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Business intelligence – game changer for aircraft leasing

Zeevo Group explores how data-driven business and technology solutions are expected to impact and alter the competitive business landscape in the aircraft leasing industry in the near future.

Lessors are collecting a wealth of data nowadays. However, a myriad of tools and procedures hinder effective application of their data. Continued reliance on spreadsheets to manage their expanding data inhibits them from fully realising its potential value – missing out on the opportunities to maximise revenue, minimise costs, and improve customer understanding and satisfaction.

The rise of business intelligence (BI) solutions is changing the game. With BI, lessors are better positioned to analyse, employ and visualise their data in new ways, enabling them to

retire outmoded spreadsheets and their inherent risks.

Spreadsheets – part of the past

Zeevo Group principal Karen Curtis contends that “it’s about time lessors shunned ubiquitous spreadsheets and embraced advanced business intelligence and analytics tools” to enable rapid decision-making and attain a competitive advantage over peers.

To better understand the value of BI, it is helpful to recognise the disadvantages of relying on

a spreadsheet approach to data, including:

- the sheer volume of data now available often exceeds the size and performance capabilities of spreadsheet tools;
- users lack the sophisticated skill sets needed to leverage the more advanced spreadsheet capabilities;
- data collection, cleansing, and preparation is often a very manual and unreliable exercise;
- data governance and regulatory compliance requirements are problematic in a spreadsheet environment;



- limitations in data exploration, predictive analysis and visualisation capabilities with spreadsheet tools;
- difficulties in scaling spreadsheets to meet evolving business requirements; and
- complex spreadsheet formulas are prone to error and difficult to rectify.

Some of these spreadsheet limitations have explicit financial ramifications – prone to inaccurate data entry and miscalculations, erroneous information may be used to drive decisions resulting in unnecessary expenses or combative relationships with lessees.

For example, if maintenance reserve claims are managed on manually controlled spreadsheets, technical employees may incorrectly calculate a higher top-up payment than required with little oversight. Similarly, in deal support, the use of spreadsheet tools can make it difficult to see the full picture and compare prospective deals. This can hinder a lessor in achieving the most financially beneficial deal when determining aircraft placement for upcoming returns, missing out on a deal that generates millions more in revenue.

Understanding business requirements is key

BI tools mitigate the risks associated with spreadsheets and open opportunities otherwise limited by their use. The implementation and efficacy of any BI solution is intrinsically tied to the quality of the source data. Understanding your business requirements and motivations will effectively improve the user experience and foster innovation on implementation.

“Organisations are looking to embrace technology, data governance and best practice principles to evolve as data-driven organisations rather than relying on gut instinct and problematic spreadsheet tools,” explains Curtis.

There are a variety of BI solutions available, so before the selection of one, a detailed and clear understanding of business requirements is key. A prioritised list of features and functions helps facilitate this process.

From an information technology (IT) perspective considerations may include:

- the variety of supported data sources (eg, Excel, third party on-premise and in-cloud applications);
- the complexity of the organisation’s security model;
- performance monitoring capabilities;
- ease of use for administrative functions and features;
- the ability to cache data to improve performance;
- scalability over time as business requirements evolve and the volume of data increases; and

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- the availability of robust documentation and training.

From a business perspective considerations may include:

- the types and robustness of supported visualisations;
- publication and export capabilities;
- self-service features including the ability to create and save custom calculations;
- support for dimension hierarchies to implement drilldown capability;
- end-user access options including the web and mobile;
- the ability to access data online;
- advance filter capabilities for both independent and interconnected data; and
- depth of storyboard functionality to analyse and discuss data from different perspectives.

Quality of source data

The adage “garage in, garbage out”, the idea that incorrect or poor quality data inputs will always produce faulty outputs, particularly holds true for BI projects.

Business requirements and data integrity are cornerstones of the implementation process, but ultimately the success of implementing a BI solution is dependent on the people responsible.

Implementations will usually include:

- a comprehensive data quality and completeness assessment;
- data remediation; and
- the refinement of business processes to support data integrity on a go-forward basis.

The establishment of a data governance model is an important, but often overlooked, aspect of effective data management. Data governance is the management of the integrity, availability and security of data within an organisation. Typically, data governance includes a

governing committee, a set of well-defined data definitions, and established data management procedures for master data and metadata.

The clear identification of master data is key to support transaction processes, reports and analysis. Master data is non-transactional data such as customers and employees.

Metadata, however, is key information about data. It includes information:

- about how, when and by whom data is collected;
- what the data is; and
- the format the data takes.

Having clean data limits time spent validating it and enables companies to spend more time extracting value from their visualisations and analysis.

Successful implementation

The planning of a BI and analytics implementation should include quantifying the skill sets of internal resources.

An assessment of external support requirements is also prudent for both the short- and long-term outlooks.

Careful attention must be paid to roles and responsibilities as an organisation evolves into a data-driven entity. Most often, IT owns the data access strategy, data access implementation and administrative support for the toolsets. The self-serve capabilities of more modern BI tools have allowed the interpretation of the data to shift from IT to the business, empowering the business to maximise their efficiency while reducing the dependency on IT organisations to support evolving business requirements.

Innovation can be enhanced by encouraging effective collaboration between IT and the business through a process of rapid iterative design, prototyping, implementation and testing. Collaborative efforts bring about new insights and instil a pioneering enthusiasm among a company’s employees.

How to utilise BI for leasing platform

“By and large, the applications of BI solutions are only limited by your imagination,” says Ethan Ross, Zeevo Group. With the ability to pull source data from multiple systems and establish repeatable calculations for enhanced analysis of their data, BI empowers aviation leasing companies to design custom reports – visualising key information for each sector of their operations.

Some illustrative examples of how BI can be utilised to benefit a leasing platform include workload planning, which is one of the most common and useful types of BI reports, aiding in:

- a thoughtful distribution of accounts;
- varied assignments to broaden skill sets;
- project management timelines; and
- historical snapshots so employees can learn from those that preceded them.

For example, the head of a technical department can review graphs such as pie charts that illustrate the distribution of the fleet among technical managers broken down by customer, geographic regions, aircraft models and any other metrics pertinent to the organisation.

One technical manager may be responsible for 25% of a fleet, while others are only responsible for 10%. BI reports can be leveraged to rectify this incongruity in accounts to establish a more even distribution, so that no one person is disproportionately responsible for a preponderance of aircraft. It is not ideal for one person at a table to have two prime-ribs while the other has only a house salad.

Drilling down further, heads of technical can review the customer and aircraft model breakdown by manager. This information can promote exposure to multiple customers while taking geographic location into account and aircraft models providing further utility and depth of knowledge down the road.

Historical snapshots can then be leveraged by managers to see previous owners of their accounts to seek insight from past experiences.

BI can also be used to visualise project timelines, so that a technical department is better equipped to understand availability of team members and resources when planning for upcoming redeliveries.

"An equitable and varied distribution of project ownership keeps employees engaged. Variety is the spice of life, but too much of any one spice overwhelms the palette," says Zeevo Group principal Joey Johnsen.

Deal support

BI reporting for deal support can contain any number of elements including:

- monthly rent and total revenue comparisons between prospective deals;
- how proposed rent values stack up to company benchmarks (either internal or industry standards per third-party sources);
- variances in deals over time and region to help identify trends; and
- tracking the progress of deals throughout negotiations.

With BI, any of this information can be filtered by numerous attributes (eg, aircraft model, manager and region) and can also be displayed in a variety of ways to suit

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your needs (eg, through tables, gauges and graphs).

Asset management

Asset management data is expansive and can be located within multiple systems for an aviation leasing company.

Asset management BI reports can display information such as:

- upcoming events (eg, aircraft redeliveries and impending shop visits) to plan for what lies ahead;
- spec data such as configuration, maximum takeover weight (MTOW) and thrust, which marketing can employ in
- asset placement; and
- engine-tracking and maintenance projections that enable greater insight for fleet planning, which assists in determining optimal engine configurations reducing unnecessary shop visits, limiting expenses and maximising revenue.

"It cannot be understated the value of having all of this information consolidated and easily accessible through BI.

It positions employees to make better judgments through streamlined environments," says Johnsen.

Going mobile

No matter where an employee is (eg, on-site with a client or maintenance, repair and overhaul company), BI makes the pertinent information available with minimal effort. Whether on a laptop, tablet, or mobile phone, employees can reference BI reports on the fly providing a competitive advantage even during "away games".

Zeevo Group is passionate about helping clients evolve into data-driven organisations through BI solutions.

For example, marketing executives can find live spec data on an asset when on-site with a prospective lessee without the paper or locating digital files by drilling through folders on a share drive.

"There is a tangible confidence in knowing that, regardless of what's in my bag, most of the information I need is also on my phone," says Johnsen.

The sky is the limit for data visualisation possibilities

Once established, BI reporting solutions can offer an organisation the flexibility to revise existing reports continuously and develop new ones in-house and ad-hoc.

Particularly user-friendly BI tools are often intuitive enough to provide employees the opportunity to create their own custom reports without extensive training.

From the high-level executive reporting to granular data analysis, team members can explore new ways to view and analyse information specific to their needs without time-consuming third-party support. Given this, the sources of innovation at a company are broadened, democratising technology so that the next great idea can come from anywhere and anyone.

Are you ready to embrace BI and become more data-driven?

Zeevo Group is passionate about helping clients evolve into data-driven organisations through BI solutions, and we understand that each leasing platform's requirements are unique, because the road to an effective business intelligence and analytics solution can present several challenges:

- advocating a cultural shift from a gut-instinct to a data-driven approach in decision-making;
- the plethora of available technology solutions may feel overwhelming;
- data cleansing and validation may seem like an insurmountable task; and
- the path to instilling an innovative, self-serve mindset within the organisation may be daunting.

Zeevo Group's suite of BI, analytics advisory and training services is well positioned to help take your organisation's data analysis to the next level; empowering your management team and staff to use data effectively for both strategic and operational decisions.

At day's end, it is about both the organisation and its people adopting a data-driven philosophy – incentivising professionals to make smarter decisions supported by data.

Are you ready to become more data-driven? Business intelligence can get you there. 