

Is there a place for Service Level Agreements to maintain quality standards?



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Speaker's brief

- **Quality standards at many airports are falling**
- **Is there a case for an obligatory minimum standard?**
- **How can quality standards be defined?**
- **Are Service Level Agreements worth the consultant's fees they cost?**
- **What happens if the "Regulation" fails to reflect the need for quality standards?**

The case for minimum standards

- **Quality a concern of ACI Europe from the very first Stakeholder meeting**
- **Community-wide norms are unlikely to be appropriate or acceptable**
 - **Local circumstances vary too much**
- **Minimum standards at individual airports are necessary**
 - **While standards vary between airlines, use of common facilities causes impacts on all users e.g. congestion in the check-in hall, baggage reclaim area**
 - **Possible variation between terminals depending on traffic composition**

Definition of quality standards



- **Need for clarity of objectives**
- **Appreciation of critical process elements and value chain**
- **Need for unbundling of standard definition to (probably) a small number of easily measurable parameters in key process areas, e.g.**
 - **Baggage delivery times**
- **Consideration of input as well as output measures, e.g.**
 - **Number of check-in desks open vs length of check-in queue**

Service Level Agreements (SLAs)

- **SLAs should be a two-way street**
 - **Obligations are imposed on both parties**
- **Clarity of responsibility is necessary**
- **Penalties (on both parties) are defined in the event of non-performance**
 - **Requires better and more detailed cost allocation than many airports may currently have**
- **More important, though, is definition of a mechanism to remedy persistent problems**

Some questions for airport operators considering SLAs

- ⊖ An SLA is fine for large volume operators of an airport, but unattractive for low volume operators
 - Q. With whom shall we have an agreement?

- ⊖ SLAs go beyond setting minimum quality standards for handlers and impose obligations on the airport
 - Q. Are we ready for this?
 - Q. Are we confident in our own performance?
 - Q. Do we know our costs and cost drivers well enough?
 - Q. Can we collect other necessary information?

- ⊖ For an airport that also provides ground handling services, there is a potential conflict
 - Q. Who is the policeman?
 - Q. Will other handlers trust us?

What if the new Regulation/Directive fails to address this issue?

- No obvious reason why minimum service levels and quality standards need to be 'blessed' by a Directive
- Could be one aspect of the licence for a Ground Handler to operate at an airport
- SLAs may be step too far, for airport operators

Therefore, should the Commission make them a requirement to support airport users as part of a wider regulation of airport activities?

Conclusions

- **Community-wide minima are not appropriate**
- **Each airport should define minimum quality service standards in relation to its facilities and traffic**
- **Definition of standards requires clarity of thought**
- **Standards for ground handlers could be imposed as part of their licence**
- **SLAs with handlers and airlines are not necessary, although would indicate an airport's willingness to stand alongside other stakeholders in a commitment to quality**