

Caribbean Airlines

the warmth of the islands



Next Generation of Aviation Professionals Symposium 2010

**The Executive perspective from a young,
rapidly growing Caribbean carrier. How
we mobilize our Human Capital in the
pursuit of excellence.**



CARIBBEAN AIRLINES LIMITED



Caribbean Airlines Limited (CAL) began operations on 01 January 2007.

The previous national carrier of Trinidad & Tobago, BWIA West Indies Airways Limited (BWIA), was shut down on 31 December 2006 and CAL emerged seamlessly from the ashes. BWIA had operated for over 66 years of impeccably safe operations.

CAL started with a fleet of 5 B737-800NG; to serve the Caribbean Region and three major North American routes (MIA/JFK/YYZ).

**Total number of Employees at start of CAL: 640; Pilots - 75;
Maintenance & Engineering (M&E) – 202**

We now permanently operate 8 (sometimes 9) NGs and 5 DHC-8 Q300s

CARIBBEAN AIRLINES LIMITED



Present Number of Employees: 1012 . Pilots – 171; M&E – 209

Despite this very lean structure, we manage to achieve an outstanding **OTP** (within 15 mins. Of scheduled departure); which has steadily risen over the years:

2007: 85%

2008: 88%

2009: 91%.

Our B737-800 utilisation rate consistently exceeds the industry average.

Financial: we made a modest profit (US 7.5m) in the second year of operation (2008) and would have doubled it in 2009, were it not for the melt-down in the industry.

How CAL Maximizes Training



- ❑ Implementation of new technology and work design to increase efficiency and reduce overheads;
- ❑ Regulatory requirements, and the need to maintain quality while driving costs down, require a sharp focus on continuous employee development.
- ❑ CAL has employed innovative approaches to maximize use of its training resources:
 - ❑ Flight Crew:
 - Joint Training of Pilots and Cabin Crew for SEP, Dangerous Goods and CRM (the latter includes engineers and other operational staff).
 - Computer Based Training (CBT) for both initial and recurrent Training which, reduces the use of Instructors.
 - Using Retired Training Captains as Flight SIM Instructors.

How CAL Maximizes Training (Cont'd)



❑ Maintenance & Engineering:

- On Shift Training - Level 2 ATA chapters that are the cause of repetitive defects, along with SUPS, Fueling & Safety procedures and **Aviation Maintenance Economics**.
- Adjunct Instructors Program – Using Line Engineers part-time to provide recurrent and Initial Level 3 Type training.
- Apprenticeship Program: Apprenticeship program for ab-initio trainee engineers using contracted instructors and CAL's syllabi and approved procedures. Aim is 20 entrants per year for a 4-year course.

In-house vs. External Training



- ❑ We have always employed the 'In-House' Training concept for both Flight Crew and Maintenance personnel to good effect.
- ❑ Producing a World-Class aviation engineer, certifying all current fleet types, takes about eight (8) years from ab-initio.
- ❑ Similarly, producing a Captain for our premier fleet takes about ten (10) years from ab-initio.
- ❑ Within the Caribbean there exists only one aviation training institution, outside of the airlines, providing training (AWHWAES-Guyana); and this is only in maintenance skills. This lack of training facilities, plus falling competitiveness of remuneration packages, mean fewer and fewer candidates are available for employment in aviation maintenance
- ❑ This however has not affected the supply of basically qualified pilots, who obtain initial training privately. Feeding our ab-initio program for pilots has not been a problem.

In-house vs. External Training



The Advantages of In-House Training

- ❑ **Quality** – we structure the programs, use our own very experienced instructors and get the quality of product that we want.
- ❑ **Cost** – in house training for all Technical and non-Technical programs are much cheaper.
 - ❑ **Maintenance**– External providers cost roughly 5 times more for Initial Type Course.
 - ❑ **Pilots** – Cost of external providers is around 2.5 times that for in-house.
- ❑ **Flexibility** – Training can be set around organisational needs and the demands of operations.
- ❑ **Facilities** – due to our relatively small size, we lease Flight Simulators and use our own Flight SIM Instructors for the training.

Regional Specificities



- ❑ Currently there is no harmonization of licensing across the Caribbean region. Each jurisdiction is governed by a sovereign regulatory authority, and easy recognition of each other's qualifications has, so far, not been achieved.
- ❑ The absence of cross border use of pilots and engineers results in significant time, re-training and recertifying costs. The qualifications of a pilot or engineer operating identical equipment in one state, is not recognised in another a few hundred miles away (TT and Guyana or Jamaica).
- ❑ Trend towards regional regulatory cooperation and harmonization of Aviation Law and Regulations: e.g. CASOS. Slow progress.
- ❑ There is a dire need for regulatory harmonisation in our region, as in the rest of the world. ICAO needs to play a big part in this.

Maintenance Training PROPOSALS



- ❑ **The continued separation of trades: “Avionics” and “A&C” for licensing purposes is not ideal and has not followed the trend in aircraft technology. Systems and equipment are becoming more and more integrated. It is almost impossible to separate skill set requirements for effective trouble shooting and the modern challenges of aircraft maintenance.**

- ❑ **It is our view that a move towards a training regime and qualification process which would produce a technician /engineer who is more able to effectively combine both skill sets would better serve the industry and would better be able to relate to the rapidly changing technology.**

- ❑ **We also believe that the quality of the ab-initio student available in today's educational environment and internet age can more easily fit this approach to the modern aircraft maintenance challenge.**

ISSUES:

- ❑ CAL is on a growth path; we are leading the way in regional airline consolidation. We could well triple our present fleet size by the end of this year.
- ❑ However, we are plagued with recruitment issues for Aviation Technicians.
- ❑ Nationals are not being attracted to the Aviation Industry but rather gravitate to the Oil & Gas Industry: a symptom of the aviation industry's ill-health.
- ❑ 15 of our highly trained and capable Pilots have left to join other overseas operators between 2007 to 2009 (pilot retention may be a problem).

PLANS FOR FUTURE STAFFING:

- ❑ M&E - Apprenticeship Program
- ❑ Pilot – use minimum requirement and train in-house to meet standards.

SUMMARY: CAL'S VIEW



- ❑ This focus of ICAO on recruitment, education, training and retaining the next generation of aviation professional is, in our opinion, very timely.**
- ❑ As a CEO, I need more than just professionals qualified in the traditional technical areas to run a successful airline.**
- ❑ If I don't have excellent and experienced Revenue Managers ("Yield Management"), I would be wasted by the competition.**

SUMMARY: CAL'S VIEW



- I need qualified aviation professionals in Customer Care and Handling, Legal, HR, Cabin and Catering Services, IS, Finance and Accounting. All these disciplines are becoming more specialised as margins shrink and survival becomes increasingly difficult.**

 - Most of all, I need all my employees to be Cost Managers and committed Customer Service agents, whether their main function is Groomer, B737 Captain, or VP Legal. If our customers do not return, or costs exceed revenue, we will eventually go out of business.**
I would like to see all aviation qualification courses reflect this stark reality.

 - The Business Must Survive.**
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