

Enterprise in Action

# CHOOSING THE RIGHT SLOT

*VLM - created five years ago - is carving its own niche in regional transportation, as Christian Heinzmann relates to Dick Suter*



1993, VLM saw a definite niche in business transportation. As a result of longish transportation times to and from major airports, congested time-consuming parking, and long check-in times at such airports, air travel is no longer as quick as high-speed trains for covering some relatively short inter-city distances. Consequently, VLM's strategy was to avoid over-busy airports. It targets airports which are easy to reach but close to business centres, and where car parking is relatively easy. And if you're a frequent flyer and value such factors in reducing hassle, you'll also appreciate the notion of checking-in just 10 minutes before take-off.

"We started by flying between here and London City airport," explains VLM's managing director, Christian Heinzmann, "and it was the beginning of a very successful line, which we now fly five times a day, having been one of the pioneers in the early days." The modern Docklands based airport provides an interesting alternative for people who don't relish the all too familiar delays experienced by aircraft 'stacking' somewhere near Heathrow in the morning rush-hour queue, as they wait for a landing slot to be allocated. It's a scenario which has become common at other major airports, often playing havoc with business schedules.

"It's now a very busy route and it's gone even better in the last two years," he adds. "London City was not a very well-known airport but since the dock-land area is growing so fast, we see that

the airline business is growing accordingly." Figures for the first nine months of this year confirm this, showing an increase in passenger traffic of 21% over the same period in 1997.

Rotterdam is currently VLM's busiest base. From there it operates five flights a day to and from London City and three to and from Manchester. Then in mid-1997, London City - Mönchengladbach/Düsseldorf was added, followed by the inauguration of London City - Luxembourg in November '98. "That's a route between two business centres where the banking sector is particularly important," says Heinzmann. "It's actually a good niche."

Significant in VLM's operations is co-operation with other airline operators. "We are a Belgian AOC (airline operator's certificate) holder - our certificate is Belgian," he explains, "but in Rotterdam we fly in co-operation with KLM, from Mönchengladbach in co-operation with Lufthansa and in Antwerp we fly in co-operation with Sabena. It is a sort of block-seat arrangement. We do not fight each other. On the contrary, we work well together. We see ourselves as niche carriers and we do not want to step on anyone's toes." He states that such co-operative arrangements work well but only as Lufthansa accepts that VLM also works with Sabena, that Sabena accepts that his airline works with Luxair and so on. And on some routes, VLM is competing with these larger carriers. "We are competitors but we share joint

Antwerp airport, situated in the nearby Deurne suburb, is calm, compact and quietly efficient. The sort of facility that you find adjoining a multitude of US towns. It's where VLM - the Flanders Aviation Company - is based. And it's typical of the type of regional airport which this airline is serving.

Founded in February 1992, with its first scheduled service starting in May



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facilities," he clarifies. "For us the financial risks are far more acceptable. What we do is divide the cabin and we sell a smaller capacity - each does his own selling." And that's in the passenger's interest as the costs are better contained.

## PLANNING FOR THE FUTURE

"We are now talking very seriously with Swissair and Crossair and we have come to an agreement in principle that we would fly 3-times a day into Basle and 3-times a day to Geneva, both flights from Antwerp," he continues, "and that will add to the value of the airport." So, too, will a link with Zurich which, he says, is on the 'drawing board'. Then there are the plans to fly to and from Paris. For, whereas the Thalys high-speed train between downtown Brussels and central Paris can be quicker and more convenient than flying between Zaventem and Paris' Charles de Gaulle airport, flights between Antwerp and Paris make great sense, particularly when you realise that you need at least one and a half hours between Antwerp and Brussels on a week-day morning to make the connection. VLM could also feed into

Air France's international Paris based flights, "so 60% of that business would be interlining with their international traffic world-wide," he explains.

When the company started operations, it leased two Fokker 50 aircraft but as it has developed new routes the number grew to its present six. Now it is again augmenting its fleet, having taken an option on four Fokker 70s, a very fast 80 seater fan jet that can operate on small runways, such as London City's 1400 meter strip or the present 1360 meter runway at Antwerp airport. Heinzmann says that they will be used on VLM's busiest routes like Rotterdam - London City, Mönchengladbach, Luxembourg and eventually on the Basle and Geneva flights. Future VLM plans also encompass Alicante and Moscow - two others which are at the 'drawing board' stage.

## ENVIRONMENTALLY GREEN OR JUST GREEN WITH ENVY AND MALICE?

Antwerp airport currently provides employment for some 450 people, while VLM has 50 out of its total workforce of 165 based at Deurne.

But a group of so-called 'environmentalists' would like to have the airport closed, although business is developing and the employment factor is not insignificant.

Heinzmann believes these 'ecologists' are being manipulated by real estate sharks. "They are told that the airport would be closed and a beautiful park would replace it," he says. "But everybody knows that would be absolutely impossible because Antwerp has a real problem with the lack of industrial estates, so what they want to do is to make the airport disappear and eventually build a business park here. We want to extend the runway from 1360 to 2000 meters, which will allow us to do more business - flying further and operating with smaller jets which is not possible today. So they create commissions in which they tell people that their health will be damaged and that they are going to have sleepless nights. They invent whatever they can."

You could say that, particularly as the airport operates from 7.00am through to 11.00pm only; not around the clock. Perhaps their sleepless nights are



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caused by other factors? And, anyway, surely Belgium's second largest city and also its richest should have its own airport?

"Yes," he replies, "but they are too short sighted to see that. 35% of the travel business is generated out of Antwerp province. Maybe these so called ecologists also want to close the harbour."

## TAILOR-MADE CHARTERS

In addition to its scheduled flights, VLM is developing its charter services, but not in the mainstream tour-operating business. "Ours is a very specialised sector," says Heinzman. "As an example, for the launch of a new VW model recently, we flew 14 times into

Innsbruck with journalists from various places in Europe. We do a lot for Philips and BMW and companies like that. The people go out in the morning and return in the evening. Our range, depending on the wind, is generally three or four hours."

## BEING MILLENNIUM BUG FREE

45-year old Christian Heinzmann has been in the travel business all his professional life. Prior to joining VLM, he was Vice President of Sabena's charter operations subsidiary, Sobelair, where he launched the Boeing 767 on long-haul destinations. He has also worked for Constellation, Trans European Airlines, Air Europe and, for five years, was Sales & Marketing Director of Hertz Rentacar. A man who relishes

new challenges, he nonetheless finds "travel a very exciting world but also very stressful because of its seasonality. There are a lot of ups and downs and the market becomes really hectic." The Year 2000 and its consequent need for every aspect of computerised operations to be thoroughly checked and, where necessary, modified, occupies much of his time. "There are a lot of electronics in the airline business," he says, "so we're dealing with automated reservation systems, we're dealing with those in the cockpit, with approach systems, we're working with Eurocontrol [the European air-traffic control co-ordinating body]. There's much to check out but we've been dealing with this for some time now."

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