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Planning for IT Development

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Changing airport business models drive technology; encourage ownership

With more than 25 years of experience in the transportation and aviation industry, Faith Group, LLC principal Faith Varwig describes airport IT as a business enabler, commenting, “Directors are under pressure to reduce budgets ... how do they do that? By integrating technology that enables an airport to do more with less.” In an effort to identify the future of airport IT, AIRPORT BUSINESS speaks with Faith Group about trends related to information technology (IT) planning and implementation.

A woman-owned/disadvantaged business enterprise, Faith Group, LLC was founded in 2004. The company’s focus is the transportation market sector; primarily security, telecommunications, and operations planning for airports, says Varwig.

From a technological standpoint, “We look at airports in three different segments: landside systems, terminal systems, and airside systems,” she explains.

“Typically a Category X airport [representing the nation’s largest and busiest airports as measured by the volume of passenger traffic] will have 60 to 100 different technology systems and applications running all at once.”

“The environment during the last 20 years has changed significantly, from almost nothing to an explosion of technology at the airport,” relates Varwig.

Much of this has to do with the evolving role of the airport as an operator, and not simply the ‘landlord’, she says. “That has driven a lot of this technology; airports have had to bring in technology systems that they haven’t owned or operated before because they are now taking over some of the service roles that were traditionally executed by the carriers.”

According to Varwig, the shift in responsibility was driven by: 1) the uncertainty of the airline industry; and 2) that airports can provide technology systems as base infrastructure, and in turn, lower the cost of entry by new carriers.

“Entrant carriers like that approach ... it can incentivize carriers and also facilitate an airport’s charter operations,” says Varwig.

“Some airports now operate everything from ticket counters to providing above and below wing services. Apart from the hub carriers, airlines in other market segments are very interested in common and shared infrastructure, and basically a day-to-day lease agreement.

“The new philosophy of airport owners and operators has shaken things up; they are willing to take responsibility and ownership, and technology is being seen as base infrastructure now.”

Master Planning

The idea for IT master planning hit the mainstage some ten years ago, says Varwig. The larger airports adopted the philosophy first; some airports are even on their second installment of an IT master plan.

“Unlike an airport ALP (airport layout plan) where the master plan is a 30-year vision, an IT master plan from a practical standpoint can’t possibly be planned out for longer than five years,” remarks Varwig. “It really needs to be refreshed on a yearly basis.

“Buying technology applications piecemeal for each department is not cost effective; airports need to take an enterprise approach to decisions on technology, rather than the department by department approach, which is the way it’s always been.”

Faith Group was recently awarded a $378,000 contract to conduct an IT master plan for the Cleveland Airport System. In a press release, airport director Ricky Smith states, “The goal of the project is to conduct an examination of future airport system needs, identify innovative technology solutions to address those needs, and devise a series of realistic strategies for implementation.”

Comments Varwig, “There is still a hub carrier at Cleveland — Continental Airlines. Continental still has a significant investment in the airport’s IT infrastructure; but the airport is moving towards taking ownership of some of the systems that they have not had in the past.

“The hardest thing to do for most airports is to determine ownership of the current technology,” explains Varwig. “Sorting ownership of systems is very important; part of our plan has more to do with the business of people and managing expectations of people than it does with technology. Technology is actually the simpler part.”

Smith has requested an executive management dashboard software program that will allow him to monitor, both financially and from an operations standpoint, the health of the airport from his office desktop computer.

“The program provides a real snapshot of the KPI (key performance indicators); it’s a very innovative approach,” says Varwig.

Another trend with regard to technology includes the consolidation of command and control centers, and the role they play in the daily operation of an airport. Command centers used to provide police, fire, and emergency response; “Now all these different departments are consolidating into a single center of operations for the simple fact that each department can share data better,” she says.

“We are doing a number of projects related to that; a lot of airports are moving in that direction.”

Another aspect to focus on when considering new technology is the overall operations and maintenance cost of that technology, relates Varwig. “That cost can be anywhere from five to 15 percent of the original capital cost,” she says. With regard to the cost of an IT master plan, Varwig says the expectation for an airport needs to be between $350,000 and $500,000; conducting an IT master plan is a six to eight month process.

ACRP and Faith Group to Develop IT Primer

Faith Group, LLC has been selected by the Airport Cooperative Research Program (ACRP) to develop a primer that will address the information needs of the airport director, chief information officer, and the IT users and stakeholders.

Comments ACRP program manager Mike Salamone in a recent press release, the primer must “...bridge the communication gap between airport executives and IT professionals.” Faith Group will use Web surveys and detailed airport case studies as the research instruments to collect data for inclusion in the primer, which will be scalable for small, medium, and large airports.

“The ACRP document provides a template for addressing technology needs at airports; it will be used by various airport departments to help with buying decisions related to technology,” says Faith Varwig, principal of St. Louis-based Faith Group.

The primer will address:

- The role of IT in airport operations
- Fundamental architecture concepts of IT systems
- How to value IT systems
- The principals of IT lifecycle management

More information on ACRP’s A Primer for Information Technology Systems at Airports can be found on the Transportation Research Board website; www.trb.org.