

# TOUR7052 TRAVEL & TRANSPORT SYSTEMS

## Airline Simulation Task 2: Annual Report

**Due Date:** 4pm, 28 April 2014    **Weight:** 20%    **Length:** 10-12 pages

### TASK DESCRIPTION

The third assessment task related to the Airline Simulation requires your team to prepare an Annual Company Report based on the performance of your airline in its first year. Annual reports are usually prepared by companies to update **investors and other stakeholders** about the organisation's operation and financial performance. Your annual report should focus on **the performance of your airline over a one-year period**.

You might find it useful to look at a few annual reports of existing real world airlines (e.g. Qantas, Singapore Airlines, Ryanair, Cathay Pacific etc.) before commencing this task. An investigation of a few real examples will indicate that there are many ways to organise an annual report and you are encouraged to develop your own structure. It is up to you and your team to prioritise and organise the content to optimise readability and as a result these guidelines do not suggest a standard structure to follow. However, your report **should include** the following:

- **CEOs Message.** A one page statement from the CEO providing an engaging message about the airline's performance
- **Industry & Company Overview.** Describe the industry in which your airline competes, its size, growth, current trends and developments, and any key factors necessary for an understanding of the setting. What type of airline are you operating (domestic, international, low cost, full service, hybrid)? Provide a very brief history of the airline, its services, target markets and market share.
- **Financial & Operational Performance.** Provide an overview of key financial data (revenue, expenses, profit/loss, ASK, RPK, RASK, CASK, passengers etc.) and comment on any relevant trends. What is the load factor for your airline and which routes have the highest load factors? Which routes (city pairs) are the most profitable? Which routes are underperforming? Evaluate the performance of your airline against the goals that were presented in your original proposal presentation in Week 5. If you have deviated from what was proposed you should discuss the reasons for this. Include an income (profit & loss) statement.
- **Operating Environment.** Comment on human resources, advertising, route network, aircraft fleet, offices, cargo facilities and equipment, terminals, alliances etc.
- **External Environment.** Are there any external forces that have impacted positively or negatively on your airline's performance (e.g. fuel prices, staffing issues, events etc.). What decisions were made to respond to these events? What were the outcomes of these decisions?
- **Competitor Analysis.** Identify your competitors. Why are these airlines competing with you? What products, services and routes do they offer? Compare the performance of your airline with the performance of your main competitor. Conduct a SWOT Analysis to identify the strengths and weaknesses of your main competitor and the opportunities and threats this creates for your own airline.
- **Future Direction.** How will your airline respond as a result of the performance and competitor analyses presented? Is it business as usual or are there some key decisions and adjustments that need to be made to your operations to ensure you remain competitive? Identify three major goals and an action plan for your airline over the next two years.

You may include other sections and information in our annual report but you should focus on accomplishments rather than activities. The report should summarise what you did as well as why you did it. What were the results? Why did you spend your time and money the way you did? What difference did it make? It is very important to **refer to the goals presented in your proposal** and to comment on whether these have been achieved by providing an overview of key performance measures and highlights.

You should aim to spend about 2-3 hours of study time per week on this assessment task from weeks 6-8.

### REFERENCES

This assessment task does not require referencing or citation of materials from academic sources.

### SUBMISSION

The annual report should be submitted electronically by 4pm on the due date by following the instructions presented in section 5.4 of the course profile and on Blackboard. You will find an online submission folder under the 'Assessment' link on the BlackBoard course website.

### PRESENTATION AND FORMATTING GUIDELINES

The annual report should be presented **professionally** and should include a cover page and table of contents (not included in the page count). Photos, pictures, maps, graphs and tables should be incorporated in the text, not as appendices. Follow standard report writing conventions, including numbering of headings.

## CRITERIA & MARKING

	Limited (0 points)	Developing (1 point)	Satisfactory (2 points)	Exceptional (3 points)
<b>Presentation</b>	Formatting guidelines for layout, spacing, numbering and headings not followed, making the report difficult to read.	Formatting is inconsistent in layout, spacing, numbering and headings, reducing readability and attractiveness.	Formatting guidelines for layout, spacing, numbering and headings are almost always followed.	The report is attractive and follows formatting guidelines for layout, spacing, numbering and headings, etc.
<b>Content</b>	Content is simplistic and unrelated to task. Does not cover all appropriate topics. Major sections of pertinent content omitted.	Development of content incomplete or unclear or poorly related to task. Covers some of the pertinent topics but not in enough detail.	Development of content somewhat relevant. Covers most of the pertinent topics but lacks depth and supporting information.	Clear and complete development of topics with logical progression of ideas and evidence to support arguments.
<b>CEO Message</b>	Message is disorganised and does not provide an overview of key points and achievements.	Message gives too little information. Some achievements are described but style and focus could be better.	Provides a good overview of key points and achievements but lacks style and interest.	Succinct, interesting and well-written message. Highly engaging commentary of key points and achievements.
<b>Industry &amp; Company Overview</b>	Incomplete or superficial summary of industry and company.	Some pertinent data and analysis of industry and company.	Wide range of data and issues included in industry and company analysis.	Comprehensive range of data and issues included in industry and company analysis.
<b>Financial &amp; Operational Performance</b>	Key financial and operational highlights omitted. Limited analysis and very poor use of presentation devices. Financial statements not included or missing crucial data.	Superficial analysis of financial and operational highlights. A few obvious omissions and some presentation problems. Financial statements include key items but with errors or omissions.	Adequate analysis of pertinent financial and operational highlights but minor problems with presentation. Financial statements include all key items with only minor errors or omissions.	Concise and persuasive analysis of financial and operational highlights clearly indicating useful trends and patterns. Sophisticated and comprehensive financial statements.
<b>Operating Environment</b>	Incomplete or superficial summary of operating environment. Resources, routes and alliances poorly described.	Some useful data and analysis of operating environment. Resources, routes and alliances described but not analysed.	Wide range of data and issues included in the analysis. Resources, routes & alliances described with some critical analysis.	Comprehensive range of data and issues included and critically analysed. Resources, routes & alliances critically analysed.
<b>External Environment</b>	Limited discussion of events and decisions affecting the airline's performance. Responses to these factors poorly explained or justified.	Vague references to events and decisions that may have impacted in the airline's performance. Weak justification of decisions.	Key events and operational decisions are linked to performance but more effort is needed to explain and justify decisions.	Systematic analysis of events, decisions and performance outcomes. Clear discussion and justification of operational decisions.
<b>Competitor Analysis</b>	No evidence of research and investigation of competitors. Little analysis and superficial or erroneous conclusions. Entire sections of the SWOT analysis are missing (e.g., no opportunities are listed).	Basic research on competitors and important performance indicators. Underdeveloped analysis and basic conclusions. The SWOT analysis is incomplete, omitting obvious points. Many items are placed in the wrong category.	Good research on competitors. Solid investigation of important performance indicators. SWOT analysis is adequate but some items are placed in the wrong category.	Extensive analysis of competitors. Comprehensive investigation of important performance indicators. Thorough and insightful SWOT analysis with no obvious errors or omissions.
<b>Future Directions</b>	Little or no evidence of the use of information from the analyses in the development of new or revised goals. Goals and action plans are limited or poorly articulated.	Goals and action plans are somewhat realistic but could be better articulated. There are better optimal solutions for improving the performance of the airline.	Most goals clearly derived from the analyses. Goals and action plans are realistic and generally clear and coherent.	Clear evidence of synthesis of information in the development of goals. Comprehensive and well thought out goals and action plan.
<b>Supporting Data/Evidence</b>	Evidence & examples are lacking or ineffective. No use of graphs, charts, tables or appendices to support content.	Evidence & examples are not always included. Limited use of graphs, charts, tables or appendices to support content.	Evidence & examples used adequately. Some use of graphs, charts, tables or appendices but more needed.	Excellent use of evidence and examples. Effective use of graphs, charts, tables or appendices to support content.
<b>Written Expression</b>	Many spelling, grammar, capitalization & punctuation errors. Attempts at simple sentences often not successful. Minimal attempt at paragraphing with no topic sentences, connections or transitions. Appears hastily written.	Errors in spelling, grammar, capitalization & punctuation are frequent and distracting. Effective use of simple sentences but some problems with complex sentences. Poorly organised paragraphs with limited use of topic sentences and awkward connections.	Occasional errors in spelling, grammar, capitalization & punctuation. Sentence patterns mostly used successfully. Some problems with paragraphs but topic sentences evident with adequate connections and transitions.	Spelling and grammar perfect. Full range of sentence patterns effectively used. All paragraphs well structured with clear topic sentences and good control of connections and transitions.