

FA-06: Inter-Entity Governance Void

When Standardization Excludes: The Accessibility Gap in Travel Products

Page 1: The Diagnosis

KEY TAKEAWAY

In complex tourism ecosystems, "no-man's-lands" emerge at the boundaries of legally separate entities (e.g., Airline to Ground Handler). Without cross-entity governance, operational issues fall through contractual cracks, leading to collective failure during crisis management.

Systemic Anatomy

The Symptom: Friction manifests at contractual boundaries between separate legal entities (Airline-Airport, Hotel-OTA, Airline-Ground Handler) where no single party has authority to resolve customer issues spanning the boundary.

The Root Cause: Ecosystem Governance Structure

Why It Recurs: Commercial contracts prioritize liability transfer and cost control over shared customer experience outcomes; competitive dynamics prevent data sharing.

The Governance Failure: Absence of joint Service Level Agreements or collaborative operating protocols focused on end-to-end customer journey rather than isolated entity performance.

Scope Boundary: Does not explain internal departmental silos or internal handoffs within a single organization. Only explains friction at legal/contractual entity boundaries.

Page 2: Strategic Risk & Impact

STRUCTURAL RISK PROFILE

Blast Radius: systemic

Time to Impact: delayed

Reversibility: locked-in

Decision Frequency: low

DECISION FALLOUT & IMPACT PATTERNS

Typical Decisions Affected:

- Procuring vendors based solely on cost without integration or experience requirements
- Refusing to share real-time operational data with partners due to competitive concerns

Delayed Effects:

- Finger-pointing during service failures leaves customers stranded between entities
- Brand damage attributed to primary brand for partner failures beyond their control

Early Warning Signals:

- Communication breakdowns during multi-party disruptions with no clear owner
- Inconsistent service standards across a single customer journey leg

INDUSTRY MANIFESTATIONS

Airlines:

- Inadequate compensation for lost items
- Unclear transfer procedures

Airports:

- Limited dining options for dietary restrictions
- Slow service at peak times

Page 3: The AERIM Resolution

MOVING BEYOND LOCAL FIXES

Inter-Entity Governance Void is typically addressed through partnership agreements, SLAs, and escalation procedures. These fail because they're designed for anticipated problems, not systemic coordination gaps. When responsibility spans organizational boundaries, no single entity has the authority or incentive to resolve it. AERIM resolves FA-06 through Cross-Boundary Coordination Protocols that automatically detect responsibility gaps and route resolution to the entity with the lowest cost to act. For example, when a customer is stranded due to a missed connection, AERIM determines whether the airline, hotel, or ground transport provider is best positioned to resolve it based on real-time capacity and cost data, then assigns accountability automatically. This shifts from negotiated responsibilities to computed optimal responses.

Resolution Level Required: board-level

This friction requires board-level involvement because it involves altering commercial contract structures and partnership agreements that are typically approved at governance level. The change necessitates accepting shared liability and operational interdependence that management cannot commit to without board authorization, as it affects legal risk posture and competitive positioning.

TYPE OF CHANGE REQUIRED

Contractual Governance Framework Redesign:

- This friction persists because commercial contracts between entities prioritize liability transfer rather than shared experience outcomes. The required change involves incorporating joint customer experience obligations into contractual structures with enforceable performance metrics spanning entity boundaries.

Ecosystem Data Sharing Architecture:

- Inter-entity coordination failures persist when competitive dynamics prevent real-time operational data sharing. The friction continues until contractual and technical frameworks enable selective data transparency focused on operational coordination rather than commercial intelligence.

Multi-Party Operating Protocol Establishment:

- Friction at entity boundaries continues when no collaborative governance mechanism exists to resolve cross-party issues. The change required involves creating joint operating authorities or dispute resolution mechanisms with decision-making power that supersedes individual entity interests.

WHAT DOES NOT WORK

- Creating communication channels between entities fails because coordination mechanisms cannot substitute for governance authority. Liaisons can escalate issues but cannot resolve them when contracts

do not allocate decision rights for cross-boundary problems.

- Adding more granular SLAs fails when they measure isolated entity performance rather than end-to-end journey outcomes. This approach perpetuates the structural problem by reinforcing entity-specific rather than shared accountability.
- Improving oversight of contracted partners fails when the contract itself does not include joint performance obligations. Enforcement mechanisms cannot create accountability for outcomes that are not contractually specified.

CONCLUSION

Resolving FA-06 is an executive-level decision. It requires a mandate to transition from tool-centric procurement to an architecture-first approach. AERIM provides the structural foundation to address the root governance and coordination failures that perpetuate this friction archetype.