

The Airline 13-Week Turnaround: Cash, Capacity and Network Decisions

A control framework for protecting liquidity while reshaping routes, fleet deployment and stakeholder commitments

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Abstract

An airline can run out of cash while reported load factor, booked revenue and accounting EBITDA still appear defensible. Ticket receipts arrive before carriage, refunds and card-acquirer reserves can absorb liquidity, aircraft and engine availability can change rapidly, fuel is largely dollar-linked, and a network decision taken today affects bookings, slots, crews and cash across several future weeks. A credible turnaround therefore requires one operating and financial control system rather than separate treasury, commercial and operational plans.

This paper develops a Cash-Capacity-Network Control Framework for airline boards, management teams, lenders, lessors and restructuring advisers. It connects a direct-method 13-week cash forecast with route contribution, forward bookings, fleet and crew availability, fuel exposure, maintenance events, passenger obligations, working capital and creditor actions. The framework defines daily liquidity control, weekly reforecasting, route-level decision thresholds, stakeholder sequencing and a controlled path from immediate cash protection to a viable seasonal schedule.

The worked case is wholly hypothetical. A network airline begins the period with assumed unrestricted cash of USD 84 million and a minimum operating-liquidity threshold of USD 35 million. Before management actions, assumed 13-week receipts are USD 315 million and disbursements are USD 364 million, leaving USD 35 million. The central case assumes USD 62 million of cash benefit from capacity, pricing, working-capital and creditor actions, offset by USD 19 million of implementation and restructuring costs, producing assumed ending cash of USD 78 million. A correlated downside assumes weaker receipts, higher fuel and disruption costs, slower creditor relief and only USD 48 million of action benefit, producing assumed ending cash of USD 20 million. Every amount, percentage, timetable and outcome in the case is an illustrative management assumption. The case is not observed airline data, a forecast, valuation advice, accounting advice, legal advice, tax advice or investment advice.

JEL Classification: G32, G33, L93, M21, R41

Keywords: airline turnaround, 13-week cash flow, route contribution, network planning, fleet availability, fuel, working capital, restructuring, liquidity, aviation finance

1. Define the turnaround decision

The board must decide how much liquidity runway is available, which flying remains cash-contributive and which stakeholder actions are required before value erodes. State the minimum cash threshold, decision horizon, route and fleet perimeter, legal entities, currencies and stakeholder constraints. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Approval should specify daily and weekly triggers for capacity, funding,

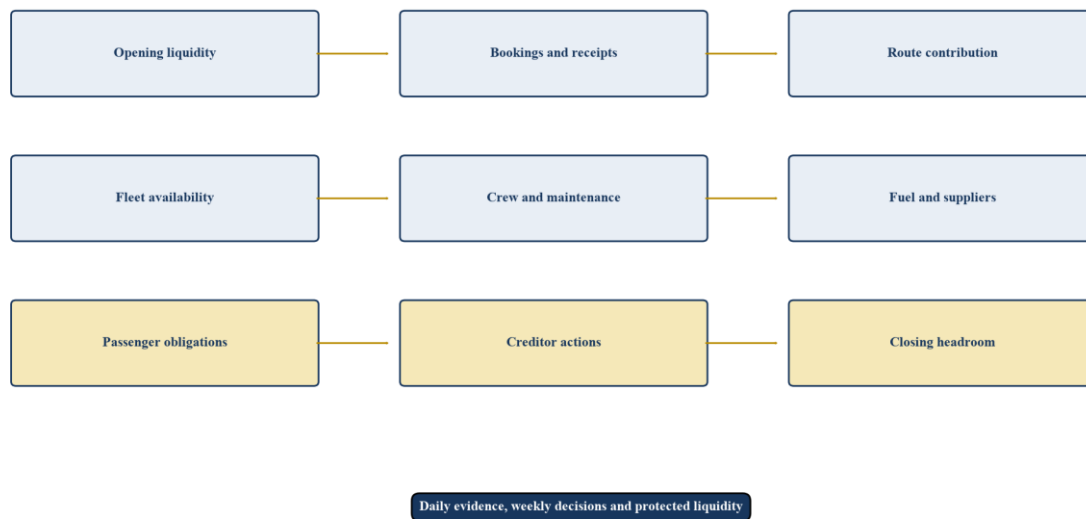
creditor and contingency decisions. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner, forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

The turnaround should be managed through one integrated data model. Treasury controls bank cash, settlement timing and funding; commercial teams control bookings, yield and route choices; operations and engineering determine whether the published schedule is executable; and legal and restructuring teams manage stakeholder rights and concessions. Each view should use the same legal entity, route, flight, tail, station, currency and week identifiers. The 13-week forecast then becomes a decision system rather than a treasury spreadsheet. It should show what management can change, when an action reaches cash, which operational or legal dependency controls it, and what happens when the central assumption fails. Variances are analysed by volume, price, timing and classification, with clear separation between genuine benefit and deferred obligation.

2. Use the Cash-Capacity-Network Control Framework

The framework links liquidity, bookings, route contribution, fleet availability, crew, fuel, maintenance, working capital and creditor actions. Every workstream should reconcile to flight, route, aircraft, contract, legal entity, bank account and forecast week. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Management should prevent commercial schedules and accounting forecasts from running ahead of executable capacity and cash. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight, aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

Figure 1. Cash-Capacity-Network Control Framework



One control system connects receipts, operations and stakeholder decisions.

3. Establish the minimum liquidity threshold

An airline requires cash for safety-critical operations, fuel, airport and navigation charges, payroll, maintenance, insurance, refunds and disruption recovery. Build the threshold from unavoidable daily obligations, settlement timing, restricted cash and plausible operational shocks. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. The board should approve a protected cash floor and escalation levels rather than rely on an undifferentiated cash balance. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

4. Build the direct-method 13-week forecast

A direct cash forecast exposes the timing of actual receipts and payments that accrual accounts can obscure. Map opening cash, receipts, disbursements, financing flows and closing cash by bank account, legal entity, currency and week. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. The model should use daily detail for the first two weeks and a controlled weekly horizon thereafter. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner,

forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

Figure 2. Hypothetical 13-week liquidity bridge

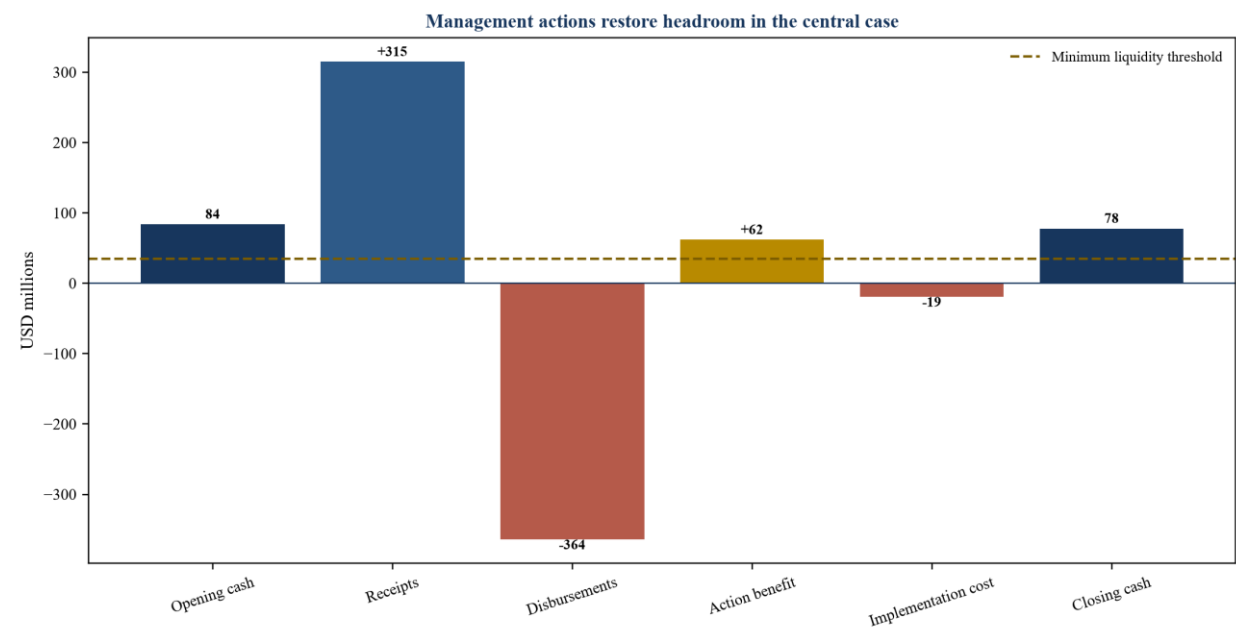


Table 1. Minimum 13-week turnaround evidence stack

Layer	Core evidence	Primary decision	Cash consequence
Liquidity	Bank statements, restrictions, facilities and reserves	Available opening cash	Immediate runway
Revenue	Bookings, settlements, refunds and cargo receipts	Receipt timing and confidence	Weekly inflow
Network	Flight contribution, feed, slots and capacity	Retain, resize or suspend	Avoidable cash
Operations	Fleet, engines, crew, maintenance and disruption	Executable schedule	Delivery and cost
Stakeholders	Lessors, airports, fuel, acquirers and lenders	Relief and continuity	Timing and headroom
Governance	Actions, approvals, thresholds and variance	Intervention timing	Forecast control

Evidence should reconcile to legal entity, account, route, aircraft and week.

5. Create a reliable opening-cash position

Bank balances may include trapped, restricted, pledged or operationally inaccessible cash. Reconcile bank statements, card-acquirer reserves, security deposits, local exchange controls, overdrafts and intercompany positions. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Only demonstrably accessible cash should fund the base case. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and

decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight, aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

6. Forecast ticket and ancillary receipts

Booked revenue does not equal near-term cash because sales channels, settlement cycles, taxes, refunds, chargebacks and travel dates differ. Reconcile passenger revenue systems, forward bookings, global distribution, direct sales, agents, cargo and ancillary streams to bank receipts. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Apply evidence-backed conversion and cancellation assumptions by channel, geography and week. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

7. Protect passenger obligations

Schedule changes can trigger refunds, re-accommodation, compensation and reputational damage. Map legal and contractual passenger rights, unused-ticket liabilities, expected refunds, reaccommodation capacity and service communications. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Capacity actions should include their full passenger cash and operational consequences. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner, forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

8. Reconcile card-acquirer exposure

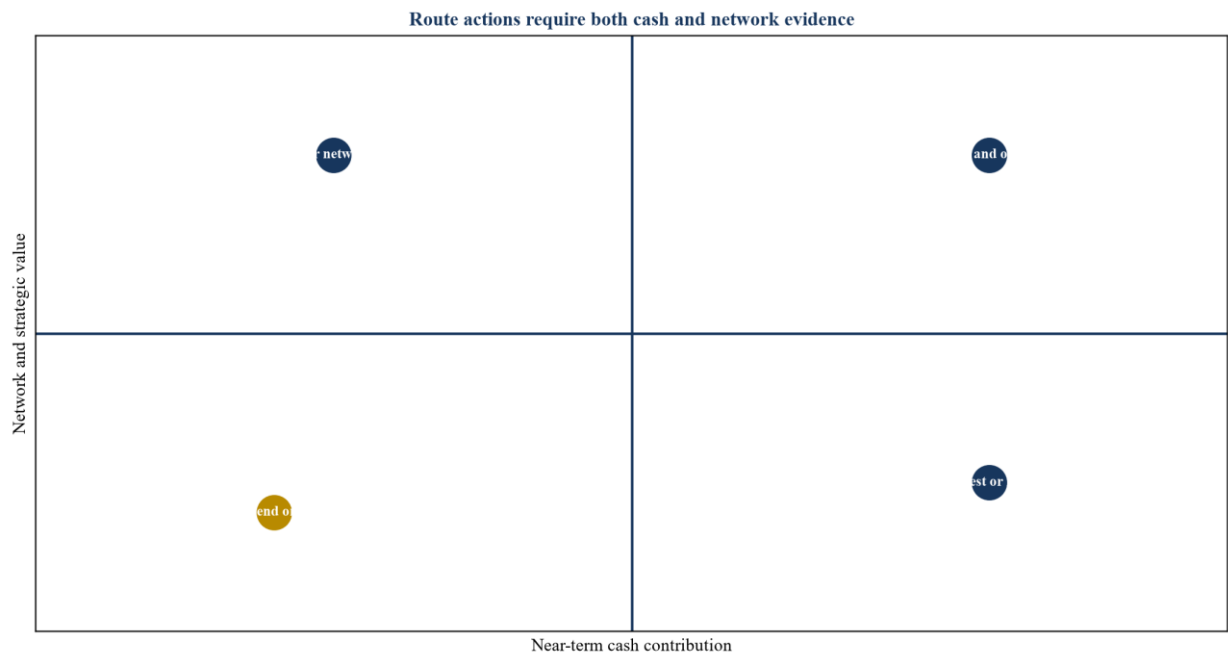
Acquirers can extend settlement timing or require reserves when perceived delivery or insolvency risk rises. Review reserve formulas, rolling holds, termination rights, collateral, chargebacks, covenant triggers and weekly settlement files. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Engage acquirers early with transparent liquidity and delivery evidence and model reserve stress explicitly. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight,

aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

9. Build route-level cash contribution

A route can report positive allocated margin while destroying near-term cash after fuel, handling, navigation, crew, disruption and passenger costs. Calculate avoidable and incremental cash contribution by flight, route, departure period and aircraft type. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Use the decision measure appropriate to the horizon and disclose costs that remain after cancellation. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

Figure 3. Route decision matrix



Illustrative route cohorts based on near-term cash contribution and network value.

Table 2. Route triage decision rules

Route condition	Evidence	Possible action	Required protection
Positive cash and network value	Stable bookings and executable capacity	Protect and optimise	Yield and reliability
Negative cash, high network value	Feed and slot evidence	Resize or time-limit retention	Explicit cash cap
Positive cash, low strategic value	Robust standalone demand	Harvest or redeploy	Reversal option
Negative cash and network value	Weak bookings and avoidable losses	Suspend or exit	Refunds, slots and contracts

Decision measures should match the relevant operational horizon.

10. Separate network value from flight economics

Feed, connectivity, slot value, loyalty, cargo and strategic access can make a route more valuable than its standalone flight margin. Measure local and connecting demand, spill, displacement, network contribution and strategic constraints. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Retain a negative standalone route only when evidenced network value and liquidity capacity justify it. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner, forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

11. Read forward bookings as a cohort

Aggregate bookings can hide weak departure weeks, promotional dilution, channel concentration or rising cancellations. Track booking curve, fare, yield, load factor, cancellation, refund, no-show and payment timing by departure cohort. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Reforecast receipts and capacity from current cohorts rather than historical averages alone. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight, aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

12. Convert schedules into executable capacity

Published capacity can exceed the aircraft, engine, crew, maintenance, slot and ground-handling resources available to operate it. Bridge scheduled block hours to serviceable fleet, maintenance events, spare ratio, crew legality and airport constraints. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Only executable flights should generate receipts and operating cash in the model. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

13. Control fleet availability

Aircraft-on-ground events, engine removals, lease returns and deferred maintenance can reduce capacity with little notice. Maintain a tail-level plan covering serviceability, maintenance checks, engine status,

parts, lease events and return conditions. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Use scenario gates for substitution, wet lease, deferral, grounding and fleet exit decisions. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner, forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

14. Protect safety and regulatory compliance

Liquidity pressure must not weaken continuing airworthiness, operational control, crew legality, maintenance or safety reporting. Ring-fence accountable roles, required maintenance, safety actions, records, insurance and regulator engagement. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. No cash action should rely on flying outside approved, safe and insured conditions. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight, aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

15. Model crew and labour capacity

Schedule reductions and fleet swaps change qualification, duty-time, positioning, accommodation, training and industrial-relations needs. Reconcile rostered crews, licences, type ratings, recency, leave, sickness, training and contractual rules to each schedule option. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Include transition, redundancy, retention and disruption costs before approving labour savings. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

16. Manage fuel price and volume

Fuel is a major cash cost and actual exposure depends on schedule, uplift, efficiency, price, currency, hedges and collateral. Build weekly physical and financial exposure by airport, supplier, aircraft and hedge instrument. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Test price, crack spread, currency, margin-call, minimum-volume and credit-term scenarios together. The work should cover a central case and a severe-

but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner, forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

17. Prioritise maintenance cash

Maintenance spending preserves safety, aircraft availability and asset value, while timing varies across checks, engines, components and reserves. Map mandatory events, deferrable tasks, materials, labour, provider deposits, maintenance reserves and redelivery exposure. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Protect required work and negotiate timing or scope only within approved technical and contractual boundaries. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight, aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

18. Manage airports, navigation and ground handling

Airports and service providers can require deposits, shorten terms or suspend service when arrears rise. Map critical counterparties by station, outstanding balance, security, termination right and substitute availability. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Use payment priorities and bilateral plans that preserve the executable network. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

19. Rebuild working capital

Agents, cargo customers, suppliers, lessors, airports, tax authorities and employees create different collection and payment dynamics. Age receivables and payables by counterparty, dispute, currency, security, criticality and legal entity. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Convert every proposed action into a dated cash movement with an accountable owner. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing

remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner, forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

20. Sequence creditor and lessor engagement

Uncoordinated requests for relief can accelerate enforcement, deposits or cross-default concerns. Segment stakeholders by legal rights, operational criticality, collateral, replacement options and value at risk. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Use a board-approved engagement sequence, consistent information and documented concessions. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight, aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

Table 3. Stakeholder sequencing matrix

Stakeholder	Key exposure	Evidence required	Possible action
Card acquirers	Reserves and settlement holds	Delivery, cash and refund plan	Reserve glide path
Lessors and financiers	Default, repossession and cross-default	Fleet plan and funding case	Deferral, waiver or exit
Fuel and airports	Service suspension	Station cash and continuity plan	Terms, deposits and priorities
Employees	Retention and industrial action	Roster and people plan	Consultation and targeted retention
Regulators	Safety and operating continuity	Compliance and accountable management	Structured engagement

Engagement should reflect legal rights, operational criticality and replacement options.

21. Protect slots and traffic rights

Capacity reductions can affect historic slot precedence, route authorities, bilateral rights and future network options. Assess current slot rules, utilisation, justified non-use, transfer or swap rights and local regulatory conditions. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Compare near-term cash conservation with the evidenced cost of losing or weakening strategic access. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

22. Select capacity actions

Frequency reductions, seasonal suspension, aircraft downsizing, wet leasing, code sharing and route exit produce different cash and network effects. Evaluate each action for bookings, refunds, contribution, crew, fleet, maintenance, slots, contracts and implementation timing. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Approve actions only after dependencies and reversal options are explicit. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner, forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

23. Model a hypothetical turnaround

The hypothetical airline starts with USD 84 million of unrestricted cash and an assumed USD 35 million operating-liquidity floor. Pre-action receipts are USD 315 million and disbursements are USD 364 million over 13 weeks. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. The central case ends with USD 78 million after USD 62 million of action benefit and USD 19 million of implementation cost; the downside ends with USD 20 million. All values are illustrative management assumptions. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight, aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

Table 4. Hypothetical airline turnaround scenarios

Measure	Central case	Downside case	Decision meaning
Opening unrestricted cash	84	84	Starting liquidity
Thirteen-week receipts	315	285	Booking and settlement conversion
Thirteen-week disbursements	364	379	Operating and stakeholder cash
Action benefit	62	48	Capacity, price, working capital and relief
Implementation cost	19	18	Restructuring and delivery cost
Ending cash	78	20	Headroom against USD 35m threshold

USD millions; every value is an illustrative management assumption.

24. Build correlated downside cases

Fuel, demand, disruption, refunds, reserves and creditor behaviour can deteriorate together. Test correlated shocks to bookings, yield, fuel, fleet availability, refunds, settlement holds and relief timing. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Contingency actions should be executable before projected cash crosses the approved threshold. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

25. Establish the turnaround control tower

Fast decisions require one fact base, short reporting cycles and clear rights across treasury, commercial, operations, engineering, people and legal teams. Use daily cash, operational and booking dashboards with an integrated issue and action log. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Assign each action a baseline, cash date, owner, evidence, dependency and escalation trigger. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner, forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

Figure 4. Thirteen-week turnaround governance cadence



Decision rights tighten near-term and transition into viability planning.

26. Govern payments and cash releases

Decentralised payment activity can defeat the forecast and create inequitable or operationally harmful outcomes. Establish payment authorities, critical-payment categories, documented exceptions, legal review and bank-control procedures. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Release cash against verified need, approval and model impact while preserving safety and legal obligations. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight, aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

27. Measure turnaround benefits

A programme can claim savings that reflect volume decline, delayed payments or optimistic baselines rather than durable value. Track gross benefit, leakage, implementation cost, timing, cash realisation and continuing run rate. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Reconcile realised cash to bank movements and preserve the original approved baseline. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

28. Communicate with the board and stakeholders

Confidence depends on accurate, timely and consistent information about liquidity, operations, passenger service and the viability plan. Use a weekly board pack with cash bridge, route and fleet decisions, risks, stakeholder actions and requested approvals. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Separate observed results, management assumptions and decisions under consideration. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. The section output should identify the controlling evidence, decision threshold, accountable owner, forecast week and explicit safety, passenger, capacity or cash consequence. This creates a controlled bridge from diagnosis to action and bank movement.

29. Transition from crisis to viability

A 13-week forecast controls immediate liquidity but does not replace a credible seasonal network, capital plan and long-term business model. Bridge the short-term plan into monthly forecasts, fleet strategy,

restructuring plan and funding requirement. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Exit crisis governance only after forecast accuracy, liquidity headroom and operating controls remain stable. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Evidence should remain traceable to legal entity, account, route, flight, aircraft, contract and forecast week, with control totals to bank records and management reporting. The resulting decision should update cash, capacity and stakeholder plans together.

30. Define the investment and restructuring case

The airline becomes financeable when its network, fleet, cost base, obligations and liquidity needs form a coherent and evidenced plan. Present sources and uses, downside runway, stakeholder support, governance, milestones and value allocation. The analysis should distinguish observed operational, contractual and financial evidence from management assumptions and connect each material judgment to safety, passenger delivery, schedule execution, stakeholder rights and cash. Funding should be conditional on executable actions, sufficient headroom and transparent risk ownership. The work should cover a central case and a severe-but-plausible downside, with correlated sensitivities for demand, yield, cancellation, refunds, fuel, currency, aircraft availability, card reserves, supplier terms, creditor relief and implementation timing. Exceptions require a named owner, source, due date and decision consequence. Unsupported savings or financing remain outside the base case until actions are implemented and evidence confirms the cash result. Management should define the earliest warning indicator, intervention trigger and executable contingency. Reporting should preserve the original case, approved changes and realised cash so the board can distinguish delivery from timing shifts or presentation changes.

Frequently asked questions

Why use a 13-week cash forecast for an airline turnaround?

It captures near-term settlement, ticket receipts, refunds, fuel, payroll, maintenance, airport charges and creditor actions at a decision-useful level. The horizon is short enough for control and long enough to expose liquidity gaps.

What makes an airline cash forecast decision grade?

Opening cash must reconcile to accessible bank funds. Receipts and payments should trace to bookings, settlements, contracts, routes, aircraft and counterparties. Each management action needs an owner, dependency, cash date and evidence.

How should route profitability be used in a crisis?

Use near-term avoidable cash contribution for immediate capacity decisions, then test network feed, slots, loyalty, cargo and strategic access. Accounting allocations alone can obscure the cash effect of flying or cancelling.

How should minimum liquidity be set?

Build the threshold from safety-critical and operational obligations, settlement timing, restricted cash, disruption recovery and plausible shocks. The board should approve escalation levels and contingency actions above the floor.

Why are card-acquirer reserves important?

Airlines collect cash before travel. Acquirers can retain funds or require collateral when delivery risk rises, reducing available liquidity. Reserve assumptions should be contract-based and stressed alongside refunds and bookings.

How should fuel exposure be modelled?

Combine physical uplift, scheduled flying, jet-fuel price, crack spread, currency, hedges, collateral and supplier terms. Price and volume should move with capacity scenarios rather than sit in a separate sensitivity.

What should the turnaround control tower monitor daily?

Monitor accessible cash, receipts, critical payments, booking and cancellation movements, operational disruption, fleet availability, refunds, card settlements and threshold breaches. Weekly governance should approve reforecasts and actions.

When can an airline leave 13-week crisis governance?

Transition after forecast accuracy, liquidity headroom, operational delivery and stakeholder commitments remain stable and the 13-week view reconciles into a funded seasonal network and longer-term viability plan.

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About the Author

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His career spans Morgan Stanley, HSBC, Lloyds Banking Group, EWEC, ADQ portfolio companies and Emirates Growth Fund, across TMT, real estate, fintech, deeptech, cleantech, infrastructure and energy. He has partnered with C-suite leaders, private equity and venture funds, sovereign wealth funds and family offices to finance complex fund raises and scale-up ventures, and has led M&A due diligence, post-merger integration and business-transformation initiatives to create value.

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