

AIRSOURCE PARTNERS' AVIATION EXPERTISE MARKETPLACE

OVERVIEW

August 2013

Airsource Partners' mission is to provide airlines with an innovative, straightforward and above all economical pathway to valuable aviation expertise in all its forms.

Background

Airlines are in constant need for expert skills and knowledge throughout their life cycle. The sought-after expertise is required to address recurrent and foreseeable or unique and unexpected events, launch projects aimed at fueling growth or simply remain at par with competition.

In the past the expertise required was predominantly supplied internally within the airline. Airlines used to maintain teams of experts in all functional domains and the use of external support was rather limited in time and scope.

The situation changed dramatically over the past few years. Under the pressure of less favorable economical times airlines started to concentrate their attention and means on their core business of carrying passengers and gradually got rid of their internal expert support teams. To make matters worse, many airlines recently came up with plans to drastically reduce their work force. Expert staff was particularly affected by the plans.

Another factor pushing airlines to stop maintaining expert resources internally is the growing complexity, and therefore cost, of technology. Airlines have gradually reached a point, different at each airline, where it simply did not make economical sense anymore to keep internal competences in a growing number of domains.

This situation has become especially unbearable for small and medium-sized airlines that do not have the financial and human means of larger carriers and find it more and more difficult to get a reasonable return on any expertise investment.

As a direct consequence airlines started shopping outside more and more often for the various forms of expertise now lacking internally. Acquiring expertise from external sources however comes with its load of challenges: identifying the exact type of expertise needed, locating and appraising experts, monitoring experts' work, ...

Airsource Partners is bringing a solution to these airlines.

Airsource Partners' Aviation Expertise Marketplace

Airsource Partners has developed a methodology and a tool to help airlines secure a swift, straightforward and economically attractive access to aviation expertise.

As a starting point of its initiative Airsource Partners observed that the new economical order has led to a multiplication and dissemination of the various sources of expertise available

Some of the most commonly available sources of expertise include individual experts highly specialized in specific domains, aviation consultants, academics willing to make their findings available to the industry, retired airline staff with many years of valuable hands-on experience (as well as airline staff recently made redundant by airlines), niche companies bringing highly expert advise and solutions, governmental offices and trade associations serving the aviation industry

These sources of expertise however operate individually in a disparate order thus making their contribution to airlines less efficient. Airsource Partners developed a methodology and a tool (the <u>Aviation Expertise Marketplace</u>) to extract the most value from this vast and mostly untapped mass of expertise and make it available to airlines.

Airsource Partners gathered aviation expertise from all potential sources available into a unique proprietary reservoir of expertise continuously fed by duly qualified, peerrecommended aviation experts.

Identifying the need for expertise and the potential sources of that expertise is not good enough. This is why Airsource Partners, as opposed to other service providers, does not put experts in direct contact with airlines. Instead, we extract the skills and knowledge from our experts to craft a series of value-adding, highly targeted Projects covering all functional domains of an airline. All projects are posted on the <u>Project Board</u> section of the Aviation Expertise Marketplace. Experts are called on projects as needed on the basis of their skills and knowledge.

For maximum efficiency, all Projects share a common set of criteria:

- They require very specific expertise (taken from our reservoir of aviation expertise)
- They are of a limited duration for easier monitoring
- They affect directly the bottom line of the airline (cost reduction, revenue increase)
- They are easily and rapidly quantifiable and measurable (ROI calculation)
- They require a small number of intervening experts
- They are down-to-earth projects bringing identifiable and tangible value to the airline.

Projects can be viewed and selected online by airlines at any time at no cost. Airlines can also suggest topics for custom-made Projects directly online.

When an airline submits a Project of its own, Airsource Partners identifies the skills and knowledge required to successfully undertake the Project. In case the required expertise is not present in the Marketplace (or not available when needed) Airsource Partners offers the airline to launch an external search for the required expertise. The airline is free to keep searching for expertise via other channels.

Experts can also make their expertise available to airlines by joining the Marketplace through the <u>Experts Enrollment tab</u> of the Marketplace. No entry fees or exclusivity are required from the Experts who are free to keep promoting their services and solutions through other channels of their choice while they contribute to the Marketplace. Airsource Partners is in constant search for new experts. More Projects are added to the Project Board as new sources and types of expertise become available.

Airsource Partners actively promotes the Aviation Expertise Marketplace via industry wide and targeted mailings, active participation to conferences and other industry venues and other actions of promotion.

Airsource Partners' approach is more specifically geared towards small and mediumsized airlines previously involved in challenging searches for expertise. We remain confident that larger carriers will find interest too in the approach proposed by Airsource Partners.

The business case

Once an airline expresses interest in a project Airsource Partners becomes its main contact and remains its sole contractual partner throughout the delivery of the Project. The agreement signed between the airline and Airsource Partners defines among other things the scope, deliverables and financials terms of the Project. Airsource Partners handles all administrative matters related to the Project, thus freeing the expert's time and energy to focus his/her attention on the delivery of the Project and giving the airline's management team more freedom to handle other strategic and operational issues.

Airlines greatly benefit from Airsource Partners' initiative. We selected best-of-breed, peer-recommended experts with successful track records in all areas and used their skills and knowledge to build value-adding projects impacting the airline's bottom line, thus saving airlines a lot of time and money in the definition of the type of expertise needed and the following search for experts. Airlines will also make precious savings by dealing through one channel (Airsource Partners) rather than managing various teams of experts in cases of multiple projects.

Airsource Partners is a light structure with no experts on its payroll and no hefty overheads eventually passed to airlines. Hence substantial cost savings allowing us to propose favorable economical conditions. Being very flexible, Airsource Partners can easily and rapidly adjust its expertise offering to the changing needs of the competitive aviation market. Last but not least, we are not part of any airline or service group. We have no IT solutions or any other system to sell at the end of our projects and use no pre-formatted solutions. Airsource Partners' recommendations are truly unbiased for the airline's benefit.

For experts, benefits include a lower cost of sales & marketing as Airsource Partners will be handling the promotion of the Marketplace and its experts' skills and projects. Targeted campaigns on specific topics or projects are launched on regular occasions. There is no fee to join or leave the Marketplace. Expert and companies can leave the marketplace as they see fit. For the experts Airsource Partners represents an efficient alternative channel of distribution for their services.

Airsource Partners proposes projects and expertise covering the full spectrum of the functional areas of an airline. Airsource Partners is ideally positioned to rapidly become the ultimate **one-stop-shop for aviation expertise** in the aviation industry.

Airsource Partners was created in October 2011 by Christian Gossel, a business development executive boasting over 25 years of experience in the airline industry. The Aviation Expertise Marketplace was launched in July 2013.

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