

Airport Strategic Business Plans -- Concepts, Applications, & Processes

*THE 2016 AIRPORTS
CONFERENCE*

March 2016



Environment Observations



OVERVIEW

- Why Airport Strategic Business Planning?
- Define Strategic Planning
- Consider Plan Elements
- Review Planning Process
- Measuring Success
- General Discussion



Strategic Business Planning



*ACRP REPORT 20:
Strategic Planning in the
Airport Industry*

<http://www.trb.org/Publications/Blurbs/162801.aspx>



Why Strategic Business Planning?

- Best Management Practices
 - Aviation Trends
 - Strategic Thinking

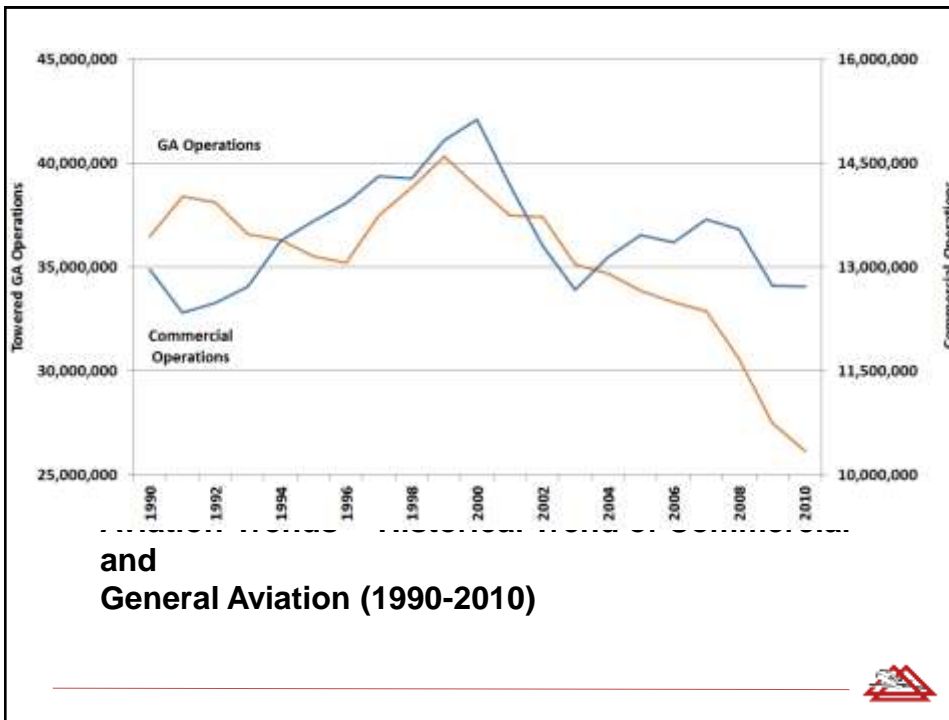


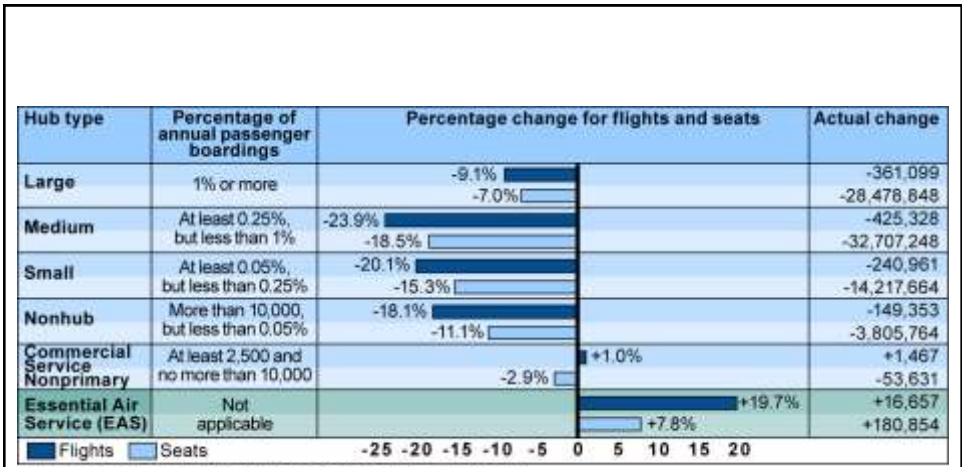
Best Management Practices

- Toolbox for setting goals & objectives
- Measures performance & outcomes
- Decision Making to guide future direction



Industry Trends





Sources: Federal Aviation Administration and GAO analysis of DOT data.

Aviation Trends -- Percentage Change in Number of Flights and Seats By Airport Category (2007-2013)



THE CROSSROADS – STOP OR GO?



Why “*Strategic Thinking?*”

Strategic:

**“RELATING TO THE IDENTIFICATION OF
LONG-TERM OR OVERALL AIMS AND
INTERESTS AND
MEANS OF ACHIEVING THEM.”**



Short-Term vs. Long-Term



See the Forest vs. the Trees



Strategic Planning – A Road Map to the Future



Source: ACRP Report 20, Strategic Planning in the Airport Industry



Strategic Planning Benefits

- Organizational
- Operational/Managerial
- Community/Stakeholder
- Economic



Business Plan Elements

- Vision Statement
- Mission Statement
- Organizational Core Values
 - 360 Evaluation
- Define Strategic Issues
- Establish Action Plans, Objectives and Goals
 - KPI'S and Accountability



Framework



Source: ACRP Report 20, Strategic Planning in the Airport Industry



Vision Statements

- Where are you? Where are you going?
What do you want to be?
- What are the unique characteristics of our organization, our competition, and the environment in which we operate?
- How do we want our organization to look into the future?
- What do we need to do to achieve this Vision?



Mission and Values

- Mission = declaration of organizational purpose
- What is our purpose and what do we believe in?
- Non-negotiable & once set usually don't move or change



McKinney National Airport - Vision

McKinney National Airport is an air transportation center and economic engine for the North Dallas region, facilitating general and business aviation as well as educational and recreational services supported by an aggressive marketing program, nationally recognized, award-winning aeronautical services and modern and efficient infrastructure and facility development.



McKinney National Airport- Mission

McKinney National Airport is a premier general aviation reliever airport providing best-in-business-class aeronautical services, amenities and customer service to attract and retain aeronautical businesses and general aviation aircraft.



McKinney National Airport – Strategies

Strategy 1: *Support a strong economy*

Strategy 2: *Use metrics when making decisions*

Strategy 3: *Land Partnerships*

Strategy 4: *Regulatory*

Strategy 5: *Develop Aeronautical Facilities*

Strategy 6: *Attract and Retain Business Aviation
Departments*

Strategy 7: *National Recognition*



KPIs & Accountability

Performance Indicator	Indicator Definition	Actual	Target	Target	Target	Target	Target
Achieve Financial Success and Economic Diversification		2013	2014	2015	2016	2017	2018
EBITDA Margin	Profitability ratio indicating % of revenue that ends up as EBITDA	10%	12%	15%	16%	18%	20%
Revenue / Passenger	Profitability ratio indicating revenue derived from one passenger	100	105	100	104	104	105
Opex / Passenger	Efficiency ratio indicating operating cost per passenger	85	84	84	83	83	84
Passengers / Staff Ratio	Efficiency ratio apportioning passenger numbers to staff numbers	400	610	615	619	625	630
Staff Cost as a Percentage of Revenue	Efficiency ratio apportioning staff cost to revenue	50%	50%	50%	53%	53%	54%
Community		2013	2014	2015	2016	2017	2018
Waste Management	The percentage of total waste product recycled (all categories)	30%	35%	40%	45%	50%	60%
Community Relations	Consolidated subjective rating (out of ten) of the community perception of the airport	5	6	8	9	9	9
Noise Complaints	Number of Noise Complaints per month by individuals	10	9	5	5	5	5



The Strategic Planning Process

- Considerations
- Getting Started



Strategic Planning Process



Source: ACRP Report 20, Strategic Planning in the Airport Industry



Plan Considerations

- Conduct your own organizational scan/assessment
- Identify “process champions”
- Link existing master plan to “strategic thinking”
- Create a culture that is built around a mission, core values
- Start small and build momentum
- Vision – get to key internal/external stakeholders
- Lead – that’s why your Governing Body hired you



Getting Started

- Determine why a Strategic Plan is Needed
- Assess Organizational Readiness
- Define Scope and Schedule
- Identify the Planning Team
- Determine Participants and Roles



Strategic Planning Stakeholders



Source: ACRP Report 20, Strategic Planning in the Airport Industry



360 Evaluations

- 360 Evaluation
 - Strengths
 - Weaknesses
 - Opportunities
 - Threats

- Strategic Initiatives



ESTABLISH ACTION PLANS, Objectives and Goals

- Specific
- Measurable
- Attainable
- Relevant
- Time-Based



Measuring Success



Achieving High-Performance

- Leadership
- Customer focus
- Measurement, analysis, and knowledge management
- Workforce focus
- Operations focus
- Results

-Baldrige Quality Achievement Program



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