HOW CAN NOK AIR COMPETE?

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Extended Abstract- The purpose of the case research are as follows: (1) to understand the best practices of operations and service management of the successful low-cost carriers such as those of Southwest Airlines, (2) to identify limitations of the best practices of low cost airlines and how they can be adapted to suit a context of a local low-cost carrier situation and (3) to analyze and develop operations and service improvement plans to elevate the level of competitive priorities in the context of low-cost airlines' best practices. The case was developed through the information gathered through interviews with an airline executive and data from various secondary sources – specifically, company's annual reports, stock prospectus, industry research studies related to aviation. Then, the analysis for the case research will be based on a practical framework related evaluation of high-performance companies (Raynor and Ahmed, 2013). Executives are often in pursuit of exceptional company performance through various programs focusing on operational excellence, talent development, corporate culture, leadership style, and many others. However, based on the analysis of data on 25,000 companies traded on U.S. stock exchanges between 1966 and 2010, Raynor and Ahmed (2013) argue that these factors cannot be statistically linked to exceptional corporate performance in a consistent pattern. Instead, they discover three decision rules that are highly consistent with top performing companies: 1) Better before cheaper, 2) Revenue before cost, and 3) Change anything in order to follow Rules 1 and 2. The rules can serve as guiding principles for executives' strategic decision making as in the situation described in the case. It is expected to find that A failure to observe Rule 1 of Raynor and Ahmed would result in Nok Air flying further downward in the long run if it were to strip off its "premium" service in order to compete with both new and old cost-leadership competitors. Similarly, applying Rule 2, it should be seen that management would need to find ways to increase Nok's revenue either by higher price or higher volume.

Keywords- Low-cost Airlines, High-performing Companies, Competitive Advantages.