

Little Lessons From History

by Bruce Taylor

Disclaimer

In this series I have tried, as best my memory serves me, to recall and correctly describe the events of my TPF world as I experienced them. My experience, my understanding, my interpretation and my memory are all fallible. Since I wrote nothing down in anything resembling a diary, I have had to try to correlate dates and events from often circumstantial evidence. My interpretation of cause and effect is a personal view. I have no intention of disputing the claims of others with respect to what really happened, or why things are the way they are, or who did what and when. In particular, if I say that a product seems similar to another in some way or came from something else, there is no implication that any intellectual property rights were violated, nor that any dubious practices were involved, nor that malice was afoot. Fortunately, neither intelligence nor knowledge nor insight are the exclusive property of any one person.

CHAPTER 7: And then there were 3

I was TPF Systems Manager at KLM from the spring of 1976 till the autumn of 1986: more than 10 years. This has been the first sentence in 5 chapters now, but it is the last occurrence. Back in Chapter 3, I mentioned that for the first 8 years I had a whale of a time in that role, then things changed. A series of reshuffles of the senior management team at KLM's IT department in the first half of the 1980's eventually resulted in all the TPF supporters leaving and the anti-TPF'ers getting the upper hand. These were the IMS bigots: IMS was considered "new technology" in those days, even though it was only a few years younger than TPF. These were the people who had been proclaiming loudly for years that "TPF will be dead in 5 years", and they were now in control. They made my life less than pleasant and in the summer of 1986 they reorganised the TPF departments so that I had TPF Systems plus Coverage, but lost TPF Communications, which went into a group with all MVS/SNA Communications. After a couple of months I said I did not want this job and, fortunately, a very interesting alternative was on offer.

Through the late 1970's and first half of the 1980's something had been sneaking up on us without us realising its significance: Sabre! Sabre (American Airlines) had been putting ever-increasing numbers of terminals into travel agents in the US: something unheard of in Europe. Apollo (United airlines) saw the danger and had more recently started doing so as well, but Sabre had a flying head start. What the airlines saw happening was that an agent with a Sabre terminal did two things. Firstly, they booked a lot more American Airlines flights than non-automated agents did, resulting in American Airlines growing at a much greater rate than anyone else in the industry did. Secondly, the other flights that such agents did book, incurred a booking fee from the airline to Sabre and Sabre was making money hand over fist. The European airlines, bonded together in the Association of European Airlines (AEA), headquartered in Brussels, suddenly woke up to the fact that at any minute Sabre could start doing the same thing in Europe. If that happened, then the European airlines had no response, traffic on transatlantic routes would shift to American (or United, since they now had the capability in Apollo as well) and we would be paying booking fees, in ever increasing sums, to the Americans. Nobody liked the sound of that. In general, we Europeans can't agree on anything, but on this issue we could...

Hence, the AEA decided to set up an emergency task force to address the problem. This was given the name: GDS Feasibility Study; where GDS stood for Global Distribution System. This is the first time this GDS name came into use; up till then the Americans all called their systems a CRS. The task force was assembled in Brussels in the autumn of 1986 under the leadership of a consultant from SH&E, who are based in Boston, a Mr. Bill Duffy, well-known in airline circles for the work he had done for the DOT and DOJ on the predatory practices of the large US airlines following deregulation. Each European airline had one to three representatives in the task force, depending on their size and interest. KLM had two: a senior man from marketing and me. So that was when I ceased to be the TPF Systems Manager at KLM. The task force's brief was to come up with a detailed and financially acceptable recommendation as to how to combat the threat of Sabre and Apollo penetrating the European travel agency population. This recommendation was to be presented in six months; i.e. by March 1987; and the solution itself must be available by the end of 1989. After brief preliminary discussions it was obvious to the whole group that the only way to combat the Trans-Atlantic threat was to build a European system which could do the same as what Sabre and Apollo were doing, but would be more attractive to the European travel agents because of its international bias, rather than the US domestic bias of its competitors. In fact, this conclusion was already implicit in the name of the task force and was no surprise to the steering committee. Hence, they told us to get on with working out how to do it before 1990 and how much it would cost.

SH&E organised us into subcommittees, technical (i.e. core system), communications and marketing, and I was given the job of running the technical subcommittee. That is when the fun started. Unlike the rest of the world, where TPF totally predominates and USAS is an also-ran, in Europe the split is about 50-50 between the two competing reservations systems. Air France, Finnair, Iberia, Lufthansa and SAS all had USAS; Aer Lingus, Alitalia, BA, KLM, Olympic, Swissair and TAP all had TPF. The USAS technicians in the subcommittee were just as emotionally attached to their technology as we TPF bigots were to ours. The subcommittee seemed to be on the point of open religious warfare and we were getting nowhere when the preliminary market sizing estimates arrived from the marketing subcommittee. These indicated that the capability to handle transaction rates well in excess of 1000 per second would be required for a European-wide system. TPF could do that (Sabre already was), but USAS fell a long way short. USAS at the time could do tightly-coupled multi-processing, but had no loosely-coupled capability and their upper limit was somewhere in the range 400-500 messages per second. Despite all UNISYS's efforts to convince us that loosely-coupled was in the pipeline (which we knew to be true) and could provide the performance required in the timeframe required, we remained sceptical. Finally, even the representatives from the USAS users had to reluctantly agree that it was improbable that UNISYS could have it done and working robustly in time for the schedule we had been given. Hence, TPF was the only reliable and acceptable solution. I consider getting that decision made and accepted without any fatal casualties as one of the major achievements of my TPF career.

Having surmounted the primary hurdle of core system technology choice, we then came to the application base choice. Acquiring a copy of Sabre or Apollo was out of the question, neither did they sell their software, nor did we want it because they were the threat and we had to combat them with something better than what they already had. We ended up with three candidates: a European base or Eastern's SystemOne or the PARS system, owned at that time by TWA and Northwest (PSP: PARS Services Partnership, it was operating as). Rightly or wrongly, the latter two US systems were viewed as having more of an international flavour, and

less of a US domestic bias, than Sabre and Apollo. The European option was a combination of the best from BA and Swissair, which were by that time considered to be the most functionally advanced in Europe, since KLM's development tempo had already been slowed down drastically for two years by the "TPF will be dead in 5 years" clique. After visits to Miami, the home of SystemOne, and Kansas City, where PARS was based, the conclusion was SystemOne, if we can get the right financial deal and support commitment, otherwise PARS. Although the European option was probably both functionally and technically superior, the problems foreseen in melting the two contributing software bases together were viewed as insurmountable in the envisaged timeframe.

The final report and recommendation for building and exploiting a pan-European GDS was indeed completed at the end of March 1987. It said the whole exercise would cost USD. 300M and take two and a half years, but the USAS users threw a spanner in the works. Unbeknownst to us TPF users, the USAS users had been meeting separately, after the finish of normal business in the AEA offices, ever since the decision in favour of TPF was taken. It is rumoured that these meetings took place in a bar in Brussels called AMADEUS. This group feared that they would be at a disadvantage compared to the TPF users in linking to the GDS TPF core. They had no TPF expertise, so would play a smaller role in the whole set up, as well as being at a competitive disadvantage in their ability to link to and interact efficiently with a TPF core. Hence, they decided that "the best means of defence is attack" and launched a pre-emptive strike. They announced that Air France, Iberia, Lufthansa and SAS had reached agreement to fund the building of the system as defined by the AEA study and they were starting immediately to do it. The rest of us could join in if we wanted to, but we would not be shareholders in the enterprise and whether we joined or not, the AMADEUS Company and the system build were going ahead.

Now, maybe this rift could have been bridged and a single European system built if it was not for the fact that the then chairman of BA could not stand the then president of Lufthansa. BA, I think, took this announcement as a personal insult and decided to counter-attack. At the time BA was in bed with United Airlines and UA did not fly across the Atlantic. Hence they and their Apollo system were perceived as less of a threat to Europe than Sabre. (I think BA likes American beds: they have been in and out of bed with UA, then US and now AA; only Delta and Northwest have been out of luck, but there is plenty of time yet.) BA did not take long to announce that they were not joining AMADEUS, but had entered into a partnership with UA to build a competing European system with Apollo as a base. All of us other TPF users were somewhat shell-shocked by this rapid sequence of events and BA issued an ultimatum to all of us insisting we decided which camp we were in. If we came in now with them and UA, then we could come in as shareholders and have a piece of the action. Aer Lingus, KLM, Olympic, Swissair and TAP all said yes to BA and only Alitalia played hard to get. Alitalia wanted to name the system and they wanted the cost to build it reduced to USD. 120M. Hence, the system was to be called GALILEO and the figures were suitably massaged to prove that it would only cost USD. 120M to be up and running. Spreadsheets are a wonderful tool for achieving difficult commercial targets such as this.

AMADEUS and GALILEO got to work and after spending about USD. 600M each and being several years late, went live in the early 1990's. So then there were three GDS's in the world. Later, when PSP took in Delta (or vice versa, depends on your point of view) and transformed itself into Worldspan, there were four. So it has remained ever since, despite multiple merger attempts always involving Worldspan.

Those people who took control of KLM IT in the mid-1980's, the "TPF will be dead in 5 years" clique, continued proclaiming that philosophy through till the early 1990's. After 10 years they finally realised that "the proclamation of policy and its execution are two very different things" and wisely decided to shut up. By that time their new technology solution, IMS, was also considered to be a dinosaur and UNIX was the future. One thing they had done while I was in Brussels, was to join IBM and SAS in a project called TERESA: that project had as its goal to replace both TPF and Unisys' USAS by an IMS Fast Path based reservations and DCS system. That project will feature in a future instalment on the wonderful and enlightening history of new technology reservations systems. Guess what: it failed!

TPF is still running happily in KLM...

Bruce Taylor – Amsterdam, November 2001

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