NRF Transform



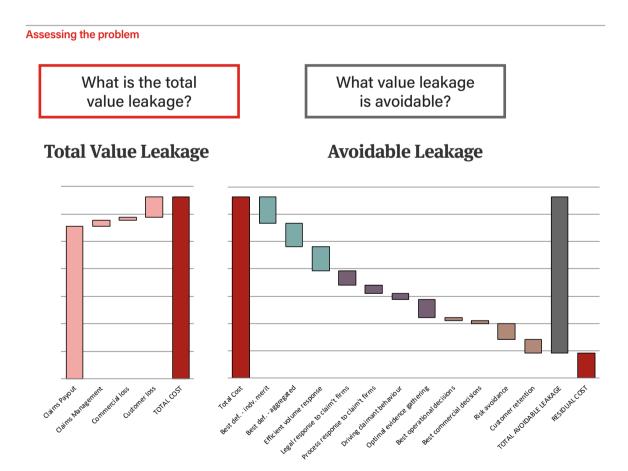
An EC261 case study and a new solution

2021

NRF *Transform*

Background

EC261 requires airlines to provide compensation of between €250 and €600 to passengers in respect of delayed or cancelled flights or denied boarding. This is a burden for every airline which operates within or out of the European Union, regardless of how well run the airline is.





Value leakage

Level 3 **Business** response leakage Level 2 Claimant firm leakage Level 1 Claim response leakage

Informing evidence gathering procedures \mid e.g. what's recorded in a log / overseen, and passed on

Informing evidence pack / material prep e.g. what goes in evidence and where to focus (e.g. reasonable measures)

Rerouting or scheduling of aircraft e.g. informed by a propensity model based on route and delay length, linked to an anticipated win / loss ratio, with a confidence level.

Informing commercial positions through EC261 understanding | e.g. informing ticket price and landing fees on new routes, based on liability forecasts for the route

Financial provision e.g. better forecast of business costs

Fraud identification | e.g. unusual patterns of claims

Issue forecasting and preparation | e.g. use of European small claims procedures or European orders for Payment; advanced implementation of responses to new precedent

Good claims experience e.g. Rapid, Reliable, Consistent

Strategic selection of precedent challenge | e.g. Recognising & taking / leaving opportunities to escalate to appellate courts , such as Strikes, Flight Sectors

Avoiding burden assumption | e.g. over checking without consequence for claimant firm, rather than pushing back responsibility (fraud defence?)

Eliminating process mistake costs e.g. paying claimants without a valid claim: e.g. who've already claimed, who weren't on the flight, failing to keep timetables leading to inflated charges

Undermining claimant business model e.g. requiring direct entry of claims; pushing payment processing onto claimant firms; refusing to accept process shortcomings when a lower admin cost to the airline than to the claimant firm. NOTE: a robust defence process is the best deterrent of claimant firms

Shared defences | e.g. upgrading protections to a highest common denominator (see airlines repeating learning curves)

Best arguments | e.g. Reasonable measures

Best articulation of arguments e.g. "Speeding up the plane"

Best procedural / policy response e.g. Pushing claims to the right point of defence and no further.

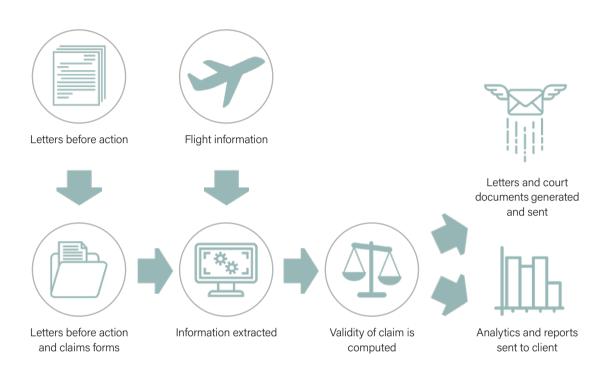
Understanding patterns in defence and judicial positioning e.g. recognising courts and judges who are claimant friendly; recognising courts following different procedures; counsel selection

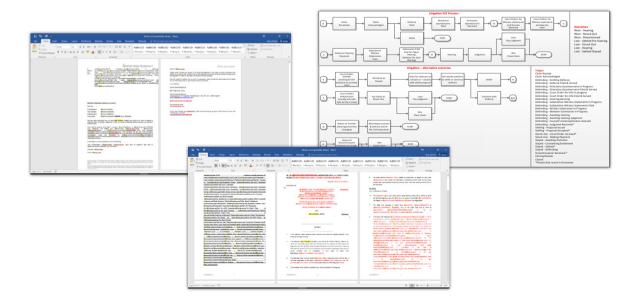
Efficient operations e.g. Optimal resourcing by allocation and inventory; Optimal qual. check levels; consolidation or automation of manual steps (API data pulls / OCR); step sequencing (evidence and history checks); Task handoffs and data feeds

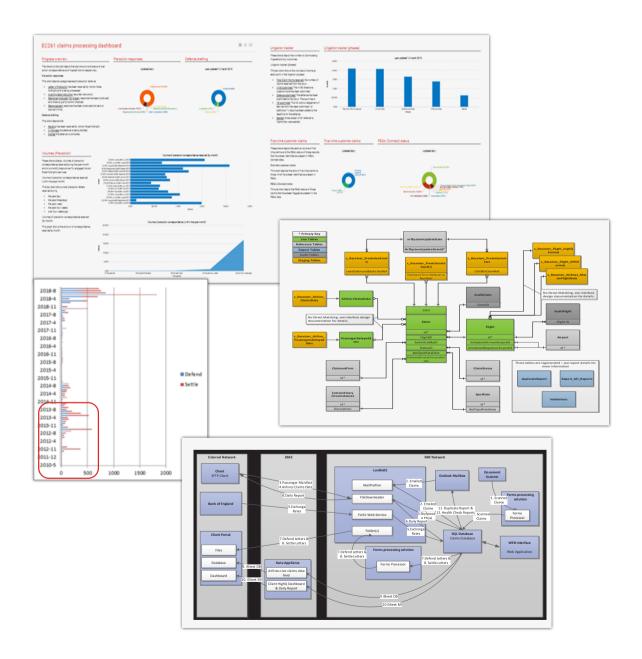
Consolidating claims e.g. Recognising & taking opportunities to have numerous claims on a flight heard together, saving cost

Scalable solution | e.g. Having a structure in place to respond to spikes – avoiding unnecessary pay-outs

Process and solution









Features

Partnering with airlines to build and run an (i) end-to-end, (ii) pan-European, (iii) tech enabled (iv) operationally holistic, scaleable & disciplined solution, (v) based on best in class legal expertise

Holistic	A solution that contemplates every aspect of the cost of EC261, and addresses the total avoidable loss
Scalable	Surge capacity covered up to 100% of target volumes, and a delivery approach that could reliably accommodate this.
Targeted, robust, commercial and accurate	An approach that reliably gives the most appropriate response, at every step of the process. Responding to claims is relatively simple – despite scale we will use a combination of expertise, process and technology to defend each claim so as to lead to the best commercial client outcome
Cross airline	A solution which leverages observations and best practice across the aviation industry
Leading expertise	Solution provided by our tier 1 aviation practice (Chambers / Legal 500) and award winning Transform program, incorporating operations, process and technology experts, with traditional legal expertise
Managed service	We would run in scope activity as a completely managed service – all operational issues, administration and investment covered. Crucial, includes rigorous continuous improvement
Fully integrated	Full integration with client systems, operational protocols and legal / risk positions
We bear build investment	No charge to client until tailored build complete, and services being delivered, based on a 3 year contract
	Internal investment authorised for up to 3 airlines in 2020
Outcome based pricing	Pricing based on deliverables
pan-European coverage	Solution can be deployed in all European jurisdictions

Modules





Phase 1 Tailor

Phase 2 Deliver

- 4 6 months
- Product tailored to client specific operational protocols, system and data feeds, and risk policies
- No cost to client in this period
- Service delivered
- 3 year period
- Monthly invoicing on deliverables

Next steps

Contacts



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