



### **Solution Overview**

"We need to be aware of a project's commitment including its capital and operating expenditure, budgets, timeframes, and what stage the project is at. iTools allows us to do this in real time." Malcolm Savage, Programme Management Office (PMO) Manager, Air New Zealand

### **Customer Profile**

Air New Zealand is New Zealand's national carrier flying 5.8 million passengers within New Zealand alone in 2002. With the loyalty of more than 800,000 frequent fliers, Air New Zealand is fast moving to being a strong online business with smart IT systems.

### **Website**

[www.airnewzealand.co.nz](http://www.airnewzealand.co.nz)

### **Business Situation**

- Air New Zealand's divisions each have project teams driving business initiatives - almost all have an IT component, and often multiple IT projects attached to them.

- Air New Zealand's Programme Management Office (PMO) coordinates all projects with an IT component. Up to 100 IT projects will be on the go at any one time.

- With IT projects increasing in number and complexity, maintaining control was becoming increasingly difficult.

### **Pain points**

Manual project tools cumbersome and labour-intensive.

- Impossible to see a consolidated view of the programme of projects.

- No ability to share data or collaborate on projects at the same time.

- Different project tools used - no common platform.

- Management couldn't identify which risks or issues most needed attention.

- No visibility on the current status of projects.

- Lack of accountability.

- Duplication issues with the PMO team repeating work on projects with similar IT needs.

## **Air New Zealand takes control of their IT projects**

### **Adapting to Change in a Volatile Market**

The airline industry has seen a volatile market in recent times with September 11, the war in Iraq and the outbreak of SARS. In releasing the 2003 profit result Air New Zealand Chief Executive Ralph Norris said "we do not know where the next shocks to the industry will come from, but we can be sure that they will continue coming."

The situation the airline faces today is one of volatile demand, excess capacity, strong competition and constant market changes. These pressures are driving the need to understand what is happening on projects and business initiatives.

Air New Zealand's Programme Management Office (PMO) Manager Malcolm Savage says "Management wants to see where a project is at, what their exposure is, what risks are involved, and specifically, is it running to budget. With a strong focus on costs, governance is very important."

### **Managing complexity**

Air New Zealand's Programme Management Office (PMO) coordinates the governance and reporting of IT projects within the company. An example project would be delivering software and web-based support for the recent Tasman Express launch - an initiative that gives customers up to 45% savings on Trans-Tasman fares.

Delivery of Tasman Express involved a programme of five IT projects. All five projects needed to work in sync with each other to meet the business objectives.

This is a big exercise in its own right. And yet this is just one initiative among the up to 100 projects the PMO team coordinates at any one time.

### **Taking control - moving to a web-based solution**

In the past, projects were registered and managed using separate databases. However, with so many projects constantly changing in status, the use of manual databases was proving difficult, cumbersome and labour-intensive.

Project data constantly needed updating and had to be manually cut and paste into other applications and management reports. Project teams couldn't share information when working together on a project.

Maintaining control was increasingly difficult.

It was hard to track the status of projects, or get a consolidated view of all projects on the go, and what issues or risks should be prioritised.

The PMO team recognised the only way to keep control over such a large and complex programme of IT projects would be through a web-based system.

The PMO wanted a system where they could see a consolidated view of all projects and their real-time status. They wanted teams to be able to share data, with a seamless flow through of data to management reporting.

In November 2002, they started looking for such a solution.

According to Mr Savage, "we looked at the whole sphere of what was out there. We could have implemented an enterprise solution like Primavera, but this would have involved a heavy upfront investment in software installations and support."

"From our search, no other solution could give us the control, flexibility and real-time data sharing and reporting advantages that iTools could within a suitable price range."

"A key reason Air New Zealand chose iTools was its ease of implementation. As a hosted solution, iTools takes the drama of software installation and internal support out of the equation," said Mr Savage.

### **Solution Summary**

- Adopt a web-based solution to control a programme of projects and allow flexibility and the sharing of information.
- Consolidate project tools to three applications - iTools, Microsoft Project and PeopleSoft - to create a common technology platform.

### **Value to Business**

- ITools provides up-to-the-minute status reporting in an online environment.
- Consolidated view gives PMO team greater control.
- Prioritise risks and issues that need management attention.
- No upfront investment in software installations and internal support.
- Web-based solution allows users to work together on projects.

### **Reaping the benefits**

**Accountability:** Assigns ownership and responsibility for tasks to team members.

**Consistency:** A common platform makes teams deliver in a consistent way.

**Accessibility:** Anybody with a specific Web browser can use iTools regardless of where they are at the time.

**Shared work space:** Teams can share information with third party providers using the same work space.

**Speed:** Fast, considering the large number of projects and users on the system at any one time.

**Time saver:** cuts down amount of time previously spent in compiling management reports.

**Cost effective:** Charging on a per user basis, making it cost-effective to roll out.

**Immediacy:** Minimal training means an immediate start. As easy to use as email - takes approximately half an hour to train someone on how to use it.

**Archiving:** Acts as a central repository of a project's history and documentation.

### **Expansion plans**

- End game is all Air New Zealand projects will be registered in iTools. iTools will become an enterprise-wide application.



### **It's all about visibility**

"When you are managing so many projects, you need to see a consolidated view of them all. In the past, there was no way to consolidate or roll up projects to see what was happening across the whole programme", said Mr Savage.

"iTools provides this big picture view. Management can quickly look through the entire programme, and prioritise projects and issues that need immediate attention. And they can drill down into particular projects for more detail."

"You really can only have control through a consolidated view. It is all about visibility and being able to quickly gauge the health of projects", said Mr Savage.

### **Reporting breakthrough**

"We report to senior management on a monthly basis. iTools gives us the ability to report real-time information about a project's budget, risks and milestones at any time. There is no need to cut and paste data. Data just flows through to reports", said Mr Savage.

### **Creating a culture of consistency**

In late 2002, the PMO team found different teams were using different tools for managing projects, from separate databases to spreadsheets to other point solutions. "We had no central or common platform for managing projects. This created confusion and a silo mentality across teams", said Mr Savage.

iTools provides a consistent platform for all project managers to work off, and they can now share data and tasks with each other in real time and online.

### **Learning from the past**

"Using iTools, we have created a central repository of information on all projects, both past and present. We can search across projects' histories to see what worked, what didn't work, and what risks we should be aware of before undertaking a new project", said Mr Savage. "This is incredibly useful when it comes to identifying and managing risks on a new project."

### **Driving accountability**

Using a manual worksheet or tool, no one can be assigned ownership of tasks or responsibilities. In iTools, every project action is assigned to someone. The team member is responsible for ensuring it is completed.

And you can't wipe history. iTools records changes made, including who made them and when. Staff can trace exactly what happened on a project.

### **Building collaborative partnerships**

Air New Zealand, like other companies working in today's global world, works with third party providers in New Zealand and other markets.

Access to a central web-based platform eliminates a lot of the pain of working with contractors and third parties on projects. "For example, we can raise an issue that needs addressing by a vendor in Europe. The European vendor picks that up and actions it when they log on in their morning. It eliminates the need for late night telephone calls and long email exchanges to sort out routine issues", said Mr Savage.

### **User friendly and straightforward**

It takes approximately half an hour to train staff on iTools, and slightly longer for a Project Manager. "It is an 'intuitive' and very user-friendly system. We don't get too many queries on how to use it from staff once they are on it. It is very easy to pick up",

"We've had strong support from the iTools team on training and delivery. The iTools team go out of their way to respond quickly to your needs", said Mr Savage.

*iTools Online are project management experts who help companies navigate their way through a changing business environment to achieve project success. Their flagship product is iTools Control, a web-based project management tool that helps projects succeed by improving governance and increasing control and accountability for project managers.*

For more information, go to: [www.itools.co.nz](http://www.itools.co.nz)