

Airasia vision and mission statement analysis

[Environment](#), [Air](#)



A vision is practically involves thinking strategically about the future direction of a company. In other words, the vision statement is like a road map leading the route to a company intends to take in developing and strengthening its business. Therefore, create a vision statement is really crucial for AirAsia. And the analysis of the current vision statement of AirAsia is including in the Appendix (Exhibit 1. 0).

After an evaluation of AirAsia original vision statement, the new vision statement will be revising into: ' To spearhead flight industry and to be the most recognized low-cost airline company that delivers the best flying experience in Asia'. As we can see, the new vision statement that formed is still within its scope, AirAsia remain emphasizing that it wanted to be the largest low-cost airline company in the Asia. When the company grows larger, it will direct more people to recognize AirAsia easily, in other words it brings strong brand identity to the customers. Besides that, in the new vision statement AirAsia interpreted as becoming the leader in flight industry in Asia, and obviously the original vision statement of AirAsia does not including this. Furthermore, in the new vision statement states that AirAsia wants to delivers the best flying experience to the customers, in fact this is another new direction that AirAsia can look into as customers today are concern about the services more than the features that the company can provide.

As mention earlier, developing a vision statement is a key to direct a company and to help secure the company's future. Conversely, a poor vision statement may mislead a company to the wrong direction. What AirAsia are accomplishing whenever developing a vision is actually expressive AirAsia

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expectations for its business. Although the new vision will not notify exactly how AirAsia are going to reach the entire destination, it does establish the course for its business planning. For example, being a leader in the industry is particularly new goals for AirAsia to achieve.

AirAsia should consider come out with a unique selling proposition that competitors would not duplicate from like having a strong and large customers' base, using the latest and advance technology that the competitors does not have, having the safest security aids and so on. In this point of view, AirAsia faced tougher strategic decisions on choosing technology option and so forth.

Next, we can see that the new vision statement stated that AirAsia wanted to be the most recognized low-cost airline company in Asia. Being the most recognized low-cost airline company needed a lot of exposure to the public such as advertising, sponsoring and so on. In this case, AirAsia will require making careful strategic decision and actions on the publicity and the sponsorship. For example, if AirAsia does not constantly updating its publicity activities and does not coverage all the target market, then will reduced the customers' base and hardly become most recognize Airline Company in Asia.

Mission Statement

Mission statement is used for defining current business activities, highlighting boundaries of current business. While the analysis of the current mission statement of AirAsia is includes in the Appendix (Exhibit 2. 0).

After an evaluation of AirAsia original vision statement, the new mission statement is written as: " To bring full premier services to the customers yet offering the lowest flight cost". Hence, it fulfilled the ' now everyone can fly' tagline correctly. Next is " To have a productive and motivated workforce and build close relationship between employees and the top management." Lastly, is " Updating and embracing the technology all the time to meet the goals of AirAsia that is reduced the cost to the lowest."

The new mission statement that created to AirAsia is brief and memorable, in other words it is easy to understand by most of the target audience. Besides, it is state clearly the purpose of the particular mission that needed to accomplish in the short period of time. For example, in the new mission statement stated " To bring full premier services to the customers yet offering the lowest flight cost" has affected the AirAsia to increase the customer value and provide full premier services like the others competitors do. Increasing customer value is not easy as it requires strategic actions and planning by the management.

The new mission statement has come out to have a productive and motivated workforce in AirAsia. This simply means that AirAsia needed to keep providing trainings and empower among the employees to make sure the work flow is carrying efficiently and productivity. While building well relationships between employees and top management can be done by organizing team building and applying good working policy to the AirAsia workforce. This mission statement helps guiding AirAsia for shaping its whole organization structure well and flat.

In short, the new vision and mission statement that created truthfully can helps AirAsia to go further in the right track and help management to review it as a guideline in making decisions in the future. The analysis of new vision and mission statement do include in the Appendix (Exhibit 3. 0 and Exhibit 4. 0)

AirAsia's Resources Strengths and Competitive Capabilities

AirAsia's major resources are including financial, human, technological, physical, organizational resources and so forth. Those resources can be strength and competitive capabilities that makes the key success factors in the industry.

Financial performance is the key to determine the strength or weakness of a company. According to the financial summary analysis in the case, it shows that in the end of 2005, AirAsia has actually earning of US\$29. 2 million and it is increased yearly. Besides that, AirAsia's bank and cash balances are reported up to US\$ 86. 6 million. This indeed shows a good performance and strength of AirAsia because with the large amount of the bank and cash balances, AirAsia totally can generate internal funds to do any expansion in the future. With this strength as well, AirAsia can meet its key success factors easily in the industry. In fact to has a low-debt-ratio, AirAsia increased its financial strengths too.

Next, are the human resources. Human resources refer to employees that working for the company. AirAsia's are still capable to keep its employees motivated because AirAsia is extremely supportive and responsive in encouraging and listening to its employee all the time. This made the

employees more productive and creative in performing their responsibility. Instead of offering high and attractive salary to its competitors, AirAsia recommend its own policy which are more motivated. For example, AirAsia offered a broad range of incentives that includes productivity and performance-based bonuses, shares and stocks option. In addition, AirAsia implement a sector pay policy rather than hourly pay scale for its pilots. This policy adopted to encourage pilot to enhance flight efficiencies by keeping flight and operating times to a minimum and to cover as much flight sectors as possible daily. All those hard work that AirAsia take not only helped in increase productivity buy also to further strengthen employees' relationships day by day. Moreover, highly skilled employees are also the source of capabilities that AirAsia has that is hardly to intimate by others competitors. Hence, human resources are one of AirAsia strength to match the key success factors.

From the innovation resources and product development aspects, at this moment, AirAsia has managed to design its aircraft cabins and this brings to cost reduction to AirAsia. This innovative work helps in increasing AirAsia revenues as the innovation allows for quicker turnarounds between flights. AirAsia also have their own branded credit card and offers corporate travel services. The ability to innovate and come up with unique innovations to lower costs and increase revenues shows that AirAsia possesses substantial quality innovation resources that are valuable.

Low cost airline tend to achieve the lowest possible price of the products and services same goes to AirAsia. AirAsia capabilities to reduce cost either fixed

or distribution cost is the competitive weapon used in the industry. AirAsia successfully bargained low lease rates for its aircraft, low airport fees and low rates for its long term maintenance contract, allows AirAsia to relatively offer low-cost flights to the customers. This somewhat linked to the physical resources management that is one of the strength of AirAsia.

Last but not least, the AirAsia strengths and competitive capabilities that matches the industry key success factors which is the advance and updating, is the technical resources. AirAsia was the first airline company in Asia who apply online-ticketing (e-ticketing) services to its customers. This implementation indirectly helped AirAsia to save up lots of cost, for example the printing cost. To further benefit the customers with technologies help, AirAsia make available for its customers to purchase the tickets at certain hypermarket by setting up a booth there as well as the post office. In short, AirAsia strength is also the capability to leverage on technologies and ahead of its competitors to increase sales and lower cost in the future.