



STRATEGIC PLAN



SAFE AND SECURE AIRPORTS



OUR **VISION**

To be a World Class Service Provider in Airport Operations and Management

OUR **MISSION**

Develop, Manage and Operate Safe and Secure Airports on Sound Business Principles with due consideration to the interest of our stakeholders.

OUR CORE **VALUES**

- Safety and Security
- Integrity
- Team Work
- Customer Service Excellence
- Innovation

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FOREWORD

BY BOARD CHAIRPERSON

The Namibian Airports Company as per statutory obligation outlined in the Airports Company Act (Act N0. 25 of 1998) provides and facilitates essential activities for developing, managing and operating eight airports and aerodromes within Namibia, namely Hosea Kutako International Airport, Eros Airport, Walvis Bay Airport, Ondangwa Airport, Rundu Airport, Katima Mulilo Airport, Keetmanshoop Airport and Luderitz Airport .

As the Board of Directors, we remain committed to Statutory requirements and enhancing our support to Namibia Airports Company to undertake its vision of being a world-class service provider in airport operations and management. The Namibia Airports Company acknowledges its critical role towards the achievement of NDP4 goals and ultimately vision 2030. This strategic plan seeks to demonstrate our commitment to the achievement of these National aspirations by ensuring that we provide safe and secure airports while providing an exhilarating experience for our clients .

The achievement of the targets set in this strategic plan will depend on the diligence and hard work of our most important resource – the human resource. In this regard I would like to urge our TEAM at NAC to ensure that the objectives of this strategic plan are met.

Ndeuhala Katonyala



ACTING CEO's REMARKS

Sun Tzu the great Chinese Army General and tactician once said, "You cannot be everything to everyone". In this strategy document the NAC has chosen to be a leading Airport service provider, providing safe and secure airports while providing opportunities and a conducive environment for our human resources to thrive and flourish.

The strategic plan is a precise articulation of what we want the NAC to be in the next three years. However this dream will remain just that.... a dream if each and every employee does not heed the call to action to do things differently. My hope is that each and every employee will choose to make a positive contribution at the NAC by giving their best every day.

Our promise to our employees is, we will provide you with ample opportunities to grow and flourish if you exert yourself. Finally in keeping with our motto during the strategic planning session, "talk less and do more", I wish to conclude by urging each employee to join hands with me and form a great company that we are all proud of.

Warmly,

Tamer El-Kallawi



1. IMPLEMENTATION PHASES

In order to achieve the turnaround objectives of the strategic plan three key phases of the strategy implementation were identified:

Phase 1: Stop and Fix

The first phase focuses on stopping all non-strategy satisfying activities immediately after approval of the strategic plan and to focus on fixing the identified weak systems and processes. The following were identified as needing urgent and decisive attention:

- Align the organizational structure to the turnaround strategy
- Develop an inclusive strategy communication strategy
- Develop a tangible plan to secure 12 months licenses for the 4 key airports (HKIA, Eros, Walvis Bay, Ondangwa)
- Develop a tangible rehabilitation plan for airports
- Improve staff attitudes, motivation and ensure they are geared towards performance and implementation of agreed plans
- Develop and strengthen the NAC policy framework
- Refocus the organisational culture towards safety and security
- Develop a maintenance plan for all airports
- Fill all the critical vacant posts and appoint a substantive CEO
- Improve corporate governance
- Develop a strong media management strategy



Phase 2: Stabilise and Maintain

The second phase focuses on stabilising performance and maintaining an agreed level of performance. The following need to be considered on phase 2:

- Adopt lean organizational structure
- Maintain high motivation levels amongst staff.
- Stabilise the leadership team and develop standard leadership ethos.
- Restore performance to targeted levels
- Lead by example and leverage on effective leadership
- Strengthen the people factor on capacity, attitudes, skills and discipline.
- Ensure cordial working relations
- Maintain assets as per plan
- Ensure secure and safe airports
- Ensure proactive and continuous improvement of asset care
- Liase with NDF to claim ownership of Rundu and Katima Airports
- Intensive Drive on Commercial Property Development
- Acquire licenses for all Airports
- Cost Containment
- Revise and document new projects management approach
- Complete revamp of IT Infrastructure

Phase 3: Expansion and Growth

The third phase is seeking growth of the NAC:

- Improve operational efficiencies and overall performance
- Improve KPIs and targets
- Secure and safe airports that meet world class standards
- Focus on cost containment and growing revenues.
- Build a culture of positive work ethics that promote integrity and accountability.
- Invest in capital projects
- Harness strategic partnerships, joint ventures and cooperating partners
- Upgrade airports to international standards

The strategy of NAC seeks to achieve the following defined targets over the 3 year period beginning 2014 through to 2017:

KPI	Actual				TOTAL
	2013 /14	2014/15	2015/16	2016/17	
Capital Expenditure	125 Mil	544 000	556 000	229 000	1 329 000
GRN Funding	80 000	474 000	476 000	139 000	1 089 000
NAC Funding	45 000	70 000	80 000	90 000	240 000
Average Revenue growth %	8%	8%	7.53%	8.64%	
-Aeronautical	8%	8%	9%	10%	
-Non Aeronautical	8%	8%	9%	10%	
Revenue Amount (N\$)	222 885	241 306	264 668	290 742	795 716
-Aeronautical	163 840	176 947	192 873	212 160	581 980
-Non Aeronautical	59 045	64 359	70 795	78 582	213 736
Upgraded Airport Terminal		Ondangwa	Walvis Bay Rundu	HKIA	14
Airport Airside Infrastructure Maintenance		Ondangwa, Katima and Walvis Bay	Eros	Luderitz and Rundu	6
Safety	30%	40%	60%	99%	
Security	40%	60%	70%	99%	

THE NAC STRATEGIC PRIORITY AREAS

The stability and growth journey that NAC is pursuing is based on the following strategic priority areas:

Priority 1

Ensure safety and security of airports

Priority 2

Rehabilitate 6 airports to improve level of compliance and upgrade 4 airports to meet capacity requirements by 2017

Priority 3

Ensure airport infrastructure and equipment is periodically maintained to applicable standards

Priority 4

Improve revenue growth by 10% per annum to fund operational budget and execute \$1,3 billion worth capital projects

Priority 5

Ensure 90% customer satisfaction by 2017

Priority 6

Improve staff morale and productivity to attain 90% of corporate planned results.

2. THE NAC STRATEGIC MAP





3. THE NAC STRATEGIC PREMIUM

The NAC strategy will seek to align processes to the value that the strategy seeks to deliver. To ensure this occurs the strategy will be geared towards delivering additional value for its stakeholders and this will be the NAC Strategic Premium.

STRATEGIC AREA OF PRIORITY	STRATEGIC PREMIUM 2017
Capital expenditure	\$1,3 billion
Revenue growth per annum	10% growth Per annum
Number of airports rehabilitated (Airside)	6 Airports
Number of airports upgraded (Terminals)	4 Airports
Planned maintenance	99% of assets
Safety and security	99% safe and secure certified airports
Staff productivity	90% of plans achieved
Job Creation	350 direct jobs



4. STRATEGIES

Operations Strategy

- Competent human resources will be required and all vacant posts need to be filled to ensure internal capacity is boosted.
- Put in place a safety management system
- Establish operations room
- Ensure adequate funding of the operations initiatives.
- Compliance training ratio 60:40 to administrative training

Commercial Services Strategy

- Property development
- Marketing
- Advertising
- Increase non aeronautical Revenue streams
- Automated parking systems
- CUTE system

Control Strategy

- Ensure policy consistency and stability as well as compliance with all policies of the organization.
- Expedite Board approval processes
- Sign MOUs with Government Ministries on non-aeronautical activities
- Appoint a substantive CEO and senior managers for all acting positions to ensure appropriate leadership of the company.
- Ensure implementation of all audit findings.
- Increase delegation of power to right levels

Enablers Strategy

- Review organizational structure and align with strategy to ensure effective strategy execution
- Improve communication throughout the organization
- Review the remuneration strategy to support attainment of strategic objectives and strategy execution
- Put in place Quality Management System
- Put in place a Succession Plan
- Define and implement a results driven and professional corporate culture
- Ensure Teamwork and build a High Performing Team that delivers results
- Develop and implement staff wellness programs to achieve high levels of motivation and staff productivity.

Financial & Supplies Management Strategy

- Strengthen billing at all airports
- Integration of procurement processes
- Availability of IT infrastructure to all airports
- Ensure effective debtors and creditors management to improve cash flow position of the business.
- Prioritization of expenditure to fund strategic activities ahead of non-strategic expenditure
- Develop and implement Service level agreements with all suppliers
- Sign MOU with Government Ministries on non-aeronautical revenues
- Vigorous debt collection

Enablers Strategy

- Improve Project Management
- Infrastructure maintenance is brought up to date and maintained as per planned maintenance plan.
- Infrastructure development
- Conclusive budgeting for infrastructure
- Purchase adequate equipment and tools
- Increase terminals capacity

4.1 KEY RESULT AREAS

From the current realities assessment, environmental, stakeholder analysis the following, four, Key Result Areas (KRA) were identified:

KRA 1

Airports Safety and Security

KRA 2

Infrastructure development and Maintenance

KRA 3

Revenue generation and financial sustainability

KRA 4

Organisational alignment and rejuvenation
(corporate governance and leadership)

4.2 POLICY REQUIREMENTS

To meet the turnaround objectives NAC needs to develop or strengthen the following policies:

No	Policy
1	Succession planning policy
2	Board charter
3	Safety policy
4	Change Management policy
5	Quality management policy
6	Airport Maintenance policy
7	Airport Security policy
8	Infrastructure development policy (PPP Policy)
9	Delegation of power (review)
10	IT policy review
11	Performance Management Policy
12	Procurement Policy Review

All policies to be institutionalized by 2014

4.3 FUTURE STAKEHOLDER MANAGEMENT STRATEGIES

The following are the stakeholder management strategies that NAC will engage in to meet stakeholder expectations whilst creating and delivering value:

Airlines Management Strategy

High standards of Safety and security
Upgraded and rehabilitated infrastructure
Meet or exceed agreed service levels

Media Management Strategy

Improved media image
Create brand awareness
Improved media relations

Suppliers Management Strategy

Improved and timely payments
Improved relationships

Customer Service Strategy

Enhanced airport experience
Improved safety and security
Proper operating procedures for shuttle operators
Service excellence

Partners And Alliances Strategy

Successful implementation of MOUs
Joint marketing and training initiatives

Employee Management Strategy

Improved conditions of service
Improved labour relations
Improved employee wellness and capacity building
Employee retention
Adequate competent staff
Improved productivity and corporate culture

Regulatory Management Strategy

Full Compliance

5. ACTION PLAN

1

STRATEGIC OBJECTIVE:
To ensure safety and security of airports



CUSTOMER PERSPECTIVE

MEASURE		MILESTONES/TARGETS			
		2014/15	2015/16	2016/17	
Bird stukes		3	3	2	
Runway Incursions (per 900 movements)		3	2	1	
Occupational Injuries (per 900 hours worked)		5	3	0	
Theft (Cases per month)		8	13	12	
Luggage Pilferage (Per month)		10	12	12	
ACTION STRATEGY		TARGET	TIMELINE	COST	LEAD DEPARTMENT
Implement SMS	Approved safety policies and objectives by end of 2014/2015	2016	5,2 million	R & C, SBU 1(HKIA) SBU2 (EROS)	
Integrate the safety elements in all the activities of the organisation.	Safety reporting system in place and data collected by end 2015	2017		Safety Compliance	
Implement Integrated security management system	Effective access control and surveillance system by 2017 Managed quality indicators for SMS	2016	85 million	SBU 1 and 2, Regional Airports	

2

STRATEGIC OBJECTIVE:
To Rehabilitate 6 airports to improve level of compliance and upgrade 4 airports to meet capacity requirements by 2017



CUSTOMER PERSPECTIVE

MEASURE	MILESTONES/TARGETS			
	2014/15	2015/16	2016/17	
% Compliance (For 4 Airports, HKIA,WB,Eros and Ondangwa)	30%	60%	99%	
Passengers (Total annual)	1,109,510	1,164,986	1,223,235	
ACTION STRATEGY	TARGET	TIMELINE	COST	LEAD DEPARTMENT
Rehabilitate (Airside) (Ondangwa/ Eros/ Katima/Rundu) Runway, taxi ways and aprons	Focus on rehabilitation & completion of runways	2016	600 Mill	Project and Engineering
Upgrade (terminal) HKIA/ WBay/ Rundu & Katima	Attract more airlines	2016	520 Mill	Projects and Engineering
Install CUTE System (HKIA)	Enhance passenger experience	2015	30 Mill	SBU 1 and 2, Marketing
Upgrade Fire fighting hydrants & water reticulation system (Rundu/ Luderitz/ Ondangwa /Walvis Bay/ Eros)	To comply with regulation	2015	30 Mill	Projects and Engineering
Expand Terminals (HKIA/ Rundu/ Luderitz)	Improve operational experience	2016	70 Mill	Projects and Engineering
Construction of Head Office	Contract management and completion of project	2016	220 Mill	Projects and Eng
Construction of three new terminals (HKIA, Ondangwa and Walvis Bay)	Construction of following projects 1. Ondangwa 2.Walvis bay	2017	58 Mill 57 Mill	Projects and Engineering
Develop Master plans and Land use plans for (Ondangwa, Rundu, Luderitz, KM, Keetmanshoop)	Develop Master plans and Land use plans for (Ondangwa, Rundu, Luderitz, KM, Keetmanshoop)	2015	15mill	Projects and Engineering
Conduct feasibility study on HKIA	Feasibility study conducted by 2016	2014	1mil	Projects and Engineering
Construct new fire station (Ondangwa, Eros, Rundu, Luderitz & KM	To comply with regulations by 2016	2016		Projects and Engineering

ACTION PLANS

3

STRATEGIC OBJECTIVE:
To ensure 100% airport infrastructure and equipment periodic maintenance to applicable standards



INTERNAL BUSINESS
PROCESSES PERSPECTIVE

PROCESSES PERSPECTIVE

MEASURE	MILESTONES/TARGETS			DEFINATION
	2014/15	2015/16	2016/17	
% Compliance	40%	60%	99%	Compliance to DCA requirements
ACTION STRATEGY	TARGET	TIMELINE	COST N\$	LEAD DEPARTMENT
Develop and Implement Airport pavement management System	Completion	2016	3 Mil	Projects and Engineering

4

STRATEGIC OBJECTIVE:
To improve revenue growth by 10% per annum to fund operational budget and secure funding of N\$1,3 billion for capital projects



FINANCIAL PERSPECTIVE

MEASURE	MILESTONES/TARGETS				
	2014/15	2015/16	2016/17		
Revenue Growth	10%	10%	10%		
Current Ratio	2:1	2:1	2:1		
Gross Profit Margin %	5%	5%	5%		
EBITDA Margin	19%	19%	19%		
Debt Collection					
Aeronautical	60 Days	60 Days	60 Days		
Non Aeronautical	30 Days	30 Days	30 Days		
ACTION STRATEGY		TARGET	TIMELINE	COST	LEAD DEPARTMENT
PPP Initiative	2% of revenue from PPP regime		2016	15 Mill	SBU 1 and 2, Finance
Air services development	5% pa aeronautical revenue growth		2017	500k	SBU 1 and 2
Marketing	5 % pa aeronautical revenue growth		2017	7 Mill	Marketing
Advertising Space Provision	Revenue growth of 4% p.a.		2017	6.5 Mill	SBU 1 and 2, Marketing
GRN Funding	66% funding from GRN for capex.		2016		Finance
Commercial Property Development	Develop Comprehensive Commercial Development Programme		2016	1mil	SBU 1 and 2, Business Strategy
Cost Containment	Each Dept to reduce cost by 2%		2016		All departments

ACTION PLAN

5

STRATEGIC OBJECTIVE:
To ensure 90% customer satisfaction by 2017



CUSTOMER PERSPECTIVE

MEASURE	MILESTONES/TARGETS			DEFINATION	
	2014/15	2015/16	2016/17		
Airport services availability	80%	90%	100%	Maximum aircraft movements per hour assuming average delay of no more than four minutes, (or such other number of delay minutes as theairport may set)	
Customer Satisfaction	80%	85%	90%	Overall level of passenger satisfaction as measured by survey responses.	
Check-in to Gate Time	40mins	40mins	40mins	Average time from entering the check-in queue to arrival at the boarding gate – measured at average and peak times	
Passenger processing (Arrivals)	50mins	40mins	40mins	Average time for passenger processing on arrival	
ACTION STRATEGY	TARGET		TIMELINE	COST	LEAD DEPARTMENT
Enhanced passenger facilitation	Process passengers according to ICAO standards. Annex 9		2017		SBU 1 and 2, Marketing
Certified ISO – QMS & Award System	Achieve 90% customer satisfaction		2017	5 million	R & C, SUB 1 and 2
Membership of ACI, TIACA and GHA	Achieve 90% customer satisfaction		2015	200,000	Finance
Leverage on IT (Install IT infrastructure that supports the business)	100% IT utilization across the organisation by 2017		2015	5 million	Projects & Engineering
Customer Care Strategy	Achieve 90% customer satisfaction		2015	1 million	SUB 1 and 2
Corporate Branding	Achieve 90% customer satisfaction		2015	3 million	Corporate Communications

6

STRATEGIC OBJECTIVE:
To improve staff morale and productivity to attain 90% of corporate planned results.



LEARNING & GROWTH PERSPECTIVE

MEASURE	MILESTONES/TARGETS				
	2014/15	2015/16	2016/17		
Employee Turnover	7%	5%	3%		
% Employees satisfied with learning and growth opportunities	40%	45%	50%		
% Attainment of corporate planned results	30%	60%	90%		
Staff Productivity (Gross Profit per staff member)	69 000				
ACTION STRATEGY	TARGET		TIMELINE	COST	LEAD DEPARTMENT
Market related salaries	Pay market related salaries		2017	20 mill	HR and Admin
Performance related pay	80% of staff achieve set targets		2016	15 mill	OD
Succession Planning	1:2 coverage ratio for all critical positions		2015		OD
Develop and promote employees	30 – 50% promoted internally		2017		HR and Admin
Develop a positive organisational culture	80% staff satisfaction index		2017	5 mill	OD
Training and Development	90% training in critical positions within the organisation		2017	12 mill	OD
Align organisational structure to strategy	Approved structure		2014		
Governance and Leadership	• Strategy monitoring and Evaluation Framework • Develop organisational leadership capacity • Strategic Human Capital Development			2 mill 2 mill 5 mill	OD OD OD

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