

# **AVIATION EXPERTISE MARKETPLACE**

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**OVERVIEW** 

# Airsource Partners' mission is to provide commercial airlines and general aviation operators with an innovative, straightforward and above all affordable access to all forms of aviation expertise

# **Background**

Airlines are in constant search for expert skills and knowledge throughout their life cycle. Expertise is required to tackle unique or recurrent, planned or unexpected challenges, launch initiatives aimed at improving the airline's operational efficiency eventually fueling its growth or simply remain at par with competition.

In the past, the required expertise was predominantly sourced internally. Airlines used to maintain teams of experts in pretty much all functional domains and the use of external support was exceptional and limited in time and scope.

The situation changed dramatically over the past 2 decades. Airlines now focus their attention and dedicated their human and financial resources to their core mission of safely carrying passengers and started to reduce their internal expert development and support teams. Many airlines implemented redundancy plans under the pressure of less favorable economical times. Development teams and subject matter experts were particularly affected by these plans.

The recent Covid episode and the current geopolitical situation amplified this move with many airlines losing more core internal competencies (lockdowns, telework, declining markets and economies, ...).

Furthermore, and even before the Covid times, airlines confronted with the growing complexity and therefore cost of technology gradually reached a point - although different at each airline - where it simply did not make economical sense anymore to maintain costly internal competences in an ever-growing number of domains.

This situation has become especially unbearable for small / medium-sized airlines lacking the financial and human foundations of their larger peers and finding it increasingly more difficult to get a reasonable return, or any return at all, on any investment in expertise.

As a direct consequence, <u>airlines started shopping more and more often outside</u> for the skills and expert knowledge now lacking inside. Acquiring expertise from external sources comes however with its share of challenges such as the difficulty of identifying the exact form of expertise required, the appraisal and selection of the experts or the effective monitoring of experts' work.

Airsource Partners is now bringing a concrete solution to these airlines.

# Airsource Partners' Aviation Expertise Marketplace

Airsource Partners developed a methodology and its accompanying tool to help airlines secure a swift, straightforward and economically attractive access to aviation expertise.

As a starting point of this initiative is Airsource Partners' observation that the new economical order has led to a multiplication and dissemination of the alternative sources of expertise.

Expert aviation knowledge is available from various individual and corporate sources of expertise operating today individually and in disparate order for the most part, thus making their contribution to the world of commercial aviation less efficient as a whole.

Acting as a catalyst to extract maximum value from this vast and still largely untapped reservoir of expertise, Airsource Partners is making this knowledge available to airlines through its <u>Aviation Expertise Marketplace</u>.

Airsource Partners gathered expertise from multiple sources into a unique and proprietary <u>reservoir of expertise</u> continuously enriched by handpicked individuals and organizations offering adapted skills and solutions while boasting solid track records.

Nonetheless, identifying relevant needs for skills and matching them with potential sources of expertise is just not good enough. Airsource Partners does not limit its contribution to simply putting experts in contact with airlines as the vast majority of other service providers do. We take that extra step to evaluate and maximize the value and the contribution of the expert knowledge made available to airlines.

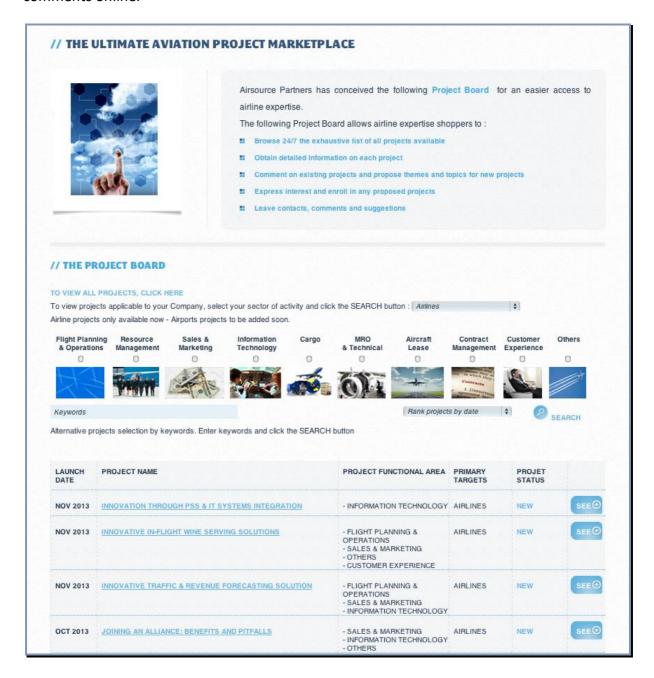
To do so, we used the skills and knowledge sourced by our Marketplace members to craft highly targeted, value-adding down-to-earth Projects covering most functional domains of an airline. The Projects represent a <u>concrete illustration</u> of how airlines can use at its best the expertise made available to them via the Marketplace. Projects are posted on the <u>Project Board</u> section of the Aviation Expertise Marketplace. Individual or corporate Marketplace members are called on Projects as required on the basis of their skills, knowledge and solutions offering.

Airlines can also contact Airsource Partners to request customized Projects making use of the expertise available in the Marketplace.

All Projects proposed share a common set of criteria for enhanced efficiency:

- Specific expertise required (taken from our reservoir of aviation expertise)
- Limited project duration for easier monitoring
- Direct and rapid impact on the airline's bottom line (cost reduction, revenue increase,..)
- Straightforward quantification and measurability (ROI calculation)
- Limited number of intervening experts (or small team from companies)
- Simple, easy and speedy implementation
- Financially affordable.

<u>Projects can be reviewed online</u> at any point in time by visiting the Project Board section of Airsource Partners' web site. Airlines can also suggest topics for more projects and send comments online.



Aviation Expertise Marketplace: The Project Board (partial view)

Once an airline submits a topic for a customized Project, Airsource Partners identifies the skills and knowledge required for the successful completion of the Project and matches it against the expertise present in the Marketplace. Should the required forms of expertise not be readily available in the Marketplace at the time of the request, Airsource Partners immediately launches a search for the type of expertise needed.

#### CONTRACT RENEGOTIATION

- # LAUNCH DATE: NOV 2013
- # PRIMARY TARGET : AIRLINES
- PROJECT FUNCTIONAL AREA: CONTRACT MANAGEMENT
- PROJECT FOCUS : PURCHASING & PROCUREMENT
- PROJECT SPONSOR : COAST CONSEIL

### **Project Summary**



One of your major contracts is coming to term very soon and you wish to renew it? This is a unique opportunity to evaluate the true performance of your current contract and bring changes that will boost its contribution to your Airline.

PROJECT STATUS : ACTIVE

COAST Conseil, one of the most recent additions to Airsource Partners' Aviation Expertise Marketplace, specializes in the renegotiation of all types of contracts in the airline industry (engines, pool, airframe, catering, ground handling, ..). COAST Conseil's intervention can be limited to one specific contract (re)negotiation. Alternatively a more complete assistance can be provided to install Best Practices in Contract Negotiations in the Airline.

#### **Project Description**

A great deal of time and effort is spent up-front by airlines in negotiating contractual arrangements. Many times these contracts are filed away and very little attention is spent in understanding and tracking their on-going performance.

Airlines that fall short of monitoring their contractual arrangements fail to maximize revenues, control costs and open their organizations up to a multitude of risks.

Times of contracts renewals provide a unique opportunity to evaluate the true performance of an airline's major contracts that should not be missed.

Any contract (re)negotiation, whether it is done internally or outsourced to external parties, should exclusively be done by experienced professionals possessing an in-depth knowledge of the industry concerned, its main players and applying the best practices in contract negotiations.

Aviation Expertise Marketplace: Project Description (example - partial view)

Individual contributors, companies and other qualified organizations are invited to make their skills and solutions available to airlines by applying to join the Marketplace via the <u>Experts Enrollment tab</u> of Airsource Partners' web site.

Entry-level participation to the Aviation Expertise Marketplace comes at no cost. Marketplace members remain free to keep promoting their solutions and services to the industry via their traditional channels of distribution while contributing to the Marketplace.

Airsource Partners is now offering a new Partner Program to corporate Marketplace members looking to boost their visibility and presence in the industry, develop their activity or provide any form of customer interaction via Airsource Partners' Marketplace. More details on the Partner Program can be obtained upon request from Airsource Partners.

Airsource Partners actively promotes the activities of Aviation Expertise Marketplace and its members throughout the aviation industry. Actions proposed by Airsource Partners include general market and <u>competitive intelligence</u>, targeted or industry-wide <u>mailing campaigns</u>, ad-hoc <u>market studies</u>, participation to <u>conferences</u> and other industry events and occasional academic or advertising publications in various media.

Airsource Partners is in constant search for new Marketplace individual and corporate contributors. More Projects are added to the Project Board as additional sources and expressions of expertise become available.

## The Business Case

Airsource Partners is the airline's main contact during the initial phases of any Project.

In Projects involving individual (or a small team) of experts - and unless not specifically required otherwise by the airline or the expert(s) - Airsource Partners remains the airline's main contact throughout the duration of the Project.

An <u>Expert Agreement</u> is signed between Airsource Partners and the intervening expert(s). The <u>Agreement</u> signed between Airsource Partners and the airline defines among other things the scope, deliverables and financials terms of the Project. Airsource Partners handles all administrative matters related to the Project, thus freeing the expert's time and energy to focus his/her attention on the delivery of the Project and giving the airline's management team more freedom to handle other strategic and operational issues.

When the Project involves a company or any ongoing structured organization, the final Agreement will be established between the airline and the company or organization involved. The ultimate responsibility for the Projects falls in the hand of the selected company. Airsource Partners however keeps monitoring the state of the Project through frequent progress reports to the airline.

**Airlines** greatly benefit from Airsource Partners' initiative.

We have selected best-of-breed, peer-recommended experts and corporate solution providers offering skills and solutions particularly adapted to the targeted airlines and boasting highly successful track records. The resulting value-adding Projects crafted on the basis of their expert knowledge will impact the airline's bottom line. Airlines won't have to go any more through the tedious task defining the type of expertise needed and finding and appraising the potential providers of expertise. Airlines also achieve precious time gains and savings by dealing through a unique channel (Airsource Partners) rather than managing the communication via various experts or companies.

Airsource Partners is a light structure with no experts on its direct payroll and <u>no hefty</u> <u>overheads eventually passed to airlines</u>. The resulting cost advantage allows Airsource Partners to offer its Projects at more favorable economical conditions. With its flexible organization Airsource Partners can easily and rapidly adjust its offering to the changing needs of the competitive aviation market.

Last but not least, Airsource Partners <u>is not part</u> of any airline or service group. We have no IT solutions or any other system to sell at the end of our projects and use no pre-formatted solutions. Airsource Partners' recommendations are truly <u>unbiased</u> for the airline's benefit.

To experts and companies adhering to Airsource Partners' Aviation Expertise Marketplace, benefits include a lower cost of sales & marketing as Airsource Partners will be handling the promotion of the Marketplace and the experts' skills and projects. <u>Targeted campaigns</u> on specific topics or projects are launched on regular occasions.

There is <u>no fee</u> to join (or leave) the entry level of the Marketplace. Expert and companies can leave the Marketplace as they see fit. <u>No exclusivity</u> is required: while they are in the Marketplace, individual experts and companies can continue to dispense their solutions and services through their traditional channel of distribution. Airsource Partners however represents an efficient alternative channel of distribution for their services. As their needs and ambitions evolve, companies can join Airsource Partners' Partner Program at any point in time.

Airsource Partners' approach is more specifically geared towards <u>small and medium-sized</u> <u>airlines</u>. We remain confident however that larger carriers can find interest and benefits too in the approach and tools proposed by Airsource Partners.

Airsource Partners was founded in October 2011. The Aviation Expertise Marketplace was launched in July 2013.

Airsource Partners is ideally positioned to rapidly become the ultimate **one-stop-shop for aviation expert**ise in the aviation industry.

#### Contact

For any inquiry on Airsource Partners, the Aviation Expertise Marketplace and the Partner Program contact:

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