



improvement foundation
Australia

Hypothetical Scenario

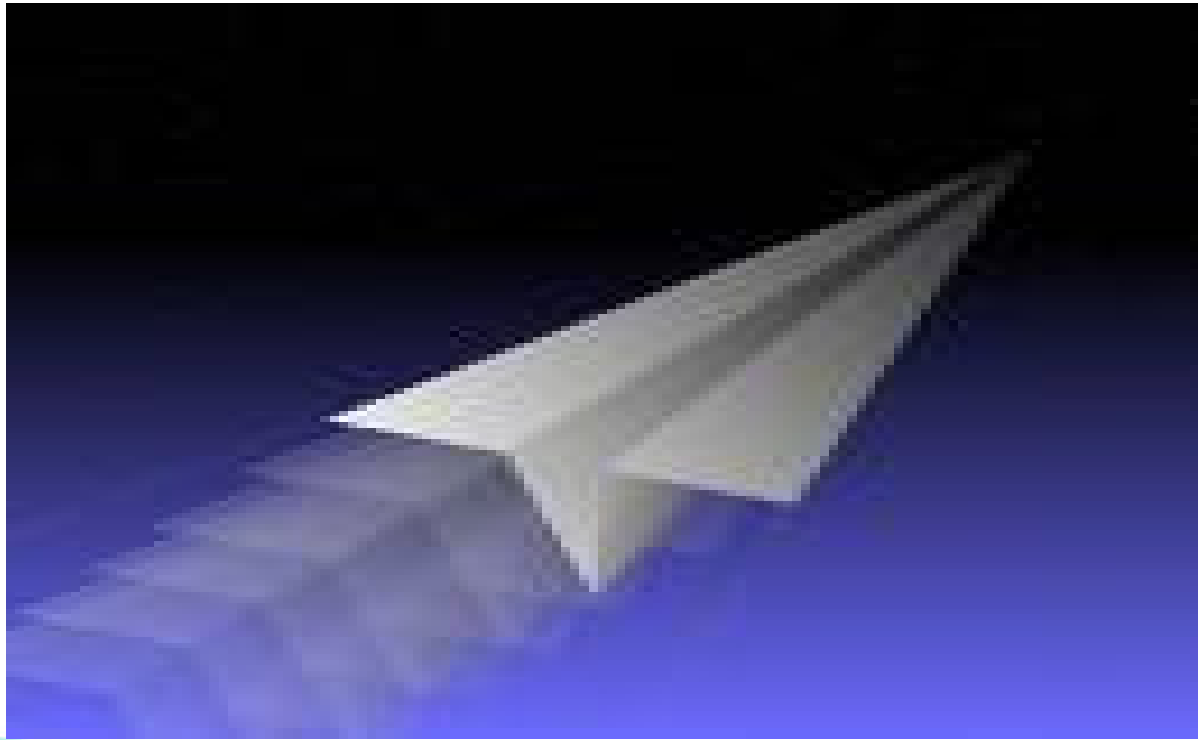
Presented by Andrew Knight

You are on the management team for a low cost airline. The airline has been struggling to meet its profit margins for the last quarter. The management team has been asked to consider some options to address this issue.

You have briefly discussed the issue and agree that the most valuable and expensive asset you have is the plane. Every minute the plane is not in the air represents cost to your company.

You have decided to focus your attention on improving efficiency when the plane is **not** in the air. In particular, the time between landing in one city and takeoff to the next city.

Using the Improvement Model Guide, work with your group to design a plan for change.



Question 1 - Goal

- ▶ Increased profit by reducing time on the ground
- ▶ Quicker turnaround
- ▶ Increased profitability
- ▶ Increased productivity in the next quarter

Question 2 - Measures

- ▶ Baseline data on turnaround time (loading, unloading, fuel, staff)
- ▶ Occupancy of the plane, Number of flights
- ▶ Increased profit
- ▶ Time unit cost, portion on the ground cost to total cost
- ▶ Customer satisfaction



Question 3 - Ideas