

WEST IS NEXT

He is a man with a mission. M Thiagarajan speaks on his foray into west India

By Divya Subramaniam Photos Paramount Airways

He seems a trifle distant, even awkward, at first. But five minutes into the conversation, M Thiagarajan, the managing director of Paramount Airways is holding forth animatedly on the subject of how logic is better than pride when it comes to running an airline.

Paramount Airways, his baby, is now going west. Flights have already been launched between Chennai and Ahmedabad, and aggressive expansion to other western cities like Goa, Pune and Mumbai is to follow. This, after successfully sticking a flag at the top of the southern market as India's only



all-business class regional airline for about three years.

A shy, boyish smile resurfaces again and again, but often stays hidden behind a soft spoken voice and a gentle but firm demeanour that would be suitable in a young college professor. A man of carefully chosen words, Thiagarajan gives the impression of being completely straightforward—just like his airline. Simplicity and logic hold key places in the running of his Madurai-based airline. But for all his emphasis on logic, Paramount Airways is the product of Thiagarajan's passion. Textile is the family business, but at 27 years of age, Thiagarajan, a pilot, decided to float Paramount Airways and

in doing so, became one of the youngest CEOs in the world.

SOUTHERN SUPERSTAR

Commercial flights for the airline were launched on October 19, 2005, and soon, Thiagarajan decided that it was a better strategy for him to stay in the south and focus on building his base in one area before taking it further. And that is exactly what Thiagarajan has done. Paramount Airways has more than 1,600 flights a month currently to small and smaller towns in south India including Truchirapally, Kochi, Hyderabad and of course, their base Madurai among

others. 'We feel it makes better economic sense to concentrate and target one particular sector and obtain maximum visibility, rather than spread out the investment over a larger area and get a lighter impact. This saves us the cost of marketing as well as airport costs,' says Thiagarajan.

The airline has also chosen to focus on an all-business-class model, which, says Thiagarajan, also really narrows down their customer base. 'The advantage of a specific customer base is that our flyers are extremely stable and very unlikely to be influenced by factors like price and the industry mood. They are top executives who do not fly economy and do not fly unless they have



Fleet beat: Paramount Airways has a fleet of five Embraer aircraft which will increase to 12 by the end of 2008 and it will add another 15 by end of next year. The airline has 2 Embraer E170, and 3 Embraer E175. It has placed firm orders for 10 E175s and 5 E195s. Right now, the airline intends to stick with an all-Embraer fleet.

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to. So there is no question of them cutting down on flying and our load factors getting affected. These are people who just need to fly and are willing to pay for five-star services. We are not looking at first time flyers.' Thiagarajan is also confident he will find more of the same kind of passengers in western India.

WHY WEST? WHY NOW?

Thiagarajan is not very happy about the 'regional' tag that his airline has acquired. 'We have restricted ourselves to a region merely because it made better business sense. We have no intention of restricting ourselves to being a regional carrier. This is just part of our strategy.' The plan for expansion that the airline has chalked out is very clear. They intend to build a base on different sides of the country and then link all the parts so that they have an unbeatable domestic network. To this end, the airline has already launched a flight to Ahmedabad from Chennai. Even as you are reading this, schedules for another flight to Goa are being finalised. 'Now that we have

firmly established ourselves in the south, we feel that it is time to move elsewhere. And the west is an obvious choice because there is scope for the kind of model that we offer. There are a large number of businesses that are based in the west and many of them have strong business ties with the southern cities,' says Thiagarajan.

Going to Ahmedabad instead of Mumbai—a busier route—might be called unusual by some. But unusual moves are not that unusual for Thiagarajan. Both his business model and his strategy of focusing on one region at a time is against the grain of what other airlines are practising. There is a flash of a shy smile but the earnest demeanour never leaves as he explains, 'Actually, it is important to remember that the trade relations between Ahmedabad and Coimbatore are extremely strong.' 'Most of the raw materials that are needed for the textile industry in Ahmedabad are created in Coimbatore. Yes, we would have had more visibility and more had come to Mumbai first. But we don't seek attention. We just want to do business. And business is what we are sure to get from places like Ahmedabad and Pune,' he adds. Outlining his airline's route map he says, 'We have saturated the southern market and we

wish to tap the possibility in western India. By 2009 we should be done with the west and start moving north. And once we have established an extensive network in India, we will look to fly abroad.' On the few days that the Chennai—Ahmedabad route has been operating, the load factors have been 75 per cent on an average.

RUMOUR MILLS

Gossip has been rife about Paramount Airways shopping for another airline. The enigmatic smile puts in a quick appearance again. 'It is true that we are looking to acquire another airline,' says Thiagarajan. 'It will give us more access to landing slots and parking bays, and bolster their expansion plans.' Clearly it is not the first time that he has been asked that. 'But I am not divulging any names,' he adds firmly and predictably. He does, however, add one morsel of interesting information. 'I can tell you for sure that no matter which airline we acquire, we will modify it to match the model that we have right now. We are not likely to enter into either the low-cost arena or adopt the regular three class model.'

Thiagarajan ends the interview with a characteristic quip. 'At the end of the day the top line is all about vanity,' he says. 'It is the bottom line that matters.' Are other airlines listening?

