Baggage blunders

Terminal 5, built by British Airways for $8.6 billion, is Heathrow Airport's newest state-of-the-art facility. Made of glass, concrete and steel, it is the largest freestanding building in the United Kingdom opened in 2008. With 96 self-service check-in kiosks, more than 90 fast bag drops, 54 standard check-in desks, and over 15 kilometres of suitcase-moving belts that were supposed to be able to process 12,000 bags per hour. Terminal 5 had been planned to ease congestion at Heathrow and improve the flying experience for the 30 million passengers expected to pass though it annually. However, the facility's design did not initially seem to support those goals. After two decades of planning and 100 million hours of labour, opening day did not work out as planned.

Within the first few hours of the terminal's operation, problems developed. Baggage workers, presumably understaffed, were unable to clear unclaimed luggage fast enough. Many arriving passengers had to endure long delays to get their bags. There were problems for departing passengers as well, as many tried in vain to check in for flights. Planes were allowed to leave with empty cargo holds. At one point on that first day, the airline had no choice but to check in only those passengers with no checked luggage. And it did not help matters when the moving belt system became jammed. Lesser problems also became apparent: a few broken escalators, some hand dryers that did not work, a gate that would not function, and inexperienced ticket sellers who did not know the fares between Heathrow and various stations on the Piccadilly line. By the end of the first day of operation, Britain's Department of Transportation released a statement calling for British Airways and the airport operator BAA to 'work hard to resolve these issues and limit disruptions to passengers'.

Almost 250 flights in and out of Terminal 5 were cancelled during the first four days of operation because of problems with the baggage-handling system, the temporary suspension of luggage checking and staff lack of knowledge. Some 28,000 bags were delayed, and 9000 items still needed to be returned to their owners by the second week of operation. The airline said the problems were expected to cost it about $16 million.

However nine days after the new terminal opened the system was still experiencing problems. BAA's computer system, which sorts bags before loading onto flights, malfunctioned and baggage had to be sorted manually. British Airways had to cancel 24 flights to and from Terminal 5 as a result of these latest problems. A spokesperson for British Airways described the situation as 'incredibly disappointing' and said they were working with BAA to get the problem resolved as quickly as possible. BAA said the problem was entirely its responsibility.

Answer all questions below on the above case study:

1) Explain the terms feed-forward, concurrent and feedback control mechanisms. Which of these is of most importance in this situation? Explain your choice.

2) How might immediate corrective action have been used in this situation? How about basic corrective action?

3) Could British airways or BAA's controls have been more effective? How?

4) What could other organisations learn from this situation about control systems?

In your answer give examples from other organisations re types of control they have implemented.

(taken from M Scott, 'New Heathrow hub :Slick but no saviour', *Businessweek*, 28 March 2008, p.11).