



**Southwest Airlines is a major domestic airline that provides primarily shorthaul, high-frequency, point-to-point, low-fare service.**

**Today Southwest operates over 400 Boeing 737 aircraft in 62 cities, has the lowest operating cost structure in the domestic airline industry, and consistently offers the lowest and simplest fares. Southwest also has one of the best overall Customer Service records.**



# C Case Study: Southwest Airlines

## Business Intelligence Change Leadership

### Business Challenge

Southwest Airlines' (SWA) IT and business leaders believed their BI efforts were not meeting the needs of the business. As a result of a 'diagnostic' effort, Hitachi Consulting learned this was due to multiple factors, including the organization, structure, governance, technology, and business partnerships.

The Diagnostic showed SWA was experiencing execution issues in their ability to deliver meaningful and valuable BI results to their business customers. It uncovered many interrelated root causes such as:

- Siloed organization structure
- Poor partnership with the business
- Inadequate governance and prioritization of activities
- Unclear, inconsistent, inadequate technology and data architectures
- Unclear, inconsistent or non-existent methodologies

SWA's IT and business leaders also believed these issues would continue to worsen over time unless significant changes were made. So, they engaged Hitachi Consulting to lead a newly formed, central Business Intelligence team through a multi-stage change process to correct the issues and enable the BI team to become self sufficient in their leadership.

### The Solution

Together Southwest Airlines and Hitachi Consulting leaders addressed the roadblocks to successful execution—planning, organization, alignment with business priorities, governance, methodology, technology, architecture, and data management. During this process, leaders from SWA's IT team and Hitachi Consulting:

- Centralized and restructured the BI organization within IT
- Reset the strategic direction for Performance Management and BI across the organization through constant communication and collaboration
- Shaped and drove innovation in the management, governance and prioritization processes, in delivery methodologies, and in the data and technology architectures
- Improved the partnership between the BI team and the business customers
- Architected and led the implementation of the first release of the SWA Enterprise Data Warehouse
- Assisted in the creation of a new strategic planning group and leadership position

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### Key Success Factors

The presence alone of world class BI/DW technologies and a BI strategy did not allow Southwest Airlines' BI team to be productive and deliver great results to their customers. To remove productivity roadblocks and achieve results, they needed a holistic approach, combined with strong leadership of execution from top to bottom.

Success at SWA required:

- Frequent communication and collaboration with all stakeholders, including business leaders and sponsors, power analysts, IT leadership, application development teams, infrastructure teams, and BI team members
- Involvement of all stakeholders in developing the vision, plan, and decision making
- Hard decisions across the board regarding priorities, technologies, architecture, methodology, organization, etc.
- Acceptance and commitment to the BI program by key stakeholders to ensure continued progress

### Business Benefits

Since Southwest Airlines' BI initiative began, and after implementation of the change initiative, the number of investment projects being delivered per year has jumped from three to eight and the average cost of each strategic project being delivered has dropped more than 45 percent.

Other benefits of the change leadership initiative include the:

- BI team achieving leadership self-sufficiency
- BI and DW efforts demonstrating improved efficiency, effectiveness and ROI
- Number of strategic projects (projects with significant business impact) being delivered per year jumping from three to eight over a three-year timeframe
- Average Cost (labor and non-labor) of each strategic project actually being delivered dropping 45+ percent
- Dramatic improvement of internal customer satisfaction for BI/information delivery
- Dramatic improvement of moral and productivity for the IT BI team



### About Hitachi Consulting

As Hitachi, Ltd.'s (NYSE: HIT) global consulting company, Hitachi Consulting is a recognized leader in delivering proven business and IT solutions to Global 2000 companies across many industries. We leverage decades of business process, vertical industry, and leading-edge technology experience to understand each company's unique business needs. From business strategy development through application deployment, our consultants are committed to helping clients quickly realize measurable business value and achieve sustainable ROI.

Hitachi Consulting's client base includes nearly 30 percent of the Fortune 100 as well as many leading mid-market companies. We offer a client-focused, collaborative approach and transfer knowledge to our clients throughout each engagement. For more information, call 877.664.0010 or visit [www.hitachiconsulting.com](http://www.hitachiconsulting.com)

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