

A Family Affair: AirAsia Group in light of Indonesia AirAsia Flight QZ8501

Remarks by Tony Fernandes, Group CEO and founder, AirAsia Group
International Society of Air Safety Investigators Annual Seminar 2015
Augsburg, Germany, August 24th 2015

Introduction

In the aftermath of Flight QZ8501 I was frequently described by the media as “AirAsia’s brash CEO” or “flamboyant AirAsia boss” or the “ebullient tycoon” Tony Fernandes. I can tell you that when you have to look a family member in the eye as they ask you about their loved one, or when I stood next to the family of my own crew as they bury their child in their own hometown, I did not feel like an ebullient tycoon or any of those labels. On December 28th 2014, for Indonesia AirAsia, for me and for the entire AirAsia family, the day we hoped would never happen did happen, and we suddenly found ourselves in the midst of an accident investigation while caring for the needs of the families of our passengers, colleagues and our employees.

There are several reasons why I wanted to present this paper to ISASI. First, this terrible tragedy and everything that the AirAsia family has gone through, certainly underscored to me that there are people, like you, who on a daily basis go to work to get to the bottom of these terrible tragedies to prevent them from happening again. I wanted to come before this group and say thank you for the efforts of your profession, and also to tell you what we did in advance, and what we did during and after the accident to address emerging issues. Hopefully, our actions and mistakes will stand as lessons learned for our industry.

Second, I am not just the CEO of the AirAsia Group. I am the founder and one of the owners, so my heart is in this organisation. AirAsia is a family – a family of airlines which operates like a self-contained alliance. The AirAsia group consists of individual AOCs, each with separate management teams. We support each other and we share certain functions and programmes. However, we remain as separate AOCs. Let me make clear that this accident involved Indonesia AirAsia. I have to do this because, unfortunately, this event was frequently misrepresented as a Malaysian event – it was not. It involved Indonesia AirAsia but it affected us as a group, and we rose to the challenge as a group and as a family.

We view ourselves as a family, and my management approach has always been hands-on, where every employee had access to me. I am responsible to them and they are responsible to me. Consequently, I believe it is my responsibility to share this information directly with the investigators of the world, but also on behalf of my staff and team members to present them to you as credible people worthy of being considered as credible technical advisors in any international event. I am accountable to them and am doing this on their behalf. That said, some of them will also be addressing you during the tutorials you have organised here.

Third, I want to thank you for the opportunity to appear as a presenter among this prestigious group of industry experts. I will say once again, I represent the entire AirAsia management team. I believe we did a good job under very challenging circumstances. Our team, individually and collectively, proved to be professional, competent and credible providing technical expertise to the investigators.

Before I tell you about what we did during the incident, let me go back to the planning stage. Three years prior to this tragedy AirAsia engaged in a Process Improvement Project. Its objective was to achieve the highest standards of safety in our organisation through safety accountability at every level of management and in every division of our organisation. Therefore, we brought together a cross-section of the workforce from

across the group and broke them out into teams to identify issues, recommend solutions and develop action plans. The teams dealt with:

- Communication and infrastructure
- Emergency response and family assistance
- Safety and operations
- Safety and investigation; and
- Regulation and certification

The strategies we used in handling all the involved parties were developed in 2012 – well before the recent incident – through this Process Improvement Project. Let me explain what they were.

Media strategy

I'll start with what most people refer to as a media strategy, but I prefer to call our general communications strategy. Let me give you some background about what that was. The most important point for AirAsia as it relates to QZ8501 is that our communications strategy recognises that we are involved in an aircraft accident investigation, not a media event, and that we conduct our efforts to reach out accordingly. Because it was an investigation there would be very little we could or would say to the media except to express our empathy on behalf of the families and the families of our crew and defer everything else to the investigators.

We prepared a communication manual for all AirAsia staff three years ago. Under the manual, emergency response is part of overall communication, not the other way around. But rather than just covering the worst-case scenario, our manual covers all situations including the international accident investigation process. This is because it is clear to us that an emergency may happen once in a while, but the need to communicate effectively happens every day. In this manual we use a Four-Point Formula to communicate what is appropriate during an accident investigation.

In terms of general communication, thanks to social media I was able to go directly to the audiences I wanted to reach. When I had to face conventional media, I was very conscious to not tailor my message for them, but rather making sure I stuck with and communicated the Four-Point Formula through the media to whom they were channelling the news to. I'm proud to say that our Indonesia AirAsia chief executive, Sunu Widyatmoko, used the same strategy, and that as a team we did not deviate from this.

Family assistance strategy

Three years ago we began the process of strengthening our emergency response plans and doing special assistance team training. But no amount of training could fully prepare us for the tragic event that was the biggest challenge of my professional and personal experience. It was a physical and emotional experience that I know all of you, as investigators, have gone through many times, trying to get to the bottom of these terrible tragedies for the rest of us. That is why I knew that of all the groups to whom I speak, all the audiences with whom I interface, ISASI was an event that I could not and should not miss.

In our plan, although we don't not fly into the United States, we nevertheless familiarised ourselves with the Family Assistance Act. AirAsia chose to comply with the elements of these requirements because it was the right thing to do, even though we were not required to do so. We also knew we could not rely on the partnership offered by a formal alliance of airlines. Consequently, we employed our own group structure as an informal self-contained alliance. Although we had an outside consultant initially guide us through the process of writing our manuals and training our special assistance teams, we did not hire away our responsibility to an outside firm to execute the plan if and when the time came to do so. We had to rely on each other. The CEOs of the affiliate partners came to Indonesia to take their place as care team members. I know it is unusual for CEOs to actually be care-team members, but we operate as a family and this is what family does.

Another thing that I've been told was unusual was to give my personal mobile phone number to family members. But I have always been accessible to AirAsia staff and our guests so, in this case, it would have been out of character for me not to do so. In addition, I used social media to communicate directly with the families. There were many questions I could not answer and it broke my heart not being able to let them the families know. However, I realise these are things that only the investigators can answer.

Regulatory strategy

As a certificated airline, we of course have compulsory engagements with regulators over standard matters. But as part of the Process Improvement Project of three years prior, we established the GRACE program. GRACE program stands for Government, Regulatory and Certification Envoys. The GRACE Team project was designed in 2012 to establish a group strategy consistent with the AirAsia business philosophy and approach to dealing with regulatory and certification issues within the AirAsia Group. One specific and important objective was to reinforce the role of AOC safety directors as stronger and more active government liaisons. It was not to deal with standard regulatory issues because we always had that capability with our regulators. Rather GRACE aims to enhance channels of communication in a proactive and preventative way and to make our safety leaders "safety entrepreneurs".

Once the project was formalised, we used this format to visit our AOC regulators in the aftermath of QZ8501 to tell them what we knew and what we had done. Although the final report has not yet been issued and we therefore could not give conclusions and preempt our investigators, we could tell them what we had done in the immediate aftermath of the incident.

What we did was to update them on our reasoning and strategies behind how we handled our communication and family interface, our strategy to

comply with the elements of the Family Assistance Act, and our plan on what we would do if a tragedy were to happen to any of our other AOCs. Our most important message to the regulators was that our objective in Indonesia was to preserve the integrity of the investigation and that would be our objective when it came to communication and families in their jurisdictions.

The first step we took following the incident in December was to bring in external experts – former regulators – to do an assessment of our processes and systems to see if there was anything systemically that was not in line. There are many organizations that could have provided this information. However we felt it was important to bring in former regulators from the US Federal Aviation Administration with relevant background in this area to advise us on how to strengthen our system of check and balances. In addition, the GRACE project is driving the formation of our own internal group audit team which will be shadowing the external assessment team we brought in to review our own system as part of on-the-job training.

GRACE team visits to our AOC regulators have been followed by team visits to regulators in countries where we don't hold AOCs, but where we have significant route presence, such as Korea, Taiwan, China and soon Australia.

Commercial aviation and travel in Asia is exploding. Asia is under constant scrutiny. We see what Europe has done, which is to harmonise safety standards and co-ordinate regulation. While the AirAsia team is out building communication channels with the regulatory community, I am doing my part to make a case at the highest levels of government for the 10 member states of the Association of South-East Nations (ASEAN) to similarly establish a single aviation market based on an integrated framework of regulations. In this regard, I am pushing especially hard for the formation of a single regulatory body for ASEAN. This will benefit everyone by building a safer foundation based on standardization and harmonization of regulations. It is not just an Asean issue but any airline that partners with

an ASEAN airline. If such efforts have reduced the accident rates in the European Union, why should Asia reinvent the wheel?

Investigation strategy

The most important objective to AirAsia in light of an incident or accident is to participate professionally in an investigation and not to do anything that would jeopardise its outcome. The most important thing I can do as a chief executive is to make sure that the AirAsia team has the training and credibility to be accepted by investigators as technical advisors to the investigation. In keeping with those aims and through our GRACE programme, AirAsia has a career development program that will be putting key members of staff through various parts of the accident investigation and leadership programs at Cranfield University.

I have a responsibility to you to come here and tell you about our efforts but I also have accountability to my team – and my AirAsia family – to come here on their behalf and tell you about what they did and continue to do. It's not enough to stand back on the outside and say that things were handled right or wrong in one area or another without knowing the background or why. That is why you, the investigators, are the most important audience to whom I can speak. And on behalf of my team, who are here with me today, I would like to thank you for giving me the opportunity to do so.