

Airlines: Managing to Make Money by Stephen Holloway

A book-review by Eduard Koekkoek



Stephen Holloway is a consultant to the air transport industry specializing in both strategic and financial management. He has worked at a senior level in merchant banking, is

a qualified pilot and holds graduate degrees from Cranfield University, the University of Southern California and the London School of Economics. Rod Eddington, Chief Executive Officer of British Airways, supplied this book with a foreword and as he says, quote: "get it all right and, as this thoroughly researched book explains, you might manage to make money out of an airline after all".

People who are looking for a recipe for the best way to build an airline enterprise or a way to make money are misled by the title. This book may become of some interest to you if you are interested in issues involved in managing an enterprise and you want to learn more, especially when you are an undergraduate or student on aviation management.

The author gives a detailed description of commonly used definitions in management literature and treats diverse subjects. Competitive advantage, strategic resources, brand knowledge, shareholder value and customer satisfaction play an important role in the authors' elaborate analysis of airline management, especially customer satisfaction, quote: "the customer should be firmly in the centre of the airlines management's universe".

It was quite a nice surprise that, in order to make the book more readable, most paragraphs are complemented by

popular quotes to illustrate explanations, for example a quote from the famous Greek philosopher Archimedes: "Give me somewhere to stand and I will move the earth".

Other features include figures, boxes and references to other literature to build the story into a well-organised analysis. By asking certain questions this book is trying to let the reader organise his or her thoughts on how to run an airline, or how to design a 'service-encounter' with a customer, depending in which field the reader is interested in (marketing for instance). But the message should not be misunderstood, this book provides with a framework for managing a complex organisation like the airlines nowadays are, and is not a 'How to...'-book.

In general the book is quite difficult to read, but this is overcome by putting theories together with practical examples, which are being used throughout the book. The author has a clear picture of what he is trying to convey, and therefore he utilises a clear separation of topics in chapters. This also makes the book more interesting to read, although I had to read some parts of the book twice to fully comprehend. Topics covered are: strategy service management, competitive advantage, competitive scope, service concepts, designing service-price-offers, service attributes, communications management, service delivery management, relationship management, performance management and last, but not least the importance of change, creativity and innovation are underlined.

Popular models are widely-used on management-level, and therefore Mr. Holloway uses them to strengthen his



statements. You can find diverse models designed by e.g. Porter to determine the attractiveness of certain markets (the bargaining power of buyers and sellers, intensity of competitive rivalry and the threat of new entrants), when segments are targeted. Or the popular 'Structure-conduct-performance'-model to illustrate how the structure of an organisation should shape organisational conduct, and results in superior performance of the whole business.

Furthermore you will discover procedural lists e.g. about service blueprinting (a tool used to design an aid process design by mapping each step in every process used to deliver services to customers) or developing a value proposition to meet with the needs and wants of customers. Lists like these come in handy when you want to understand why things are done the way that they are done, or should be done.

It is indeed a thoroughly set-up book and will help you understand and visualise how you can manage an airline with customer put up front. At the same time this book will give you some hints and clues in what should be the right direction of airline management with the customer at the centre of the enterprises' universe.

ISBN: 0 7546 1558 8
Publication Date: November 2001
Number of Pages: 452 pages

Reviewer's background: Eduard Koekkoek is a student on aviation logistics and works at the Amsterdam Airport Schiphol at the Airside Ops. dept., among interests are airline economics, aircraft utilisation and management.