BUSINESS SERVICES 2015

SETTING COURSE FOR 2015

DELIVERING THE THREE Cs

Business Services Organisation Structure

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                          │ GM Business Services│
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      ┌───────────────────┐          │          ┌───────────────────┐
      │ Execuitve Assistant│         │          │      Projects     │
      └───────────────────┘          │          └───────────────────┘
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| Finance | Information Technology | Internal Audit | Contracts, Procurement, Insurance and MV Fleet | Commercial Property and Facilities | Commercial Store | Legal Services |
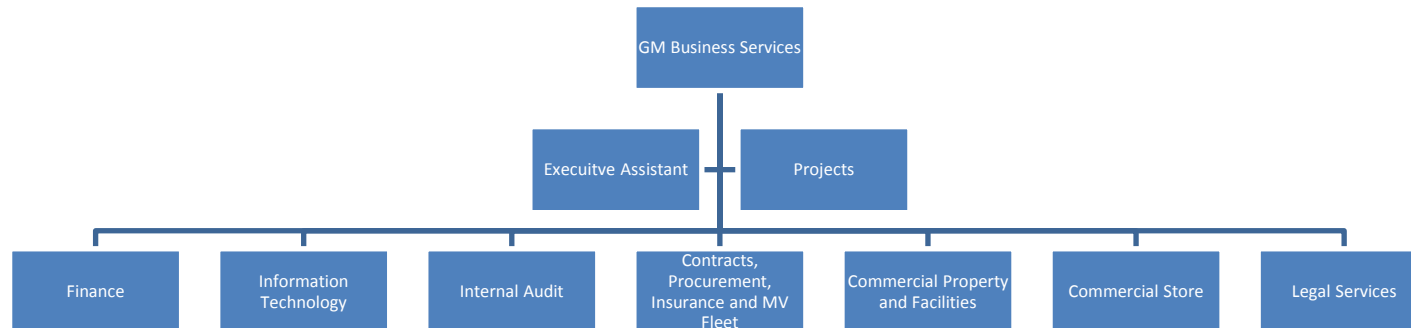
Activities:

1. Finance – reporting, treasury, tax, revenue, debtors, creditors, budgeting, financial planning
2. Information Technology
3. Internal Audit – administrative only
4. Contract, Procurement, Insurance and Fleet – new
5. Commercial properties and facilities
6. Commercial Stores
7. Legal Services

Business Services Organisation Structure

ACTIVITY	BUDGET 2015 (M)	STAFF CEILING	ACTUAL STAFF Nos:
Finance – reporting, treasury, tax, revenue, debtors, creditors, budgeting, financial planning	15.9	111	98
Information Technology	34.8	35	35
Internal Audit – administrative only	2.4	12	12
Contract, Procurement, Insurance and Fleet	New	2	2
Commercial properties and facilities	10.7	12	6
Commercial Stores	1.2	19	16
Legal	New	1	1
TOTALS	**65.0**	**192**	**170**

Expatriates – 12 with two vacancies

Business Services Strategy

CUSTOMERS	Target
Improve Service and reliability	• IT Service Support Rating of 4 above • IT Service requests resolved in one week with 95% resolved within 24 hours • Implement Service desk for Property and Facilities by 31 May 2015 • Deliver projects on time and budget • Internal Audit to deliver Audit Plan • Deliver to Finance and Compliance schedules • 98% system availability - email, Geneva, Winair, Epicor, rapid, MACS, MARS, Easy MARS, Skychain, Chris 21, Aviator • 99% network availability • Procurement committee to close out procurement requests in a minimum of 2 months maximum of 3 months
Improved maintenance programs	• Implement scheduled maintenance program for Property and Facilities by 31 May 2015 including gensets, air conditioners and commercial property accommodations • Fleet management system in place by 30 April 2015
Reporting – timely, accurate and useful	• All reporting on time as per Finance and Compliance schedule

Business Services Strategy

CULTURE	Target
Meetings and communication	Compulsory Monthly meeting with teams by Managers
Meet deadlines	• As per Compliance and Finance schedules • Deliver to agreed project milestones
Absenteeism – sick leave, leave without pay, arriving to work on time	Develop program by 28 February 2015 to reduce by at least 10 % of current total absenteeism by 2015 including arriving and leaving work on time
Organisational Structure	Implement new structures for Finance, Property and Facilities and Contract, Fleet, Procurement and Insurance by 30 June 2015
Internal Audit findings for Business Services	High risk items within two months of finding Medium risk within four months of finding Low risk within six months of finding

Business Services Strategy

COSTS	Target
Improve efficiencies	• Meet and exceed budgets • Integrate purchasing – requisitions, POs and invoices by 30 April 2015 • New chart of accounts by 30 June 2015 • EFT payments by 31 March 2015 • Implement IT projects as per IT project schedule • Organisational structure changes by 30 June 2015
Debtors	• Clear all debts older than 2013 by 31 March 2015 • No 180 day debtors by 31 December 2015 (currently 18.8M or 26% of total debts)

Business Services Strategy

KEY PROJECTS AND IMPROVEMENTS:

- Integration of requisitions, purchase orders, invoices and payments
- Centralisation of procurement
- Contract and insurance management
- Compliance reporting and register
- Fleet management
- Inventory management – linking Winair to General Ledger
- Data warehouse – ongoing implementation
- Debtors – record keeping and collection improvements

- Payables – linkage to suppliers
- Time and attendance – HR project
- Profit centre reporting – Cargo, Training, Destinations program, Duty Free
- Improved stock control and management

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Business Services Strategy

PROJECTS AND IMPROVEMENTS:

- Data recovery centre - establishment
- General ledger – revise codes, reconciliations
- Accounting standards, reconciliations, fixed assets
- Tax planning
- Maintenance – facilities, assets, improved reliability
- Reporting – improve, access for business, timeliness
- Records management
- Integration of systems
- Improve Office Accommodation
- Risk based approach

- Improved reporting
- Fuel hedging
- Subsidiary businesses - cargo
- Aircraft securitisation
- Land and property joint ventures
- Develop Lae
- Develop Seven Mile
- Residential Apartment Building
- Investigate Mt Hagen land options
- New Maintenance Hanger
- Complete outsourcing of out ports

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Business Services Strategy

SPECIFIC TECHNOLOGY PROJECTS:

- Payroll integration
- Time and attendance system integration with payroll
- Budget active planner online
- Integration of purchasing and invoicing including work flow
- Updated Epicor reporting tool
- Implement EFT
- Utilise full suite of inventory management tools
- Implement revenue integrity module
- Implement electronic flight bag for pilots
- Online member statements
- Online retrospective claims
- Automation of loyalty program partner files
- Flight status on MARS
- Automate refund processing in MARS
- Ongoing development of data warehouse
- New data centre
- Improve customer statements
- Review integrated Training tracking modules
- Financial Audit tracking tool
- Internal Audit software

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Business Services Strategy

SPECIFIC TECHNOLOGY PROJECTS:

- New intranet
- New website
- Mobile payments
- Automate staff travel system
- Consolidate servers
- Self-serve customer kiosks
- Install telephone queue system for telephone sales
- Implement wireless
- Various system upgrades
- MV Fleet Management software
- Automate EasyMars deployment over internet
- UATP online payments

- Implement interline ticketing arrangements with various carriers
- Enable interactive seating arrangements
- Develop improved sales agent reporting
- Enable Link PNG name and logo on MARS and MACs outputs
- Link Customs software to Skychain
- IT Service online
- Review UPS currently deployed