How aviation field services optimization improved utilization rates, lowered carbon emissions and enhanced competitiveness for a $50bn company

The challenge

This company is one of Canada's largest integrated energy companies and operates one of the country's largest aviation departments. Management was aware that they were excessively using third-party charter services and that utilization of their own fleet was suffering. After a thorough Maine Pointe Analysis, it was evident that significant change was necessary to drive down costs across several areas of their Aviation division, including fuel use, crewing, maintenance and scheduling.

The challenge was clear - take costs out while still servicing 250,000 passengers a year, meeting the needs of business units across five locations, and maintaining a safe operation. Following our successful engagement with our client's Ground Transportation division, the SVP of Field Logistics once more turned to Maine Pointe for the answers.

The results

The tools developed by Maine Pointe and our client as part of an Aviation Costs Reduction Project, delivered a multi-faceted solution which provided continuous management and monitoring of all aviation-related processes. This enabled our client to reduce reliance on third-party charters and optimize usage of their own fleet.

- Annualized Savings of 20%, exceeding Maine Pointe's high-end target
- Own aircraft utilization improved by as much as 96% up from 75%
- 8% improvement on fuel efficiency and an overall fuel use reduction of 28%
- A reduction in carbon emissions equivalent to 2,173 passenger vehicles taken off the road
- Improved load factors from 39% to 55% (despite year over year volume being down)
- ROI of 7:1

Our client was so impressed with the results this Aviation Cost Reduction Project achieved that they awarded their Field Logistics team a 2014 President's Award for Environment and Sustainability.
Optimizing scheduling and reducing reliance on charters

It quickly became apparent to the Maine Pointe team that, while our client was a functioning corporate flight department; they needed to develop the capabilities of a small airline. Virtually every KPI indicator was incorrect or inaccurate, and unfavorable against industry benchmarks. There were no systems in place for yield optimization, crew scheduling, maintenance, fuel conservation or timetable planning. Therefore Maine Pointe deployed a multi-faceted solution which:

- Focused on reducing the number of charters and optimized owned-assets
- Tirelessly worked with business units to develop an agreeable flight schedule which optimized load factor and asset utilization
- Created a state-of-the-art Operations Control Centre (OCC) for continuous monitoring and management of all aviation-related processes
- Developed an operational dashboard with key metrics and a meaningful, accurate scorecard
- Developed a system for crewing the aircraft more efficiently with better coverage

And to ensure that we understood the needs of all aviation users across the company, Maine Pointe conducted a passenger survey which opened up two additional destinations, as well as an ‘Aviation Users Group’ for key stakeholders to meet monthly ensuring on-going optimization of the service.

Lessons Learned for Other Executives

- Many high maturity businesses with multiple reporting systems are depending on incorrect data.
- An efficiently run Aviation division can become a competitive differentiator.
- Optimization of Aviation brings additional benefits in the form of carbon emissions reductions.

Want to know the true costs of your Aviation division?

Want to find out how Maine Pointe can help you to optimize your aviation schedules and reduce reliance on 3rd party charters?

Talk it through in a no obligation phone call or meeting with one of our executive advisors.

Email: hello@mainepointe.com to arrange a call.

An award-winning engagement

Congratulations to our client’s Field Logistics team on winning the 2014 President’s Award for Environment and Sustainability for the Aviation Costs Reduction Project.

Nominations in this category demonstrate significant improvement in the company’s sustainability performance by contributing to all three elements of their triple bottom line vision: economic prosperity, improved social well-being and a healthy environment for today and tomorrow. The tools developed by Maine Pointe were foundational to the results that produced this award and will continue to produce results in the future.

Maine Pointe is a results-driven, implementation focused consulting firm that is trusted by many chief executives around the world to deliver sustainable, significant value and compelling economic returns for their businesses. We achieve this through transforming the global supply chain into a competitive weapon and accelerating business value through performance improvements in both EBITDA and Cash.

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