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A Conversation With ...
David Cush, President and
Chief Executive Officer,
Virgin America,

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Meeting In The Middle

Two Views On New Technology

Senior managers and systems users have differing ideas about new technology. These differences often lead to contention throughout the airline, sometimes diminishing the benefits of new technology.

The airline industry has been a big beneficiary and at the forefront of new technology. When an airline looks for improved performance, it uses technology to solve business problems. Yet, sometimes the full value of the new technology is not realized.

Part of the reason is the way people at various levels within the organization view a new system. Senior managers work at a high, strategic level. They look at the big picture — improving revenue performance, reducing costs, maximizing efficiencies.

Having better technology is a path to gain those benefits. Senior managers are usually the decision makers when it comes to procuring advanced systems. When a senior manager makes the decision to purchase a new system, she will point to the aforementioned benefits of new technology.

Conversely, most of the airline’s staff works at an operational level — making a reservation, checking in customers, analyzing a pricing change, dispatching a flight. They don’t look at the big picture. Their focus is much more confined. They concentrate on performing their tasks as quickly and effectively as possible. Most likely, end users of the new technology were not involved in the purchase decision. They probably know little about the new system they are going to get. Because of that, they may not use the new technology as it was designed and, therefore, are not leveraging the full value of the system.

Because these two groups have conflicting perspectives, there is a natural disconnect on how senior management and frontline staff react when bringing in a new system. The main way to bridge this gap is for senior managers to actively provide both leadership and involvement in a new system. They should allow users of the new system to participate in transforming their business to fully leverage the value of the new system.

Obviously, senior managers cannot spend the majority of their time on the new system project. That said, there are many ways a senior manager can enlist end users of the new system and gain their confidence.

Shared Accountability

The person who championed bringing in the new technology/system is ultimately responsible and accountable for the successful implementation of the system. He takes on the role of executive sponsor of the project. Because it is not realistic for an executive sponsor to be involved in all aspects of implementing a new system, he needs to be actively

engaged and provide leadership in the project.

Sometimes, accountability for implementing a new system is passed on to the information technology department or to mid-level managers. Certainly, IT or the business unit has the technical and subject matter expertise to assist in implementation, but the executive sponsor drives the project and ensures a successful implementation.

The executive sponsor selects business and technical leaders for the project. The functional leaders are responsible for more-detailed tasks on the implementation. The executive sponsor meets regularly with project leaders to understand the state of the project, issue resolution and project direction.

Users have a shared responsibility to the project as well. Active user participation in a new system implementation is a key driver in a successful technology implementation. They not only provide input in how to shape the future business processes and practices, they also become ambassadors of the project for their colleagues. This peer-to-peer interaction builds confidence and trust in the new system.

In the end, both senior managers and front-line users need to feel they are accountable for the successful implementation of the new system.

Involvement

The biggest hurdle in implementing new systems is not always technical, but human. Implementing a new system

creates change. Change upsets the status quo. The natural reaction of users receiving a new technology system is “what’s in it for me?” rather than “what’s in it for the airline?” End users initially see the new system as an impediment, not a benefit — something that will come in and upset the way they have been working for years.

One way to help in the change process is to involve users in the project as much as possible. Allowing them to participate in the process of implementing the system is important in two ways:

1. Detailed knowledge of the current system provides a robust baseline for making comparisons between the two systems.
2. They feel more invested and valued, and they will be more supportive of the project.

As with senior managers, users have their day jobs and may have limited availability to assist on the project. Therefore, a number of users should support the project fulltime. The number of participants needed is based on the size and complexity of the project. The user team should also be supplemented with part-time participants as needed, especially if there is very specific subject matter expertise required. The more people involved in the project will increase the buy-in of all users because they have a say in the system implementation.

To enable change, some airlines use a structured change-management process for transforming their processes and practices. Change management is a large

Elements Of A Communication Plan

Communication	Frequency	Audience
Project Status	Weekly	Project Team/Sponsor
Project Information	Bi-Weekly	RM Users
Steering Committee	Monthly	Executives/Project Leader
Project Milestones	As completed	RM Users
Project Progress	Monthly	Outside Stakeholders

High-quality Communication Plan Communication during a new technology implementation is vital. A good communication plan is based on targeting information relevant to stakeholders, the frequency of communication and the method of delivering the communication.

topic of its own. For the purpose of this discussion, however, the focus should be on how senior managers and users engage on some key change items. There are many change management models, but in general, they all follow a basic process:

- Assess,
- Prepare,
- Plan,
- Implement,
- Maintain.

Assess

Senior management can have a sizeable impact in each of these phases of change. The “Assess” phase is primarily discovering the differences between the current system and the new system. Areas that are most affected from a user perspective usually relate to features/functions and business processes.

Logically, if an airline is replacing an older system, the new system will not work exactly as the old system. When users evaluate the new system, they do so through their filters: “what’s in it for me?” and “I have been working this way for years.”

From this view, different is not different; different is bad. The tendency for users is to make the new system work like the old system. The goal during this phase is not to replicate how the current system works. It is to understand and quantify the magnitude of the differences and how to adapt. Best practice is to use the new system as designed.

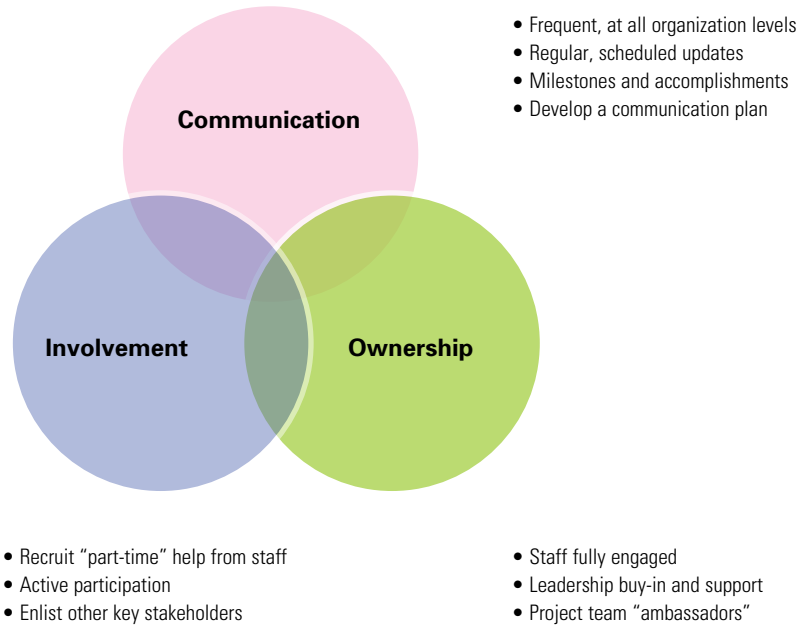
The discussions around user customizations of the new system can get contentious. This is where senior managers make an important contribution. They should listen to the concerns of the staff, but by not being in the trenches they can dispassionately evaluate the differences between the two systems. The basic evaluation is determining if a difference is mission critical versus “nice to have.” In the majority of cases, the differences can be mitigated through a business process change.

Requests to change the new system’s functionality should only be the last resort. End users might not be happy about changing the way they work, but know they had input into the change decisions, and their concerns were heard. They also know senior management is equally invested in the change.

Prepare

During the “Prepare” phase, decisions are made about how the department will work to support the new system. At this point, new business processes are identified and designed. Because of this, there

Key Components For Successful Technology Switch



Pillars Of Success There are three pillars of a successful switch to new technology. People throughout the organization need to be accountable for the system implementation, actively participate in the project to transform business processes and ensure key stakeholders remain informed about the progress of the project.

may also be an impact on some existing job roles and there will potentially be a need for new roles.

Organizational changes are extremely emotional. Someone in the organization might be the only expert on the current system, which confers a measure of power. That power will be eroded by the new system. Also, some of the users of the current system may not have the skills to use the new technology. Difficult decisions about organizational issues fall on the executive sponsor.

As with the business process changes, the executive sponsor can look at the potential organizational changes from a different perspective and is more apt to focus on what is best for the department rather than focusing on the impact on individuals.

Plan

The “Plan” phase begins once the business model for working in the new system has been identified. At this point, details about how to implement process and organizational changes needs to be established. Project participants manage most of the detailed work during this phase. At the same time, the executive sponsor

needs to be engaged to understand the progress of preparation as well as resolve any issues.

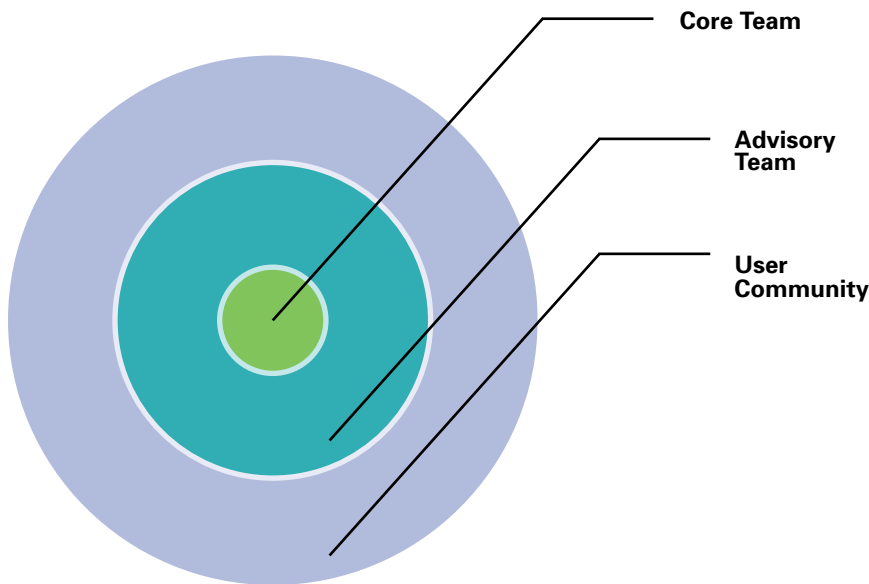
As system implementation approaches, all business processes and training activities have been completed. Users who were part of the change management process now become the functional experts, both on how the new system works and on business processes and practices. As the experts, they are also responsible for transferring their knowledge to the rest of their colleagues.

Implementation

Once implemented, employees will have questions about using the new system. The project team becomes the point of contact for answering questions, categorizing bugs and other observed system issues. Senior managers should be knowledgeable about how the implementation is going. They should also be aware of any serious issues that need to be resolved with the technology partner. A daily briefing with the project team is a good way to keep the executive sponsor informed and involved.

The executive sponsor may also play a role in the implementation. Sometimes there is hesitancy to implement the new system until

User Involvement Is Key



1. Type of communication — This includes items such as project status, project milestones and issues.
2. Audience — Different stakeholders of the new system require information targeted to their specific needs. For example, if implementing a revenue management system, the revenue management department would need very specific communication on the progress of the project, while the sales department may only want a status update.
3. Frequency of communication — Using the example above, the revenue management department will require weekly communications, but sales would only need a monthly update.

There needs to be an owner for the communications strategy to ensure it is delivered according to plan. On a relatively small system implementation, one person might be responsible for the entire communications plan. On a large, complex implementation, there may be multiple people involved in the plan. In either instance, one person must be responsible for owning and implementing the overall communications plan.

In addition to the timeliness of the communication, it should also be as candid as possible. In any project, there is the potential for slip-ups and delays. If there are setbacks, be honest about the magnitude of the issue. Explain what plans are in place to resolve the problem and get the project back on track. Users appreciate honesty, which, in turn, helps them gain confidence in the system.

There are ways to bring senior managers and users closer together when it comes to implementing new technology. Both managers and staff need to be fully accountable for owning the new technology. Involvement in the project at all levels helps build an operating model for how work is performed with the new system. Finally, frequent and meaningful communication helps bring a common understanding of the project progress, victories and challenges. ■

Modifying Business Processes User involvement is important to system adoption. Whether it is a full-time role on a “core” team, or an advisory role, users have a key part in adapting business processes to work with the new system.

everything is “perfect.” In reality, there will usually be some system issues at cutover. The key is understanding the severity of the issue and determining if it is cosmetic or mission critical.

Senior managers can have a better view of the big picture and the impact of the issues. For example, one airline implementing a new technology did not cutover its system because there were some issues. In this case, 90 percent of the system was working as planned, but users were waiting for the last 10 percent of cosmetic changes. When this was brought to the attention of the executive sponsor, his response was, “We are foregoing 90 percent of the benefit every day to capture the last 10 percent?” The system was implemented the next day.

Maintain

Once the system has been running for a while, there still may be the need for refresher training of staff or mentoring of users by the functional experts. The executive sponsor should also stay abreast of progress and any outstanding issues.

Communication

Frequent and meaningful communication is essential to build staff knowledge and confidence. When implementing a new system, there are usually many mysteries for users. A vacuum of information usually results in two outcomes:

- Uncertainty and anxiety among users,
- Rumors to fill the information void.

Communication starts with the signature of the new system. The executive sponsor for selecting the system should articulate why this particular system was chosen, the financial benefits and the work benefits for the people who will be using the new system. As part of the initial communication, there is an opportunity to broach the subject of change. Recognizing and communicating this upfront will set the stage for users so they are aware that a change will be required to some processes and practices. This level of communication helps prepare them for upcoming changes.

Creating a communications plan is an effective tool to provide structured and consistent messages. There are three main components for creating a communications plan:

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