

Fleet Management and Capital Budgeting in the Airline Industry

a two-day Seminar

The critical role of resources

Airlines utilize exorbitantly expensive flight equipment, with costly support operations and commercial activities. This makes evaluating resource requirements particularly difficult. Slightest miscalculations result in huge cost penalties and long-lasting impacts. Yet, for airlines determined to succeed, understanding resource needs is a vital element in stepping towards future success. In today's relentlessly competitive environment, airlines must accurately determine needed resources to meet business requirements. Investments to make various resources available are the most challenging decisions faced by modern air carriers.

Planning for resources

Opportunities and risks drive fleet management and capital planning decisions. Various investments allow capitalizing on business opportunities, but also include risks. Choosing the right investments to maximize the airline's position in the ever-changing marketplace is not a trivial task. The risks associated with resource investments, coupled with market uncertainties, shift the actual project benefits away from the nominal values. The problem is compounded by limited financial resources for investments. Planning for capital expenditures is a vital element in ensuring future prosperity.

Managing Investments

Strategy-based capital budgeting and fleet management is a rational methodology to optimize the portfolio of capital projects and investments. It addresses both organizational and analytical issues. Capital decisions are then tied to the airline's long-range business direction. And, sensible economic analyses of opportunities provide realistic expectations for project benefits.

Well-designed capital budgeting processes incorporate the following key issues, missing from traditional approaches:

- Many interrelated projects
- Uncertain outcomes
- Multiple objectives

In addition, advanced analytical processes consider resource limitations explicitly so that the final capital project portfolio is within airline's resource constraints while presenting the maximum expected benefits.

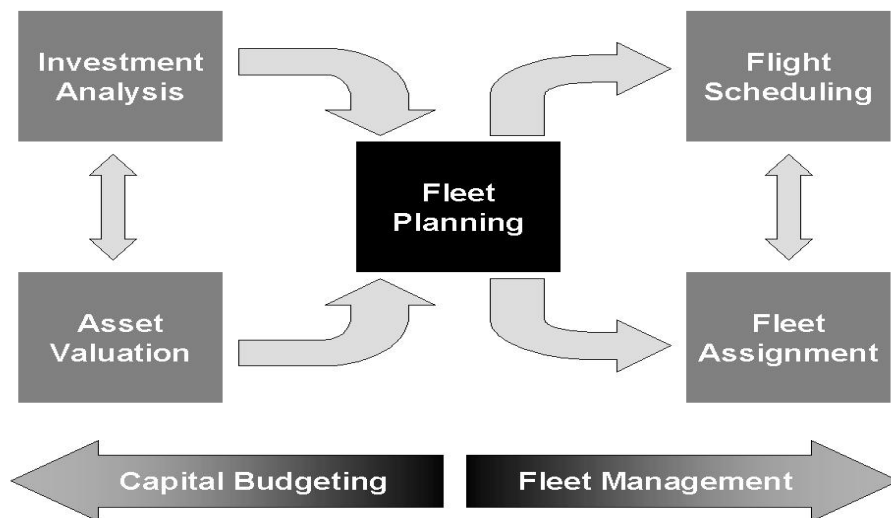
Whether an airline is considering adding a new hub or restructuring the current ones, planning to increase the fleet size and/or aircraft types, or entering new markets with the existing fleet, it can substantially enhance the quality of capital budgeting decisions by incorporating advanced analytical methodologies and leading-edge investment decision techniques. This seminar offers a unique opportunity to learn the state-of-the-art approaches in fleet management and capital budgeting.

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Structured Approach

Seminar agenda...

Day One

- Introduction
 - resource planning overview
 - structured approach to capital budgeting
- Airline Analysis
 - business models
 - airline economics
- Resource Allocation
 - financial analysis
 - operational considerations
- Strategic Planning
 - business development
 - fleet planning and investment decisions

Day Two

- Investment Analysis
 - capital project evaluation
 - project portfolio optimization
- Real Options
 - asset valuation
 - risk management
- Fleet Financing
 - fleet economics
 - financing instruments
- Integrated Investment Management
 - sustaining financial prosperity
 - optimizing resource allocation

Who should attend...

Airline finance and planning executives, managers, and analysts directly profit from this seminar. Those responsible for fleet planning, flight equipment financing, project finance and strategic planning, corporate finance and treasury, financial analysis and business development, capital budgeting and investment analysis who directly face the challenges of managing fleet and capital investments, are the primary audience. Others in scheduling, marketing, and operations, who are impacted by capital investment decisions, are also encouraged to attend so that they can benefit from understanding the process of optimizing difficult and complex decisions that substantially impact the airline.

Lessons learned in this seminar can be quickly applied across organizational boundaries so that all functional areas can effectively contribute for efficient managing of the capital budgeting process. This learning also facilitates communication amongst the stakeholders in complex investment decision-making processes.

Benefit from experienced leaders...

Two experts who combine extensive experience in fleet management, capital budgeting, strategic planning, airline strategies, and market development with an understanding of advanced quantitative planning and management techniques will present the seminar.

Jahan Alamzad

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Jahan Alamzad is president of CA Advisors. He has served as advisor to Applied Decision Analysis LLC (ADA), a wholly owned unit of Standard & Poor's Corporate Value Consulting, where he was previously the director of airline practice. Prior to that, Mr. Alamzad was the founding principal and president of Management Science Group, a specialized management consulting firm in the airline and aerospace industries, which was merged with ADA in 1996. Before his consulting career, he worked at American Airlines and United Airlines. Mr. Alamzad holds a masters in operations research from Stanford University, as well as a masters in industrial and systems engineering from the University of Southern California, and bachelors degrees in civil engineering and electrical engineering from the University of Illinois. He has served on the faculty of the Department of Aviation at San Jose State University, and has collaborated in publishing a textbook entitled *Airline Management*.

Maciej Mazurowicz

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Maciej Mazurowicz is managing partner of Gesellschaft fuer Markt- und Strategieberatung (GMS). Prior to GMS, Mr. Mazurowicz worked at Lufthansa German Airlines in different strategic management positions. At Lufthansa Consulting, he managed a variety of business development projects for airlines worldwide. Mr. Mazurowicz holds a Master of Business Administration and bachelors in business from the University of Kiel. His publications include articles on behalf of the German Ministry of Economics concerning product development and management of innovations.

About CA Advisors...

www.ca-advisors.com

CA Advisors is a management consulting firm dedicated to providing state-of-the-art analytical services. By applying powerful and practical tools, the firm helps its client understand their business positions and improve their strategic and operational decisions. To ensure the success of its work, the firm is committed to collaborating closely with its clients, communicating clearly about its approach, and delivering valuable results that are logically sound. For many years, the work of CA Advisors professionals has spanned a wide range of projects. The firm has a focused and dedicated practice in the airline industry, with a breadth of expertise in aerospace and aviation. The experience of the firm's professionals extends from traditional applications in logistics and resources planning to more innovative applications in financial planning.

About GMS...

www.gms-beratung.com

GMS is a management consulting company supporting clients in strategic planning and business development. GMS focuses in planning, marketing and sales, and assists clients in developing and implementing business strategies. GMS experts facilitate the evaluation of the business environment, forecast and analysis of market scenarios, and development of organizational structures by applying a wide range of state-of-the-art analytical tools and business methods, resulting in optimized financial and operational performance of clients. GMS ensures efficient project realization through a network of cooperation partners – from complete IT solutions up to personnel training.