



babcock

trusted to deliver™



Babcock and British Airways:

Managing the assets of the UK's flag carrier airline

Challenge

To increase the availability of British Airways' fleet of vehicles and equipment while providing value for money

Background

In April 2003, Babcock signed a 10 year contract with British Airways (BA) to manage and maintain its 6,300 strong fleet of vehicles and specialist equipment, including aircraft tugs, baggage trailers, crew buses and passenger coaches.

The fleet is maintained through airside workshops at Heathrow, Gatwick, Manchester and Birmingham.



PERFORMANCE WISE, THE FLEET AVAILABILITY CONTINUED IN THE SAME EXCELLENT VEIN, WITH ALL THREE DEPARTMENTS AVERAGING WELL OVER 99 PERCENT ON THE AVAILABILITY INDEX.”

Mark Sellick
Airports Customer Services Manager, Babcock

Under the contract Babcock manages the BA fleet to optimise asset availability. This process ranges from deciding when to procure new assets to when to dispose of older ones in a timeframe that delivers the optimum value for money to the customer.

It also includes overseeing the fleet inventory, workshops and IT systems and processes. In addition to the maintenance element, the contract included the transfer of 350 existing employees to Babcock under Transfer of Undertakings (Protection of Employment) Regulations (TUPE). This was successfully delivered with the support and active involvement of the trade unions.

Results

Babcock develops new and sustainable ways to deliver improved services and has worked with BA to unlock the potential of every one of its assets. This has delivered high quality, resilient services with optimum availability at a reduced cost.

The service levels that Babcock provides have exceeded the expectations of BA. Senior management and users have seen a marked improvement in asset availability. A number of initiatives developed collaboratively between Babcock and the customer have also identified business improvements and cost saving opportunities.

Achievements to date have included:

- Maintaining 99 per cent critical availability
- Reducing the overall cost of the contract year on year by 16 per cent to £21.5m by 2010
- Almost all cost areas of the contract decreased year on year
- Reduced workshops at Heathrow, saving in excess of £250,000
- Being part of the British Airways package delivering 65,000 tonnes of CO2 savings
- Receiving the Diamond award for BAA Clean Vehicles Programme





Reasons for success

Babcock draws on a wealth of collective experience and a sound track record to work with customers to find the best solution possible. When possible Babcock uses a collaborative approach with customers and suppliers, creating integrated teams with shared objectives that can drive down costs and increase service levels.

Babcock understands the important role that BA's vehicle fleet, equipment and facilities have in its business. However we also realise the considerable pressure aviation businesses are under to reduce costs.

Babcock's experience, flexible approach and relentless drive to assist customers with finding the right solutions helped BA to implement major projects over the lifetime of the contract. Babcock worked with 80 different suppliers in 8 different countries, running 12 project plans simultaneously to ensure that new equipment for Heathrow Terminal 5 (T5) and the opening of the new Eastern Ancillary Area workshop (EAA) were delivered in time.

The future

Babcock will create a service for BA that is more efficient in the face of global

competition by continuing to make efficiencies while delivering a reliable and resilient group of assets. It will achieve this by refining its service performance and working where it matters to match BA's premium products in the air with those on the ground.

Babcock will continue to ensure every asset is utilised to its full potential and invest in its collaboration with BA by contributing to efficiency programmes. Babcock's approach has been to focus on maintaining availability and providing value for money for BA. This will continue to create a more resilient portfolio of ground support services that is able to handle the unique challenges of the aviation industry.