

easyJet

During 2002, easyJet took over Go Fly to become Europe's largest budget airline. One of the cornerstones of the company's ongoing success is strict cost management. Every aspect of the organisation is regularly reviewed to see if things can be done better and / or differently to improve service levels and lower costs. Building on the success of a similar

project at Go, easyJet engaged Smith Bellerby to review voice telecommunication costs for its operations at Luton and Stansted. These costs were incurred on outbound calls — both national and international, and on inbound calls from the UK and abroad. Even though the vast majority of easyJet's business is carried out via the internet, the company still receives a large number of inbound telephone calls relating to flight bookings or customer service queries.

The audit of all voice call traffic took place between January and April 2003. The analysis involved reviewing invoices from a variety of existing suppliers to develop a detailed understanding of the types of calls, when they were initiated and their duration. Due to very high traffic volumes involved, a tendering exercise was carried out to identify the best bespoke rates available in the market place. Working with existing and new suppliers, significant savings were identified especially on calls to mobiles and international inbound calls. In addition to just looking at cost-reduction opportunities, a number of more innovative options were explored with the easyJet management team — some of these highlighted the possibility of turning a significant net cost on voice communications into a revenue generating opportunity.

Implementation of the recommendations started in early May 2003 and easyJet have already benefited from a significant reduction in costs coupled with a 180% increase in revenues from their voice telecommunications activities. Smith Bellerby are continuing to monitor the market to ensure that the deals currently in place with easyJet's suppliers remain competitive, and they also provide a comprehensive invoice checking service which gives easyJet peace of mind knowing that the correct rates are being applied to their call traffic. If Smith Bellerby find any invoicing errors, they work with the suppliers to implement the necessary corrective actions.

Oliver Wigdahl, easyJet's Sales and Distribution Manager commented, "we didn't think lightning could strike twice in the same place, but following the success of their project at Go, Smith Bellerby have yet again delivered the goods for easyJet. This is another amazing result!"

