



Indianapolis Airport Authority

STRATEGIC PLAN:

2010–15 BUSINESS AGENDA

*Meeting new challenges & achieving new synergies
to become the airport system of choice*

FROM THE CEO

The past two years have been among the most pivotal in the Indianapolis Airport Authority's 47-year history.

In 2007, the city's 10-year public-private partnership with BAA Indianapolis LLC ended and the authority once again took the reins of daily operations at Indianapolis International Airport (IND) and its five general aviation facilities.

At the same time, the authority's landmark Midfield Project—with its massive transition of moving people and operations from the old to new IND—was well underway. Systems were tested and retested. And when the new airport successfully opened on Nov. 11, 2008, all public-facing systems were fully functional and there was no disruption to the flying public.

Today, the airport has been open for a year. The Indianapolis Airport Authority (IAA) is once again in transition, moving away from a focus on capital construction toward achieving operational efficiency, excellent customer service, and growth of the airport system to promote economic development throughout central Indiana. We will develop the systemic changes required to realize long-term benefits and put in place the processes and resources to achieve them.

With guidance from IAA's Board of Directors as we develop appropriate policies, this strategic plan will inform and guide our collective efforts as we move forward in the months and years ahead. Its guiding principles and forward-thinking business agenda includes clearly defined strategies with short-range (12 to 24 months) and long-range (three to five years) objectives and outcomes.

As we progress, this plan will become a living, working document for continuous improvement and growth. Join us as we begin the journey!



John D. Clark, III
Executive director / CEO
Indianapolis Airport Authority

ASSESSMENT

The Indianapolis Airport Authority operates and manages a six-facility commercial passenger, air cargo, and general aviation airport system.

- **Indianapolis International (IND)** | Located in Marion County; served nearly 8 million commercial business and leisure travelers in 2008; one of the largest air cargo facilities in North America; state and regional center for commercial and general aviation aircraft maintenance, repair, and overhaul
- **Mount Comfort Airport (MQJ)** | Located in Hancock County; home of one of the Midwest’s largest annual air shows; serves business and general aviation users
- **Hendricks County Airport (2R2)** | Located in Hendricks County; the newest facility in IAA’s system; serves business and recreational general aviation users
- **Metropolitan Airport (UMP)** | Located in Hamilton County; serves business, recreational, and other general aviation users
- **Eagle Creek Airpark (EYE)** | Located in Marion County; serves business and recreational general aviation users
- **Downtown Heliport (8A4)** | Located in the heart of downtown Indianapolis; helipad with instrument approach; hangars for local law enforcement, news media, corporate, and business helicopters

Collectively, the system creates a substantial annual economic impact by fostering new businesses, jobs, consumer spending, and generating city and state tax revenues. IND was ranked in 2008 by Airport Councils International–North America (ACI-NA) as 45th in the nation for commercial passenger traffic and 8th in the nation for air cargo.

<i>Airport</i>	<i>Direct and indirect impact of facility expenditures</i>	<i>Induced impact of airport expenditures</i>	<i>Transportation cost savings</i>	<i>Total economic impact of facility</i>
1. IND	\$2,045,784,992	\$807,946,730	\$482,745,678	\$3,336,477,400
2. MQJ	\$13,770,469	\$4,253,104	\$1,978,679	\$20,002,252
3. UMP	\$10,315,011	\$4,591,848	\$856,697	\$15,763,556
4. EYE	\$10,294,124	\$3,918,111	\$636,281	\$14,848,516
5. 8A4	\$6,559,455	\$6,094,221	\$40,725	\$12,694,401
6. 2R2	\$3,481,254	\$1,005,566	\$370,584	\$4,857,404

Source: Aviation Association of Indiana, 2007 data.

GUIDING PRINCIPLES

Core values

These values are integral to all IAA business activities:

Respect | Integrity | Trust | Excellence

Vision

IAA's vision for the future is to:

- Achieve national and international recognition by being excellent in all areas of operational and financial performance
- Maximize utilization and continued development of airport assets to grow aviation and non-aviation business
- Create a diverse, forward-thinking, and innovative organization with the workforce structure and skill sets needed to achieve its mission

Mission

Sustain and enhance a safe, customer-friendly, and competitive aviation-based transportation system that supports and improves quality of life and economic development in Central Indiana and the surrounding region.

Culture

These core values, vision, and mission are the guiding principles that frame the manner in which IAA interacts with its internal and external stakeholders. Maintaining and delivering excellence shapes IAA's organizational culture and its business endeavors.

Primary goals

1. Develop innovative approaches for increasing and diversifying revenue
2. Deliver services at lower costs than benchmark airports
3. Improve internal and external customer service
4. Develop a workforce and culture that supports the vision

ASSET MAXIMIZATION

Strategy

Efficiently manage and utilize IAA's tangible and intangible resources—land, facilities, finances, staff, and reputation—for maximum effectiveness, growth, and profitability

Short-term objectives

- Develop a system-wide master plan for aviation and non-aviation land use and future development
- Review parking management and operations at IND to achieve maximum revenue yield on investment and high levels of customer satisfaction
- Streamline procedures and processes by better utilization of existing technologies
- Implement departmental action plans to maximize resources
- Introduce effective supply chain/procurement process
- Reduce nonessential spending and defer unfunded nonessential capital projects
- Continue to seek and support diverse business partners
- Maintain IAA properties at sustainable levels, performing essential repairs and betterments for improved customer service and increased business opportunities
- Implement IAA energy task force recommendations
- Implement Human Resource Information System (HRIS) for less expense, more efficiency in benefits and record management
- Restructure organization to engage best executive, professional, and other staff
- Reduce and eliminate reliance on outside service providers
- Create and implement public outreach program, including speakers bureau and structured tour program
- Launch a system-wide measurement and reporting system to monitor progress

Long-term objectives

- Restructure debt service to align debt amortization with strategic goals
- Increase revenue from U.S. Postal Service facility and on-airport parking products
- Develop positive cash flow strategy for Indianapolis Maintenance Center (IMC)
- Develop a long-term energy strategy
- Protect and preserve natural resources through sound environmental stewardship
- Implement a comprehensive health and wellness initiative

BUSINESS DEVELOPMENT

Strategy

Increase and diversify IAA revenue and business activities to create dynamic, long-term economic growth in greater Indianapolis, central Indiana, and beyond

Short-term objectives

- Complete negotiations on 2011 airline use agreement
- Develop and implement a system-wide land use and development strategy that facilitates future growth and revenue in a manner consistent with IAA's mission
- Identify best non-aeronautical revenue sources for implementation by 2011
- Create model for providing airport services through competitive fee-for-service or charge-back system
- Capture passenger leakage to competitor airports through targeted marketing / communication campaigns in defined catchment areas
- Increase IND air service to 41 average daily destinations and establish two year-round daily West Coast flights
- Market IND as convenient, cost-effective airport provider for temperature-controlled and other time-sensitive cargo
- Expand corporate, civic, and community relationships for growth of airport system
- Launch pilot program to attract non-ticketed individuals (NTIs) to IND for shopping, dining, and entertainment
- Determine feasibility of marketing terminal / airport facilities as special event venues

Long-term objectives

- Monitor local, state, and national social, political, and economic environments for trends regarding new business development
- Develop new businesses, concessions, and revenue-producing services throughout the airport system
- Pursue air service in 36 of top 50 O&D markets and Europe and Latin America
- Improve airline frequencies and service so 90 percent of gates are leased
- Establish direct all-cargo Asia flight and increase direct all-cargo European flights
- Analyze costs and return on investment from new marketing initiatives
- Generate new, innovative ideas through professional networking

OPERATIONAL EXCELLENCE

Strategy

Meet or exceed all municipal, state, and federal laws and regulations to protect the traveling public and minimize negative environmental impacts from IAA operations

Short-term objectives

- Ensure safe, secure airport operations at all times
- Improve utilization, operation, and knowledge of new IND systems and technologies
- Adopt best systems to comply with federal security regulations
- Refine checkpoint evolution for maximum passenger convenience and security
- Assist in development of new passenger screening technologies and best practices
- Manage business processes and practices to ensure reliable financial and data reporting, safeguard assets, and comply with local, state, and federal laws
- Create, implement, and communicate system-wide sustainability processes

Long-term objectives

- Implement risk management tools and techniques in all business practices
- Monitor and track changes in federal legislation and security mandates that could impact IND operations
- Develop contingency plans in anticipation of major legislative changes and actions
- Support professional development training, certifications, and programs

CUSTOMER SATISFACTION

Strategy

Provide exceptional service to internal and external customers, meeting their needs and expectations while achieving high levels of satisfaction, loyalty, and advocacy

Short-term objectives

- Implement cost-effective, efficient methods for measuring key performance indicators and quality service measures (QSMs)
- Create and deploy solutions to deliver high levels of customer satisfaction
- Utilize QSM findings to develop key communication and marketing messages
- Refine Web-based system for collecting, managing, sorting, and responding to customer complaints and feedback
- Train and motivate staff to be accountable for providing excellent customer service
- Develop commercial filming and photography protocol, including fee structure
- Develop innovative airport art, music, entertainment, cultural, and educational programming
- Facilitate airport tours for and special requests from local schools and civic groups
- Engage core airport team in 2012 Super Bowl planning and management

Long-term objectives

- Benchmark IND's performance against other domestic and international airports
- Support a continuous learning, training, and professional development
- Continue IND Ambassador recruitment, training, and retention

OUTCOMES & MEASURES

Strategy

Staff will present their recommendations for specific organizational objectives in each category to the HR Committee each year for approval in accordance with that committee's charter.

NEXT STEPS

Strategy

With direction from IAA's Board of Directors on policy, the executive team will guide department heads as they take the lead in implementing departmental action plans. Department heads will provide monthly progress reports to the executive team.

In turn, members of the executive team will report progress to IAA's board, apprising them of progress as well as feedback from internal and external stakeholders.

It should be noted this plan contains guidelines—some deviation may occur due to changing organizational circumstances and evolving priorities. As such, the plan will be updated periodically to reflect these changes.