

Previously seen as a cost centre, inflight catering is now better planned and better delivered, as Henry Canaday reports.

Once upon a time, catering was a primary competitive weapon of airlines that vied with each other for passengers at regulated fares. But with fare deregulation, onboard meal service often became a matter of finding something decent enough to satisfy, but not too expensive. Meal service ended on many short-haul flights. Even on long-haul flights, veteran frequent flyers became accustomed to hearing the food cart roll down the aisle and the attendant murmur a grim and all-too-familiar “chicken or pasta?”

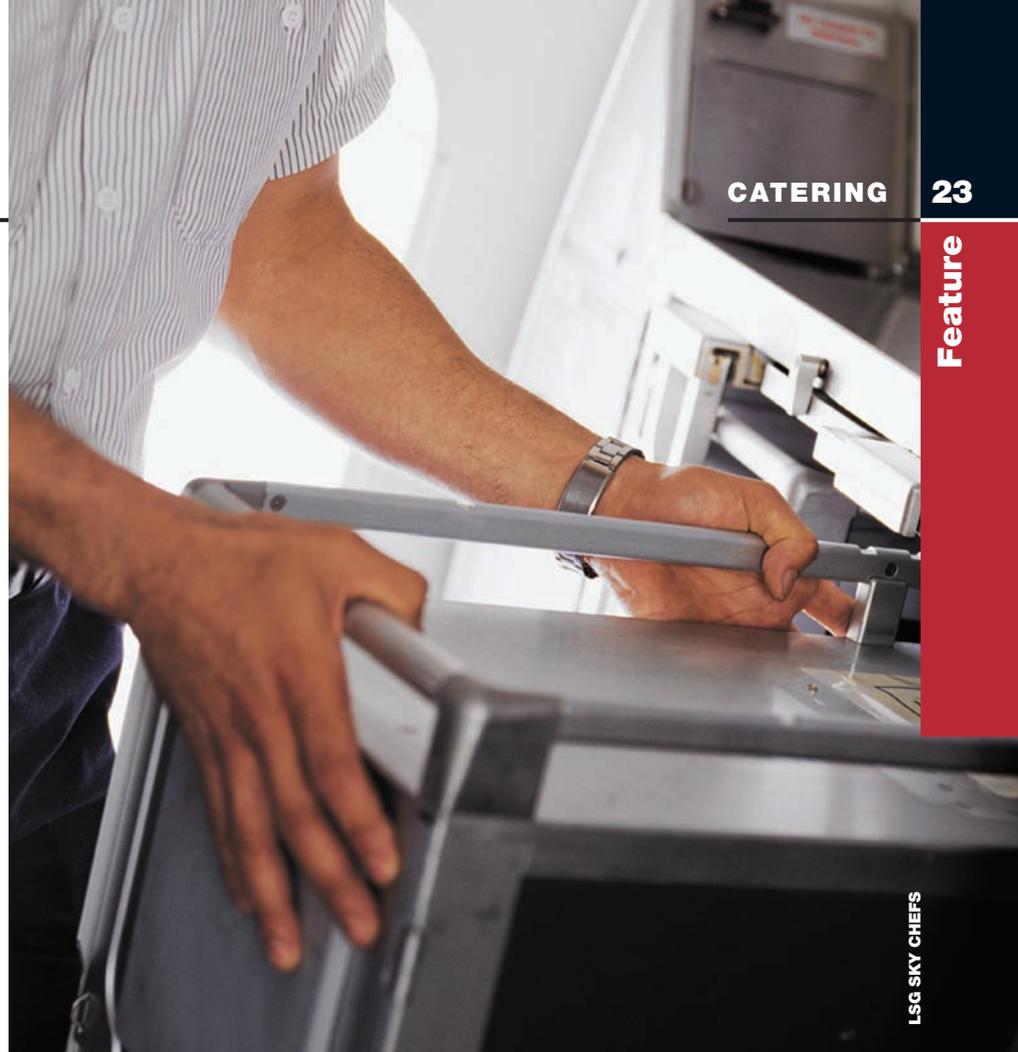
All that is beginning to change as food service, along with much else in air travel, becomes personalised. Smart carriers will no longer have to shoot for a catering approach that suits everyone, or the average traveller. They will be able to tailor their offers to best please each customer and maximise profit to the airline as well. Price-conscious travellers could skip the onboard meal entirely, while the more lavish – or hungry – can eat what they really enjoy.

■ MENU OPTIONS

That is starting to become possible because of changes on the front end of catering, the IT systems that let passengers order ahead of departure time. Even now, onboard sales are offering choices of food and beverages beyond the standard fare. The trick is having the right mix of items on board by forecasting demand accurately.

So at the back end of catering, new systems track and analyse purchases. This can enable airlines to have the right stuff at the right station at the right time.

In between the software slices, there are now better physical fulfilment systems to deliver the taste-pleasing meals, fresh and delicious. Food



LSG SKY CHEFS

Beyond “chicken or pasta?”

preparation and serving equipment is getting lighter, smaller and greener.

The personalisation revolution has already started. A growing number of carriers are allowing passengers to order their food in advance to guarantee availability, while some airlines are boosting revenue by giving economy-class travellers the option to pre-purchase gourmet meals. US Airways, for example, now offers DineFresh premium meals for pre-order on international flights.

airBaltic even gives iPads to passengers in its departure lounge so they can order a matter of moments before taking off.

Major changes in catering are coming in several areas, according to Randy Barnard, managing director of solutions at LSG Sky Chefs North America.

“Reducing weight helps airlines save fuel,” he notes. “Equipment is becoming lighter, more durable and more efficient. We have developed new lightweight trolleys, →

catering carts, lightweight drawers and lighter china.” For example, the reduction in drawer weight is 25% to 50%, compared to older models. And the new versions last longer, cutting total ownership cost.

Customers are also demanding eco-friendly products made from recycled materials or recyclable products. As green products become economically viable, Barnard expects their use in catering will increase. LSG flight kitchens already emphasise more efficient operations, energy conservation and enhanced recycling. “We are also using technology to enhance scheduling and routing of our vehicles, and are exploring alternate fuel sources for our catering trucks.”

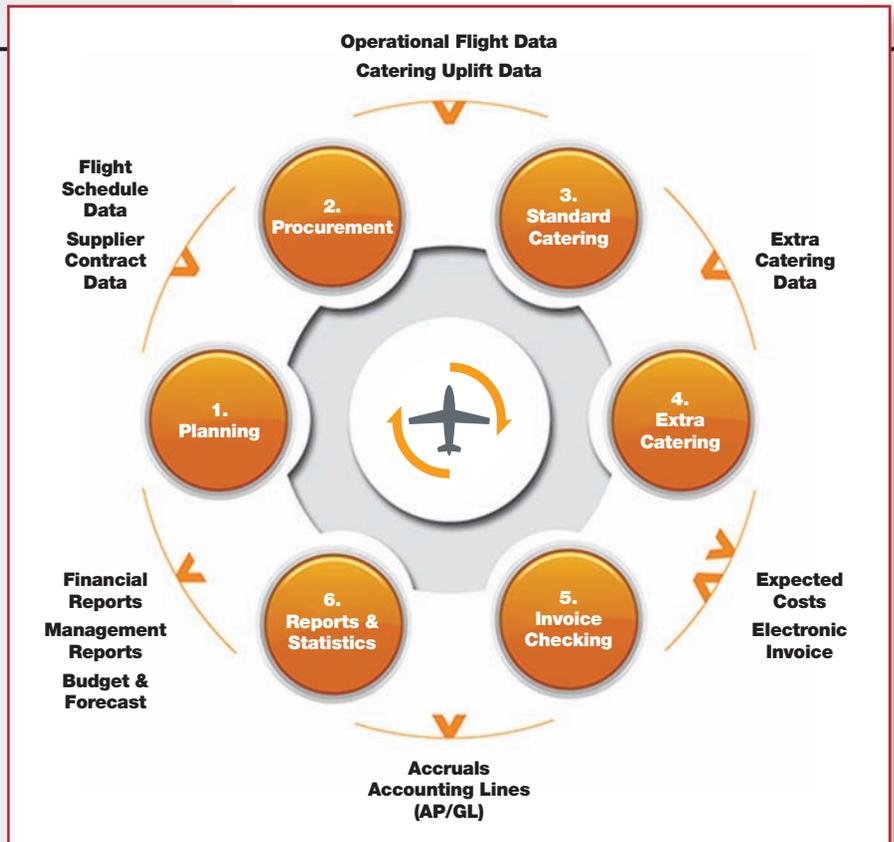
The LSG exec also sees smart demand-planning and pre-order systems improving the passenger’s onboard experience and helping airlines to predict product demand better, thereby reducing waste. “Onboard point-of-sale (POS) systems are enabling airlines to offer products for sale to their passengers in flight to enhance the flying experience and generate additional airline revenue. POS systems replace the need for flight attendants to manage cash.”

■ AVOIDING LEFTOVERS

But the airline must still manage catering. Michael Lambert oversees catering solutions for Sabre’s AirVision suite. One of his objectives is to help airlines find the optimal airport to load inflight meals, and the right number and types to load.

“Our solution helps forecast passenger numbers and the likelihood of upgrades, then forecasts the number of meals to provide and sends them to the caterer,” Lambert explains. Manual or less sophisticated methods of predicting demand can waste large amounts of uneaten food and airline money. Airlines can pick up a quick return on investment by automating forecasting in a smart way.

Sabre also manages the purchase of and payment for catering. “You may get the same bread rolls in 30 different cities, yet labour and other costs are different,” Lambert notes. Sabre centralises the accounting so smart



Airpas business processes for catering operations.

buying decisions can be made. And AirVision automates a 100% audit of invoices. Manual audits can seldom do more than sample invoice accuracy. Many carriers are surprised by how many errors, in the caterer’s favour, are found by a thorough audit.

A considerable number of carriers now manage their own onboard sales because these are an essential part of their brand. Sabre helps them load the right food and beverages by forecasting demand for each item according to time of day and week and passenger counts by customer segment. With accurate demand, cost and price data, the airline can then allocate scarce space and weight to just the right mix of onboard offerings – just like it allocates seats to maximise fare revenue.

Lambert says systems to pre-sell food on board are in their infancy, with some carriers using homegrown systems. He notes this approach not only promises efficiency and added airline revenue, but personalises the experience for each customer. Sabre is developing a pre-selling solution, but tying all the touchpoints together with delivery is “not as easy as it sounds”, Lambert notes.

Still, pre-selling food is coming. For example, SITA’s Horizon Service Fees product, launching later this year, enables airlines to file an unlimited number of optional service fees for meals, customised by passenger type, route, date and fare, and defined for specific types of meal. For airlines using the whole SITA passenger portfolio, meal choices will be integrated into passenger and departure-control records. Past choices will be stored to ease future choices. “The Horizon Customer Profile allows the capture of special service preferences, including meal preferences,” notes Allison O’Neill, vice-president, passenger solutions at SITA.

■ CHECKING THE BILL

Germany’s Airpas Aviation helps more than 25 airlines manage direct operating costs, including catering costs, with automated invoice verification, contract management and route analyses. Business development director Stephan Wilde says Airpas software combines data from airline operating systems with a very detailed database on catering contracts. “The basic benefits are transparency of catering costs, tracking all orders and closing stocks,

and better forecasts," he explains. "It allows you to do cost optimisation and adjust orders to forecast passenger demand."

The Airpas Aviation tools work for both no-frills carriers like Ryanair and package offerings by TUI Group airlines. Revenue optimisation is possible when cost, prices and demand are accurately known.

As with Sabre, Airpas software also automates invoice checking to save work and enable through audits. "You can't imagine the amount of double invoicing airlines find," Wilde observes. Using tools like those Airpas provides represents "cost management 2.0", and more carriers are doing it as catering becomes an unbundled revenue source and a major expense.

New technology also comes in hardware, and Italy's Iacobucci HF has been showcasing two examples of its innovative approach to airline catering: a new espresso maker and a better food-and-beverage cart. Iacobucci espresso and coffee machines have heat exchangers that ensure instant and continuous operation without waiting time for reheating water, very useful in the compressed timeframes available for serving onboard meals.

Iacobucci's new Superlight food-and-beverage trolley, at less than 33 lb, is one of the lightest carts on the market. The Superlight combines aluminium and composites, just like an aircraft, for maximum strength and endurance. It also has a double latch, better wheels and braking, and increased thermo-insulation.

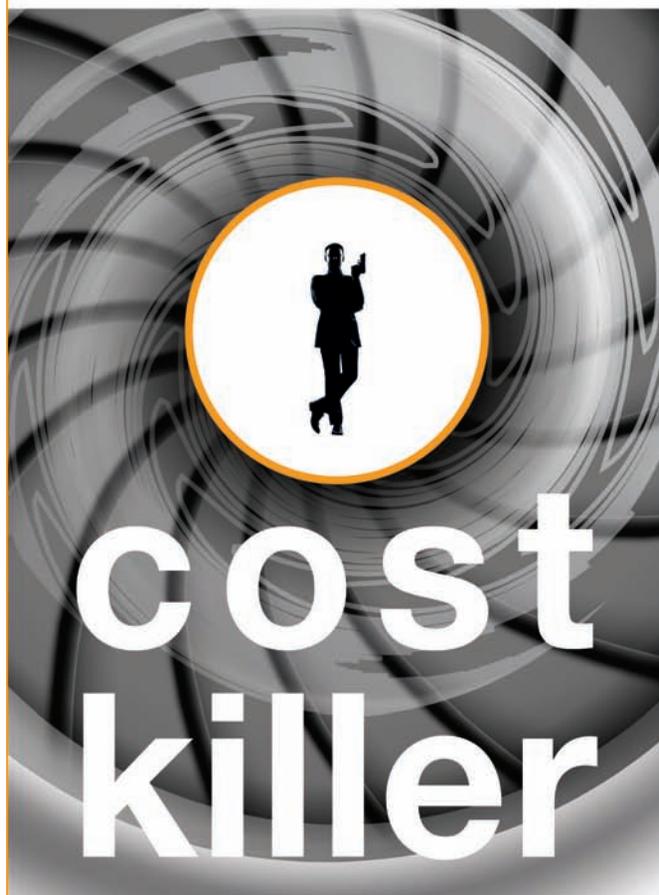
■ TALKING RUBBISH

Also, Iacobucci does not forget the unromantic destination of all good catering – trash compaction. Its state-of-the-art trash compactor applies two tons of compacting force with the lowest power consumption available. Its small dimensions also save space that can be used for revenue-earning food and beverages.

Whenever technology changes in airlines, safety is always a consideration. Paula Kraft runs Tastefully Yours, an aviation catering company based in Atlanta, Georgia. She has developed a safety management system and associated course specifically aimed at food handling by flight attendants. Kraft says many flight attendants still do not understand how to handle food safely. They thus pose liability risks for their airlines.

Safe food handling means understanding the difference between interior and exterior oven temperatures, how to work with ice without touching it, knowing what to do when a flight is delayed, washing hands after touching one's hair, not handing out cups held by their rims, how to clean carts, how to dispose of food, how to clean up broken glass and many other small details. Kraft's new firm, Aviation Catering Consultants, will teach an online course over three months to certify those who master the materials as truly safe handlers of airline food.

Every aspect of catering is thus receiving a level of attention given previously to other airline disciplines – and the pay-off from that is likely to be to every CFO's taste. ■



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