

From a one-man show to the leading GSA in Germany

# "Great ideas can really take you places"

The development that ATC Aviation Services has seen since the beginning of the 1970s leads from Geneva to Frankfurt, and from being a charter broker in the field of international organisations to one of the first international operators and one of the world's biggest GSAs. CEO Ingo Zimmer told ITJ airfreight editor Andreas Haug at the Air Cargo India in Mumbai what is in store.

**Mr Zimmer, you were at Danzas, then Röhlig, and have been in airfreight for quite some years. Please describe how the business area of the GSA has changed.**

When entering the Lufthansa offices in New York as a German in the past, one got the feeling of entering a German consulate; that's the kind of poster child an airline considered itself to be back then. This has changed, due to cost considerations, and GSAs assumed some of the tasks at the end of the 1970s and beginning of the 1980s. Internationally, we were one of the first, that is as a network GSA and not a local hero, initially in Switzerland, the United Kingdom and France. As for me, I built up the business in Germany from 1989. In the meantime, we're in charge of transporting 7,000 t of freight every month – more than any other GSA and the fourth-biggest capacity provider worldwide.

**Which airlines does ATC represent?**

In Germany, our customers include, among others, Etihad, Ethiopian Airlines and All Nippon Airways. In Switzerland we're even one of the biggest capacity providers, serving Qatar, Turkish and United, amongst others, which means a volume of approximately 3,000 t per month. The same goes for volumes and ranking in Spain. Across the entire ATC network we sell 220,000 t a year, that places us among the top five globally, I'd guess. Our sales come in at EUR 350 million annually. My target noted in my business plan for 2020 is EUR 500 million.

**How do you plan to achieve that?**

Such growth cannot be achieved in the 'old' markets alone. That's why we plan to expand. Geographically, South America is a particular focus. We already have a presence in Argentina, Uruguay, Paraguay and Brazil. Four more countries will be added, but I won't reveal which ones just yet.

**The airfreight world will be meeting at the World Cargo Symposium in Dallas shortly. What's your presence in the US?**



Photo: Andreas Haug

Well connected – ATC Group CEO Ingo Zimmer.

We're also one of the leading GSAs there now, with eleven offices in the United States. Our customers include Etihad, Nippon Cargo Airlines and Air New Zealand, amongst others.

**Where are ATC's strengths; what do you do better than your competitors?**

Several things. We have a lean organisation and focus on core markets, such as the US or Europe, where we're also market leaders. When we expand, then we do so one step at a time. That makes me pretty confident that we'll be the No. 1 in South America in two years' time. Then we'll tackle Asia.

"In approximately two years we expect to be the No. 1 in South America."

**What role do your employees play in all of this activity?**

As a rule, we work with specialist teams, for instance 20 employees who manage only Etihad's business at various sites in Germany. To establish these teams we pick those whom we consider to be the best experts. As such, our management includes LAN Chile's former European operations manager, for example; the former SAS country head in the United States; and a manager who was formerly in charge of Lufthansa's Brazilian business in South America.

**So you're backing the right horses then.**

So to speak. That also goes for our diversified range of services. Just take a look at the development seen by our customer Avianca. The airline's already online in Frankfurt, Paris, London and Madrid; Munich will be added this year. The carrier is in the process of becoming the most important airfreight provider for Latin America. In Africa, this is already the case for Ethiopian Airlines. We also support up-and-coming network carriers from the Far and Middle East, as well as that region's neighbouring operators Turkish Airlines and Royal Air Maroc.

**That provides you with a solid overview of today's general airfreight situation, doesn't it? What's your assessment?**

At the end of 2017 the market finally performed in such a way that the yields were now also being generated at the level where they should be, so that airfreight is not a loss-making business anymore. I mean, airlines had to make up the differences for many years. That's now a matter of the past.

I assume there'll continue to be pleasing growth rates in tonnage, albeit not as high as the 15% registered in 2017. ATC's growth for last year stood at 30% by the way.

"We're growing with our customers."

**How did you manage that growth rate?**

We're growing because our customers, such as Avianca, Qatar or Turkish, have increased their capacities. Aerolineas Argentinas, Ethiopian and Silk Airways were newly added in South America in 2017.

**Mr Zimmer, what fascinates you personally about the airfreight business?**

We were talking about growth: I started out at 100 t. If you get things right in our business, have the right contacts and a vision, then you can really achieve something. Where other than in logistics is it possible to take over a country management position at the age of 28? Great ideas can really take you places – as can hard work.