MGMT 590: COMPUTING FOR ANALYTICS

Analyzing and optimizing airplane connectivity through Graph, Machine Learning and Linear Programming algorithms

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Background

Problem Statement and Objectives

The aviation industry faces numerous challenges that directly affect operational efficiency, customer satisfaction, and economic performance. Analyzing comprehensive flight data can provide invaluable insights into these challenges and pave the way for innovative solutions. In this project, we will leverage a detailed dataset of nationwide flight operations to tackle five key problems:

- 1. **Predict Delays:** Developing predictive models for flight delays will not only improve passenger satisfaction by providing more accurate travel information but also help airlines optimize their operations and reduce costs associated with delays.
- 2. **Cluster Airports and Identify Hotspots:** By clustering airports based on factors such as traffic volume, delay patterns, and connectivity, we can identify and profile hotspot airports. This will allow us to better understand regional dynamics and propose targeted improvements in airport infrastructure and management.
- 3. **Find the Shortest Route in Terms of Flying Time:** Determining the shortest flying time between any two airports can significantly enhance route planning. This can lead to fuel savings, reduced carbon emissions, and better allocation of airline resources.
- 4. **Optimize Routes Within a State:** By finding the most efficient routes to connect all airports within a given state, we can enhance intra-state connectivity. This optimization has the potential to boost local economies by improving access to national and international markets.
- 5. **Optimize Schedule by minimizing Total Delay penalty:** By considering all types of delays (carrier, weather, NAS, security, and late aircraft), we aim to develop a strategy to minimize the total delay across the network and maximize flights.

Importance of the Study

Addressing these problems is crucial for multiple reasons:

- 1. **Economic Efficiency:** Reducing delays and optimizing routes can significantly lower operational costs. Airlines spend a considerable amount of money on fuel, crew, and maintenance. Efficient operations can cut these costs and boost profitability.
- 2. **Environmental Impact:** Aviation is a major contributor to global CO2 emissions. By optimizing flight paths and reducing unnecessary delays, the industry can lessen its environmental footprint.
- 3. **Passenger Experience:** Delays are a primary concern for travelers. Enhancing predictability and efficiency can lead to higher customer satisfaction and loyalty.
- 4. **Strategic Planning:** For airport authorities and government agencies, understanding traffic hotspots and optimizing state-wide air travel can inform long-term infrastructure and policy decisions.

Dataset

Flight Data Attributes Description

This dataset provides a comprehensive overview of flight information, including operational details, timings, and delays across various flights nationwide. Each record in the dataset represents a single flight occurrence with multiple attributes capturing specific details about the flight's operational aspects, scheduling, and performance metrics. The dataset is structured into the following columns, each serving a distinct purpose:

Date and Identification

- FL DATE: The date of the flight operation.
- OP CARRIER AIRLINE ID: A unique identifier for the airline operating the flight.
- TAIL NUM: The registration number of the aircraft.
- OP CARRIER FL NUM: The flight number assigned by the operating carrier.

Airport and Location Codes

- ORIGIN_AIRPORT_ID, ORIGIN_AIRPORT_SEQ_ID, ORIGIN_CITY_MARKET_ID: Unique identifiers for the origin airport and its market.
- ORIGIN: The IATA code for the origin airport.
- DEST_AIRPORT_ID, DEST_AIRPORT_SEQ_ID, DEST_CITY_MARKET_ID: Unique identifiers for the destination airport and its market.
- DEST: The IATA code for the destination airport.

Timing and Delays

- CRS DEP TIME, DEP TIME: The scheduled and actual departure times.
- DEP DELAY, DEP DELAY NEW: The original and adjusted departure delays.
- ARR TIME: The actual arrival time.
- ARR DELAY, ARR DELAY NEW: The original and adjusted arrival delays.
- CANCELLED: A binary indicator of flight cancellation.
- CANCELLATION CODE: Reason for cancellation if applicable.

Performance Metrics

- CRS_ELAPSED_TIME, ACTUAL_ELAPSED_TIME: The scheduled and actual elapsed times of the flight.
- CARRIER_DELAY, WEATHER_DELAY, NAS_DELAY, SECURITY_DELAY, LATE_AIRCRAFT_DELAY: Various reasons for delays quantified in minutes.

1. Predicting Flight Arrival Delays (Machine Learning)

Project Overview:

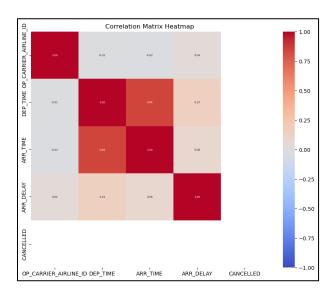
- Our team's goal was to develop a predictive model capable of accurately forecasting flight delays.
- This initiative aimed to enhance operational efficiencies and improve passenger satisfaction by providing more reliable flight schedule predictions.

Data Collection and Preprocessing:

- We utilized comprehensive flight data, focusing on relevant attributes such as the flight date, carrier ID, origin, destination, departure time, and arrival delay.
- We addressed missing data by eliminating columns with a high percentage of null values and dropping rows containing any missing values. This approach helped simplify the dataset, ensuring more robust model training and predictions.

Correlation Analysis:

- A correlation matrix heatmap was generated to explore the relationships between variables. Notably, the heatmap indicated a high correlation (0.84) between departure time (DEP_TIME) and arrival time (ARR_TIME), which aligns well with operational logic, as delays in departure often lead to corresponding delays in arrival.
- The correlation matrix also aided in understanding the lesser or negligible relationships between other variables such as carrier ID and cancellation status with delay times, suggesting these features might have less predictive power concerning flight delays.



Feature Engineering:

- We engineered new features to better capture the nuances of flight delays. For instance, we categorized departure times into 'Morning', 'Afternoon', and 'Evening' to account for diurnal variations that could impact delay frequencies.
- We also extracted the month from flight dates to consider seasonal effects, and created a binary target variable indicating whether a flight was delayed.

```
# Feature Engineering: Creating new features based on existing data
# Function to categorize departure time into parts of the day

def get_time_of_day(hour):
    if 5 <= hour < 12:
        return 'Morning'
    elif 12 <= hour < 18:
        return 'Afternoon'
    else:
        return 'Evening'

# Extract hour from DEP_TIME and apply the function to categorize time of day

df['DEP_HOUR'] = (df['DEP_TIME'] // 100).astype(int) # Extract hour from HHMM format

df['TIME_OF_DAY'] = df['DEP_HOUR'].apply(get_time_of_day)

# Extract the month from the flight date for capturing seasonal effects

df['MONTH'] = pd.to_datetime(df['FL_DATE']).dt.month

# Create a binary target variable for delay (1 if there's a delay, 0 otherwise)

df['Delay'] = (df['ARR_DELAY'] > 0).astype(int)
```

Model Building and Optimization:

- We built a predictive model using a Gradient Boosting Classifier, known for its effectiveness in handling various data types and distributions.
- We integrated SMOTE in our pipeline to address class imbalance, ensuring our model did not bias towards the majority class.
- Using GridSearchCV, we optimized our model by tuning hyperparameters such as the number of estimators, learning rate, max depth, and subsample ratio, ensuring the best possible settings for our predictive model.

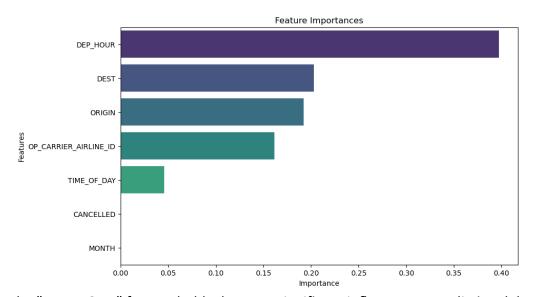
```
# Setup the machine learning pipeline with SMOTE for handling class imbalance
pipeline = ImblearnPipeline(steps=[
    ('preprocessor', preprocessor),
('smote', SMOTE(random_state=42)), # SMOTE for synthetic minority oversampling
    ('classifier', GradientBoostingClassifier(random_state=42)) # Gradient Boosting Classifier
1)
# Split data into training and testing sets
X_train, X_test, y_train, y_test = train_test_split(X, y, test_size=0.2, random_state=42)
# Setup grid search to find the best hyperparameters
param_grid = {
      classifier__n_estimators': [100, 150, 200],
     'classifier__learning_rate': [0.01, 0.05, 0.1, 0.15],
    'classifier__max_depth': [3, 5, 7, 10],
    'classifier_subsample': [0.75, 0.8, 0.9, 1.0]
grid_search = GridSearchCV(pipeline, param_grid=param_grid, cv=3, scoring='accuracy', verbose=1)
grid_search.fit(X_train, y_train)
# Evaluate the model using test data
y_pred = grid_search.predict(X_test)
y_proba = grid_search.predict_proba(X_test)[:, 1]
```

Model Evaluation:

- Post-training, our model achieved an accuracy of 71.01% and an ROC AUC of 76.85%, indicating its robust capability to differentiate between delayed and on-time flights.
- The confusion matrix and classification report provided deeper insights, with the model showing a good balance between precision and recall across both classes.
- Cross-validation results suggested a moderate stability of the model across different data splits, with accuracy and ROC AUC metrics confirming the model's generalizability.

```
Fitting 3 folds for each of 192 candidates, totalling 576 fits
Updated Accuracy: 0.7101083942525838
Updated ROC AUC: 0.768515976002607
Updated Confusion Matrix:
[[1822
       598]
       995]]
 [ 552
Classification Report:
                            recall f1-score
                                               support
              precision
                   0.77
                              0.75
                                        0.76
                                                  2420
                   0.62
                              0.64
                                        0.63
                                                  1547
                                        0.71
                                                  3967
    accuracy
                              0.70
                                        0.70
   macro avg
                   0.70
                                                  3967
                   0.71
                              0.71
                                                  3967
weighted avg
                                        0.71
Updated CV Accuracy: 0.6754583754684443 ± 0.01070218415118806
Updated CV ROC AUC: 0.7264861496878314 ± 0.010291304054470166
```

Feature Importance Plot



Insight: The "DEP_HOUR" feature holds the most significant influence on predicting delays in the model, suggesting that the time of departure is crucial in determining flight delays.

Conclusions and Future Work:

• The predictive model proves to be a valuable tool for airlines and passengers by providing reliable delay predictions, potentially reducing wait times, and improving the overall travel experience.

- For future enhancements, we consider incorporating additional predictors such as weather conditions, air traffic, and airline-specific operational variables, which could further refine our predictions.
- Continuous updates and evaluations will be necessary to adapt to new patterns and operational changes within the aviation industry.

2. <u>Airport Profiling (Clustering</u> <u>Analysis – Machine Learning)</u>

Objective:

- The primary objective of our analysis was to identify patterns in airport operations related to delays and cancellations using data clustering techniques.
- By understanding these patterns, we aim to help airports enhance operational efficiency and improve overall passenger experience.

Data Preparation and Exploration:

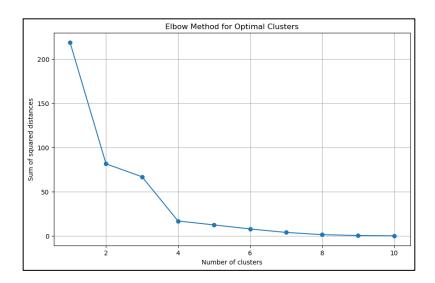
- We began by loading a dataset containing detailed flight records, which included various types of delays and cancellations alongside corresponding timestamps and airport identifiers.
- The data was cleaned and prepared by converting date fields to appropriate datetime formats and handling missing values by assuming zero delays or cancellations when data was unavailable.

Feature Selection:

• For our analysis, we focused on several key features: departure and arrival delays, carrier-specific delays, weather-related delays, National Airspace System (NAS) related delays, late aircraft delays, and overall cancellation rates. These features were aggregated to calculate the average performance metrics for each airport.

Clustering Analysis:

- Using the K-means clustering algorithm, we sought to group airports into clusters based on their delay and cancellation characteristics.
- The optimal number of clusters was determined using the elbow method, which suggested that four clusters provided a good balance between cluster cohesion and separation.



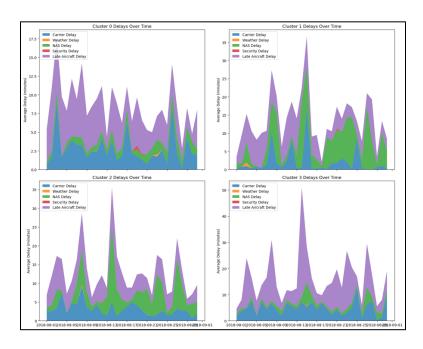
Each cluster was analyzed to understand the unique patterns of delays and cancellations:

- 1. Cluster 1 ("High Efficiency, Low Impact"): Featured the lowest average delays and cancellations, indicative of highly efficient airport operations with minimal external disruptions.
- 2. Cluster 2 ("Moderate Delays, Controlled Impact"): Displayed moderate levels of delays, primarily driven by NAS delays, suggesting challenges with high traffic volumes but effective management of carrier and security operations.
- 3. Cluster 3 ("Average Performance"): Had intermediate levels of delays and cancellations, with a balanced spread across different types of delays, reflecting average operational challenges.
- 4. Cluster 4 ("High Delays and Cancellations"): Experienced the highest delays and cancellations, particularly late aircraft delays, highlighting significant operational inefficiencies.

	DEP_DELAY	ARR_DELAY	CARRIER_DELAY	WEATHER_DELAY	NAS_DELAY	/
Cluster 1	7.623173	3.470134	2.716481	0.012409	1.076798	
Cluster 2	13.748206	9.374012	2.046459	0.027709	6.042333	
Cluster 3	10.943730	7.856789	2.773639	0.009061	4.465110	
Cluster 4	15.472027	11.501827	4.757380	0.008153	1.849873	
	SECURITY_DELAY LATE_AIRCRAFT_DELAY			CANCELLED		
Cluster 1	0.021894		4.716132	0.015052		
Cluster 2	0.016447		5.767643	0.014493		
Cluster 3	0.007552		5.518349	0.024198		
Cluster 4	0.000000		9.765252	0.040484		

Area Charts:

• Demonstrated the cumulative impact of different types of delays over time for each cluster, providing insights into temporal trends and the relative influence of each delay type.



Insights and Recommendations:

Cluster 1 ("High Efficiency, Low Impact"):

- **Insights**: Airports in this cluster showcase exceptional operational efficiency with the lowest delay and cancellation metrics. These airports seem well-managed and are minimally affected by external disruptions.
- **Recommendations**: Continue to maintain high standards and possibly share best practices with airports experiencing more significant operational challenges. Consider using this cluster as a benchmark for evaluating performance improvements in other clusters.

Cluster 2 ("Moderate Delays, Controlled Impact"):

- **Insights**: This cluster manages to control the impact of delays despite facing moderate overall delays, particularly from NAS factors, suggesting effective management strategies are in place.
- **Recommendations**: Focus on further enhancing traffic management systems and exploring new technologies to better handle periods of high volume and optimize airspace usage. This could help reduce NAS delays even further.

Cluster 3 ("Average Performance"):

- **Insights**: Airports in this cluster have a balanced mix of delay types but with higher cancellation rates compared to Clusters 1 and 2. This suggests that while delays are managed to an extent, there are occasional lapses in handling disruptions.
- **Recommendations**: Strengthen contingency planning and improve real-time communication and decision-making processes. Enhancing coordination with airlines could help manage unexpected disruptions more effectively.

Cluster 4 ("High Delays and Cancellations"):

- **Insights**: The highest levels of delays and cancellations characterize this cluster, indicating significant operational inefficiencies. Late aircraft delays are particularly prominent, suggesting issues with scheduling and aircraft turnaround times.
- **Recommendations**: Implement rigorous schedule reviews and adjustments to improve time management. Investing in better ground operations and considering adjustments to flight schedules might reduce the pressure on aircraft turnarounds. Collaboration with airlines to optimize schedules and improve punctuality could also be beneficial.

3. Shortest Path between 2 airports using Dijkstra's Algorithm

Problem Statement:

- This analysis is designed to address this challenge by developing an algorithm that not only determines the three shortest paths in terms of flight time between two designated airports (referred to as Airport A and Airport B) but also quantifies the difference in flight time between the second and third shortest routes compared to the shortest one.
- This detailed analysis will enable users to make informed decisions about their travel plans, balancing shorter flight times and potential cost savings. Furthermore, this tool can serve airlines by providing insights into more efficient route planning and flight scheduling.

1. Graph Construction:

- **Directed Graph**: The script starts by creating a directed graph using NetworkX. In this context, a directed graph is appropriate because it can represent one-way travel routes between airports.
- Adding Edges: For each row in the flight data DataFrame, the script checks if the 'ACTUAL_ELAPSED_TIME' is a non-null value, ensuring only valid flights are considered. It then adds a directed edge from the origin airport to the destination airport with this flight time as the weight.

2. Path Generation:

- **Shortest Paths Algorithm**: NetworkX's shortest_simple_paths function generates all possible paths from a source to a target in a graph, ordered by increasing weight. The algorithm used here, likely a variant of Dijkstra's, efficiently explores paths to find the shortest based on cumulative weight (total flying time).
- **Path Enumeration**: The script sets up to iterate over the generator of paths. It aims to retrieve the top three shortest paths, demonstrating the practical application for route optimization or travel planning.

3. Calculation and Output:

- Calculating Total Flying Time: For each path generated, the script computes the total flying time by summing up the weights of the edges along the path. This sum represents the total travel time from the start to the destination airport.
- Output: It outputs each path along with its respective total flying time, providing a clear, actionable insight into which routes are fastest based on historical data.

In our example we can see the 3 shortest paths between JFK and LAX. It also shows us the difference in flight times.

```
Shortest path 1: ['JFK', 'LAX']
Total flying time: 354.0 minutes
Difference in time from shortest path for path 2: 30.0 minutes
Shortest path 2: ['JFK', 'IND', 'LAX']
Total flying time: 384.0 minutes
Difference in time from shortest path for path 3: 30.0 minutes
Shortest path 3: ['JFK', 'CLE', 'LAX']
Total flying time: 384.0 minutes
```

4. Optimize Airport Connectivity within a State (Kruskal's)

The analysis seeks to understand the dynamics of delays and optimize routes using graphtheoretic approaches. Below is a detailed explanation of each step in the code and its significance in the broader context of the project.

Data Preparation

This analysis is filtered with dataset to include only flights that originate and terminate at a list of specified airports within California Routes. This step narrows down the dataset to a regionally focused subset, which is pertinent for localized analysis. The State can also be changed to replicate the analysis for any state/region. The idea is to understand the shortest form of connectivity using delays as weights.

Handling Missing Values:

Missing values in the dataset are filled with zeros. If the delay is NA, it is replaced with 0 and the analysis is only performed for data with carrier delays.

Graph Creation:

A graph is constructed using the networkx library where airports are nodes and flights are edges. The weight of each edge is set to the absolute value of the carrier delay. This model allows for the visualization and analysis of delay patterns between airports.

Minimum Spanning Tree (MST) Calculation:

Kruskal's algorithm is used to compute the Minimum Spanning Tree (MST) of the graph. The MST helps in identifying the subset of connections that ensures all airports are connected with the minimal total delay. This is particularly useful for designing efficient routes that minimize delay impacts.

Delay Analysis

The script calculates the total delay in both the full network and the MST. These metrics are critical as they provide a quantitative basis to compare the efficiency of the complete network against an optimized version (MST).

Advantages of This Approach

Route Optimization: By using graph theory to find the MST, the analysis suggests ways to restructure routes to minimize delays, which can lead to cost savings and improved passenger satisfaction.

Strategic Decision Making: The visual and quantitative analysis provides a strong foundation for strategic decisions related to flight scheduling, route planning, and resource allocation.

Results

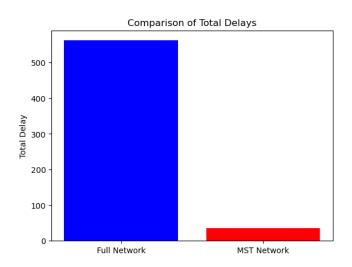
Total Delay in Full Network: 562.0

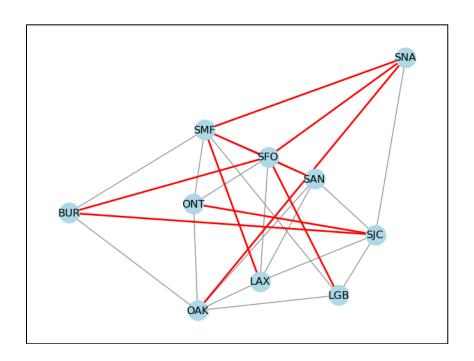
Total Delay in MST: 36.0

Efficiency of Minimum Spanning Tree (MST) Approach:

The total delay in the Minimum Spanning Tree (MST) network is drastically lower than in the full network. Specifically, the MST results in a total delay of 36.0 minutes compared to 562.0 minutes in the full network. This indicates an **over 93% reduction in total delay** through the use of the MST approach.

The MST focuses on the most efficient connections between airports to maintain network connectivity while minimizing delay. This is evident from the **fewer red edges (representing connections included in the MST)** in the graph compared to the full network (gray edges).





Graph Visualization Insight:

The network graph visually represents all potential flights between selected California airports (nodes) with connections (edges) weighted by carrier delays. The red edges highlight the routes selected by Kruskal's algorithm for inclusion in the MST.

Airports such as SNA (Santa Ana), SJC (San Jose), and SFO (San Francisco) serve as critical nodes in the MST, indicating they might be strategic points for optimizing operations to minimize delays further.

Potential for Operational Improvements: The significant reduction in total delay through the MST suggests potential operational improvements. Airlines and airport authorities can consider restructuring some routes or increasing the frequency of flights along the MST paths to alleviate bottlenecks and distribute traffic more effectively across the network.

Strategic Planning for Airlines and Airports: By understanding which connections most efficiently reduce delays, strategic planning can be enhanced. For instance, focusing on improving turnaround times, maintenance schedules, and crew allocations at the airports heavily involved in the MST could yield significant benefits.

Additionally, this analysis can aid in decision-making related to flight scheduling, fleet allocation, and prioritizing investments in infrastructure upgrades.

5. Optimization of Flight Schedules to Minimize Delay Penalties

The primary aim of this analysis is to optimize the flight schedule for a specific airline route from Airport A to Airport B. The goal is to maximize the number of flights while simultaneously reducing the total penalty costs associated with delays by at least 20%.

Problem setup

- **Problem Definition:** The script starts by defining a linear programming problem using the pulp library. The objective is set to "Maximize_Flights_Reduce_Penalties," indicating the dual goals of maximizing the number of flights while reducing penalty costs associated with them.
- **Decision Variables:** The script dynamically creates binary decision variables for each flight on each date in the dataset route_data. These variables indicate whether a flight is selected (1) or not selected (0). The decision variables are grouped by date, making it easier to manage constraints that may apply on a daily basis.
- **Objective Function:** The objective function is straightforward: to maximize the sum of all decision variables. This setup implies trying to schedule as many flights as possible.
- Constraints: The script includes a critical constraint to ensure that the total penalty cost of the scheduled flights is reduced by at least 20% compared to total_penalty_cost_before, a previously defined baseline penalty cost. This is modeled by ensuring that the weighted sum of the decision variables (each weighted by its respective penalty cost) does not exceed 80% of the baseline penalty cost.

Penalty Estimation

There are delays associated with the flights which are essential in understanding as there is very high costs associated with flight delays for a company. To reduce the delays by penalizing it, we have created a penalty system according to the delays incurred by a flight.

The penalty costs assigned to different types of flight delays quantify the financial impact of inefficiencies. High penalties for carrier and security delays encourage better management and operational efficiency, while moderate penalties for weather and NAS delays recognize partial airline control over these factors.

penalty_costs = {'CARRIER_DELAY': 100, 'WEATHER_DELAY': 75, 'NAS_DELAY': 50, 'SECURITY_DELAY': 200, 'LATE_AIRCRAFT_DELAY': 60}

Here's a breakdown of each type of delay and its corresponding penalty cost:

- 1. CARRIER_DELAY: 100 This delay occurs when the cause of the delay is within the control of the airline, such as maintenance or crew issues. Each minute of carrier delay is penalized at a rate of 100 units.
- 2. WEATHER_DELAY: 75 Delays caused by adverse weather conditions that affect flight operations are penalized at 75 units per minute. This type of delay is often less controllable by the airline.
- 3. NAS_DELAY: 50 Delays attributed to the National Aviation System (NAS) involve factors like non-extreme weather conditions, airport operations, heavy traffic volume, and air traffic control. Each minute of NAS delay costs 50 units.
- 4. SECURITY_DELAY: 200 Security delays, which can include issues like security breaches, inoperative screening equipment, and long lines in screening areas, carry a higher penalty of 200 units per minute, reflecting the critical importance of resolving such issues quickly.
- 5. LATE_AIRCRAFT_DELAY: 60 This delay occurs when an incoming aircraft arrives late, causing the outgoing flight to depart late. It is penalized at 60 units per minute.

The values set for each delay type likely reflect the perceived impact, controllability, and frequency of each type of delay, assigning higher penalties to more disruptive or controllable delays. This system incentivizes airlines to improve their operational efficiency and reduce specific types of delays that are within their control or particularly costly.

The Solver model output:

The output schedule outlined the flights by IDs which would be chosen into the schedule each day of the month of August 2018.

```
Solver Status: Optimal
--- Flights for 2018-08-01 ---
Flight ID 6 included in the schedule with penalty 0.00
Flight ID 8 included in the schedule with penalty 0.00
Flight ID 12 included in the schedule with penalty 0.00
Flight ID 16 included in the schedule with penalty 0.00
Flight ID 18 included in the schedule with penalty 0.00
Flight ID 25 included in the schedule with penalty 0.00
Flight ID 27 included in the schedule with penalty 0.00
Flight ID 30 included in the schedule with penalty 0.00
Flight ID 39 included in the schedule with penalty 0.00
Flight ID 41 included in the schedule with penalty 0.00
Flight ID 50 included in the schedule with penalty 0.00
Flight ID 51 included in the schedule with penalty 0.00
Flight ID 52 included in the schedule with penalty 0.00
Flight ID 53 included in the schedule with penalty 0.00
Flight ID 58 included in the schedule with penalty 0.00
Flight ID 59 included in the schedule with penalty 3500.00
Flight ID 62 included in the schedule with penalty 0.00
```

The optimization model applied to the flight schedule for August 2018 has provided significant insights into the operational efficiencies that can be achieved. While the reduction in the total number of flights was minimal, the substantial decrease in penalty costs demonstrates the model's effectiveness. This report outlines the results and insights derived from the optimization process, highlighting the strategic benefits and potential for cost management.

Total Flights before optimization: 1652 Total Flights after optimization: 1624 Reduction in Flights in a month: 28.0

Total Penalty Cost before optimization: \$1838950.00 Total Penalty Cost after optimization: \$1468400.00

Reduction in Penalty: \$370550.00 (20.15%)

Optimization Results Summary:

Total Flights Before Optimization: 1,652Total Flights After Optimization: 1,624

- Reduction in Flights: 28 flights

This minimal reduction suggests that the optimization strategically targeted flights disproportionately contributed to delays, thus maintaining a robust flight schedule.

- Total Penalty Cost Before Optimization: \$1,838,950

- Total Penalty Cost After Optimization: \$1,468,400

- Reduction in Penalty Costs: \$370,550 (20.15%)

Detailed Insights

1. Efficiency in Operation

The slight decrease in total flights coupled with a significant reduction in penalty costs indicates a targeted approach in the optimization process. Flights frequently delayed by controllable factors were prioritized, allowing the airline to maintain service levels while enhancing operational efficiency.

2. Cost Management

The substantial decrease in penalty costs highlights the effectiveness of the optimization. This result demonstrates that airlines can significantly reduce operational costs related to delays by strategically managing and adjusting schedules.

3. Strategic Operational Benefits

The outcomes of the optimization underscore the potential for airlines to improve profitability and operational performance by applying data-driven strategies to their scheduling practices. It also showcases the capability to maintain high standards of customer service while achieving cost efficiencies.

Conclusion

The optimization of the flight schedule for August 2018 serves as a prime example of how airlines can effectively use advanced analytic techniques to balance service quality with

operational and financial improvements. This strategy not only aids in reducing delay-related costs but also supports airlines in making informed decisions that enhance overall business performance.

Future Scope

Using the optimization, airline companies would extend it to multiple routes at the same time to get optimized schedules that could help with the below:

• Continued Monitoring and Adjustment

It is recommended that the airline continues to monitor flight performance closely and adjust schedules as needed based on ongoing data analysis to sustain and enhance these benefits.

• Expansion of Optimization Practices

Consider applying similar optimization strategies to other routes and operational areas to maximize overall efficiency and cost savings across the network.