



June 22, 2011 (Wednesday) 55th EOQ Congress

CONCURRENT SESSIONS
KEMPINSKI HOTEL CORVINUS

Wednesday 8:30 – 12:30
Erzsébet tér 7-8, Budapest V.

SALON REGIOMONTANUS

Wednesday 8:30 – 10:30

24.1. REFOCUSING QUALITY TO ENHANCE SERVICE TO CUSTOMERS I.

Session Chair: *György Mikó, Hungarian National Committee for EOQ, Hungary*

9.10 Check-in to the New Era of Quality at Airports – Certification as a Key Factor for Success - Portuguese's Airports Experience

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**TITLE: Check-in to the new era of Quality at Airports -
Certification as a key factor for success
Portuguese's airports experience**

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Abstract:

In five, ten or fifty years out Airports will be different from the airline and customer perspective. Airports should think about what to do to accommodate that future.

The purpose of this paper is to give an overview of the global experience of the Portuguese's Airport authority, ANA Airports of Portugal with Quality Airport Management and present the processes involved with the National/International certification of the Portuguese's Airports. In 2009, Portugal's Airports have successfully completed the certification process. The Airports (OPO, FAO, LIS and PDL) are accredited under the National and International Quality Standards (ISO 9001, ISO 14001, OHSAS 18001 and SA 8000). ANA is the first European Airport authority to successfully pass the ASQ (Airport Service Quality) certification audit and management review and received the ASQ Assured certification awards. In 2010, ANA Airports of Portugal was also recognized with the "Committed to Excellence" by EFQM (European Foundation for Quality Management).

Applying the Quality Management Systems more widely represents a decisive step forward in the process of consolidating the company as a leading Airport Management Group in terms of quality, profitability, and the full utilisation of new business opportunities.

INTRODUCTION:

According to the Portuguese Quality Movement and referenced by two Quality's specialist in Portugal (Pedro Saraiva - Paulo Sampaio) and taking in account the state of the world economy, Portugal is in a weak situation, from which it could be difficult to "take off" and we need to change. The important is that the quality assumes a critical role as a strategic goal for the Portuguese companies, because it will help them to state their competitiveness in some regions or the country as a whole, based upon the economic and social sustainable development paradigm. Organizations have started to realize that they can have a quality management system that may produce measurable competitive advantages.

We designed this paper in two parts. In the first one, it includes a brief description of the business intelligence system that has been implemented across all ANA Airports, and through which all service quality measurements and data are processed and shared among all ANA departments and Airports. We pinpoint where improvements are either necessary or important for the quality of the entire airport, because we know that total airport quality is the sum of many individual processes. Collaborative projects have been designed to improve the customer service culture across the whole organization, focusing on passenger experience analysis as the main source to define ANA's services strategy. We have also

many examples of our commitment to service excellence and innovative ideas in customer service enhancement.

In the second part of this paper, we will demonstrate how Airports need to continuously respond to new challenges. All processes need harmonized capacities to ensure best services and a sense of well being and feel secure for passengers. The owners and operators of airports have the opportunity to shape the destinies of their airports that enter in a new era of Quality. In this sense, we will say now "Quality versus Capacity" as an interesting question for many International Airports. And one of the questions will be: can we ensure a certified Quality level with more airport capacity? All the processes of quality system implemented in Portugal provide solutions that secure the performance of the Airports today and get you prepared for the traffic demand of tomorrow. It is a known fact that traffic volume will rise in the foreseeable future. A modern airport need to control and ensure the best of quality at airport.

Today and tomorrow, Air transport industry customers have high expectations and we need a service management approach that can ensure maximum uptime of operational systems and services. Excellent customer service is one of the greatest assets for an airport in today's competitive environment and Quality is relevant to our thinking and actions in all areas and is a contributing factor for the success.

1. Certification as a key factor for success

The certification process requires commitment by senior management to a well-defined strategy, to operational improvements and to develop staff motivation aligned with management strategy.

Six criteria form a strong basis for success: leadership, customer focus, people management skills, a systems and

process approach to service delivery, business partner involvement and the ability to measure, analyze, benchmark and carry out continuous improvements.

1.1. ANA's Airports certification

In its airport management role, ANA, S.A. regards the sustainability of its activity as fundamental and seeks to find a balance between creating value for its stakeholders, the economic gain and its social and environmental responsibilities.

The regular monitoring of the Quality of Service Parameters at airports has been a fundamental element for maintaining the Management Systems, certified by the APCER (Portuguese organization dedicated to the certification of management systems) since September 2008, in the aspects of Quality (ISO 9001), Environment (ISO 14001), Health and Safety in the workplace (OSHAS 18001) and Social Responsibility. In 2009, ANA obtains Certification for its Research, Development and Innovation Management System, as per the NP4457 reference norm. We are focusing on improving service quality and we are investing in product innovation. Service quality and customer experience are two areas we are seeking to emphasize. In 2009, we renewed the Certification for the Systems of Quality Management, Environmental Management, Health and Safety in the Workplace and Social Responsibility.

And after the certification of the Integrated Management system, ANA began its path to European foundation for Quality Management (EFQM) Model and simultaneously, the ACI (Airports Council International) certificate model.

In 2010, ANA implement this model and it involved the Committed to excellence level.

1.1.1. EFQM

The EFQM model is based on 9 criteria, five of *which* are "Means"(leadership, strategy, people, partnership and resources, processes, products and services) and four are 'Results' (Client Results, People Results, Society Results, Key Results), which reflect what the organisation is aiming to achieve and the way in which it does so.

Excellent Organisations achieve and sustain superior levels of performance that meet or exceed the expectations of all their stakeholders

Recognised the level "Committed to Excellence" (C2E) in November 2010, and validate this for 2 *years*, and we *continue now to the* -"Recognised for excellence", and all the processes are in route to succeed this level.

1.1.2. ACI certification

The monitoring will be continued by measuring the parameters established in Service Level Agreements between the main airlines, handlers and other entities that operate at airports, constituting at extremely important resource for the ACI Certification.

Improving the level quality of the services provided to customers to standards that are higher than the European average is a transversal objective underlying the entire airport system.

In August 2010, ANA achieves ASQ Certification to four of the Airports managed by ANA Airports of Portugal S.A. - Faro, Lisbon, Ponta Delgada and Porto. This is the first European

airport authority to successfully pass the ASQ Certification audit and management review.

As the Director General of ACI World, Angela Gittens said: "This level of achievement is a manifestation of full management commitment to customer service excellence".

The certification recognizes the airport's sustained efforts to analyze and enhance service performance, ensuring that any gaps in service quality are being addressed.

As this level of continuous improvement means that the ANA Airports are both listening to their customers and also regularly benchmarking their success in reaching new satisfaction levels, involving not only executive decision makers but airport staff and partners working on the airport platform.

1.2. Intelligence System: IBPMS (Intelligence Business Performance and Management System).

In order for quality to be assumed by all the levels of the organization, it must be assimilated into the entire business system and, especially, by the companies top management and their process of management. Continuous learning must be a value of the organization of the future. ¹

Companies who want to compete successfully must align their quality strategies to successful 21st century operations by making a basic transformation in their management orientation and their quality systems. Furthermore, companies committed to quality can no longer focus their quality programs on the reduction of defects, but they must built their quality programs throughout the customer value chain by integrating

¹ Pedro Sampaio - The future of Quality in Portugal - APQ - October 2010

and connecting all key quality work processes. Companies must anticipate what the customer will want in the future.²

As we know, in the last 7 years we try to implement in the Portuguese's Airports, all the systems for the airports' certification.

In ANA we implement the IBPMS to sustain a management process and all the processes of the organization. The IBPMS Performance Manager includes all the key indicators and allowed to evaluate the performance.

All Audits are managed using a standard and integrated process and include audits to retail shops, suppliers and internal audits. They also cover all aspects including service quality at each airport and done by process and by facility and all Improvement Opportunities are managed using also an integrated process and are being implemented by each airport and department.

2. THE NEW ERA OF QUALITY AT ANA

2.1. Service Quality

Service Quality will be a growing dimension, as the world becomes more and more technologically capable and customers can directly reach out to all competitors in a particular market. Each customer will become viewed as an individual with unique needs that must be identified, addressed and then reviewed to assure that they experience the level of service that they require.

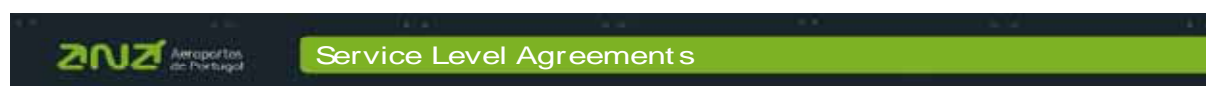
² Feigenbaum, A.V. and Feigenbaum, D.S. (2004), "The future of Quality: customer value". Quality Progress, In November, pp. 24-29

Information, transparency and accuracy are commitments that ANA - Aeroportos de Portugal, SA has undertaken as a reflection of the corporate values and principles by which the company and the people forming part of the same are guided. Both of these standards inspire procedures and working methods focused on creating value. Accordingly, the general disclosure of Service Quality Indicators is of pivotal importance to the implementation of our business.

ANA systematically measures the quality levels perceived by passengers, companions and airlines, and analyses the results obtained as well as their evolution, taking steps to improve the quality of the service provided.

2.1.1. Service Level Agreements (SLA)

At Portuguese Airports, SLAs are in place defining certain standards that needed to be achieved. Many activities at the airports are covered by SLAs, as we can see in the table:



The Service Level Agreements are distributed by following **processes**:

Lisbon	Oporto	Faro	Azores
Check-in	Check-in	Check-in	Check-in
People Movers	Boarding	Boarding	Boarding
Passengers Security Control and Hand Luggage (X-Ray)	Disembarking	Disembarking	Disembarking
Operational Availability of Equipments	Operational Availability of Equipments	Operational Availability of Equipments	Operational Availability of Equipments
Luggage Claim	Luggage Claim	Luggage Claim	Luggage Claim
Foreign Nationals and Borders Service	Passengers Security Control and Hand Luggage (X-Ray)	Passengers Security Control and Hand Luggage (X-Ray)	Passengers Security Control and Hand Luggage (X-Ray)
	Foreign Nationals and Borders Service	Foreign Nationals and Borders Service	Foreign Nationals and Borders Service

Aware that the good performance of airports is only possible through the commitment of all Business Partners, ANA - Aeroportos de Portugal, SA has entered into Service Level

Agreements for those activities deemed to be critical to the airport business, with the underlying objective of guaranteeing safety and the quality of the services provided to its Customers.

The main Partners - Airlines, Ground Handling Agents, Public Entities and ANA itself - participated in the process of defining the Service Level Agreements. The critical processes were identified and the respective performance indicators agreed upon. ANA *undertook to* perform the monitorisation of these indicators in each summer and winter period and continuously without interruption. The agreement's Partners further undertook to study and act together in regard to the different processes in which they participate, in order to promote the improvement of the same. ANA and its Partners, through the monitoring of these agreements and the half-yearly publication of the results, have made the commitment to their Customers to actively collaborate in continuously improving the quality level of the services provided.

2.1.2. ASQ (Airport Service Quality)

Why benchmark?

At the core of modern business management and performance benchmarking is the concept that "what you cannot measure, you cannot manage." A benchmark provides a measure to compare productivity and efficiency, evaluate specific processes, policies, and strategies and assess overall organisational performance.

Organisations need goals and targets for their management, their stakeholders and their employees: benchmarks are tools

which show where the organisation is meeting its objectives, and where it is not.

ACI Airport Service Quality (ASQ) Programme

The ACI ASQ programme consists of three core elements, each designed to help airports improve and maintain their customer service quality standards, by reporting on the experience of passengers, actual service delivery performance and reviewing the service quality management system.

→**ASQ Survey (2006)**- this surveys passengers on their perception of an airport's service quality on a quarterly basis, benchmarking against more than 100 airports in the programme. A measurement of passenger perception;

→**ASQ Assured** - this certification programme defines best practice service quality management. It then audits an airport against that benchmark. A measurement of the management of service quality.

→**ASQ Performance (from 2009)** - this is an analysis of the actual service delivery performance in key indicator points, measuring actual data of the length of queues and the time it take for baggage to be delivered etc.

Together, these three programmes will provide an all-round assessment of an airport's customer service and provide opportunities for improvement.

The ASQs assesses and benchmarks 34 service items of a passengers' on-the-day airport experience, including: Navigation (flight information screens, signposting, walking distances) Airport services and facilities (restaurants, shopping facilities, washrooms)

The ASQ passengers survey measures customer feedback on a range of service delivery parameters that track the customer experience at an airport from the moment of arrival to the departure gate. Analysis of this "real-time" data, recorded on the day of travel, serves as a guide for aligning service provision with customer expectations. By benchmarking the airport with other similar airports, ASQ enables airports to see where they stand relative to their peers and competitors. This helps airports prioritize improvement projects and validate their investments in new facilities and services.

For all this, ASQ is *not just a popularity contest*; it is a tool to help improve performance in a measurable manner, to understand the factors that are successful, and to identify problem areas that they can then dress. *Worldwide* competition has heightened the importance of *service quality at airports today*.

ASQ is a world class benchmarking programme and counts 209 participating airports. Based on a *cumulative result* of individual ASQ passengers satisfaction surveys, *which* are completed every month of the year, the programme has been scientifically designed to ensure statistical accuracy. Survey results are treated on a confidential basis. The aim of the programme is to allow airports to plan improvements and benchmark their customer services against other airports. It is fair to say that all airports involved in the programme have placed a high priority on customer service, having voluntarily and independently decided to join the programme.

This is a process of self-evaluation that will ensure higher levels of performance so as to achieve or surpass the expectations of stakeholders. The main objectives are to increasingly motivate the staff, improve internal communications, rethink the organisation's culture and apply new work methodology.

The ACI Survey seeks to measure passengers' overall satisfaction with an airport by ranking its performance against other airports in terms of various aspects of an airport's services. The survey is circulated to departing passengers and asks them to complete it based on their experience at the airport. ACI views its results as useful to airport managers, helping them to identify service areas needing improvements.

The overall program has a second component called ASQ Performance, where current performance times are systematically measured by the airport to check service delivery levels.

The third component in the ASQ Assured Certification Programme, *which* measures management commitment and performance enhancement strategies, via a robust review and audit process.

Thirty-four service parameters covered by the questionnaire enable passengers to say what elements are most important to them and to rate their satisfaction with each.

It is important to the fact that the external communication of ASQ results are displayed in their website, demonstrating a special commitment to improved service quality in a transparent

ANA airports have been top performers in the ASQ Survey, with both Porto (3rd in "Best Airport by region-Europe category) and Ponta Delgada (Best ASQ improvement in Europe) being recognized in the ASQ Awards ceremony in 2010.

2.2. Customer service

In the context of crisis, ANA have overcome all the challenge and always complete a good performance and despite the difficulties we have not ceased to invest in developing the non-aviation businesses, we have accelerated the transformation of the commercial areas of the airports, making them even more attractive.

The current international economic climate and its impact on the airport sector have increased the level of uncertainty regarding the future, so an effective response to increased exposure to risk appears as a key challenge. Thus, we aim to develop new business, invest in airport expansion, focus on risk management and involve the whole value. We intend to improve the experience of our passenger clients, innovate and accompany the challenges in the sector, focus on internationalization and identify new business opportunities.

We try to retain the entire terminal concept to ensure it remains passengers-friendly and easy to navigate. Its use of innovation to enhance the passenger experience, gates are redesigned and refitted, with an emphasis on the revolutionary use of elements such as lighting, design and dynamic information services to create a pleasant gate experience for example.

Another key area of innovation is the upgrade of the airport's baggage handling system, which is currently in the last phase of development.

2.2.1. A High level for the customer service

We want to be better hosts for our passengers and want them to enjoy flying to Portuguese's Airports.

We all agree that the average waiting time at the boarder's control point should not exceed 10 min..Everybody must be treated with courteously and respectfully, particularly at the security check point.

We have a program AIMS (Integrated process of Service Quality improvement) when we integrated customers and partners such as the airlines and the authorities and effectively passenger expectation with operated and security related needs. There is no conflict between customer orientation and maintaining high security levels. We work closely together with all the interested and with the main partner, TAP, the Hub airline at Lisbon Airport.

We are working on issues such as quality and customer satisfaction, with ASQ'P and SLA's.

Satisfying the passenger during his entire *trajectory* is not so easy, it is a long process but we already start with new *leisure* zone with peaceful character, a free, easy and *quick* shuttle with electric cars to help cover the long distance, internet points...

It is imperative that we focus on consumer needs. Protecting and improving the passenger experience will determine new undertakings and cross-industry collaborative efforts.

We need to perform all the traveller experience because we know that frustrations still exist around check-in, security and baggage. Lots of these frustrations stem from a lack of information and poor communication between airline, airport and the passenger.

The impact on the passenger is clear - extended journey times, too much complexity, lack of information - the impact on the airport and airline is equally clear. For airlines, a poor airport experience significantly impacts how its brand is

perceived, as passengers do not view the airport experience as separate to the services provided by the airline directly. For the airport itself, lack of passenger information and integration with airlines can lead to lost revenues and reduced productivity.

We believe that it is important to embracing new technologies and with greater collaboration between airlines, airports and partners that an easier, quicker and more responsive airport experience is within reach. Help to stimulate new thinking and new innovations that will both transform the passenger experience and deliver value to airports and airlines³

At ANA we want our customers, especially passengers, to have as pleasant a stay at our airports as possible. To achieve this, we strive to make airport organisation expedient and accommodating, at check-in, security checkpoints and customs controls, as well as in boarding areas. To this end, procedures are continually studied with airlines, handling companies and public security forces to determine how to optimize them. In step with the major European Airports, ANA is making significant efforts to reinforce security controls at Spanish airports so that our customers journey may be as safe as possible, while also aiming to avoid or minimize delays and nuisances that these circumstances may cause.

Additionally, all passengers acquire rights from the moment they enter the airport until they arrive at their destination. To make sure that these rights are observed and to provide passengers with all the information they require, as well as to respond to their questions, comments, suggestions... ANA has information desks and staff available to assist passengers at its airports.

³ "Navigating the Airport of tomorrow" - Amadeus

Recently, travellers who have PDA's or laptop computer equipped with WiFi technology can use wireless Internet connections at ANA Airports

Customer service is among ANA's major concerns. Service quality in the different realms of airport business is measured by ACI programmes and SLA's.

2.2.2. Check-in to the Airport of Tomorrow with new technologies

The key factor that must be taken into account when creating a seamless travel experience for your passengers from car park to plane are for example: good signage, check-in technology to avoid queue lines, properly sized and staffed security checkpoints, "intuitive way finding" cues built into the terminal, assisted travel options when long distances exist (trams, moving walks, wheelchairs, passenger carts...), airport cleanliness and ambiance, and a key focus on providing customers an excellent airport experience. (Steve Wareham, Director of MSP Operations, Metropolitan Airports Commission - Airport and Aviation Excellence Series.

To fulfil the vision of the airport of tomorrow all stakeholders, the airline, the airport and the passenger must be interconnected with electronic communication driving greater efficiencies and customer satisfaction.

A new age of passenger self-service is being driven by the adoption of smartphones and tablets. The always connected traveller will expect to receive information and promotions based on their status, location, traveller personal needs and specific situation.

At the heart of this technological revolution is the more informed passenger. The always connected passenger will demand

information and services delivered on their preferred personal computing device at all points of their journey.

All sectors of the industry share a common vision of a more automated, efficient airport experience.

At the heart of the changing airport experience is technology. The airline is embracing self-service technology to improve passenger processing and differentiate its services. Airports are investing in next generation technology to automate the security, baggage handling and check-in process.

With the introduction of kiosks and the print-at-home boarding pass now in full implementation by a majority of the world's airlines, the entire check-in experience is becoming simpler, but we need to avoid customer frustration for the longer the Passenger waits in line.

Self-service kiosks, for example, went mainstream over a decade ago and web-check-in has seen a steady rise in popularity over the five past years. The Smart phone for example is the latest addition to the self-service. Passengers want to use their own devices to navigate through the airport processes from check-in to boarding, from bag drop to shopping guides.

Can the entire check-in process be further simplified?

Meeting the needs of different passenger segments not all travellers are created equal. This may sound like a cliché, but when it comes to airport operations, providing different services to various customer groups particularly based on status has long been standard operational procedure.

CONCLUSION:

The airport perspective

Airport automation has always involved significant investment in infrastructure. Airports strive to balance passenger comfort with operational efficiency whilst striving for a unique experience that reflects the specific destination. A growing global trend is the privatisation of airports.

The main goal of the airport is to ensure the safe flow of passengers from the airport entrance to the gate. Along the way, the opportunity to merchandise airport products and services represents an essential revenue opportunity for the airport.

Technology such as NFC will likely play a critical role in the airport experience but requires a significant investment in infrastructure and a critical mass of smartphones with NFC readers

Self-service and mobility are the key themes of the airport of tomorrow.

More and more passengers and airport's consumers, it is the new reality, so we need to ensure that the technology available is modern and update, also to be prepared for the traffic demand of tomorrow.

To achieve this vision of the airport of tomorrow, airlines and airports must invest in new systems that automate manual tasks, share information and provide proactive communication to the passenger, but they need above all and always to ensure the best of Quality at airport.

For the conclusion, we would like to reference a speech's extract, for considered this vision as the best one for our future of quality in our airports:

"CW Lee, CEO - Incheon Airport said in March 2011 : " We have a dream that beyond a fast, safe and convenient airport, we would like to make Incheon Airport an airport the whole world wants to visit, an airport with spirit of culture, an airport benchmarked by all others, and an airport the entire staff takes pride in. We will make Incheon Airport a place wich passengers can enjoy unique pleasure and value and a landmark many people can visit. We will keep trying to realize our vision, to become a global airport leader by providing our customers with the highest value and excitement beyond expectation."

That's why Incheon International Airport was named Best Airport Worldwilde IN aci Airport Service Quality Awards 2010.

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