HITACHI
Inspire the Next

Southwest Airlines
Business Intelligence Change Leadership

Drive More Strategic Investment Projects, Reduce Costs

Transportation

Business Challenge

Southwest Airlines IT and business leaders believed their Business Intelligence (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 Southwest Airlines 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 nonexistent methodologies

Southwest Airlines' IT and business leaders 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, enabling 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 Southwest Airlines' 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 Southwest Airlines Enterprise Data Warehouse
- Assisted in the creation of a new strategic planning group and leadership position

Overview

Southwest Airlines is a major domestic airline that provides primarily short-haul, 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.

Hitachi Consulting led the establishment and execution of Southwest Airlines' strategic business intelligence initiative.

Key Success Factors

While Southwest Airlines had world-class BI/DW technologies and a calculated BI strategy, these factors were not enough to enable the 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 Southwest Airlines 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%. 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%+
- Dramatic improvement of internal customer satisfaction for BI/ information delivery
- Dramatic improvement of moral and productivity for the IT BI team

Contact Us

Hitachi Consulting
info@hitachiconsulting.com

⊚ Hitachi Consulting