



“With IBM Planning Analytics, Alaska Airlines has automated the budget process for the Airports division and set ourselves up for a rolling-forecast culture that powers our ability to drive growth and remain responsive to our customers. With Locus Solutions as our trusted advisor, we have delivered real value to our business stakeholders and the Alaska FP&A team is now trained and empowered to further enhance the solutions value over time”

Director Financial Planning & Analysis at Alaska Airlines

Alaska Airlines is Cruising at Altitude with Planning Analytics on the Cloud

CLIENT PROFILE

Alaska Airlines is routinely recognized as a standout domestic carrier in the United States. For eight years running, Alaska’s commitment to their customers has been recognized by the prestigious J.D. Power award for customer satisfaction. Adding more than 90 new markets in the past seven years and with their recent acquisition of Virgin America, Alaska Airlines and Virgin America’s combined revenue topped \$7 billion and served 39 million passengers in 2015 to become the fifth-largest airline in the United States.



Alaska’s Financial Planning & Analysis (FP&A) team leads a wide variety of activities, from budgeting, forecasting and profitability targeting to long-term strategic planning, defining performance metrics and conducting ad-hoc analysis. They routinely interface with every aspect of the company including Accounting, Investor Relations and Operations.

Alaska charged its FP&A team with identifying and implementing a new solution to improve the way business analytics informed decision-making processes throughout the company. To take on this challenge, Alaska turned to IBM Planning Analytics and Locus Solutions.

THE BUSINESS CASE FOR THE CLOUD

Alaska Airlines was one of the first to successfully deploy IBM Planning Analytics on the cloud. In making the decision between deploying on premise or on the cloud, Alaska focused on two key factors: compliance and time-to-results. Alaska’s IT team completed a due-diligence analysis to confirm that IBM’s Softlayer cloud services was fully compliant with Alaska’s high technical standards for security and data management.

With IT’s endorsement, the FP&A team analyzed the anticipated time-to-results, or the expected timeline for a solution’s value to be recognized. The FP&A team determined that utilizing IBM Planning Analytics on the cloud meant that Alaska could create value for the business faster, eliminating an ongoing burden to IT and any potential delays presented by other IT projects.

PHASED APPROACH DELIVERS SHORT-TERM AND LONG-TERM SUCCESS

Locus Solutions’ most successful customers follow a phased approach to defining, developing and deploying well-defined, quick-win stages that deliver real value to the business — on-time and on-budget. Alaska Airlines has completed two phased deployments of IBM Planning Analytics and is in the process of completing phase three.

In the first phase, Locus deployed the centralized planning system and improved the FP&A team’s ability to aggregate, integrate and manage planning data from the airports Alaska serves. Phase two utilized Locus and Alaska resources to extend the planning system to marketing, aircraft maintenance, flight operations, IT and real estate. With most of the organization using the system, phase two established the foundation for providing rolling forecasts for Alaska’s stakeholders.

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With the leadership, training and mentoring from Locus Solutions in phase's one and two, Alaska was able to take the lead in phase three, which will further enhance the solution and establish it as the hub for organizational performance, measurement and collaboration with stakeholders.

Throughout this process, Alaska Airlines found Locus' phased approach invaluable in delivering a high-value, high-impact solution. The training and mentoring provided by Locus enabled Alaska's FP&A team to become self-sufficient in enhancing and extending the solution in the future.

THE FLIGHT PLAN AHEAD

With the success of implementing IBM Planning Analytics, the Alaska Airlines FP&A team has been credited with two positive shifts within the organization. The first shift is establishing a timeline for implementing a rolling forecast that is fully integrated with the company's budget. This will allow Alaska to be more agile in making schedule, fare and promotion changes and enables the company to instantly assess the impact of those changes on the forecast and budget, providing Alaska's leadership with valuable scenario planning insights. The FP&A team was also recognized for its successful collaboration with each business area to improve their forecasts and the overall forecasting process. Putting the power of IBM Planning Analytics in the hands of users across the business has generated new insights and opportunities that have improved business operations and forecasting accuracy. With IBM Planning Analytics successfully deployed on the cloud, Alaska Airlines is ready to continue climbing elevation toward the company's ambitious growth plans for the future.

ABOUT ALASKA AIRLINES

Alaska Airlines offers a friendly and relaxed style of service, one that passengers have come to appreciate as the "Alaska Spirit." The airline also is known for embracing innovative technology to improve the customer experience.

Long known for its Alaskan heritage, symbolized by the Eskimo painted on the tail of the aircraft, Alaska Airlines traces its roots to Linious "Mac" McGee of McGee Airways, who started flying his three-seat Stinson between Anchorage and Bristol Bay, AK in 1932. A merger with Star Air Service in 1934 created the largest airline in Alaska, which eventually became Alaska Airlines. Alaska and its sister carrier, Horizon Air, are owned by Alaska Air Group (NYSE: ALK).

ABOUT LOCUS SOLUTIONS

Locus Solutions is a strategy and technology consultancy that helps companies use Business Analytics solutions to achieve competitive advantage and operational excellence. Our goal is to help clients deploy and manage a complete range of information requirements ranging from budgeting and forecasting to enterprise reporting to the use of innovative Business Analytics technologies like Mobile and Search.

Our global delivery model provides an advantage to customers by delivering best-in-class solutions economically. By using proven processes, our customers are assured of consistently high levels of quality for every project.

Our consultants are seasoned professionals with deep expertise in designing, developing, delivering and managing successful projects. This includes budgeting and forecasting, reporting and dashboarding and data warehousing solutions. Whether your needs include Business Analytics strategies, first-time projects, full implementations, standardizations or enhancement services, our proven practices deliver results.

