

# 3 GPS STRATEGIC TAKEAWAYS

## AIRLINE MODELS: PAST, PRESENT & FUTURE

### 1 Airline Business Models Are Evolving

Economics are driving a shift in capacity and jobs. Current “winners” are LCCs and carriers benefitting from business-friendly governmental or regulatory policies.

To compete, “legacy” airline managements are evolving toward joint ventures with cross-border investments, partnerships and capacity management.

New business models that exploit a labor arbitrage (i.e., flags of convenience and waypoint airlines) are coming.

Carriers must compete on schedules and service – NOT on labor costs.

Pilot unions must build on the pattern and coordinate on a global scale.

### 2 Airline Labor Is in a Challenging Position

Airline managements can be transnational – but labor is bound by national laws.

Managements can “shop” for the best deal; labor can’t. Joint ventures can be another form of the transnational model.

Government and regulatory policies have a significant impact on our success – and labor doesn’t always have input. These policies change the economic equation.

We must use all resources available to maintain our collective labor agreements.

### 3 Adapt & Execute

Solid economic and financial analysis is the foundation for good strategic planning and collective bargaining. We must **organize, strategize** and **build relationships** with each other.

We must communicate with each other, focus on what we do have in common, work together on issues we agree on, and look at the big picture.

We must continually engage all stakeholders including managements, regulators and government officials.

We must advocate for rational airline policies. Execution is key; we need to learn from our mistakes, learn from the successes of others, continue to renew and refresh our strategies.