

SUCCESS STORY

Lochard Pty Limited
The Ambidji Group Pty Limited *with contributions from*
Airport Planning Pty Limited
Brisbane Airport Corporation Limited



Building on turnkey solutions to create a profitable new value chain in aircraft operation



Lochard's 3D Airspace Visualisation Tool

One way the company maintains client contact is through international bi-annual 'user conferences'. These give customer ownership of, input to, and client support for the direction that the firm takes.

*Martin Adams
Managing Director
Lochard Pty Limited*

The Organisations

Formed in 1990, Lochard Pty Ltd is the world's leading supplier of noise and flight track monitoring systems to airports. Noise monitoring and management is a specialised area, in which Lochard has reached world leadership with 48 per cent of the international market. The company derives 95 per cent of its income from its overseas business.

Lochard is the only company that operates worldwide to develop, manufacture and install all the major components of its noise and track monitoring systems. It has offices in Europe and the US and operates in more than 120 airports, including the world's largest; Heathrow, Hong Kong, Amsterdam, Chicago and Sydney. The company has just secured its largest contract to date, at San Francisco International Airport.

The company has maintained a deliberate policy to build a multi-cultural workforce with 80 employees in Australia, skilled in 30 languages. This diversity has proved to be an asset in dealing with overseas customers and has assisted in establishing rapport with them during their visits to Australia.

The Project

The project creates a significant new value chain in aircraft operations and movement information, which will enable key players in the aviation industry to realise significant cost reductions in the performance of their businesses.

This value chain is complex, encompassing products that are delivered by the aircraft's operational movement - for example, a passenger journey product, an airfreight movement product and a

VALUE CHAIN
MANAGEMENT
PROGRAM



SUCCESS STORY

Lochard Pty Limited
The Ambidji Group Pty Limited *with contributions from*
Airport Planning Pty Limited
Brisbane Airport Corporation Limited



component of a packaged holiday. A second series of activities involve the delivery of service products to the airline, such as baggage handling, catering and maintenance. By drawing on its own highly specialised aviation knowledge and by working closely with its business partners, Lochard value-adds by gathering, processing, analysing and validating sparse and sometimes ambiguous data sets. Lochard's objective is to produce commercially valuable information that all organisations along the value chain can use to enhance their position in a highly competitive international market place.

Lochard is uniquely positioned to develop a value chain to provide independent information services to the significant stakeholders in the air transport industry and in the process, re-position its business profile to be a provider of high value-added information to a range of rapid-growth sectors.

Project Methodology

Lochard's methodology is to:

- initiate business partners' interest in the commercial opportunities of enhanced value chain management;
- comprehensively map and measure the relationships which exist between organisations along the value chain to establish baseline performance indicators;
- analyse and diagnose information gathered from the organisations to determine the health of existing value chain relationships in the specific field of focus;
- design and synthesise new and improved value chain relationships; and
- implement and measure agreed value chain management changes and improvements, and compare to baseline measurements undertaken at the commencement of the project.

Lochard has played a role in the focus and direction of air traffic control projects generally and in this project has co-ordinated the roles of other participants. The main activities have included:

- mapping the process from the time an aircraft enters the 25 nautical mile radius zone to its arrival at the airport;
- identifying information flows occurring between organisations whose operations affect air traffic within this radius;



- identifying opportunities for increased efficiencies in existing processes, in which information developed by Lochard can assist in proposing solutions to operational problems;
- documenting the business case for the development of new products to improve the management of air traffic, with benefits arising for industry and other stakeholders; and
- developing long-term plans to achieve and build on these outcomes.

Benefits and Outcomes

The most significant outcome of the project will be for Lochard to enhance its current noise monitoring and prediction products value chain to produce the new product value chain. In addition, the project aims to achieve the following outcomes:

- modelling an existing air operations value chain to gain insights sufficient to produce qualitative plans and quantitative business cases for a new suite of value-added products;
- provision by Lochard of information and services which enable its customers to make better decisions;
- increasing integration between Lochard, and its business partners' and customers value chains in relation to specific markets; and
- providing information in the form of live-time updates throughout flights.

This project was supported by Richard Laney of Laney Pickett & Associates Pty Ltd and William Newnham of CTG Consulting, project managers accredited with the Value Chain Management Program. The Program is an initiative of the Commonwealth Government.

www.valuechains.industry.gov.au

