

PART A: EXECUTIVE SUMMARY

The company visit was to the AirAsia Office and Training Academy. The AirAsia Academy is an internationally acclaimed training centre for pilots and air steward (ess). It is a testament of AirAsia's dedication to provide quality training and people development.

On the 27th January 2011, with a group of 15 people that consisted of members of the club with other Rotaractors and guests, we embarked on a 'journey' of discovery on AirAsia. Upon arrival in LCCT, we were warmly greeted by friendly Yvonne and Priya of the Corporate Culture Department of AirAsia. Leading us to their lounge or commonly known as the 'rest stop' area, they briefed us on the history of AirAsia, the people and the force behind it equipped with an explanatory 20 minutes video presentation. Following the briefing session, they brought us around to tour the AirAsia office.

Both Yvonne and Priya informed us on the unique working culture in AirAsia. All employees there are referred to AirAsia Allstars. Flexible working hours enable employee and staff to start work at a time convenient for them and in fact they were allowed to take a short nap during working hours, provided their quality and productivity of work wasn't compromised. Adopting the 'open space office', we could see all employees were given equal work space in their respective cubicles. This was no exception to top managers.

The tour in the academy began with a brief introduction by Mr Liew who was referred to as the expert on the trainings provided there. The first stop and probably the highlight of the trip was the full flight simulator. Each simulator cost approximately RM12 million and the cost for rental for trainings by interested third airline parties range at USD400 per hour. All simulators use the real air craft components making it a very real experience despite it being a training session. In the A320 simulators, the instructor showed us a few basic steps in operating it. The instructor explained that weather training was one of their extremely crucial trainings that all pilots have to undergo as they prepare these pilots to be equipped with the necessary skills in flying in all sorts of weather conditions. Mr Liew also briefed us on the 10 sessions of trainings in the simulators that each pilot trainee has to undergo.

We then headed to the Maintenance Flight Training Device (MFTD). Here the trainees are required to familiarize themselves with all the switches and buttons in the cockpit before they can actually train in the simulator. In the computer room provided, the trainees can do the necessary adjustments of settings to their liking as it is not a supervised activity. Training in the computer room is necessary for trainees in order to maximize their learning ability in the MFTD.

We were then brought to the cabin mock up where the cabin crew is taught on how to serve the food and drinks on the plane, learning on how to do the safety demonstrations before taking off and making the necessary announcements. We were also brought to the newly renovated library, their multipurpose hall and the swimming pool where they conduct their wet drill

trainings. We also got a glimpse on their grooming room whereby trainees are taught on how to carry themselves well, their speech articulation, mannerism and etiquettes as well as on how to present themselves from dressing to make-up to way of walking.

This visit was an eye-opening experience for all of us. It educated us on the operations of AirAsia as well as the stringent trainings they conduct before the trainees obtain their pilot status to ensure the safety of their passengers. Now we are certainly assured that we are under good care and in safe hands when we board with Air Asia.

PART B (1): OBJECTIVES

1. To provide an insight and better understanding of the operations and what goes behind one of the leading low-budget airlines
2. To provide the opportunity of 'seeing is believing' of the work environment and culture of a reputable and well-known company
3. To understand the credibility of the pilots, engineers, cabin crews and staff based on the thorough trainings given
4. To expand the members' understanding of the different work environment and business opportunities within the community
5. To instill leadership qualities in making members more effective leaders through organizing and executing the project
6. To provide a better understanding to guests on the Rotaract Organization and its avenues
7. To involve the active participation and fellowship among the club members
8. To achieve the objectives of Presidential Citation and DRR Citation

PART B (2): ORGANIZING COMMITTEE

Organizing Chairperson: Belvinder Kaur Kuldip

Secretary: Jimmy Cheng Jit Ming

Photographer: Wong Wei Kein

Itinerary: Belvinder Kaur Kuldip

PART C: PHOTOS



The briefing session and video presentation



Open-space office



One of the A320 simulators



In the simulator



Maintenance Flight Training Device (MFTD) Room



The computer room



Cabin mock up



Grooming room

PART D: "THE MAKING OF..."

Preparation of this project took us two months. It started out by finding the necessary contacts to enquire on the feasibility of organizing such a visit. A simple enquiry was made to the Chief Operations Officer (COO) Mr Bo Lingam via email whereby a brief introduction on the Rotaract Organization and RAC Subang was provided along with the objectives of organizing the visit. He humbly directed us to the Corporate Culture Department to assist us in the planning of the visit. From there, we proceeded to keeping a close contact with the executives of the department, Yvonne and Priya.

We were informed that they would only be able to accommodate a maximum of 20 people per visit and such visits are only organized strictly on a weekday as the instructors and trainers who would be involved in showing us around during the tour would only be available on weekdays. We informed Yvonne and Priya that we were very interested in carrying out the visit in January and enquired on the dates that would be best for them so we could arrange for a date convenient to both sides. They informed that they would be available for us to conduct our visit in any one of these dates: 24th - 28th January.

When President Belvinder informed everyone on the 'terms and conditions' of the visit, everyone agreed that a trip to tour AirAsia was indeed a rare opportunity that couldn't be missed. Everyone agreed that they were willing to take leave from work or make up for their classes as majority of RAC Subang's members are working adults or students. As this tour was only limited to 20 people, RAC Subang agreed on a majority vote that the visit would be limited to only members and guests of the club. Agreeing on a date especially on a weekday to execute this visit definitely proved to be a challenge. After a long deliberation of everyone checking their work and class schedules, we finally agreed to visit AirAsia on the 26th January 2011. President Belvinder immediately proceeded to informing Yvonne and Priya on this date to which they agreed. Everything was set and everyone was eager for the tour.

Two weeks prior to the visit, Yvonne informed President Belvinder that due to some unforeseen circumstances, they were not available on the 26th January to conduct the tour. However, she did provide us with alternative dates of 25th Or 27th January. Once again President Belvinder had to go back and inform everyone of the club on the sudden changes in dates. This time around majority agreed 27th January would be best for them. Unfortunately because of the change in date, one or two people had to drop off. This decision was made on the availability of majority of the members and guests.

On the 27th January, everyone gathered at our weekly meeting avenue before we started our journey and conveyed to our destination, the Low Cost Carrier Terminal (LCCT) in Sepang. After an hour's drive, we arrived at LCCT at 2.00pm. President Belvinder gave Yvonne a call upon arrival and everyone was ready for the tour.

PART E: "TELL US WHY..."

Organizing a visit to any reputable company or organization is never easy. This not excludes AirAsia. RAC Subang was very persistent in obtaining a slot for a tour. AirAsia do conducts tours to their training academy but it is limited to organization or companies of the same culture and industry background. This is the first time they entertained a request for a tour from a club and RAC Subang takes a lot of pride in it as enormous effort was put in.

It is undeniable that AirAsia has claimed their presence in our society. If one were to mention AirAsia and we are certain you will get a room full of people who have heard of them, knows people there and actually uses their services. But how many of them really know what goes behind this profitable low-cost airline.

Having this opportunity to tour AirAsia certainly answered the burning question of how is AirAsia capable of offering low priced tickets and yet gaining a profit for the company. This success lies in the extensive coverage by local, regional and international media that functions to boost brand awareness, helping public to learn more about the AirAsia phenomenon. In other words, AirAsia gains leverage from free publicity. This enables them to gain absolute cost advantage in advertising, as such, allowing them to compensate for the low priced tickets.

Furthermore, AirAsia focus on Internet bookings and ticketless travel allowed it to lower the distribution cost which ultimately saves overall costing of total operations. With the average fare being 40 - 60% lower than its full service competitor, AirAsia has been able to achieve strong market stimulation in the domestic Malaysia air market, providing a totally different type of service in line with the nation's aspirations to benefit all citizens and worldwide travelers. Staying true to their vision 'Now Everyone Can Fly' and their mission in providing affordable airfares without any compromise to flight safety standards, the effect of attractive low fares is more travelers are switching from bus to air, purely for the affordability, convenience and time-saving.

Through this visit, it has broadened our horizons towards the low cost aviation industry. We came to learn that low cost airlines begin with two initial cost advantages arising from the very nature of their operation: higher seating density and higher daily aircraft utilization. By removing business class and reconfiguring their aircraft, low cost airlines including AirAsia can increase the number of seats on their aircraft. Seat pitch of a low cost airline is usually 28 inches, compared to a traditional conventional economy class pitch with 32 inches. Combining the load factor benefit and beneficial distribution cost, low cost airline's cost per passenger can reduce price by one-third of conventional airline.

On top of that, many low cost airlines keep expenses down by flying out of secondary airports, avoiding major hubs where take off and landing fees are much lower while still getting passengers close enough to their destinations.

Low cost airlines strive to achieve the lowest possible price for their products and services. Low prices cannot sustain unless the company maximizes its operational efficiency. The success factors of AirAsia in reducing their operational cost include service savings (no frills cabin service and extensive use of outsourcing). Their no frills include no drinks, no headphones, no newspapers, no movies, no VIP lounges etc. If you were to request for them, extra charges would be imposed. AirAsia also leverage on operational savings (point-to-point services and uniform fleet) and overhead savings (internet sales and streamlined bureaucracy).

Their unique working culture brought many to ponder on how the organization got the employees committed and regards AirAsia as their family. This is certainly could be a benchmark for other organizations to emulate. What surprised us even more was we were told that the heads of each department were decided by the employees in the respective business units whereby they had the final vote and say on who their leader should be. This explained on the success of AirAsia which ultimately begins in empowering their people.



ROTARACT CLUB OF SUBANG

PROFESSIONAL DEVELOPMENT PROJECT

VISIT TO AIRASIA



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