Case study

American Airlines Achieves Greater Efficiency in the Face of Change

About American Airlines

American Airlines is the world's largest airline with 120,000 employees and a daily average of 554,000 daily passengers. The airline has 947 mainline fleet, 13 different mainline aircraft types that fly 6,700 daily flights, offering the world's largest network. The company recently merged with US Airways and posted a record profit in 2015 of $6.3 billion.

Challenge: Merger and Technology Overlap Creates Process and Integration Issues

Technology investment has been a key cornerstone in building the new American Airlines company. With the US Airways merger came an overlap in technology and programs that needed integrating, including the frequent flyer loyalty program, passenger reservation system (PSS), and the flight operations system. The IT system integration posed three challenges: the company had 3,000 technology resources, more than 2,000 IT system integration projects, and a rigid integration schedule, clearly highlighting a classic supply versus demand dilemma.

The majority of IT projects follow an Agile methodology. American Airlines needed an adaptable tool to better understand IT project demand and resource management. Spreadsheets were the primary tool for resource management which proved to be painstakingly insufficient to forecast, plan, and manage the resources for complex projects. Finally, American Airlines needed perspective beyond the project level to the broader divisional and global priorities of the organization.

Solution: Planview Enterprise

Coming out of the merger, the company had to find systems that could scale to meet the needs of its greater size and complexity. Legacy US Airways selected Planview Enterprise in 2013 and in 2014, Planview Enterprise was selected by the new American Airlines. "We were

Overview

Customer

American Airlines

Industry

Transportation

Geographies

150 countries

Size

More than 100,000

American Airlines uses Planview Enterprise for time entry, resource management and capacity planning to solve real problems and make better business decisions.

essentially a new company and needed to revisit all of the processes," says Woody Green, manager of IT Finance at American Airlines. "We had an opportunity to see how Planview Enterprise works and knew we could leverage it for our key initiatives."

Time Entry

With time tracking in Planview Enterprise, the company can better monitor projects. It provides historical data that can be used to make better estimates in the future on similar projects. It also provides evidence for resource requests and allows for more IT labor capitalization, pleasing finance and satisfying SOX regulations.

The first initiative was to focus on time entry. American issued "Time Entry Adoption Progress" reports weekly to IT leaders who encouraged their respective teams to achieve compliance. They held lunch and learns, help sessions and one-on-one tutorials to close any training gaps and help people become compliant. Less than five months later, the compliance percentage jumped to 96 percent.

"We went from capitalizing 10 percent of our IT labor to 20 percent, which equated to a multi-million dollar net positive depreciation impact on our balance sheet," says Woody Green.

Resource Management

To meet the required project delivery dates, American Airlines needed to know what projects it could do with current resources and where resource gaps and shortages existed.

Planview Enterprise provides resource reporting that helps American Airlines evaluate a classic supply versus demand problem, giving them visibility into resource constraint issues. This information is used to facilitate discussions on how best to resolve those resource constraints, either by adding resources or reprioritizing projects.

Investment and Capacity Planning

American Airlines wanted to better understand how many incremental resources would be required to deliver proposed and committed projects. During the annual

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capital planning exercise, they collected all project ideas and loaded them into Planview Enterprise. American Airlines leveraged the Investment and Capacity Planning capability in Planview Enterprise to assess and rank capital projects globally. It displays which capital plan projects have resource constraints by role. American Airlines uses scenario-based planning to resolve constraints by shifting start dates and adding resources.

American Airlines has more confidence in the foundational supply and demand data residing in Planview Enterprise. It engages IT leaders earlier in the process, allowing them to be part of the conversation and the solution every step of the way. IT leaders are able to see directional resource supply shortages for the new projects and leverage this information in key prioritization discussions with their respective business unit leaders.

Benefits:

American Airlines uses Planview Enterprise for time entry, resource management and capacity planning to solve real problems so they can:

- Have access to better, more reliable data to make critical decisions

- Assess the incremental resources needed to deliver projects

- Determine the projects they can deliver with existing resources

- Understand where IT resources are spending their time resulting in increased labor capitalization

To learn more about what Planview Enterprise can do for you, visit Planview.com

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