

T2RL helps Avianca achieve savings of 30% on its existing messaging costs



A reduction of up to 30% of Type B messages



Transparent and predictable messaging costs for the next 5 years



Flexible contract terms to evolve with the airline's business strategy



Increased Avianca's knowledge in the technical aspects of Type B

Client Profile

Avianca is the commercial brand that integrates the customer and cargo airlines under Avianca Group International Limited. Today, Avianca offers over 14 million customers the most complete network in Colombia and one of the largest in Latin America with more than 110 routes, more than 3,200 flights and more than 500,000 seats per week.

Following its successful exit from Chapter 11 in 2021, Avianca has a competitive financial structure and solid liquidity that will enable it to consolidate its new business vision. With 'Avianca para todos', the company is combining the best attributes of its more than 100 years of operation with the flexibility and practicality of the modern low-cost world, having the aim of becoming the preferred airline for millions of travellers in Latin America and the world.

Challenges

During 2020 to 2021 Avianca embarked on a procurement-led project to re-evaluate all IT contracts with all suppliers as part of its Chapter 11 financial restructuring.

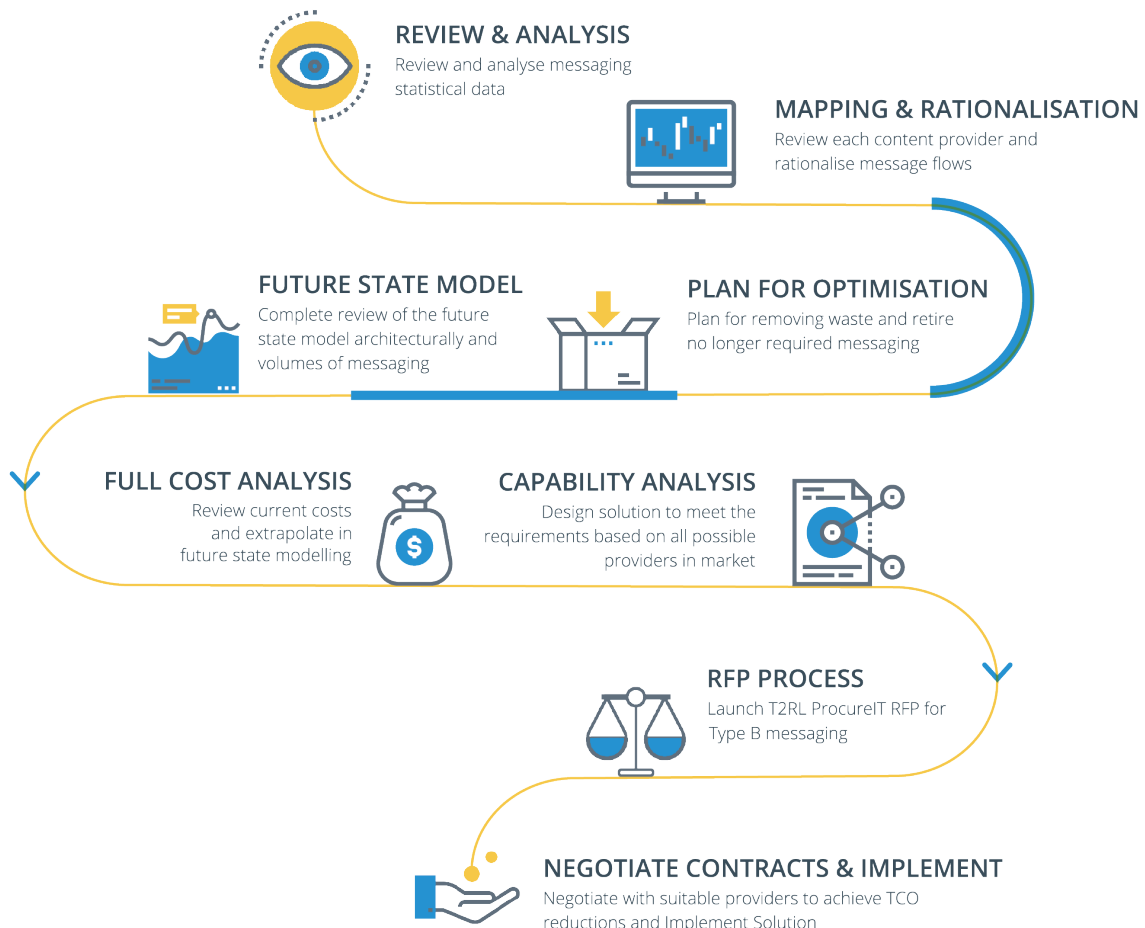
One IT service covered in the project was related to the provision of Type B messaging. Avianca maintained contracts with two Type B providers due to the capabilities needed to deliver these messages. Both contracts had previously been negotiated with minimum monthly commitments, which during the Covid-19 downturn created an

untenable financial position caused by significantly reduced passenger volumes. The airline was therefore processing considerably fewer messages than it was paying for in its contracted monthly requirements.

Avianca requested T2RL assistance in understanding its usage of Type B messaging and to look for alternative ways to address its commercial position from both a contractual and usage standpoint with vendors.

T2RL Solution

T2RL implemented a framework to achieve the Avianca objectives and completed the project scope within a six-month period. The following high-level steps were undertaken;



The Result

Drawing on extensive expertise and industry unique tools and processes T2RL helped Avianca achieve a forecasted 30% year 5 savings on Type B messaging costs including transformation and forecasted business growth over this time. The streamlined process and post procurement support also helped put Avianca in a position to achieve significant savings over the next five years.

In December 2021, Avianca successfully emerged from Chapter 11 after significantly reducing its debt and raising an additional \$1.7 billion in investment.

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We are extremely pleased with the outcome T2RL has helped us achieve in this area and would thoroughly recommend their support, tools and services to put any airline in a better position for the future

Avianca 

[Download T2RL's Type B Messaging report here](#)