

## Commercial Solutions: Intelligent IT solutions increase revenue and profit potential for airlines

Since airlines are under tremendous competitive pressure, it is important for them to take full advantage of their revenue and profit potential. Long-term network planning, the best possible capacity utilization, optimal short-term flight scheduling and sophisticated codeshare management can increase an airline's profitability. The commercial solutions portfolio of Lufthansa Systems supports airlines in all of these areas.

The commercial solutions from the NetLine and ProfitLine suites can help airlines of all sizes and business models increase their revenues and profits. The products of the NetLine suite – NetLine/Market, NetLine/Plan, NetLine/Sched and SchedConnect – optimize fleet and flight planning, while the ProfitLine suite focuses on optimal pricing and successful revenue management.

### Optimized network planning and scheduling

Airlines need a clearly defined strategic planning process to cope with changing markets, new network structures and the growing importance of airline alliances and partnerships. This applies to long-term network and capacity planning as well as short-term scheduling and codeshare management.

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By using a modern revenue management system like ProfitLine/Yield, an airline can increase its revenues by up to ten percent.

### References

- Cathay Pacific uses NetLine/Plan for long-term network planning.
- Ryanair optimizes its schedule management with NetLine/Sched.
- Lufthansa, a driving force in global alliance management, is a long-time user of SchedConnect.
- Luxair uses ProfitLine/Yield Rembrandt to optimize its revenue management.
- Rossiya Russian Airlines calculates competitive prices using ProfitLine/Price.

A solid knowledge of the market situation, information about competitors' schedules and the ability to react flexibly at all times are critical when it comes to maximizing the revenue and profit potential of an airline network. The four NetLine products – NetLine/Market, NetLine/Plan, NetLine/Sched and SchedConnect – play a key role:

- **NetLine/Market** is a strategic market analysis tool which supports sales and network planning. By identifying market changes and future trends early on, airlines can react quickly and gain a substantial edge over other carriers. NetLine/Market enables airlines to analyze their market position and compare it directly with that of their competitors.
- **NetLine/Plan** generates optimal long-term flight plans which meet the needs of each customer – because an optimized route network is the key to an airline's lasting success. With NetLine/Plan, airlines can simulate new connections, generate forecasts for passenger flows, costs and revenues, and identify the strengths and weaknesses of their route network.
- **NetLine/Sched** is a high-quality optimization tool for improving short- to medium-term flight schedules from an operational and economic perspective. Flight schedules are influenced by many different factors and frequently need to be changed. NetLine/Sched helps evaluate “what-if” scenarios and automatically evaluates their commercial efficiency.
- **SchedConnect** enables partner airlines to synchronize their flight schedules. This increases revenues as well as passenger satisfaction. SchedConnect processes up to 40 million schedule changes each month.

Optimized fleet and flight planning are extremely important to airlines, but pricing and revenue management are also key factors for success. The airline industry is currently moving in two directions: On the one hand, global alliances are achieving worldwide coverage, while on the other, low-cost carriers are gaining market share with cost-efficient point-to-point offers. But revenue management and pricing are equally important to both groups. To optimally support these processes, Lufthansa Systems has developed sophisticated IT solutions which meet the requirements of every business model. Airlines can gain an advantage through forecasts which automatically trigger price changes or price elasticity models which automatically maximize revenues in specific segments.

- **ProfitLine/Price** is the most comprehensive pricing system currently available. It covers all reactive and proactive pricing processes for both published prices and market prices. The system enables airlines to respond quickly to market changes, and it also offers powerful analytical tools for developing effective pricing strategies. The integrated pricing simulation model goes a step further by forecasting how fare changes will affect revenues.
- **ProfitLine/Yield** uses the most advanced methods of forecasting and optimizing seat capacity based on years of revenue management experience. Lufthansa Systems offers a number of solutions for this, such as ProfitLine/Yield O&D and ProfitLine/Yield Rembrandt, so it can easily meet the needs of small, medium-size and large airlines with different business models. With this solution, airlines can significantly increase their revenues.

Lufthansa Systems developed the Integrated Commercial Platform (ICP) to offer airlines a comprehensive overview of the information relevant to commercial planning. This platform covers all network management and revenue control processes and gives airlines a solid foundation of data for their economic strategy. The ICP thus enables carriers to be more agile and flexible in an environment that is both complex and dynamic.

For images and pictures, please go to <https://www.lhsystems.com/media/image-library/airline-resource-management-revenue-management.html>

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