

---

## Dynamic Strategic Planning For Airports

Dynamic Strategic Planning is one of the recommended methods to apply for a successful airport management and development, ensuring growth traffic and revenue. This Strategy has been outlined by De Neufville and Odoni, in 2003, at the same time as Heathrow Airport started studies about a third runway to ease daily operations and reduce saturation.

This strategy is generally starting to replace the Master Planning strategy that was broadly used when airports were not privatized.

An Airport Master Planning Strategy (AMP) was set in place by government entities and they did not take into account the growth and deregulation of air traffic management.

A Master Plan is mandatory for each airport and outline what an airport needs to achieve before a set deadline in the future and goals for a short term, 5 years, a medium-term, 10 years and a long-term, 15 years. This vision can help but it has been proven that it is often outdated. (Maldonado, 1990).

Master Planning is set as mandatory by the ICAO (1987) as well as involved governments and local authorities to invest a lot of money in a program that will be then changed again as the forecast is always wrong in numerous ways. (De Neufville and Odoni, 2003).

This schedule of planning is outdated but still widely used by airport corporations and local entities (FAA, 2005 and 1983).

A Dynamic Strategic Plan provides airport corporations with more choices and can build forecasts on numerous databases and help to anticipate any situation that can be dealt more efficiently than with a Master Plan that can be outdated.

This older planning strategy could not be as accurate as the Dynamic Strategic Planning as a 20 years ahead forecast has been demonstrated that it can be wrong (Nishimura, 1999; Stamatopoulos et al., 2004).

The newer method promotes an up to date research and applies modern concepts to coordinate different stakeholders and government entities such as Heathrow Airport Holdings.

A SWOT analysis (Strength, Weakness, Opportunities and Threat) as outlined by De Neufville and Odoni, (2013), is useful and can be integrated to provide in-depth feedback to ensure a correct growth. This analysis is to be completed by an in-depth review of the current situation, possible new plans and how the corporation could achieve them without exercising too many risks.

When an airport is privatized, as outlined by (Carney & Mew, 2003), stakeholders and corporations can choose the appropriated strategic plan that would work best for a said airport. A forecast is still important; however, a demand-based forecast helps to build a correct plan. (Thretheway, M, 2000).

---

Furthermore, it is complicated for different shareholders to communicate together and work together towards the same goal (Caves and Gosling, 1999; Dempsey, 1999).

Large stakeholders or corporation such as London Heathrow Holding can be slowed down in their projects as the support of the government is paramount to be able to build and expand an airport (Thretheway, M, 2000).

As different companies are using less and less this master planning strategy, the quote from De Neufville and Barber, 1991, resume the situation: 'Deregulation removes the barriers to change in prices, frequency of service, and routes.'. Changes can be unexpected, and a master plan does not take this into account.

London Heathrow Airport has two runways and five terminals for passengers and cargo traffics.

As London Heathrow Airport is amongst the biggest airport regarding traffic, a third runway is needed to support the growth of the airport, even with the Brexit uncertainty. Heathrow airport is close to saturation with a 99% usage with an average of 213.000 passengers a day. (Kobie, N., 2018).

A third runway plan has been studied for more than 10 years and has just been approved.

Numerous planning strategies were tried by the government about different airports in the United Kingdom until Heathrow Airport was completely privatized. Heathrow has been chosen along with Gatwick to be the main United Kingdom's international gateways. (Marshall, T., 2018).

Heathrow Airport is within a residential area, and its development has been slowed down multiple times by local communities. The local environment (Upham, 2003) is mandatory and has to be taken into account for future works. On the 25th of October 2015, the 3rd runway project has been accepted after 30 years of talks with different governments and local communities.

The Greater London country has 6 airports; Gatwick, and Heathrow are the main gateways to connect the United Kingdom to nations across the world.

Heathrow's new runway has an estimated cost of £14.6bn as outlined in the final report. This is a great example of an under-estimated cost or project, as the total estimated cost from the Airport commission is about £18.6bn, almost 30% more than originally scheduled (Benz, 1993). This is often expected for a massive work plan.

A Dynamic Strategic Planning for London was set in place and different scenarios were explored such as an expansion of Gatwick Airport or extending the two existing runways at Heathrow. The Commission has chosen the latter to provide more capacity relief to the UK's busiest airport. (de Neufville and Scholtes, 2011). It is also important to note that Heathrow and Gatwick as well as Dubai Airport operates with only one or two runways.

Heathrow has been chosen over Gatwick Airport as it would create more than 70,000 jobs and a larger economic effect. This will open capacity for existing carriers or new carriers to open 40 new destinations across Europe and around the world. (Airports Commission, 2015).

---

Airports corporations are actively looking for new ways of developing while taking care of their local environment, especially in Europe with high-density living areas and pollution issues that arise. Nowadays, an Airport Master Plan is still desirable while being an outdated way of planning although it can be complimentary with dynamic strategic planning, but airport corporations are yet to find a great balance between both.