

TECHNOLOGY DRIVEN TRANSFORMATION AT COMAIR LIMITED

Maxine Jaffit, Jabu Maphalala and Dr. Caren Scheepers wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On June 17, 2014, Erik Venter, the chief executive officer of Comair Limited,¹ South Africa's largest private airline carrier, was in an upbeat mood. The company's interim results had just been released for the six months ending December 31, 2013. Total comprehensive income was up from R79,128,000² for the six months ending December 31, 2012, to R153,440,000,³ an increase of 94 per cent. Investors had also responded positively as indicated by the share price, which had been growing steadily since the announcements of the results, though not at the rate that he would have liked (see Exhibit 1). Venter smiled as he drove over the Nelson Mandela Bridge, which connected two of Johannesburg's business areas: Newtown in the south and Braamfontein in the north.

Venter reflected on the coincidence of his thoughts at that particular moment. A photograph of the Nelson Mandela Bridge had indeed been one of the images used by his company when launching the project "Operation Crossover,"⁴ which was a comprehensive technology-driven transformation of the organization that had largely contributed to the acceleration of Comair's financial performance (see Exhibit 2). He considered where Comair was going now that the objectives of Operation Crossover had been achieved. Specifically, how was the company's leadership going to maintain its 68 years of profitability and the strong staff performance demonstrated during Operation Crossover? Would it be able to optimize the individual employees' strengths and talents which had emerged through this process and keep them engaged?

Venter was on his way to speak to a group of students about Comair's Training Centre, which was now approaching its 15th year of operation. The Comair Training Centre provided local and international flight deck aircrew, cabin crew and flight operations personnel with training for the Boeing 737-200/300/400/500 and Boeing 737-800 series. As he drove over the bridge, he thought about the presentation he was going to make to the students and wondered whether the focus of the questions would be on the company's financial performance or on the state-of-the-art training centre which he wanted to promote. The training centre not only provided Comair with qualified pilots, but also yielded critical skills and opportunities needed in a country where these skills were scarce. His passion for the training centre was rooted in the fact that it was one of his first strategic initiatives to create efficiencies at kulula.com.⁵ Prior to that, Comair's pilots had been trained at high cost in Europe.

BACKGROUND

Comair Limited was conceptualized by three South African Air Force pilots during World War II, where they were exposed to the value of aviation. After the war, A.C. Joubert, J.M.S. Martin and L. Zimmerman established Commercial Air Services (Comair) with a Cessna Fairchild UC-78 aircraft found in Cairo.

When Comair commenced operations in 1946, it focused on charter flights to some of the remotest places in Africa, as the regulated South African aviation industry ensured that the national carrier, South African Airways,⁶ held a virtual monopoly on all domestic routes. The environment changed in 1990 with the deregulation of the industry, which allowed other carriers to operate on all domestic routes.⁷ This occurred 10 years after the appointment of Piet van Hoven, who had been with the company for about 15 years,⁸ as Comair's managing director. Under his leadership, Comair expanded its charter services to include domestic passenger air travel services within the context of the new environment. By 1992, Comair operated Boeing 737-200s and Fokker aircraft with 200 departures per week and carried almost 100,000 leisure travelers per year in a route network connecting large cities to neighbouring countries.

INCREASED COMPLEXITY

In 1996, Comair partnered with British Airways Plc (British Airways) as a franchisee and branded its aircraft accordingly. This exercise included operating on British Airways' information technology (IT) systems. This was the first time that British Airways signed such a deal outside Europe.⁹ Two years later, on July 22, 1998, the company was listed on the Johannesburg Stock Exchange at the opening price of R2.70.¹⁰ In 2001, Comair launched South Africa's first low-cost airline carrier, kulula.com,¹¹ and consequently started operating two airline brands. To differentiate itself from the prevailing offerings and culture of mainstream airlines, the brand identity of kulula.com was designed to be fresh, accessible, irreverent and about "not taking yourself too seriously." Kulula means "it is easy" in Zulu,¹² one of South Africa's local languages.

In addition to the two airline brands, over the next 10 years the company, as part of its vertical integration strategy, established the Comair Training Centre; Comair Travel, which offered travel/holiday packages; the SLOW brand, which provided hospitality at airport lounges; and the Food Directions catering unit.

The establishment of kulula.com was followed by the entry of new low-cost airlines into the South African aviation industry. One of these was 1time, which was launched in 2004 and followed in 2006 by Mango, a South African Airways subsidiary.¹³ Venter was quoted by *Finweek* in September 2007 estimating that air travel in South Africa had increased by 70 per cent due largely to the proliferation of low-cost airlines.¹⁴

While fuel was a major contributor to operational costs, Comair, like most low-cost airlines, operated by buying or leasing cheaper aircraft that was less fuel-efficient and older, therefore cut costs in capital investments within the context of the lower fuel prices prevailing at the time. However, the firm was exposed to the risk of potential fuel-price increases, as aircraft lease contracts were effective for five- to 10-year periods. This risk materialized in 2003 when Brent crude oil prices hit a high of US\$32.60 (see Exhibit 3). For different reasons, a number of other private airline companies in South Africa stopped operating.¹⁵

Despite increasing complexities in the company and the external environment, the prevailing culture — of a kind of family business where people just made the most economical plan and kept things going — had not evolved. With a leadership-by-example management style, there was no articulated vision or

documented statements of strategic intent. In practice, operational methods and processes were solution-focused.

When Piet van Hoven retired in 2006 after 27 years as Comair's managing director, Erik Venter, previously the financial director, and Gidon Novick, previously the marketing director, were appointed joint chief executive officers of the company. The chairman at the time was Dave Novick. Regrettably, the roles and functions of the two CEOs were not adequately formalized. This resulted in the development of two spheres of influence around reporting lines. It also provided challenges related to the strategic imperatives of the company given the CEOs' different approaches. The result was that there was very little coordination of effort. This factor, combined with increased complexity, necessitated a higher degree of coordination, particularly due to cost pressures and competition from new entrants in the industry.

Rising fuel prices became a major concern for Venter. The Brent crude oil price averaged US\$65.10 per barrel in 2006 and increased to US\$97 per barrel in 2008, with a peak at \$140 per barrel.¹⁶ At the time, Comair had amongst its fleet a mix of older aircraft and newer, more fuel-efficient ones, including two leased Boeing 737-200, three leased Boeing 737-400 and six leased MD82s. Some of the leases were only due to expire in 2010 and therefore could not be immediately replaced with newer, more fuel-efficient ones. These unprecedented increases in fuel prices required a review of the company's operating model of buying or leasing cheap, fuel-inefficient aircraft.

After tabling plans to buy new airplanes, it took nearly a year of meetings to convince the board to reluctantly place the order. The board's resistance to buying new aircraft as well as a number of other factors resulted in Venter taking a leave of absence in 2011 as he was convinced that the company would not survive further fuel-price increases without adopting a new cost structure. He was recalled some time later to attend a board meeting where a decision was taken to purchase new aircraft. The delivery of the new aircraft was expected to commence in 2012. The Boeing 737s' fuel efficiency indeed saved the company more than R21 million in fuel costs during the first year, and reduced the cost per seat by 32 per cent compared to the aircraft they replaced, while also increasing kulula.com's revenue per flight by 15 per cent.

THE IMPERATIVES FOR CHANGE

In 2011, the leadership team focused its energies on professionalizing the company and developing a more structured management base and clear measures of performance. Venter considered the development of a performance management system for collecting and analyzing information on the business as central to this. He consequently dispatched a team to collect information at various units of the business, particularly those related to the kulula.com unit, as the British Airways unit operated on different systems. The exercise revealed that the company did not have uniform data to feed into the system and, where such data existed, different units used different measurement systems, making coordinated efforts and information sharing impossible.

Because the company had generally grown through solution-based operational methods and processes, kulula.com had its own internal software developers who designed and customized localized IT systems internally. As a result, it operated through 90 non-integrated IT systems that could not integrate with other airlines, making it impossible to optimize revenue-management strategies. In addition, it was established that to create organizational efficiencies, the company effectively had to re-engineer 10,000 different processes, including baggage policies, flight scheduling, flight crewing, inventory management and pricing policies. The company found that the systemic inefficiencies reduced the impact of the efficiency

savings from the new aircraft and limited the commercial opportunities to grow revenue. It became evident to the leadership that an integrated IT system was required. However, available IT solutions were either basic, low-cost systems that did not meet the requirements of the airline, or were too large and only relevant to larger, legacy airline companies.

It was only in 2010 that Semi-Automated Business Reservations Environment (SABRE)¹⁷ was in a position to meet all of Comair's requirements after undergoing rapid organic growth, research and development and acquisitions.¹⁸ In 2013, Sabre Holdings was on *Forbes*'s list of America's Largest Private Companies.¹⁹ Due to this rapid growth, some of the solutions that Sabre was selling to Comair were still in development stages.

Convincing the Comair board to approve the purchase of an enterprise system solution costing R50 million so soon after authorizing the purchase of new aircraft was difficult, particularly without points of reference. The management team had to make some estimates on efficiencies that would accrue following the implementation of the Sabre IT platform. The decision to appoint Sabre to provide a holistic software overhaul of the company's IT systems was finally taken in 2011. In December 2011, Gidon Novick resigned as co-CEO of Comair and became chief executive officer of Discovery Vitality²⁰ and Erik Venter was appointed as the sole CEO of Comair.

SOFTWARE-DRIVEN ORGANIZATIONAL CHANGE

Initially, Comair's leadership team thought that the Sabre implementation would only impact processes and IT systems, but soon realized that the impact was far-reaching and had the potential to create high levels of procedural, attitudinal and behavioural efficiencies and better customer service, and consequently also contribute to the profitability of the organization in many indirect ways.

Stuart Cochrane, Comair's manager of the transformation process, noted that:

[It was four months into the project when it was] realized that the scope of the implementation impacted on every single individual in the organization. We had to tie up the solution platform to the processes because we effectively had to re-engineer all key areas in the commercial environment of our business from how we schedule and crew a flight to how we manage and charge for inventory. All of these processes, facilitated by the solution, were going to have an impact on our people.

An organizational transformation company, gothamCulture,²¹ was consequently appointed in 2011 to assist with the change management process, as gothamCulture had facilitated a Sabre implementation process with JetBlue in the United States.

APPOINTMENT OF A CHANGE AND TRANSFORMATION PARTNER

The company gothamCulture was tasked with developing and implementing a change management intervention given its experience with other airlines. It was clear that some members of the executive team considered Sabre to be an IT project and not a holistic change process. In developing the change plan, gothamCulture founding partner Brian Glaser observed, "Executive alignment was fundamental and we worked with the executive team to develop their thinking around the process. We needed to ensure that whatever we developed from a people and culture perspective honored the past and in so doing

created a future worthy of the past. The process also needed to be inclusive so that everyone involved was part of co-authoring the future.”

Following the leadership alignment sessions, gothamCulture developed a three-phase change management roadmap which was comprised of change readiness assessment, change management tactics and execution.²² The roadmap included the following key aspects: segmentation analysis of various Comair stakeholders; assessment of the current organizational culture; assessment of employee readiness for change; and identification of potential challenging areas and action plans (see Exhibit 4).

SIGNS OF MISALIGNMENT

The organizational culture research involved three forms of analysis. These included focus groups with all departments and functions and interviews with all members of the leadership team. An online Denison organizational culture assessment was also conducted,²³ based on Dan Denison’s bestselling book *Leading Culture Change in Global Organizations*.²⁴ This assessment focused on mission, people involvement, adaptability and consistency. Focus-group discussions were held with all of the 10 departments and functions. The discussions focused on understanding the culture, assessing the understanding of the impending change and exploring high-level themes and recommendations for the effective implementation of the transition to the Sabre platform. When presenting the results of their work, gothamCulture was requested to be transparent about the prevailing internal organizational culture and dynamics rather than presenting an image that the leadership would like to see.

The skepticism around Sabre was eminent in the diagnostic survey, especially because employees were scared of losing their jobs and had failed change management processes in the past.

Cochrane reflected that one of the key areas that needed to be addressed was in the IT environment. “We had 40 developers who had been developing our systems internally who were all now in fear of losing their jobs.” The findings also revealed a number of systemic issues impeding organizational effectiveness, such as a misaligned leadership team, which manifested in a lack of collaboration and integration across Comair operations. This had a profound impact on the leadership of the organization. “We anticipated the results to tell us the truth, but it was hard to accept that our culture might be a barrier to change and the whole idea around getting the leadership team engaged was important.”

THE ORGANIZATIONAL DEVELOPMENT CHANGE MANAGEMENT PROCESS

Susan van der Ryst, who had a strong marketing and communications background, was appointed within Comair as a change and communications manager. Her role was to partner with gothamCulture and give form to the change management process underpinning the implementation of the Sabre technology platform. Upon completion of the change management plan, a change management team was created that consisted of a cross-section of managers throughout the organization. They had to serve as a functional representative between the Sabre core team and affected stakeholders. In addition, they had to solicit regular feedback to identify stakeholder concerns and issues, and deploy communications to ensure quality, timeliness and the understanding of key messages. They had to mitigate potential risks and barriers to change by identifying issues early on; assisting in gaining buy-in throughout the organization by broadening the understanding of the Sabre program; ensuring that unique issues and past change initiatives were considered in the Sabre implementation; and monitoring change capacity to support the effective sequencing of implementation activities.

Venter reflected, "There were some departments who were very eager and enthusiastic to implement change and there were other departments who did not see the need to change. We focused on what would deliver the largest return the quickest." gothamCulture had learned from their previous experience that providing a name that had meaning for the change process enabled quick reference, and "Operation Crossover" was born.²⁵ The leadership communicated a compelling story about the journey and the experience of adopting a smarter and better way of working (see Exhibit 2).

The team launched Operation Crossover's communication messages. The theme of bridges worked well; for example, the strength of bridges received attention, as well as their purpose and the construction of bridges spanning the past and the future. The five pillars of this metaphor were pricing in the market, new aircraft, word-class systems like Sabre, operationally effective processes and streamlined business policies. While Sabre was a major part of the change process, embedding Sabre as part of a holistic systemic transformation removed some level of resistance to this technology. It became apparent that Sabre was one of the change initiatives, including the purchase of the new aircraft that would enable Comair to achieve its long-term vision and success.

THE CHANGE TEAM ON A ROADSHOW

Given the existence of multiple internal stakeholder groups, there was a need to ensure a succinct and simple explanation of the strategy. Venter found the concept of Stratigraphy²⁶ fascinating and utilized it to illustrate the broad-level strategy. The change team planned its communication efforts in detail and outlined a compelling story about the Sabre implementation (see Exhibit 5).

The purpose was to communicate the vision to employees with sound and rational reasoning so that they would gladly want to be part of the change process. Venter visited all of the company's sites to personally explain how the implementation fit within the strategy of transitioning from a family-run business to a professionally run operation. He and his change team members used images and narratives to explain the journey ahead, within the context of the dynamics and competitive factors impacting the global airline industry. The focus included explanations of why and how the transformation would benefit the organization and impact individuals. They also specifically discussed the shifts in skills and abilities required to implement these changes, including the training and development that Comair would offer.

Following these site visits, individuals who demonstrated positive attitudes towards the envisaged changes were selected to be change agents, operating under the guidance of the change and communications manager, Susan van der Ryst. They were tasked with continuing the information dissemination process and responding to enquiries to deepen the transformation process and provide feedback on the impact of the change process.²⁷ A special dedicated Operation Crossover-branded intranet website was also created to enable staff members to get the answers they sought. CEO Erik Venter provided regular updates here as well as through emails and text messages from the Operation Crossover platform. In each communication, a specific bridge was chosen to highlight an aspect of the communication. The achievement of key milestones in the process was communicated in this manner and to indicate progress to the cutover date in order to keep the staff motivated.

In addition, gothamCulture's focus on equipping leaders to drive the change resulted in the development of a change management "toolkit."²⁸ This equipped a cross-section of leaders with the tools and guidance to confidently lead change among the employees within their functional areas. This was rolled out to managers using a workshop-style meeting, where a facilitator provided coaching around each of the tools and how to use them. The project team initiated short staff surveys regularly to ensure inclusivity and the

participation of staff. This was like “taking the temperature” or the mood of the organization at strategic points during the months prior to the cutover date. With each survey, the adoption increased and more staff participated. These feedback points assisted in shaping and refining the communication process.²⁹ This change process was driven from the chief executive’s office through the change and communications manager in partnership with gothamCulture. A small team was put together to familiarize itself with all aspects of the transformation and its implications, with all efforts focused on the one big cutover day.

ENABLING THE TRANSFORMATION

June 22, 2012, was planned as the cutover day for the Sabre system. Comair needed to train 1,172 staff members in preparation for the cutover to Sabre. The Train-the-Trainer team consisted of champions and Subject Matter Experts from the business. Team leaders were identified to facilitate each of the training modules. They designed workshop content, manuals and guidelines with assessments.³⁰ At each of the airports, the trainers initiated simulation exercises. After each of these simulations, the trainers conducted debriefing sessions, where they identified further training needs and addressed these gaps. The purpose of this intensive learning process was to ensure that all the necessary skills were acquired and that individuals knew what had to be done and how each model fit with the next one.

As Sabre Holdings had not implemented an enterprise-wide roll-out of its IT platform before, some of its employees who served on the project at Comair had not previously worked together. The company had also not yet developed a central alignment strategy for how to align all these specialists to implement a broad suite of integrated Sabre modules. Venter reflected:

Ultimately, one thing that shocked Sabre a little was that we wanted to roll out everything within a very short space of time because we had so many systems that needed to be replaced and integrated throughout the entire company, whereas most airlines implemented one module at a time. When we were three or four months into the implementation, we discovered that some of these modules had never actually been integrated before and there were some that hadn’t even been deployed yet, even though we had been shown demonstrations of the full platform.

Because of the preparation work that was undertaken before the implementation, Comair’s project team members knew each other and had a common view of the entire project, yet they struggled with the constant coming and going of different Sabre specialists. Sabre subsequently appointed a dedicated integration manager and based him in South Africa to oversee the implementation process.

The duration of the change process was 18 months and the change-over to the Sabre technology was successful. There were a number of added benefits to the Sabre implementation process, such as developing a faster adoption of new systems. In addition, it created more insight into the business’s strategy and airline product offerings. The Operation Crossover communication contributed to enhanced unity in the organization. It was amazing that through the training effort a couple of “uncovered gems” with unique characteristics and leadership potential were discovered. Steve Jeans, Sabre’s program delivery executive noted that, “This is the most successful cutover we have ever been involved in. Comair is impressively professional.” Glaser observed that, “Prior to Comair, Sabre certainly found it difficult to implement its technology in airlines in the United States due to a lack of adequate inclusion of people and culture issues in the transformation process.”³¹

THE WAY FORWARD

The Sabre technology platform and the new aircraft acquired as part of the fleet replacement program transformed kulula.com into a modern airline with modern technological systems, similar to best-practice aviation businesses globally. These changes ensured that the airline continued to be profitable, despite unprecedented increases in fuel prices, a key contributor to airline operational costs (see Exhibit 6). By June 2013, the technological changes at kulula.com were already bearing fruit.³² For Sabre, the Comair project provided a practical piloting of a system-wide IT platform implementation, which had previously been untested.

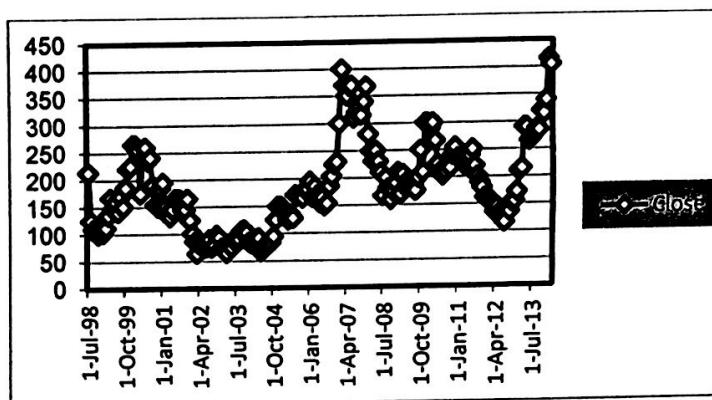
Operation Crossover was the single largest business transformation in Comair's history. The process created a sense of purpose and a company-wide cohesion unprecedented in the history of the company. The financial performance of the company had clearly indicated that the decisions taken were the correct ones. Venter emphasized that, "Sabre as a properly managed project was also a catalyst for the future way of managing the strategy of the business." Comair subsequently established a corporate project office and a business resource steering committee to ensure that all initiatives taken by departments were properly assessed, prioritized and aligned with the long-term strategy in order to achieve the most efficient use of business resources. The decision-making structure also evolved from a hierarchical structure to the establishment of cross-departmental, functional steering committees incorporating the best specialists without regard for seniority.

As he approached his driveway on the evening of June 17, 2014, Venter started pondering the future of the company. He felt grateful that the transition to the Sabre platform enabled the company to grow skills beyond those of the people specifically trained for the implementation and, in the process, maintained the engagement of other employees. As the transformation process was coming to a close, he thought it was time to ensure that the energy that came out of Operation Crossover was optimized.

As Venter parked his car, his thoughts drifted back to his earlier discussions with the Comair Training Centre prospects. He was surprised that they had focused on the future of the company, but was delighted that he had had the opportunity to talk about a new initiative at Comair, "Operation We Lift You Up." As he thought about this, he became even more convinced that it was the right time for launching this project. It was important for Venter to integrate the different initiatives. The company had achieved a record of 68 consecutive years of operating profits, had an internationally recognized safety record and had grown to employ more than 2,000 people across southern Africa, while serving eleven cities with both its British Airways and kulula.com brands.³³ The company's five Boeing 737-300, eleven Boeing 737-400 and nine Boeing 737-800 aircraft now carried more than five million passengers per annum.³⁴

Venter's thoughts flittered to his earlier reflections on the company's strategy after Operation Crossover. He was conscious of the fact that kulula.com was no longer a small airline carrier and that the profile of its employees had also improved in the eyes of talent scouts. Would the company be able to provide the cultural underpinnings necessary for increased employee performance? Which other proactive entrepreneurial strategies would sustain Comair's 68 years of profitability and growth?

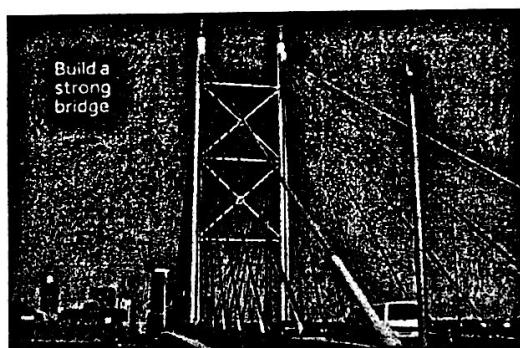
EXHIBIT 1: COMAIR LIMITED SHARE PRICES IN ZAR



Note: At an exchange rate of US\$0.094 to R1, R2.70 was equivalent to about US\$0.25.

Source: INET BFA, http://0-secure.mcgbfa.com.innopac.up.ac.za/Station/PriceData/PriceDataDetail.aspx?Token=bqmUi6OszACPCouovgPRTA%3d%3d&PD_0=1&PD_Shares=1&ClientID=85&ConModule=125&MCGBFACompaniesID=3641&InstrumentType=0&Ticker=COM (login required), accessed June 17, 2014.

EXHIBIT 2: PROJECT: OPERATION CROSSOVER WITH NELSON MANDELA BRIDGE



What is a bridge, if not a walkway?

If a bridge was just a walkway, then South Africans would not feel honour, pride and excitement when they journey across the Nelson Mandela bridge. Named for the man who led us all across our great divide, we draw inspiration from the idea of a journey and what a bridge really is to each of us:

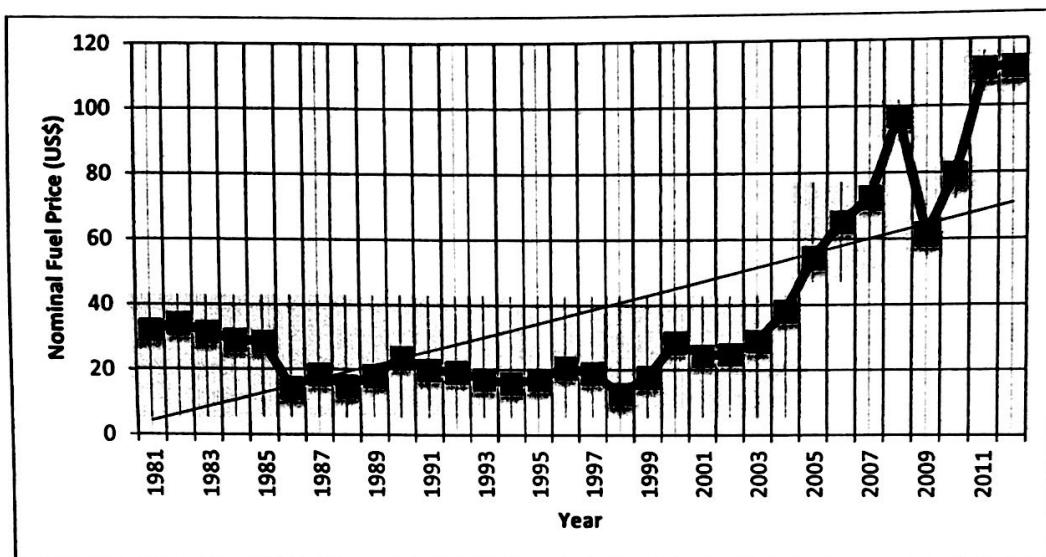
As the great man said:
"It always seems impossible until it's done."

Sabre Airline Solutions will act as the foundation and structure of our bridge - to assist us in breaking from the past into a very exciting new future. We will be crossing the bridge from using old outdated technology and old mindsets into a new era of leveraging new first world technology, staying in line with industry standards and doing things better.

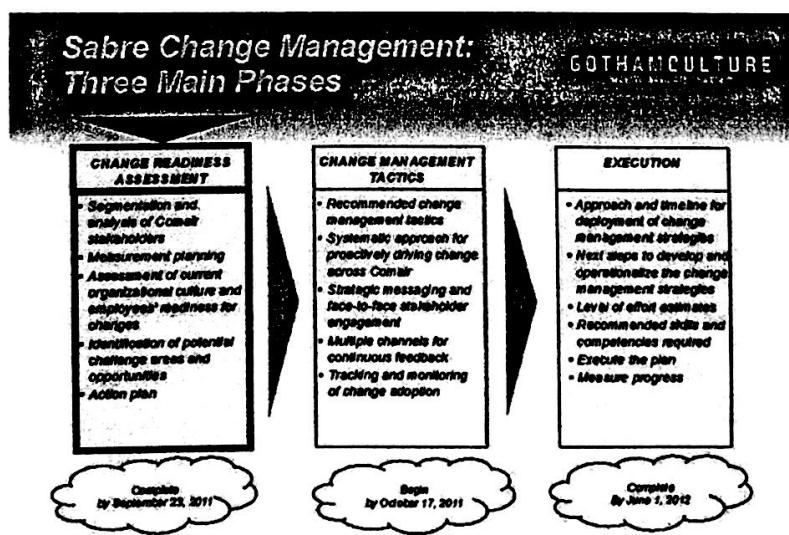


ARE YOU READY?

Source: Comair company documents on Project: Operation Crossover, accessed May 28, 2014.

EXHIBIT 3: NOMINAL FUEL PRICES (US\$) FROM 1981–2012


Source: "South African Energy Price Report 2012," South African Department of Energy, www.energy.gov.za/files/media/explained/Energy-Price-Report-2012.pdf, accessed June 17, 2014.

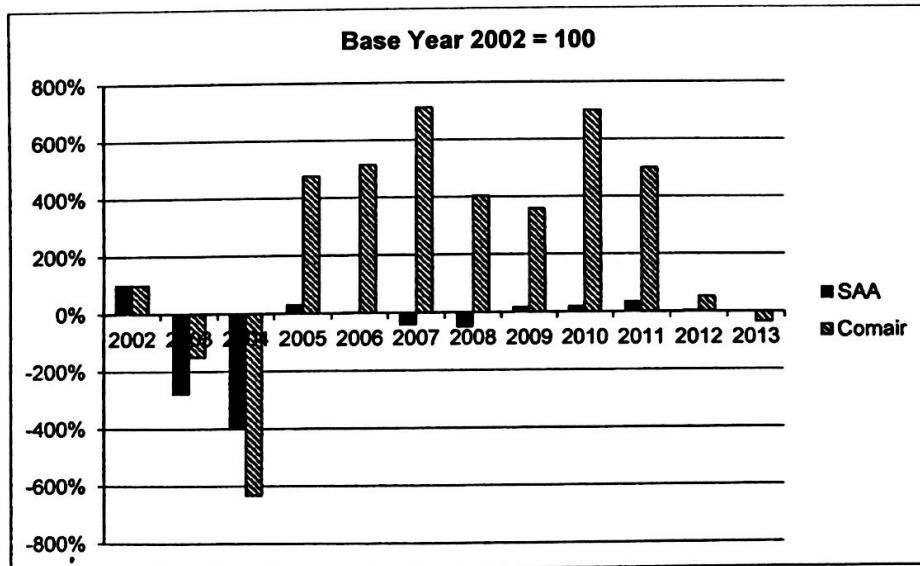
EXHIBIT 4: GOTHAMCULTURE'S THREE-PHASE PLAN OF SABRE CHANGE MANAGEMENT


Source: With permission from gothamCulture founding partner Brian Glaser on July 25, 2014.

EXHIBIT 5: PRESENTATION OUTLINE FOR ROADSHOWS ON SABRE'S COMPELLING STORY

- Comair has been through many changes in its history
 - Show graphical timeline of major changes/historical evolution
- Sabre represents the biggest change we have ever undertaken
 - Highlight all of the areas of the business/geographies that will be affected
 - High-level overview of what's changing
- Our decision to implement a new Sabre was based on several factors
 - Recap of analyzes and considerations used to make the decision to go with a new Sabre
- It is imperative that we implement a new Sabre system now, rather than later
 - The burning platform, reason for sense of urgency
 - Consequences for not making this happen now
- We chose Sabre because they were the best fit for Comair's strategy
 - Description of Comair's strategic agenda
 - Description of Sabre scope and capabilities
- Sabre offers Comair many benefits
 - High-level list of benefits by stakeholder group
- The new Sabre will change the way we do business in the future
 - Description of what the future state will look like (Highlights of how it's done today versus how it's done tomorrow, by key business areas)
 - Also, there will be some new functions
- We will drive toward this future state using a structured process
 - High-level program timeline graphic
- A dedicated Sabre team will oversee the implementation process
 - Program team org. chart and points of contact
- Everyone has a role to play in making this a successful implementation
 - High-level description of roles by key stakeholder groups
- We have several resources available for more information

Source: Comair company document accessed June 30, 2014.

EXHIBIT 6: INDEXED NET GROUP COMPREHENSIVE INCOME FOR COMAIR AND SOUTH AFRICAN AIRWAYS FROM 2002–2013


Source: Comair company documents (with permission from Erik Venter), accessed August 15, 2014; and "Financial results," South African Airways, www.flysaa.com/za/en/footerlinks/aboutUs/financialResults.html, accessed August 15, 2014.

ENDNOTES

- ¹ Comair was an airline in South Africa with around 2,000 employees and its route network included both kulula.com and British Airways flights to centrally located airports within South Africa, sub-Saharan Africa and the Indian Ocean Islands. See "Unaudited Condensed Interim Results," Comair Limited, www.comair.co.za/Media/Comair/files/2013/Comair-Interim-Results-Placement-Dec-13-Final.pdf, and "Route Network," Comair Limited, www.comair.co.za/about-us/route-network, accessed June 28, 2014.
- ² "R" is the sign for the South African rand (code: ZAR).
- ³ At an exchange rate of US\$0.118 to one South African rand (R), this was equivalent to about US\$18,086,235. For prevailing Rand/Dollar exchange rates see www.resbank.co.za/research/rates/pages/selectedhistoricalexchangeandinterestrates.aspx, accessed January 25, 2015.
- ⁴ "Operation Crossover" was the project name for the implementation of a reservations and scheduling technology system in 2011 at kulula.com. The impact of the project affected the whole company's operational processes.
- ⁵ "kulula brand information," kulula.com/brand, accessed June 17, 2014.
- ⁶ "News and media releases," South African Airways, www.flysaa.com/us/en/footerlinks/aboutUs/NewsList.html, accessed January 15, 2014.
- ⁷ R. Luke and J. Walters, "Overview of the Developments in the Domestic Airline Industry in South Africa since Market Deregulation," *Journal of Transport and Supply Chain Management*, 7:1, 2013.
- ⁸ "People: Comair Ltd (COMJ.J)," *Reuters*, 2014, www.reuters.com/finance/stocks/companyOfficers?symbol=COMJ.J, accessed June 17, 2014.
- ⁹ "The End of Aerial Apartheid," *The Economist*, 340:7985, 1996, p. 80.
- ¹⁰ At an exchange rate of US\$0.158 to one South African rand (R), R2.70 was equivalent to about US\$0.43. For prevailing Rand/Dollar exchange rates see www.resbank.co.za/research/rates/pages/selectedhistoricalexchangeandinterestrates.aspx, accessed January 25, 2015.
- ¹¹ C. Diggins, "Passenger Perceptions and Understanding of the Low-cost and Full-service Airline Models in South Africa and the Implications for Service Strategy," *International Research Symposium in Service Management*, 2010.
- ¹² "isiZulu (Zulu)," African Languages, <http://africanlanguages.com/zulu>, accessed July 28, 2014.
- ¹³ Diggins, op. cit.
- ¹⁴ E. Venter, "Getting South Africans Airborne," *Finweek*, 2007, pp. 65–68.
- ¹⁵ Diggins, op. cit.,
- ¹⁶ "South African Energy Price Report 2012," South African Department of Energy, www.energy.gov.za/files/media/explained/Energy-Price-Report-2012.pdf, accessed June 17, 2014.
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