

Austrian 

WU
VIENNA

**BUSINESSCASE
CHALLENGE**

2024

Disclaimer: Dates may be subject to changes. These changes will be communicated on the website and newsletter.

Participate in Business Case Challenge and get a chance to win our prizes!

Follow the guidelines tailored for your cohort in accordance with your current status – **university student** or **high school student**. *Further details on the process and tasks for each track will be discussed later in this document.*



University Track



1st
place

€ 1,500



2nd
place

€ 500

All participants will receive a personalized participation certificate!

1

Sustainability & innovations for air travel

Submission deadline: 2 June 2024

2

Take on the Challenge: University Track

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Develop your Business Case

4

Compete for the award

AGENDA



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Skyward sustainability: Soaring into the future with green wings



European Parliament adopts rules to stimulate supply of sustainable aviation fuels

By Christopher Surgenor · 13 September 2023 · 4 min read

Bloomberg US Edition

• Live Now Markets Economics Industries Tech AI Politics Wealth Pursuits Opinion Businessweek Equality **Green**

Green Cleaner Tech **It's Boom Times for Startups Trying to Electrify Aviation**

At least 60 companies are doing research and development on electric air travel, as part of a larger effort to decarbonize aviation. But major hurdles remain.

POLITICO EXPLORE NEWSLETTERS & PODCASTS POLITICO PRO [SIGN UP TO NEWSLETTERS](#) [SIGN IN](#)

The role of sustainable aviation fuel in decarbonizing the aviation sector

Sustainable aviation fuels (SAF) offer a way to significantly reduce the aviation sector's environmental impact globally and to help countries meet their climate change targets at the same time.

Sustainability has become the guiding force in aviation, with an **increasing number of passengers seeking eco-friendly options and airlines recognizing the vital importance of minimizing their environmental footprint.**

From cutting-edge fuel technologies to efficient operations, the aviation industry is embracing sustainability as not just a trend, but a **fundamental responsibility** for the future of air travel.

Sustainability and sustainable development are key concerns for companies across industries

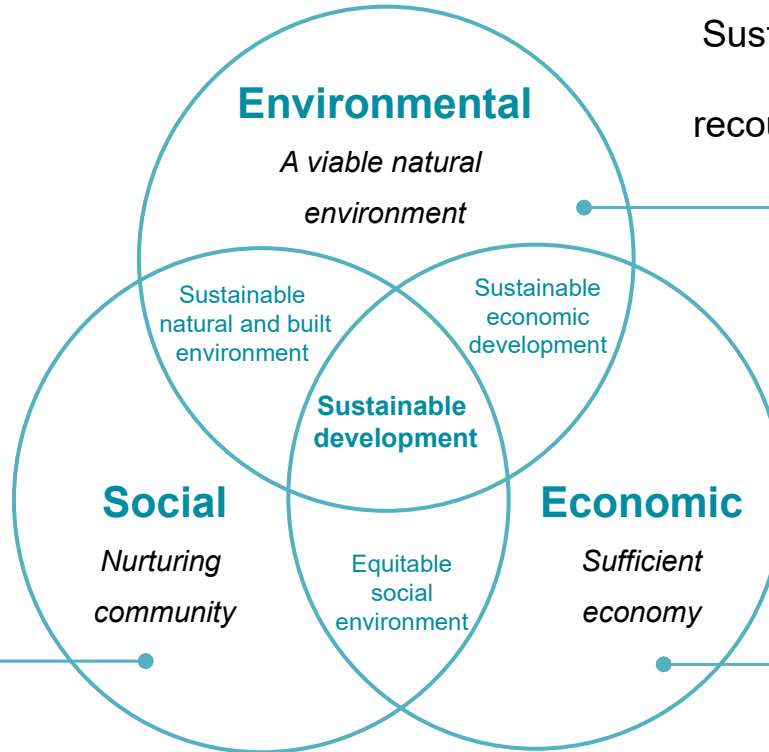
“Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs.” (United Nations)

Sustainable development has 17 defined goals



Sustainable development stands on three pillars that responsible companies need to address

Sustainability is seeking to reach satisfactory levels of quality of life, healthcare and education.



Sustainability implies that nature is not an inexhaustible source of resources, but subject to *protection and rational use*.

Sustainable development also drives economic growth, generating *equitable wealth for everyone*.

Innovative ideas turned into sustainable business models are at the core of many new businesses

Circular economy



A firm designs waste-free products that can be integrated in recyclable loops or biodegradable processes

Lenzing
Innovative by nature

Impact business



A firm's main focus is to create a positive impact on its ecological or social environment, using economic profits only to sustain and grow its business

**TEACHFOR
AUSTRIA**

Green innovation



A firm creates a new product that, compared to alternative products, has a much lower negative impact on society and the natural environment

ANDRITZ

The aviation industry will rely mostly on SAF in their sustainability transition

Environmental impact

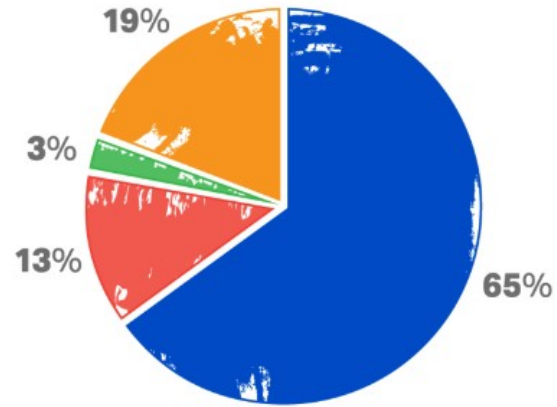
- Aviation makes up 2% of global CO₂ emissions
- One of the hardest industries to decarbonize because flying needs an energy-to-weight-ratio not achievable by batteries with current technologies

Solutions

Offsets & Carbon capture
Paying to reduce or capture CO₂ elsewhere

Improve efficiency

Use less energy in operations



Share of CO₂ reduction by solution category by 2050.
Source: IATA

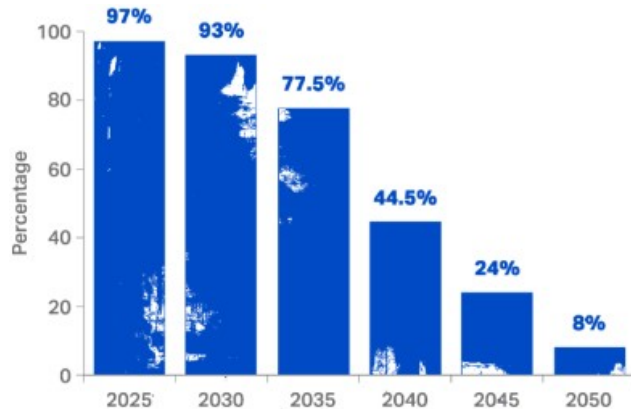
Sustainable aviation fuels (SAF)
CO₂ neutral biofuels instead of fossil fuels

New technologies

New engines and propulsion

Carbon offsets are a near-term option but cannot reduce the actual CO₂ footprint of aviation

Carbon offsetting is the purchase of carbon credits equivalent to one's carbon emissions to fund projects that reduce greenhouse gas emissions elsewhere. **Carbon capture** is the removal of CO₂ from the atmosphere.



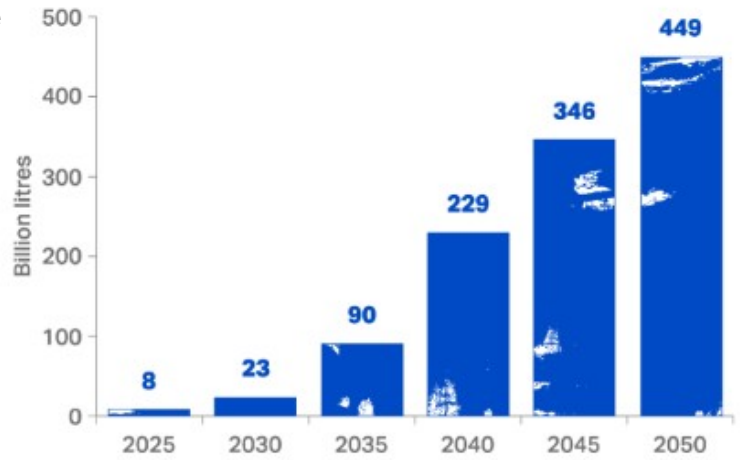
Share of offsets and carbon capture in total CO₂ reduction by selected years. Source: IATA

- **Bridging solution:** Offsets are a temporary near-term solution, buying time for long-term technological changes
- **Needs high standards:** Offsets must meet strict criteria to ensure actual environmental benefits, including thorough verification.
- **Consumer engagement:** Airlines rely on passengers voluntarily offsetting CO₂ emissions of their flights.
- **Long-term role:** Carbon capture can play a role in mitigating the emissions most difficult to avoid, like from intercontinental flights.

SAF are not available at large scale yet but are the future of net-zero aviation

*Sustainable Aviation Fuels (SAF) are aviation fuels produced **without the use of fossil raw materials** like petroleum or natural gas. The current SAF generation produces around **80 percent less CO₂** compared to conventional jet fuel and is primarily produced from biogenic residues such as used cooking oils.*

- **Long-term solution:** SAFs have the potential to provide the majority of CO₂ emissions reductions needed by 2050. The next generation of SAF will be created from renewably generated electricity, water and CO₂ achieving even higher carbon reductions on a lifecycle basis.
- **Lacks capacity:** SAF production needs a significant increase to meet future aviation fuel demand.
- **Ease of integration:** SAF are operationally equivalent to conventional jet fuel, so the infrastructure for their use already exists.
- **CO₂ cycle:** SAFs emit CO₂, but the biogenic residues (e.g., used cooking oil) have previously extracted CO₂ from the atmosphere, resulting in very low effective CO₂ emissions.



Liters of SAF required for the current emission reduction plans in selected years. Source: IATA

Austrian Airlines formulated an ambitious sustainable strategy



~120 destinations
 in more than 40 countries

Climate Ambitions
 CO₂ neutrality by 2050
 Halving net CO₂ emissions by 2030

Among biggest buyers of Sustainable Aviation Fuel (SAF) in Europe



66 aircraft



9 long haul aircraft
 57 short and medium haul aircraft

6.000 employees




Part of CORSIA and EU ETS

Vienna as our home hub



VIE

up to 350 daily flights



Since 2009 part of LUFTHANSA GROUP

-30.6% CO₂-reduction until 2030



SCIENCE BASED TARGETS

First European Airline Group with a SBTi validated CO₂-reduction path



Austrian's sustainability strategy currently focuses on voluntary participation and is limited by competition

Current sustainability strategy

Austrian offers their customers to make their flights more sustainable by paying for one of three options:

- 1 Reduce CO₂ emissions of the individual flight with sustainable aviation fuel.
- 2 CO₂ offsetting via national and international high quality climate protection projects.
- 3 The combination of reducing and offsetting CO₂ is also bookable as a fare bundle (called green fare).

Challenges for the strategy

Austrian also face some challenges in the implementation of their strategy:

- ! **Low adoption** Only 3.5 % of customers pay for voluntary options.
- ! **Competition** Customers will choose cheaper competitors if sustainable options would be priced in the base fare.
- ! **High expectations** Customers and society at large expect more sustainable air travel.

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Austrian Airlines innovation case: How to increase conversion of green products in air travel

Task: The vast majority of airline customers say that sustainability is important to them, but only ~3.5% currently pay the price for a flight with carbon reduction or offsetting. Propose a business model to attract more customers to opt for more sustainable air travel.

Deliverables

Benchmarking

Conduct a market analysis to assess the (voluntary) approaches for more sustainable air travel of other airlines or frontrunners in other industries (focus on mobility).

Strategic Recommendations

Develop strategic recommendations for Austrian Airlines to engage more customers to contribute to reducing the footprint of their individual air travel without risking competitive disadvantages.

Business Model

Describe a business model suitable for Austrian Airlines' carbon reduction targets. Focus on carbon reduction with Sustainable Aviation Fuel (SAF).



Assessment

Criteria

- (1) Persuasiveness of your business plan
- (2) Innovativeness
- (3) Relevance of strategic recommendations
- (4) Clarity of presentation



We expect your submission as a presentation containing the following chapters:

Chapter I: Introduction & Executive Summary

Chapter II: Benchmarking

- Overview of other airlines approaches to more sustainable air travel.
- Overview of other industries approaches to voluntary sustainability contributions.

Chapter III: Strategic Recommendations

- Which of the practices you found in the Chapter II can be applied to Austrian?
- Which would work best? Why?
- Which would not work? Why?

Chapter IV: Business Model

- How could Austrian use your ideas to reach its CO₂ reduction targets?
- What would need to change?
- What would be the financial impact of your suggestion?

Chapter V: Conclusion

- What strategy would you recommend to Austrian?
- What would be the high-level results of your suggestion?



Check out our other Business Case Challenges if you are interested in developing your skills even further:

UNIQA

After working on the Austrian case, you now want to look into a completely different topic: sustainable and socially responsible health care solutions. Explore the UNIQA case:

Task: Propose a business case for a sustainable physical or digital innovation that improves the health of insurance customers which could be implemented by UNIQA and its large network.

About: UNIQA Group will be climate-neutral by 2050 (by 2040 in Austria). Sustainability is a core element of UNIQA's 3.0 programme for the future and is non-negotiable.

OMV

After working on the Austrian case, you discovered that you feel passionate about sustainable and carbon reduced products. Explore a product development perspective in the OMV case:

Task: Propose a sustainable product within the strategic business segments and innovation themes of OMV that has positive social and environmental value.

About: OMV is one of the biggest industrial companies in the country. OMV Strategy 2030 represents a fundamental shift towards a circular business approach.

[Find out more by clicking here](#)

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Get ready for the Business Case Challenge 2024 – learn in Coaching-Sessions how to convince us!



Coaching

Hear from an expert in the field



Q&A

Ask questions to improve your BC



1 hour

30 min. coaching
30 min. Q&A



Online

Join an interactive session from home



Relevant tips

for the Business Case Challenge


Coaching-Session #1: BCC Calculations

 **Friday, 12 April 18:00-19:00**

Coaching-Session #2: BCC Story-Telling

 **Friday, 26 April 18:00-19:00**

Coaching-Session #3: Austrian Airlines BCC

 **Friday, 10 May 16:00-17:00**

Coaching: High School Track BCC

 **Friday, 17 May 18:00-19:00**

For High School Students only

BCC Coaching #1: In a quantitative coaching, you will learn about BC calculations (12 April, 6pm)



“Investors are always interested in numbers. When looking at the financials in a business case the numbers need to be realistic, explainable and matching. The more sound and detailed financial calculations are, the more investors will trust in the overall reliability of a business case.”

Convince with numbers

Realistic, understandable & reliable BC

- **Making forecasts**
finding reliable data sources, making realistic assumptions, etc.
- **Calculating costs and revenues**
matching available data, structuring calculations, ensuring understandability, etc.
- **Presenting and explaining financials**
highlighting the key figures, etc.

Dr. Jakob Müllner

Assoc. Professor from WU

- **Teaching at WU university**
since 2006 with a specialization in International Business & Finance
- **Ex-jury member of the BCC**
and member of the BCC planning committee
- **Expert on calculating BCs**
and on corporate financial statements as well as on financial markets in general

BCC Coaching #2: In a qualitative coaching, you will learn about story-telling (26 April, 6pm)



“Dreaming big is important. Yet, there needs to be more to a business case than just the idea – investors are convinced by stories. Why is your idea relevant to the world we live in? Why will your plans work out? Why do people care? Giving convincing answers to these questions is key.”

Convince with stories

Relevant, believable & impactful

- **Making others care**
capturing your audience’s interest
- **Explaining the relevancy**
identifying a need by describing the world as-is and envisioning to change
- **Emphasizing the feasibility**
elaborating on how an idea has an impact on the status quo

Dr. Evelyn Reithofer

Ex-consultant

- **Experience as a management consultant**
for five years
- **Jury member of the BCC**
and member of the BCC planning committee
- **Assistant professor** conducting research and teaching at WU since 2023
- **Expert for storytelling**
and convincing company presentations in general



BCC Coaching #3: Prepare a convincing Austrian Airlines Case



Austrian Airlines has set itself ambitious CO₂ reduction targets

Together with the Lufthansa Group, the airline wants to halve net CO₂ emissions from flight operations by 2030 compared to 2019 and become CO₂-neutral by 2050.

The Lufthansa Group's target of reducing CO₂ intensity by 30.6% by 2030 compared to the base year 2019 was successfully validated by the Science Based Targets initiative (SBTi) in 2022





BCC Coaching #3: Prepare a convincing Austrian Airlines Case (10 May, 4pm)



Austrian Airlines has set itself ambitious CO₂ reduction targets

Together with the Lufthansa Group, the airline wants to halve net CO₂ emissions from flight operations by 2030 compared to 2019 and become CO₂-neutral by 2050.

The Lufthansa Group's target of reducing CO₂ intensity by 30.6% by 2030 compared to the base year 2019 was successfully validated by the Science Based Targets initiative (SBTi) in 2022



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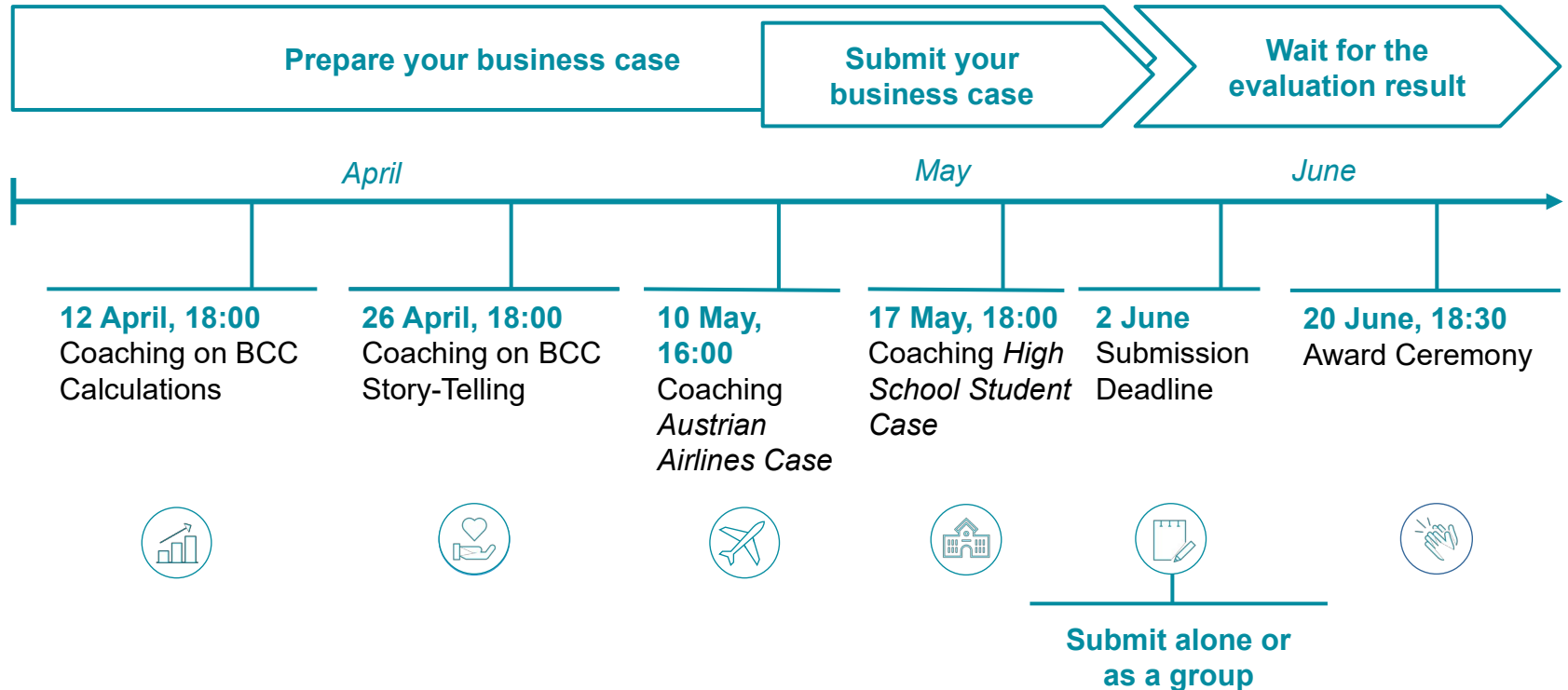


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Prepare your business case, participate in the coaching sessions, and submit it by 2 June



Our BCC jury consists of members from the private sector as well as university professors



DDr. Michael Tojner

CEO Montana Tech Components AG

Co-Initiator,
Business Case Challenge



Univ.-Prof. Dr. Jonas Puck

Wirtschaftsuniversität Wien

Co-Initiator,
Business Case Challenge



Dr. Evelyn Reithofer

Wirtschaftsuniversität Wien

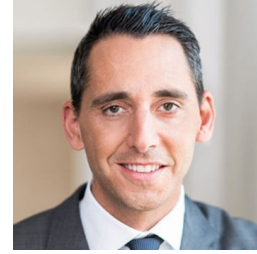
Jury Member,
Business Case Challenge



Univ.-Prof. Dr. Bettina Fuhrmann

Wirtschaftsuniversität Wien

Jury Member,
Business Case Challenge



Mag. Thomas Zimpfer

B&C Industrieholding GmbH

Jury Member,
Business Case Challenge



Dr. Michael Trestl

CCO Austria Airlines AG

Jury Member,
Business Case Challenge

We are looking forward to meeting you at our BCC awards ceremony



Date:

20 June 2024
18:30



Guests:

BCC winners, all the
sponsors, jury



Place:

WU Vienna

Agenda:

Guest lecture
Winner presentation
Awards ceremony
Sponsor meet & greets

Our sponsors

We would like to express our gratitude to our sponsors for their partnership in this year's Business Case Challenge!

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ein unternehmen der **wienholding**

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