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Major U.S. Carrier Considering Flexible Scheduling Option

A major U.S. airline might be edging closer to signing a deal for a new scheduling tool that would let carriers fine-tune profits and revenues by starting with a smaller schedule on some routes, and then adding flights or substituting larger aircraft on the route for days when demand is high enough to justify it.

McLean, Va.-based JIT Airline Resources actually has been pitching and fine-tuning its ScheduFlex product — which decides "just in time" when the capacity should be added — since late 2006. But JIT founder and CEO Ira Gershkoff said last week his company has just finished a benchmarking study with a major U.S. carrier, whom he declined to identify, in which JIT took the airline's existing schedule and simulated how it would work with JIT's ScheduFlex software compared with the airline's traditional method.

He said the findings showed the airline could carry roughly the same number of people, but on many fewer flights, which Gershkoff believes makes for a particularly compelling case with fuel prices so high. In the test, he said, the scheduling method increased the carrier's load factor six points to 80% while decreasing the number of flights by 11% and its annual fuel bill by 9%.

Traffic did dip a bit with fewer frequencies on the original schedule, but Gershkoff said the test showed a profit improvement of 2% of revenue, which would come to $300 million a year for an airline with $15 billion in annual sales.

The main concern that airlines have expressed about the system have to do with cultural and operational issues, such as crew scheduling and airport staffing, Gershkoff said. But he said he is talking to the major U.S. carrier for which he did the test about a long-term relationship and believes a deal could be just a couple of months away.

The way ScheduFlex is designed, it's likely to be most useful on high-frequency routes, said Gershkoff, who previously worked in scheduling, operations and information technology at American, United and Sabre. The airline could publish a schedule with a couple of frequencies fewer than it normally would and wait to see how demand shapes up for each day. In simulations, the just-in-time system has added flights as late as 12 days before the departure date, although most were added 25 to 45 days out. At the closer-in dates airlines can upsize the aircraft rather than add a flight, for example changing from a 737-700 to an -800 or -900, but in either case they do need to be sure to leave enough time to sell the seats.

In related news, JIT is close to finalizing a deal to merge with Columbia, Md.-based SlipStream Air, which provides fleet management and reservation software for private air travel, including the burgeoning air taxi industry. JIT also developed scheduling software for air taxi services. The merged company will be called SlipStream Aviation Software. *-andrew_compart@aviationweek.com*