dnata's kingdom and country

By Rick Lundstrom on | Catering

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British Airways is the first customer for dnata's new unit in Vancouver

Eight years ago, <u>dnata</u> looked over the airline catering market in the United Kingdom and saw a tremendous travel environment, but one where airline caterers struggled to achieve acceptable returns and infrastructure needed new investment.

What the company concluded at the time was that it needed a partner, and it found one in <u>LSG Group</u>. But in the future, dnata will be going it alone and will have its own name on catering trucks from Aberdeen, Scotland down to Bristol, England and 13 cities in between.

But the association with the United Kingdom doesn't stop there. In another part of the world, dnata has taken on <u>British Airways</u> as the first customer at a new unit in Vancouver, Canada. One that Robin Padgett the company's Divisional Senior Vice President, was "chuffed" about when he spoke to *PAX International* in December, above the din of the company's cafeteria in Dubai on one of the seemingly rare instances when he wasn't traveling to one of the 62 catering units worldwide.

The end of Alpha LSG

In early December, dnata announced an agreement to purchase the remaining 50 percent of <u>Alpha</u> <u>LSG</u> from the <u>Lufthansa Group</u>. The business, with 15 catering units, was originally part of dnata's purchase of Alpha Flight Services 10 years ago. The company's units in the UK, Australia, Jordan and other locations became part of dnata.

The two partners then assessed the catering landscape in the UK and strategized on how to make money in the mature market. Units were revamped and the company focused on a chef-driven catering model and the country's already-sophisticated and successful buy-on-board business model that had begun with the charter carriers and moved into the growing low-cost carriers.

"They have been wonderful partners," Padgett said of the LSG Group. "They brought a level of maturity and thoughtfulness that we have really enjoyed."

As dnata takes complete control of units in the UK, change is everywhere, but not all of it is good. The bankruptcy of Thomas Cook Group has caused dnata to make staffing changes and left a void with the loss of a longtime customer. The other is a new focus by Lufthansa Group to its core business with the sale of its European catering operations to <u>gategroup</u>. In the UK, Padgett says he is sorry to see the company leave.



Robin Padgett, Divisional Senior Vice President, dnata

"They have different strategic objectives at this point in time. Lufthansa is divesting from its catering business, so this is kind of a natural part of that process," Padgett says.

Other opportunities exist nearby. Padgett says dnata will shortly expand its business in Ireland beyond its units in Dublin and Cork. The company is the largest halal caterer in the country with <u>Qatar</u> <u>Airways</u>, <u>Etihad Airways</u> and <u>Ethiopian Airlines</u> as customers in Dublin.

Commitment to Canada

On February 1, dnata catered its first meals on the 747-400 service operated by British Airways at <u>Vancouver International Airport</u> (YVR). With the opening of the 4,460 square-meter unit, dnata plans to grow to a staff of 80 people in the next 18 months. The high-tech unit has the capacity to produce up to 8,000 meals per day. In addition to scheduled airlines, dnata will build up a customer base of charter and VIP flights out of YVR.

In the United States, dnata currently has catering units in Houston, Boston, Los Angeles LAX, New York, Nashville, Orlando and San Francisco. This year, it will open its eighth unit at <u>Dallas/Fort Worth</u> <u>International Airport</u>. Elsewhere in Canada, other divisions of dnata provide ground handling and cargo service to 18 airline customers at <u>Toronto Pearson International Airport</u>.

In addition to the cutting edge technology in the YVR unit, Padgett says dnata has invested in a culinary team that is vital to the company's emphasis on craftsmanship.

"What we are trying to do is in line with the strategy for the whole of North America [which] is to make sure it is a kitchen run by chefs first and foremost."