



AIRLINE BUSINESS AWARD

ALEX CRUZ



Tom Campbell

“We are not afraid of imitating old world practices, so long as we can do them under our cost base”

ALEX CRUZ
Chief executive, Vueling

Many have tried, most have failed. Indeed, only Vueling can convincingly lay claim to having made the in-house low-cost carrier model work in Europe.

Alex Cruz has been the Spanish carrier's guide throughout – from the formative stages when he consulted on Iberia's plans to create a budget unit, through the creation of Clickair in 2006 and the ensuing Barcelona budget battle which ultimately led to the merger with Vueling. After consolidating, the combined carrier has since expanded beyond Spain and, most recently, become a fully-owned member of Iberia parent IAG.

While Clickair was established by Iberia, Cruz credits the autonomy it and the merged Vueling were given as key to making the baby LCC concept work. “In fact we are probably not an airline baby,” Cruz told *Airline Business* in a cover interview five years ago.

“It's probably been one of the keys to success, the fact that [Iberia] made an effort from the very beginning to keep a distance.”

It says much for the success of Vueling and the leadership of Cruz that IAG has taken a similar approach in leaving the airline as a stand-alone company. “The plan Vueling has, we believe, is robust and strong, and we see no reason to try to redirect their growth plans,” said IAG boss Willie Walsh in November 2013.

“I don't feel restrained with anything,” Cruz told *Airline Business* earlier this year. “I don't think you would go to Vueling and find that there is something that we cannot do.”

Both before and after the IAG acquisition Vueling's expansion story has been impressive, with growth averaging around 20% a year. Initially built off the back of its Barcelona base, the airline has spread to markets where the Vueling brand is strong – notably Italy, where it is establishing a new stronghold in Rome.

Revenues have almost doubled in the last two years alone, reaching €1.73 billion (\$2.27 billion) in 2014 – in which it posted its sixth consecutive year of profit. Passenger numbers jumped 25% to 21.5 million. To put that into con-

text, it is around one-third more passengers than “big sister” Iberia.

Throughout this journey Cruz has evolved the airline and the low-cost model, retaining a cost focus while pushing at service boundaries as Vueling has come to epitomise the hybrid model that even low-cost fundamentalist Ryanair has taken on board.

“We are not afraid of imitating old world practices, so long as we can do them under our cost base,” Cruz explained in 2010, insisting nothing is off-limits simply in order to stick to a rigid LCC dogma. “Why not evolve it? We want to continue evolving in a way that gives us a better product and that makes sense, and we may do it in ingenious ways but with a low cost-base.”

That evolution continues, most recently debuting Airbus's new space flex configuration. “We've seen traditional carriers downscaling their product and service portfolio while the low-cost carriers have been increasing it – with Vueling leading the pack,” says Cruz. “Two years from now, we will probably have a much better premium product than we have today.”

GRAHAM DUNN



100-up: Fleet reaches century

SPONSORED BY



PAST WINNERS

2014 Adel Ali, Air Arabia | **2013** Titus Naikuni, Kenya Airways | **2012** Akbar Al Baker, Qatar Airways | **2011** Tim Clark, Emirates Airline | **2010** Steven Udvar-Hazy, Air Lease | **2009** Pedro Heilbron, Copa Airlines | **2008** Giovanni Bisignani, IATA | **2007** Norm Mineta, former US Transportation Secretary | **2006** Dr Assad Kotaite, ICAO | **2005** Herb Kelleher, Southwest Airlines | **2004** Maurice Flanagan, Emirates | **2003** Jürgen Weber, Lufthansa | **2002** Pierre Jeannot, IATA