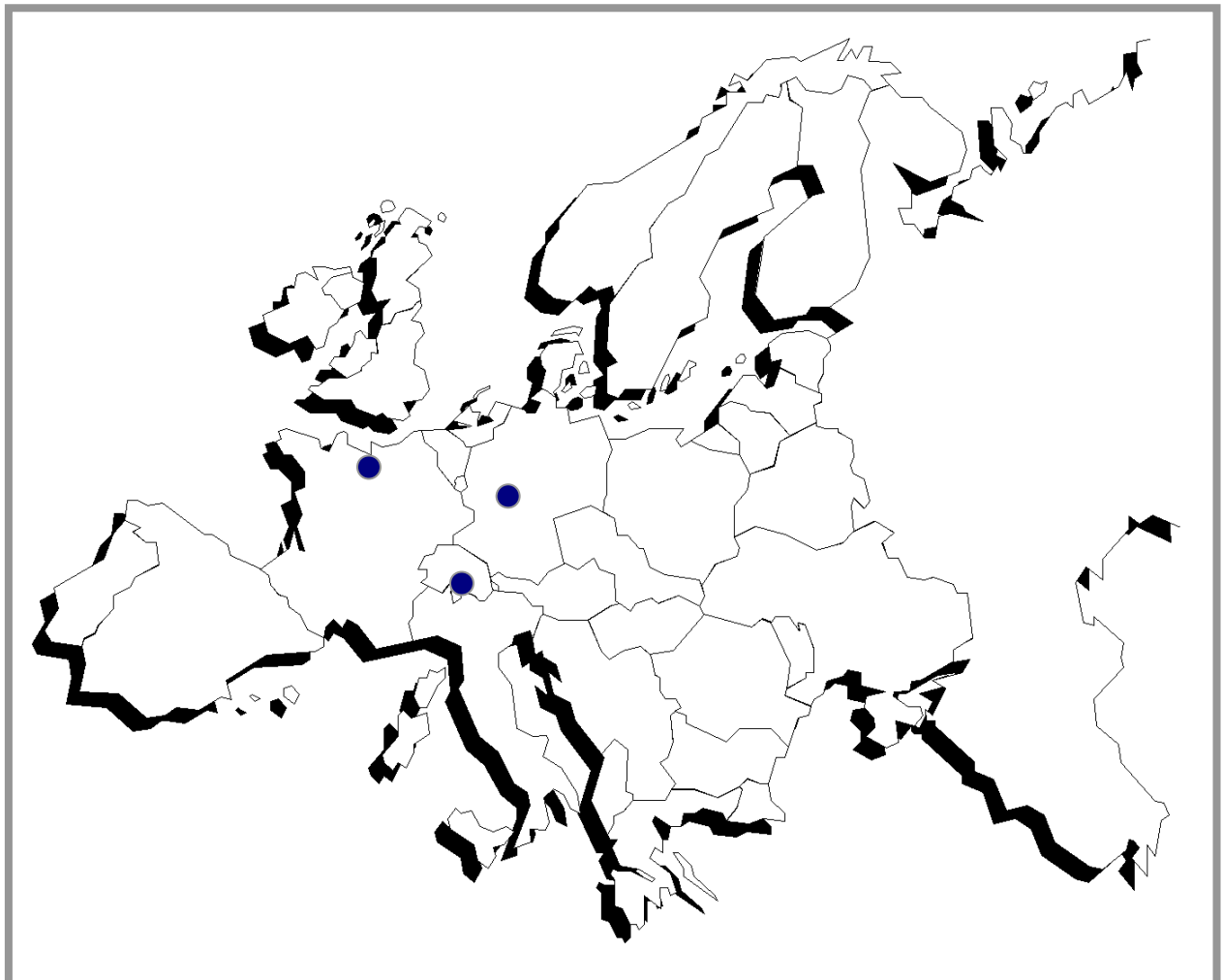


# Benchmarking of Ground Handling Services

- A joined study with major airports supported by  
Supply Management Institute (SMI)  
of the ebs European Business School

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## **Introduction and motivation**

The high dynamics of the markets, as well as advanced customer requirements, are forcing most enterprises in the air traffic supply chain to constantly analyze the efficiency of their business processes and of existing structures. This external pressure to change represents a substantial challenge for most Ground Handlers as Ground Handling Services, as one part of the complete value-added chain in air traffic, are also more than ever subject to fierce competition and cost pressure. As one consequence, airports tend to withdraw from this business sector and/or transfer Ground Handling Services to subsidiaries with more favorable cost structures.

In 2005 a comprehensive benchmarking study of Ground Handling Services by Fraport in co-operation with the Supply Management Institute (SMI) at ebs European Business School, located in Wiesbaden, Germany, intends to point out alternative ways to meet the continuous pressure and remain an attractive partner of the airlines in the future.

Two other benchmark partners beside Fraport already agreed to participate in the study, which proves that this topic is highly relevant.

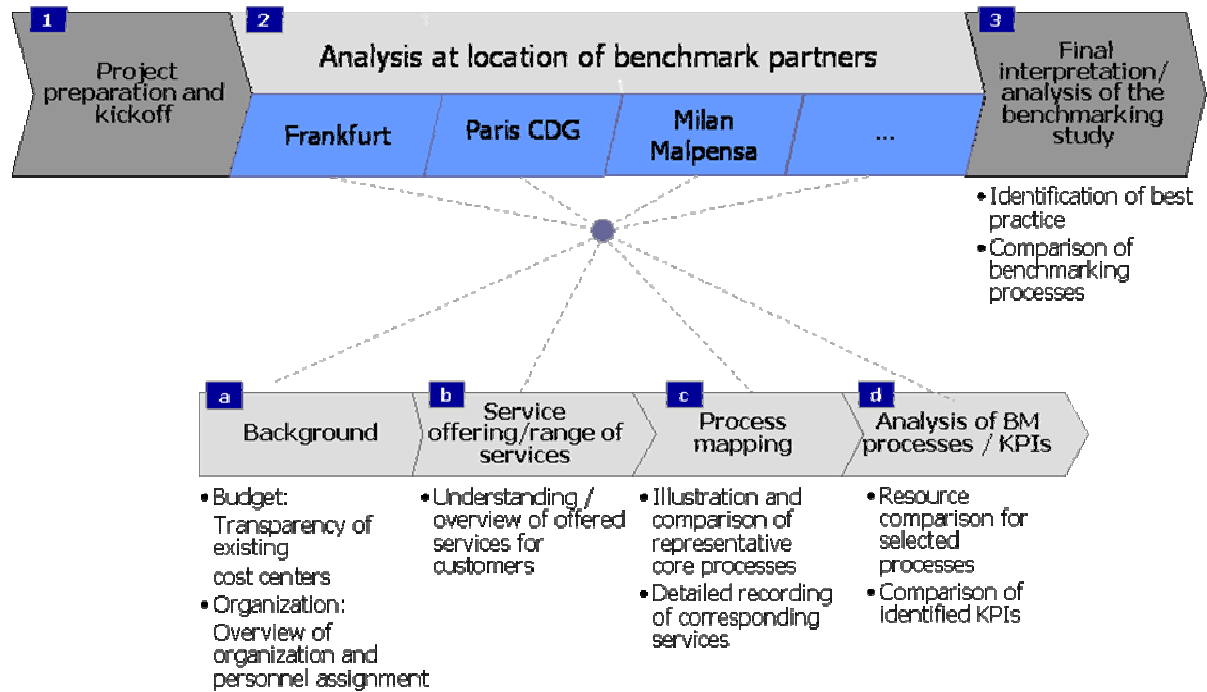
## **Objectives of the benchmarking study**

The goal of the benchmarking study is a comparison of the following four sectors: process design, cost structure, organizational structure and service quality offered by the individual Ground Handler. This study particularly focuses on the identification of best practice and performance gaps. Subsequently optimization potentials in the different sectors will be identified in order to generate saving potentials for all benchmarking partners and provide the possibility to learn from the “best in class”.

Therefore, an open exchange between “alleged” competitors in order to make figures and know-how available is very important and increases the value of the study. The neutral benchmarking partner ebs European Business School thereby ensures the confidential treatment of data and figures and a solid and robust basis for comparison.

## Approach of the benchmarking study

The benchmark study is divided into three sequential phases: project preparation, analysis of benchmark partners' structures and processes and final identification of best practice.



In the preparation phase core processes have been selected and representative aircraft types have been determined. Furthermore, potential influence factors have been identified, which could affect the resource consumption of a Ground-Handling turn-around and could lead to discrepancies between the participating Ground Handlers.

The second phase is the analysis of the selected processes. All process data will be linked to the IATA AHM service numbers. This helps to find a common understanding of the processes and to develop comparable benchmark processes. For these identified benchmark processes each airport provides resource consumption for the selected aircraft types. Besides the process mapping, there is also a main focus on the cost structure as well as on the organizational structure. The major focus is transparency of resource consumption and furthermore cost transparency as well as a broad understanding of each benchmark partner and his business model and procedures. Moreover, an understanding and overview of the different services and especially the quality requirements, offered by the different benchmark partners, will be highlighted.

During this phase experts from each airport work together in different workshops, dealing with topics such as cost structure, organizational structure, process design and service quality. The ebs European Business School provides the platform and preparation for these meetings to ensure the development of a common understanding of the topics and the identification of comparable performance indicators in cooperation with all benchmark partners.

The workshops are the basis for further data collection at the individual airports and represent an essential part of the study. The data will be provided exclusively to the ebs European Business School in accordance with confidentiality requirements.

The last phase covers the analysis and evaluation of the collected data mentioned above. A final workshop is planned in which defined performance indicators will be discussed. After the identification of best practice profiles by the European Business School the results are made accessible to all project participants. However, the implementation of recognized "Best Practices" lies in the hands of the individual Ground Handler.

## Contact

For further inquiries or information please do not hesitate to contact us.

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