



WORKING PAPER

**CONFERENCE ON THE ECONOMICS OF AIRPORTS AND
AIR NAVIGATION SERVICES**

Montréal, 15 to 20 September 2008

Agenda Item 1: Issues involving interaction between States, providers and users
Agenda Item 1.3: Consultation with users

**DEVELOPMENT OF BEST PRACTICE IN
CUSTOMER RELATIONS**

(Presented by CANSO²)

SUMMARY

Understanding customer requirements and catering to their needs is the basis for a more productive provider-customer relationship. It is for this reason that CANSO formed a Customer Relations Workgroup (CRWG), the purpose of which was to guide and support an effective customer relations management by providing a platform for Member ANSPs to exchange views and develop an understanding of best practice in customer relations and consultation.

Action by the Conference is in paragraph 4.

1. INTRODUCTION

1.1 Establishing and maintaining effective and mutually beneficial relationships with customers is simply good business. CANSO Members recognise that in order to meet the challenges of improving aviation safety, service and cost effectiveness, and environmental/fuel efficiency it is vital that they work with customers and other stakeholders in the industry.

¹ Language versions provided by CANSO.

² FULL MEMBERS | Aena - Spain | AEROTHAI - Thailand | Airports Authority of India | Airservices Australia | Airways New Zealand | ANS of the Czech Republic | ATNS - South Africa | ATSA - Bulgaria | Austro Control - Austria | Avinor - Norway | AZANS - Azerbaijan | Belgocontrol - Belgium | CAAS - Singapore | DFS - Germany | DHMI - Turkey | DSNA - France | EANS - Estonia | ENAV SpA - Italy | Federal Aviation Administration - USA | Finavia - Finland | GACA - Kingdom of Saudi Arabia | Hellenic Civil Aviation Authority | HungaroControl | Irish Aviation Authority | ISAVIA - Iceland | Kazaeronavigatsia - Kazakhstan | LFV - Sweden | LGS - Latvia | LPS Slovak Republic | LVNL - the Netherlands | MATS - Malta | NAMA | NANSC - Egypt | NATS - UK | NAV CANADA | NAV Portugal | Naviair - Denmark | OACA - Tunisia | Oro Navigacija - Lithuania | PANSAs - Poland | ROMATSA - Romania | Sakaeronavigatsia Ltd - Georgia | Serco | skyguide - Switzerland | Slovenia Control | SMATSA - Serbia | State ATM Corporation - Russia | UkSATSE - Ukraine |

1.2 Effective Customer Relationship Management lies at the heart of successful collaboration with customers because it helps to:

- Understand and better meet customer needs and expectations; and
- Understand ways this can best be achieved in collaboration with customers.

2. DISCUSSION

2.1 The CANSO Customer Relations Workgroup (CRWG) was established in 2005 to address the increasing need for air navigation services providers (ANSPs) to conduct customer consultation on safety, current and future service levels, pricing and transparency in a more productive and mutually beneficial manner. This need came not only from the customers themselves, but also increasingly from the regulatory community. The CANSO Guide to Customer Relationship Management was subsequently developed based on the work of the CRWG.

2.2 While the CRWG started as a mechanism for ANSPs to address the subject of customer relations and provide a platform for members to exchange views, its members quickly realized that it was vital for the customer to be represented within the Workgroup. Therefore, in addition to the 17 ANSP members, six airlines and IATA have actively participated in the CRWG activities. As a result, the development and validation of the CANSO Customer Relations Model was achieved through the direct support from IATA and several airlines.

2.3 It is intended that the Guide serve as a reference document for CANSO member ANSPs seeking to understand and apply the principles that underlie the CANSO Customer Relations Model. It also provides a mechanism for sharing examples of how different ANSPs have addressed the need to work and communicate with their customers.

2.4 CANSO Members believe that effective Customer Relations and consultation should be founded on the following fundamental principles:

- **Mutual trust & understanding:** Relationships should be founded in an environment of mutual trust and understanding. It is important that ANSPs openly share information related to their future plans and current performance with customers on a regular basis. It is equally important for customers to share information about their plans so that ANSPs can take this into account when developing their own future plans;
- **Early involvement of customers:** Customers who may be affected by a policy or plan should be engaged from an early stage, and throughout its development. Sufficient time should be allotted for ANSPs to consult with their customers;
- **True consultation:** Effective consultation should ensure that customers have the opportunity to have their say and know that their interests have been considered in policy decisions;
- **Clear & focused agenda:** Issues should be discussed informally with customers to establish an agenda and focus the formal consultation process;

- **Clarity of proposals, the rationale and their impact:** Customer consultation should make clear the nature of proposals; the parties most likely to be affected; the business case for proposals; specific questions on which feedback is requested; and the time schedule for responses;
- **Clear communication:** Consultation documents should be concise, clearly laid out and should make use of simple language wherever possible;
- **Tailored processes:** Consultations should use methods appropriate for the subject matter including seminars, working groups and oral briefings as well as standard written consultation exercises;
- **Constructive participation:** Reasoned responses should be provided by interested parties; responses should be acknowledged and all respondents should automatically receive copies of the final decision document; and
- **Convincing rationale shared following final decisions:** Decision documents should contain clear reasons for the chosen outcome(s), and should show how responses have been taken into account.

2.5 Though the airlines are typically the first party that springs to mind when addressing customers, these principles of the CANSO Customer Relations Model are equally applicable to all stakeholders.

2.6 The CANSO Customer Relations Model is founded on the belief that each relationship is unique. The nature of interaction between an ANSP and its customers is affected by:

- **Level of development of the parties involved in the relationship:** The level of development of an ANSP and its customers is determined by a number of organizational enablers, including leadership, customer orientation of people, policy and strategy, processes and resource management. In order to improve the relationship between an ANSP and its customers these enablers have to be developed. ANSPs and airlines with a high level of maturity will be able to develop a more sophisticated relationship;
- **The complexity of the industry environment:** The level of interaction with customers should be tailored to match the prevailing environment and needs of the parties. It is recognised that complex and intensive consultation processes can be costly. The nature and complexity of processes used to support the management of customer relations must be proportionate to the industry context in which an ANSP operates and the needs of its customers;
- **Cultural influences:** Cultural traits can have a profound impact on the nature of a relationship. There are likely to be variations in views on the characteristics of good customer relations and on how to build or manage them; and
- **Characteristics of the customer and ANSP:** Individual customers will have different needs, which result from the nature of their operation (e.g. scheduled versus charter) and/or the size of the operation. Clearly, variations in operational requirements will influence the nature of the relationship that is required by a customer from an ANSP.

ANSPs may find that there is a need for a closer strategic relationship with certain customers by nature of their operation.

2.7 Due to these characteristics and influences, it is not possible to prescribe a single approach for how an ANSP should relate to its customers. The nature of relations between an ANSP and its customers should be tailored to the needs of the customer and the ANSP, their level of development and the environment within which they operate. However, for customer relations to be successful, it is important that the fundamental principles be observed.

3. CONCLUSIONS

3.1 The *ICAO Policies on Charges for Airports and ANS* (Doc 9082) recognizes the importance of consultation with users of air navigation services before new or revised charges are introduced, and air navigation services development and investment plans are finalised. Current proposed amendments to the *Policies on Charges*, as contained in WP/6, further stress the importance for States to ensure that a permanent, regular consultation process is established between providers and users, and that as part this process users are not only consulted on the level and structure of charges, but also regarding capacity development and investments, and that users' feedback obtained during consultations are taken into consideration.

3.2 CANSO's Guide to Customer Relationship Management serves as a reference document for ANSPs seeking to implement an effective and mutually beneficial customer relations and consultation process. The CANSO Customer Relations Model is founded on a number of fundamental principles, and was developed and validated through the direct support from IATA and several airlines. The Customer Relations Model recognises that each provider-customer relationship is unique due to a variety of circumstances and influences, and that it is not possible to prescribe a single approach for how an ANSP should relate to its customers. However, for customer relations and consultations to be mutually beneficial, a number of fundamental principles should be observed (paragraph 2.4 refers.)

4. ACTION BY THE CONFERENCE

4.1 The Conference is invited to:

- a) note the work of CANSO's Customer Relations Workgroup in developing a Guide to Customer Relationship Management; and
- b) consider that CANSO's Customer Relations Model serve as guidance in best practice in the establishment of a permanent, regular and mutually beneficial consultation process between providers and users.

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