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# Changing of the Guard at Sabre

March 2023

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## THE FACTS

Sabre has announced that Kurt Ekert will succeed Sean Menke as CEO on 27 April 2023.

## THE ANALYSIS

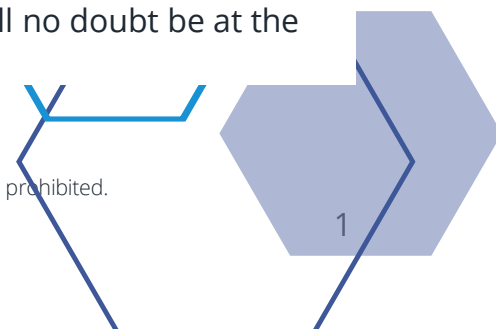
Sabre is the original provider of airline commercial IT systems and one of the inventors of the GDS as we know it today. As such, changes to its leadership are always worthy of comment. Unlike the previous transition when Tom Klein surprised markets by announcing his decision to step down in 2016, this succession has been well telegraphed. Kurt Ekert joined Sabre as President at the beginning of 2022, with a clear path to eventually taking over the top job.

Sean Menke will remain with Sabre until 2025, initially as chairman of the board. His six and a half years as CEO have been eventful to say the least. He oversaw a major legal dispute with former parent company American Airlines, a number of successful acquisitions and the controversially failed attempt to acquire Farelogix, as well as the decision to close the Tulsa data centre and commit Sabre's technology to a future in the cloud in partnership with Google. He also led the company through the Covid-19 pandemic that devastated the entire airline industry and all its suppliers, including Sabre.

Unlike Mr Menke, whose background before joining the company was solidly airline-centred, Kurt Ekert came to Sabre as a specialist in travel distribution. He was CEO at CWT and prior to that a senior executive at Travelport, which is notably the GDS company without an airline IT business. His tenure as Sabre's President for the last 14 months has largely concentrated on the recovery from the pandemic that has seen market capitalisation shrink by over 75%. The company has responded with substantial cost-cutting measures including employee layoffs and salary reductions but the bulk of them were carried out prior to Mr Ekert's arrival.

Sabre remains a significant force in the market for both distribution and airline IT. It is still the GDS market leader in its home market and it has slightly increased its share of the airline PSS market over the last decade. It has however fallen significantly behind Amadeus in almost all key measures and this relative decline will no doubt be at the top of the new CEO's agenda.

[First View: Changing of the Guard at Sabre](#)





## THE SPECULATION

This is a time of substantial change in airline technology and distribution. The transition to Offer-Order-Settle-Deliver will require significant investment in both Sabre's GDS and its airline IT business. It will be hard to find investment dollars to do everything that the business might want to do, especially as we are probably entering an era of higher interest rates. If there is a need to prioritise one side of the business over the other, Kurt Ekert's history suggests he will be likely to favour the GDS. This is an area where Sabre retains a strong home market position that it will be able to use to its advantage.

In contrast the airline IT business is less well protected. Amadeus has won significant sales for its PSS in North America at Air Canada, Southwest and most recently Hawaiian Airlines. The move to OOSD may allow non-traditional suppliers to enter the market that has previously been the domain of large PSS vendors like Sabre. With support from Google, Sabre will certainly have an offering in the Offer/Order management space but success will depend on its ability to invest in development and then to sell the new solutions in a very competitive market. It is notable that Sabre has been successful in retaining JetBlue. This likely means it will be the platform of choice for the merged entity with Spirit, should the combination be approved by regulators.

Sabre has declared ambitions to increase its presence in the payments space<sup>1</sup>. Driven by its agency presence this may represent a more attractive opportunity than airline IT. It also has strong interests in technology for the hospitality industry. All these businesses will be competing for the CEO's attention and for investment.

*Travel Technology Research Ltd, trading as T2RL, is an independent sourcing and research company that specializes in airline technology and distribution. Based on data since the year 2000 it has tracked industry trends for airlines as well as their IT providers, distribution partners, and customers. All parties use its research to make informed business decisions to meet current and future needs. For further information, visit our website at [www.t2rl.com](http://www.t2rl.com).*

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<sup>1</sup> See [FirstView From Distribution to Payment January 2023](#)  
First View: Changing of the Guard at Sabre

