



Management Arts

Elixir Mgmt. Arts 51A (2012) 11099-11103

Elixir
ISSN: 2229-712X

Rockcliffe Flying Club

Saad Bin Nasir

Department of Management and Administrative Sciences, Government College University, Faisalabad, Pakistan.

ARTICLE INFO

Article history:

Received: 16 January 2012;

Received in revised form:

13 October 2012;

Accepted: 27 October 2012;

Keywords

CRM(Customer Relationship Management),
RFC(Rockcliffe Flying Club),
Motivation,
Flight training.

ABSTRACT

Customer Relationship Management is the philosophy, policy and coordinating strategy and some might say “the art” of connecting different players within an organization so as to manage their efforts in creating an in general valuable series of experiences, products and services for the client. For instance, the CRM “personal touch” can help to improve customer satisfaction, generate great “word of mouth,” and increase revenue.

In this way, CRM helps companies distinguish, in addition to anticipate, the needs of existing and potential customers. Functions that hold up this business idea include sales, marketing, customer service, training, professional development, performance management, human resource development, and reimbursement. Many CRM proposals have failed because performance was limited to software installation without coalition to a customer-centric strategy.

In any organization customer should be in the top priority in their list. In today’s business nobody owns customer but customer owns the vender. In order to be successful and viable in 21st century a company must have customer-centric capability. In RFC it is essential to make its business more customers oriented by implementing CRM. The customers at CRM are looking for not only service but also excitements.

The customers of RFC are also looking for organized, safer and valued service rather than other competitors. The main reason for this is that it is one of the oldest schools in the vicinity that is Transport Canada approved Flight Training School.

To make it happen have to follow some strategy which will determine the directions of success. Target segment, behavior and positioning as long as strategy, structure, process, human resource and reward to follow. The structure to process, reward the people to motivate them towards the main goal of the company. All of these must be consistent among themselves. In RFC, CRM have to introduce to improve its services, which will lead the club to its goal. RFC customer we find in every segment has their own demands but core goal in the same.

© 2012 Elixir All rights reserved.

Introduction

CRM Goals:

The goal of CRM for RFC is as follows:

- Exploring the target audience
- Finding the right customers (Customer acquisition)
- Knowing their attributes and needs
- And retaining them by providing them satisfaction (Customer retention)

Identification of Problems

With respect to the customer relation management Rockcliffe Flying club providing the lower quality of service and failing to comply with the industry standards and lessen the acceptable delivery of service.

As per analysis the problems of ROCKCLIFFE FLYING CLUB Flying Club case study may be categorize into four categories i.e. organizational, operational, strategic and financial.

Insufficient and poorly conducted services:

In RFC (Rockcliffe Flying Club) more services can be introduced to the club. Also available basic services are poorly conducted. Lack of service offerings make it less attractive to the new clients. Rockcliffe while being one of the oldest and known flying service provider may cash its name by offering, if not unique then cutting-edge services to its customers. This will

definitely act as one more feather to the cap. More value added services will attract more new customers.

Limited customer base:

It is a very small community; only a few students and instructors with their family and close friends are involved in the club. Since the club acquires only the limited members, now it is a time to offer the services to more clients now. For this they should be little open towards the modern approaches of club flying. It will definitely in return help RFC to generate more revenue.

No regular pricing policy:

Not adequate pricing policy drives away new member as a result loss of potential customer. This is because the potential customer has no solid foundation of prices to base his decisions upon.

Inadequate Strategic Planning:

Club has no long-term plans and being run on day to day basis. Club need to focus on its strategic planning as they are relaying only on flying hours for revenue sources and forced to sell off aircraft for short term capital. The publicity for the club generated by the Canadian Aviation Museum is enough to raise the club’s monetary status to 5% annually, but unlike the other clubs who designed to roll the profits back into growth and to

cover all the maintenance expense, RFC has no proper plan for this. As the Howard Goldberg of Air Transport Association of Canada thinks that the problem with RFC is that it has expensive planes lying on the ground under no utilization. Maybe it should downsize its fleet, increase utilization per plane and reduce its ridiculous leasing expense.

Not Popular among Local community:

Local community was not involved with the club and they were complaining about flying over their backyards. The neighboring community keeps complaining about the planes roaring on their heads, they even threatened to shut down the club's business.

Need to bring the local community involve with the club and encourage them in club with some incentives. Also have to fix the flying rout that way that will not bother the neighbors by noise as much as less possible as the housing development took its toll it turn out to be difficult to fly on the same route. To fix this problem, RFC's management is required to do negotiations with the neighborhood. Offering discounted memberships to the locals can also help in setting up this problem. While acting upon these they also should consider changing the flying routes in order to avoid more such confrontations.

No financial record keeping and break even analysis:

Lack of proper accounting was causing difficulties to focus or forecast the financial future of the club. Proper procedures need to be followed to ensure that the accounting is done correctly and on time.

The territorial and social threats to RFC:

AviationMuseum expansion and proposed housing for national defense is a big threat to the existence of RFC. Nevertheless the expansion of the Canadian Aviation Museum become a territorial threat to RFC as it overshadows the club's existence, on the other hand the development of the housing society becomes a social threat since the local want to close or relocate it. But both of the threats can easily be countered by collaboration with the aviation showcase and by winning the vote of confidence from the local community. RFCshould ensure them that this is a recreational activity which can also be provided to them on a very affordable price and they will enjoy this leverage mainly because of living close to the clubhouse. Museum is the territorial threat and housing project is the social threat.

Not using AviationMuseum as a tool to promote the club:

Even after having similarity in business, there is a conflict in territory. There is a potential partnership that could possibly be reached between the flight club and the museum. They both have similarities in business and therefore would have much to offer each other. This can be resolved by signing a contract of partnership with CanadianAviationMuseum. As the Club and Museum shares the common business interests, the club is required to come up with the partnership deal with them. This will not certainly helps the club to grow but it also adds some fame to the club. However, such kinds of deals end up in favoring both the parties with each other's existence. The expanding of CanadianAviationMuseum turns out to be a direct threat to the Club.

Location of RFC:

It is hardy noticeable because of its access road. Which is even not paved and there is no sign from the main road. RFC is located in a prime location, just next to CanadianAviationMuseum and behind the River Ottawa yet the Club doesn't know how to cash on it. There is hardly any road

sign and the clubhouse is not visible from the potholed road. Unlike of Aviation showcase it is more like its warehouse rather a clubhouse. It is however in bad need of renovation, in order to make it a status symbol among the flying clubs. Being next to the River Ottawa, RFC can also sign a partnership agreement with Rockcliffe Yacht Club for providing seaplane flying. This will not only increase the RFC's status and reputation but also bring bounties to the Yacht club. In bottom line, the club needs to be more easily accessible.

Poor exterior of Club building:

Out look of the club building doesn't reflect or match the quality of the service this flying club could offer. It looks like an old ware house of the museum. So need extensive renovation to match with the newly constructed museum building. This will help the club to get more customers as most of the existing customers belong to elite class.

Not using the benefit of having Ottawa River beside the club:

Having the benefit of Ottawa River not been using enough for seaplane training and recreational activities. Also possibilities of collaborating with Rockcliffe Yacht Club could to increase the seaplane flying. This will have huge potential to increase the business.

Runway capacity is questionable:

This is major operational fault found in the club. Because of limitation of the capacity for the runway RFC can't operate bigger planes or jet planes. By developing the runway to make it competitive with the bigger airport and will be able to offer much better service and will have fare competition with its competitors. Because of runway and lighting limitations, the airport is limited to aircraft weighing 12,500 pounds (gross weight) or less. This reduces a great deal of the medium weight planes and larger commercial jets from using the airport. Not only was that but the surface length of the runway reduced to 2,140 feet. This is too short for most large aircraft, and it reduces safety margins for light aircraft as well. Hence, by developing the runway to make it competitive with the bigger airports club will be able to offer much better services and will have fare competition within its market. Further more, club has not sufficient numbers of hangers to accommodate planes. Club is also restricted to visual flight rule landing. Club need to improve tie down capacity.

Lack of Business Intelligence:

Club has no competitive or business intelligence unit. RFC needs to do a competitor's analysis for providing the competitive service as well as maintaining the high level of services. It will put the club on the right track going towards growth. In a big airport customer getting more benefit but less personal attention.

Poor Management:

Overall Club is running under poor management style. There is need of committees to face the problems and handling on going political, Local and regulatory issues. These people could be not only from RFC but also from local neighbors, representative from the Museum Corporation, etc. So they can represent RFC on different levels. As it is very clear from the study of case that general members have no voice and they are poorly involved in club's affairs. Club's organizational structure need to change.

Not having strong financial targets:

RFC being in a constant financial crisis, not even able to spend on the maintenance of the club, RFC needs to come up

with the solutions. Some considerable steps, which club can possibly take are given below:

- Competitive Services
- Consumer engaging offers
- Customer targeted courses
- Maintenance of the club area
- Road signs
- Innovative and competitive team members
- Image rebuilding through commercials, radio spots, hoarding, flyers
- Media sponsored functions to grab the attention of media.
- Seaplane flying
- Skydiving
- Participating in the air shows etc

Environmental Assessment:

Customer behavior changes with segmentation of the business. In RFC customers are segmented as below:

1. Business class
2. Pilots under Training
3. Flying Instructors
4. Customer Rentals
5. Licensed Pilots
6. Charter Customers
7. Enthusiast aviators
 - i. Visitors of air museum
 - ii. Families of the enthusiast aviators
 - iii. Future Aviation Cadets

These segments are different in their needs and behavior. For RFC segmentation focused on their characteristics.

Business class:

RFC is five minutes away from the Ottawa city and this is a great advantage. Attract the business class to use this facility to fly different destination through the RFC is very convenient, inexpensive and accessible. It is very simple to provide the charter flight to the business people need short and quick transport to relatively short distance personal travel and corporate cargo. Small plans and charter flight make the good revenue stream for the club. These customers are also attracting the others. RFC needs to offer them Competitive price, Prompt response and smooth service, Easy scheduling, Etc.

Pilots under Training:

This group is major and core component of customers which are paying fees to learn how to fly and become pilots. Following features are important to retain or increase the strength of this group in the club.

- Flexible scheduling as per their convenient.
- Availability of the right and well maintained aircraft
- Continuity of training as per Aviation standards
- Affordable billing compare to other service providers
- Prompt schedule for Testing
- Quick training and licensing
- Cross training for the specialized flying

Flying instructors:

Licensed instructors are the specialized pilots who can teach the Aviation students to learn flying. They have following concerns.

- Enough number of students
- Suitable scheduling
- Quick and accurate paperwork
- Incentives and benefits
- Etc.

Rentals customers:

These customers are the people own plane and they are renting the spot to park and tie down their air craft. While dealing with them club needs to concentrate on Competitive price for the spot, Secured tie down condition for the aircraft, Air craft maintenance facility, Fuel and oil, Etc.

Licensed Pilots:

Who basically fly to accumulate flying hours and possibly looking and they use the club as a stepping stone for corporate aviation which require high time experience. They are basically using the flying facility. They may be looking for

- Right type of plane
- Suitable scheduling
- Quick and accurate paperwork
- Prompt schedule for testing,
- Quick licensing process

Enthusiast Aviators

The major part of this group is flying for recreational purpose and who wants to choose it as a career. Enthusiast customers could be who come to the club from the city or outside of the Ottawa to recreate themselves and get attracted to the aviation activities. RFC have seasoned technical instructors who can provide the good training for the newbie enthusiasts. To attract this group of people it has to consider the followings

Visitors of Air Museum:

Visitors of the Aviation Museum, who come to see aviation tools, history and experience, are the potential clients for RFC. To attract these visitors who are visiting the air museum and it is a great advantage of the Rockcliffe Flying Club. These visitors are the future customers of the category of enthusiast Aviators. Most of the members already have a family and they can enjoy in the museum and visit to the airport.

Families of the enthusiast aviators:

Those families who are visiting the museum also motivate and will become a life time value members for the flying entertainment. They could be good source of the revenue. They may use the restaurant facilities and may join the Ottawa air trip.

Future Aviation Cadets:

RFC should also focus on the customers who are enthusiast for the flying as a career and for the entrainment. This category is not only focus on the pilots who join the club but also consider the new young generation.

Customer Behavior

Gaining customer understanding:

Club need to maximize current club member's participation by offering more incentives to them as most members use the club for the social benefits and only about 30% of these are enrolled in some kind of flying training. In addition to that extensive research should be carried out to find more customers from the community i.e. from politicians, homeowners, aviation enthusiasts, etc to increase club membership. There are two major dominant age groups, ranging from 25-34 and 35-44 year olds.

The first strategy is to start providing knowledge to customer, instead of merely information. To this end, a subscription website will be created that will host pre-made and custom designed reports that provide more knowledge than any other flying club.

Isolating customer priorities

Most pilots are struggling financially & they need to offer more affordable pricing. The runway has poor flying conditions at night, as it is too short for most large aircrafts and has reduced safety margins for light aircraft therefore losing customers to other service providers. The club is very dependant on volunteers for most of its activities needs more fulltime staff. Most members have regular careers and that puts a limitation on available amount of time. Moreover, about 60 percent of flights are short sight-seeing trips.

There are different kind of customer who has different priorities and needs; here are some examples suggestions to give incentives for different groups of customers.

Owners:

For the owners of planesclub may provide 1st month free tie down parking for one year and 20% discount for the rest of the year. Free website subscription.

Frequent flyer:

The enthusiast frequent flyers may eligible for the 30% discount if they fly at least 3 times a month for the one year period. Free website subscription.

Occasional flyer:

For the occasional flyer may eligible for the 10% discount if they fly one a month and maintain their membership for at least one year. Free website subscription.

Seasonal flyer:

For the summer time flyers may get 10% discount if they maintain 4 fly per month with the free website membership.

Incorporating organizational priorities

General members do not have any voting privileges and also club is mostly running business day to day and this has been caused problems in continuity when management priorities change. Executive members need to set long term goals and provide steps to ensure they are met. Timelines for action plans need to be drawn up. Some key Organization priorities are increase the # of members, Provide the value added services for the life time customers, On line registration of members, Generate revenue, Marketing such as Online ads, initiate Low cost insurance for learners, holding recreational fairs etc.

Securing executive commitment

Management has to come up with customer oriented services and implement them and keep their promises. A detailed plan is given in Appendix A.

Aligning the organization

There should be a great communication between customers and management. In this section we describe the actions that we will take to align the organization. The actions could be organized in the following categories:

Policies and processes:

- Introduce the employee of the month
- Introduction of the reward system within the organization
- Rules and regulation that allows all the members to be treated as an equally and respected team members
- Implementation of organizational changes making them responsible
- Implementation of a quality program that will focus on the customer needs and requirements.

Customer Service:

- Create a customer service within the organization that will look after the customers and try to investigate on their complains and identify the reasons

- Assign an employee the task to analyze the customer's feedback and come with some analysis reports showing the evolution of the number of complains per month

Information management:

- Create a small information management system that will allow to track the customers requests and assign automatically the jobs to the appropriate employees

Training:

- RFC employees will attend two training sessions per year for customer expectations and organization expectation

Positioning

RFC should position itself as an expert in the Flying entertainment and focus on the new aviators needs to train them. The experience and season trainers are the part of the CRF team and ready to respond to the evolving needs of the customers. As per the other competitors RFC has a advantage to locate near the city centre. RFC must provide the customer service at their best and include the addition information to the members.

CRM Rescue:

Understand the problems of RFC and the situation, it is obvious that the club facing all kind of difficulties because of lack of CRM implementation. Positive CRM customer expectation is comfort, clarity, value, service and utility. All these could be implemented in RFC to attract more customers to improve the financial situation and have a better position among in the market. To rescue CRM immediately, here are some more key words suggestions in addition to above recommendations.

- 1) Offer members to spend a day with Family at RFC, by entertaining watching different kind of planes, with full day free parking at airport and light refreshment.
- 2) By eliminating lineups for the visitors hence reducing waiting time for entrance and give them inside tour of airport at no cost even if possible allowing them to see cockpit. Visit the air traffic control tower and by giving them history of different aero planes.
- 3) By offering value added services especially for flying like flight route display, maintaining effective weather station, by providing them latest Flight tracking system, alters Airspace boundaries, Area maps, Distance calculators, Airport information by coordinate or zip code, Air traffic data etc.
- 4) By effective marketing through different Channels like Aviation magazines, Web site www.rfc.com, online registration, Flyers in local news papers in Ottawa, Organize high schools day trip to RFC, Seminars of aviation, Web ads, Sales

Department, Partnerships

Appendix A

Fallowing organizational changes may be adopted by RFC to secure more executive commitment.

Membership

All individuals interested in the enjoyment and preservation of the Rockcliffe flying club, sport and for the training may be eligible for membership in the Club.

Board

The Board of Directors (the "Board") may appoint such President, Executive Vice-President and Secretary-Treasurer, additional, vice-presidents as it deems necessary to conduct the affairs of the Club.

DUTIES The duties of the Executives shall be as follows:

President – The President shall be the Chairman of the Board, shall preside at all meetings of the Club and of the Board, and shall conduct such meetings in accordance with the Bylaws adopted by the Club. The President shall enforce due observance

of the Articles of Incorporation and these Bylaws, decide all questions of order, sign all official documents adopted or approved by the Club, but none other, and perform all other customary duties pertaining to the office of President.

Executive Vice-President – The Executive Vice-President shall assume the duties of the President in the absence of the President and shall, when so requested aid the President in the performance of the duties of the office of President.

Secretary-Treasurer-The Secretary-Treasurer shall maintain the books and records of the Club and be the primary officer responsible for the financial affairs of the Club.

Election

The President, Executive Vice-President and Secretary-Treasurer shall be elected by a majority vote of the members of the Club voting in an election called for that purpose.

TERM-The term of office for all elected officers shall be two (2) years

Limitation On Terms

No person may be elected to the same office for more than three (3) consecutive terms.

Removal

Any Executive officer may be removed by a majority vote of directors voting at a special meeting called for that purpose. The Board and the effected officer must be given twenty one (21) days notice of the special meeting.

Vacancies -The Board may appoint any member to fill any vacancy of any office.

Board of directors

The Board of Directors of the Club (the “Board”) shall consist of the three executive officers, President, Executive Vice-President and Secretary-Treasurer. The Technical Director, the Director of Flight Operations, the Webmaster and the

Newsletter Editor shall not have a vote on the Board and may attend meetings of the Board by invitation of the Board when agenda items to be discussed affect their areas of responsibility.

Technical Director

The Technical Director shall be responsible for developing and disseminating technical information to the members of the Club.

Director of Flight Operations

The Director of Flight Operations shall be responsible for developing flight training and familiarization training for members and prospective members of the Club.

Webmaster

The Webmaster shall be responsible for the design and operation of the Club’s website, <http://www.rfc.ca>

Newsletter Editor

The Newsletter Editor shall be responsible for publishing the Club’s newsletter.

Meetings

Place – Meetings of the Board may be held at any place within Ottawa as specified in the notice of the meeting. Meetings may also be held be conference telephone call.

Notice

Notice of meetings of the Board shall be sent at least three (3) and not more than thirty (30) days prior to the date set for the meeting. Notice may be sent by e-mail or regular Canada post mail.

Who may call meeting

The President or a majority of the Board may call a meeting of the Board.

Quorum

A majority of the Board shall constitute a quorum.