr>
<td><strong>OPERATIONAL</strong></td>
<td></td>
</tr>
<tr>
<td>Utilisation / Yield Management</td>
<td>2</td>
</tr>
<tr>
<td>Safety</td>
<td>1</td>
</tr>
<tr>
<td>Safety &amp; Punctuality</td>
<td>1</td>
</tr>
<tr>
<td>Picking the right aircraft for the right route</td>
<td>1</td>
</tr>
<tr>
<td><strong>MARKETING</strong></td>
<td></td>
</tr>
<tr>
<td>Passenger service quality</td>
<td>1</td>
</tr>
<tr>
<td>Innovative marketing</td>
<td>1</td>
</tr>
<tr>
<td>Market orientation / Customer focus</td>
<td>1</td>
</tr>
<tr>
<td>Market Orientation / Customer Focus Controlling Costs</td>
<td>1</td>
</tr>
<tr>
<td>Offering a product the passenger perceives as one they want</td>
<td>1</td>
</tr>
<tr>
<td>Knowing your market and being the best</td>
<td>1</td>
</tr>
<tr>
<td>Focus on what the market wants and is prepared to pay for</td>
<td>1</td>
</tr>
<tr>
<td>Repeat business from a loyal customer base</td>
<td>1</td>
</tr>
</tbody>
</table>
HRM
Managing & motivating people to achieve a set goal 1

STRATEGIC
Having the right idea & competently executing it 1
Leadership 2
Clear strategy 1
Realistic approach 1
Entrepreneurial outlook 1
A clear and implemented policy 1
Innovation 1
Managing change 1
Customer Base. Vert. Integ. wins; costly marketing loses 1
Hard work 1

This set of data is summarised in Table 39.