Revenue Management: Systems, Strategy and Training
Challenges in Revenue Management

It is common knowledge in the airline industry that revenue management is the art of selling the right seat at the right time to the right customer at the right price through the right distribution channel. But the decision of what is “right” in terms of optimized revenue per flight remains a major challenge for any airline. Impending pressure on yields combined with rising costs creates the need for a distinctive revenue management approach to further increase revenues.

Moreover, the former distinction between airline business models is becoming increasingly obsolete. While low-cost airlines around the globe are adopting a hybrid business approach by developing additional sales channels and services that increase complexity, some full-service carriers are trying to simplify operations and boost their revenue by unbundling fare products, releasing fare restrictions and competing in a low-fare environment. Either way, the decisive factor of profitability is to adjust the revenue management approach to the airline’s market environment and its seamless integration into the overall airline organization.

Our Support

There is no doubt that more efficient use of revenue management techniques is of vital importance to a successful airline in a highly dynamic and competitive market environment. PROLOGIS’ focus is to add value to your organization by taking a proven project approach based on close cooperation with your internal staff. We will analyze your needs by asking the right questions and assist you in finding the right answers based on our profound knowledge and best-practice experience in various areas of revenue management.

PROLOGIS’ subject matter experts have several years of practical experience with various airlines as well as extensive project management experience in an international environment with a proven success record. Please feel free to contact us to find out more about our consultants’ expertise.

Interim Management & Strategic Support

PROLOGIS understands the impact of revenue management challenges and opportunities on an airline’s success. While individual requirements for external interim revenue management support may differ from airline to airline, there is common understanding that seamless and rapid integration of interim management resources into an airline’s organization is the key to its success.

Whether your airline is in the startup-phase of introducing revenue management practices or you are planning to restructure your revenue management or pricing approach, PROLOGIS offers you the right type of support. All our consultants have several years of revenue management experience at the management level in working for various airlines, including the implementation and supervision of essential strategic concepts and RM best practices.

System Evaluation and System Implementation

Most airlines are aware of the important role that technology can play in the strategic approach to profitability. In addition, more and more airlines across the globe recognize the need to apply Revenue Management Systems (RMS) to analyze historical airline data in order to project business forecasts and therefore optimize revenues.
Accurate passenger forecasts make it possible to react to dynamic market demand with optimal pricing for each seat on each flight. Moreover, a suitable revenue management system can offer further benefits such as management information, passenger forecasts on network planning, catering and planning of other resources.

Nevertheless, finding the adequate airline solution can pose a major challenge because there are so many off-the-shelf RMS’ from various vendors on the market to choose from. The optimal RMS depends on many factors and requirements that need to be analyzed before making a decision.

PROLOGIS assists your airline during the full evaluation and implementation process on the suitable revenue management system based on our comprehensive knowledge of the revenue management systems that are available on the market. In addition, PROLOGIS supports your airline in configuring and calibrating the system you’ve selected during and after implementation to ensure maximum load factors and revenues.

**Training and Coaching**

PROLOGIS’ expertise in the area of training and coaching of revenue management staff can be traced back to the practical experience we have gained in the day-to-day application of revenue management and pricing for airlines with different business approaches, ranging from regional to full-service and low-cost airlines. We guarantee an attractive cost-benefit ratio for your airline because PROLOGIS training and coaching will allow your participants to pass on the knowledge they will gain to your airline’s revenue management team and thus be able to train them effectively.

We cover a comprehensive range of revenue management topics including pricing and distribution as related disciplines. Our offering is based on a flexible modular training and coaching structure which can be tailored to meet your staff’s existing knowledge and needs, including introductory to professional levels. Our training does not only focus on theoretical knowledge transfer, it also emphasizes airline-specific revenue management requirements to ensure rapid realization of benefits in your staff’s daily work.

Depending on your airline’s budget and available resources, we offer various options on our training support on-site at the airline’s offices or our offices in Hamburg (Germany):

- One-on-one training with individual instruction
- Group training with classroom learning
- Online training based on web presentations and instructions

Please contact us to obtain more information on our tailor-made approach and a detailed agenda of our training & coaching modules.
Our Clients

More than 50 Airline customers in over 20 countries, including:

- Tiger Airways (Singapore)
- Emirates (UAE)
- Jetstar (Australia)
- Monarch (UK)
- Vueling (Spain)
- Ryanair (Ireland)
- Germanwings (Germany)
- Transavia (Netherlands)
- Virgin Australia (Australia)

PROLOGIS AG

To date, PROLOGIS AG has participated in projects involving more than 50 regional and international airlines in key business areas like

- Low-cost and hybrid airline business
- Emission trading
- Revenue management
- New Skies migration and business optimization with New Skies
- Financial controlling and data warehousing
- Ground operations and airport processes

PROLOGIS consultants have many years of practical experience and profound knowledge in different areas of the airline business. Our objective is to provide consultancy that is based on your current as-is situation as well as what is feasible from a business perspective.

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