

## Driving bottom line results through efficient knowledge management in air fare data transformation and distribution.

### Abstract

Economic uncertainty, globalisation and increasing market complexity drives greater commercial pressure on travel management companies and retailers of all sizes.

The delivery of reliable air fares data and their transformation into agency “wisdom” creates a value chain determining greater market understanding, widening the agency’s sphere of confidence and a degree of control and certainty enabling successful operation in market places previously considered inaccessible.

The challenge is to improve bottom line performance and agency competitive advantage through best practice in air fares data management, its rapid application and delivery to point of sale.

### Effective knowledge management reduces uncertainty and restores control. The theory behind the practice.

Increasing globalisation and unrelenting economic pressures are driving travel agencies to search harder and harder for areas of competitive advantage, one such area lies within the over looked area of knowledge management, aptly summarised in the comment:-

***“The only thing that gives an organisation a competitive edge – the only thing that is sustainable – is what it knows, how it uses what it knows, and how fast it can know something new.”***

*(Larry Prusak, management writer, IBM 1996)*

The rate at which new knowledge is assimilated and applied presents the agency with deeper insights and control over its environment allowing it to develop new distribution channels and support them with well informed and confidently resourced staff.

For a travel agency, the most valuable source of new knowledge comes in the form of access to air fares which form the life blood of customer engagement and lies at the heart of the majority of all earnings. So, with greater expression over its airfare inventory, the agency reaches out confidently beyond its internal environment to establish decisive control in previously challenging market places.

The primary elements in the equation are the **speed** and **accuracy** in delivery of air fares data (knowledge) to the right person at the right time.

Central to understanding how new knowledge reaches the agency can be examined in the data transformation hierarchy.

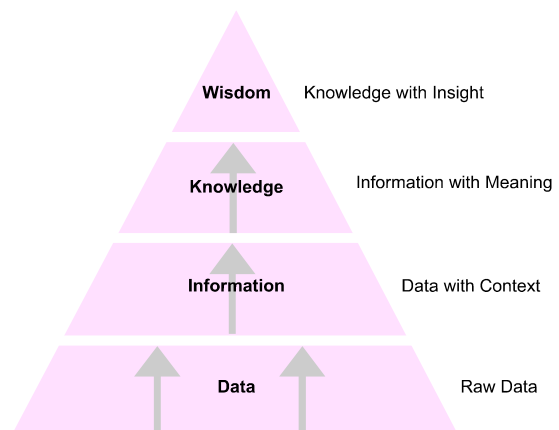
### Understanding Data Transformation

#### - A Theoretical Insight

Expressed as a pyramid, raw data progresses through aggregation and integration with other sources to be queried and presented in a timely fashion through intelligent software systems.

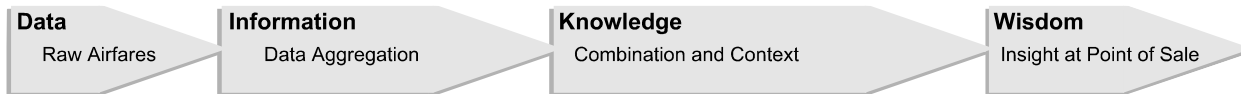
The accuracy of data-processing and speed of aggregation, up the pyramid, defines the scale of possibilities for the end user. In plain words, it is far easier to see the “big picture” if you have access to the most up to date information.

*Data transformation hierarchy – (Skyrme and Amidon 1997)*



The desired outcome of this transformation for the agency manager, is wisdom at the point of sale.

There's nothing radical in this assertion, but expressing it as a linear relationship (in the context of a value chain) exposes the processes offered by a data aggregator and delivered by the software solution provider.



*The data aggregation value chain*

## Business Challenges and Opportunities

TelMe Online Ltd has been aggregating and distributing data for 20 years. The three units of our business are:-

- **ScriptWise**
  - An air fares data aggregation bureau based in London and Johannesburg providing high level air fares and aviation contract services. Process automation and quality control allow ScriptWise to claim their position as one of the World's leading air fares management companies. ScriptWise load directly into Galileo, Sabre and Amadeus. A ScriptWise Private Fares Database (PFD) is GDS independent.
  - Typically, new and updated airline contracts are turned around in less than 36 hours.
  - At any one time there are over 8,000 individual airline scripts in process, delivering over 27 million fare combinations.
- **Farebase**
  - Celebrating 20 years in 2009, Farebase aggregates data for over 160 tour operators, charter flight operators in addition to airfares from over 50 consolidators. Users are able to view their chosen itineraries in a common browser format, simplifying the enquiry to a few seconds rather than hours of wasteful phone calls.
  - Daily, around 500,000 consolidated fare combinations are available for search via the Farebase Portal
- **TelMe**
  - At the core of TelMe is the Ticket Window online booking engine, distributing air fares and their real time availability to hundreds of online storefronts and thousands of travel consultants around the world. Millions of fare quotations are processed every week to over 24 countries in 17 currencies across the five major Global Distribution Systems and No Frills carriers.

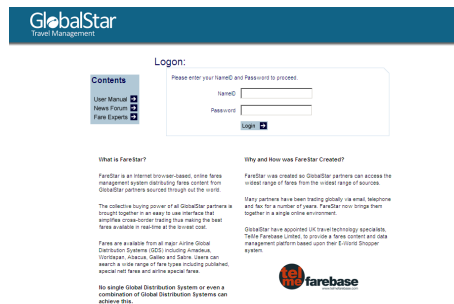


### GlobalStar Group (FareStar)

FareStar is based on our e-WorldShopper product enabling agencies to reach out into the Wider Global Environment and trade internationally irrespective of their GDS platform. Fares are drawn from CAT35 and ScriptWise inventory and presented easy comparison in the travel consultant's own home currency.

GlobalStar have mandated the deployment of FareStar which now covers over 50 members of the group and around 25 suppliers from around the world.

The product extends the sales proposition of the membership to demonstrate buying power on a truly global scale, proving to be a formidable marketing weapon winning new accounts.



Sourced From		Published Fare -
Departure Date		Wed 15 Apr 2009 and Returning on Wed 22 Apr 2009
Total Price		USD 1897.92 (includes airport taxes)
PRICE PER TRAVELLER		
Excluding taxes		USD 1603.11 per Adult
Taxes to be added		USD 294.81 per Adult
Airline		Virgin Atlantic

Departure	Destination	Date	Depart	Arrive	Class	Flight No.	Book
Sydney	London Heathrow	15 Apr	14:25	05:25 +1	M/Economy	VS 201	🕒
Return	Destination	Date	Depart	Arrive	Class	Flight No.	Book
London Heathrow	Hong Kong	22 Apr	17:15	12:30 +1	M/Economy	VS 238	🕒
	Sydney	23 Apr	19:20	06:35 +1	M/Economy	VS 200	

➔ Proceed With Flight Booking

Sourced From		Published Fare -
Departure Date		Wed 15 Apr 2009 and Returning on Wed 22 Apr 2009
Total Price		USD 2169.97 (includes airport taxes)
PRICE PER TRAVELLER		
Excluding taxes		USD 1886.30 per Adult
Taxes to be added		USD 283.67 per Adult
Airline		Cathay Pacific

Departure	Destination	Date	Depart	Arrive	Class	Flight No.	Book
Sydney	Hong Kong	15 Apr	09:30	17:10	M/Economy	CX 162	🕒
	London Heathrow	16 Apr	00:35	06:20	M/Economy	CX 255	
Sydney	Hong Kong	15 Apr	14:25	22:00	M/Economy	CX 100	🕒
	London Heathrow	16 Apr	00:35	06:20	M/Economy	CX 255	
Return	Destination	Date	Depart	Arrive	Class	Flight No.	Book
London Heathrow	Hong Kong	22 Apr	12:35	07:10 +1	L/Economy	CX 252	🕒
	Sydney	23 Apr	09:00	20:10	L/Economy	CX 139	

➔ Proceed With Flight Booking

### Conclusion

Travel agencies are firmly located as knowledge-based business for which the role of unseen, intangible, elements of business relationships are the most obvious to miss and their significance is all too often underestimated.

### References:

Prusak, L (1996)

*"The Knowledge Advantage"*, Strategy and Leadership, vol 24, No2, pp 6-8

Skyrme, D.J. and Amidon, D.M. (1997)

*"Creating the Knowledge-Based Business"*, Wimbledon, Business Intelligence Ltd.

Spheres of Operational Complexity

*Marketing in a Complex World (B825 2007)* Open University Business School,

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Summary of TelMe, Farebase and ScriptWise and the Data Management Value Chain

