



# Air Canada:

On a never-ending push to make  
life simpler for the customer



— Patrice Ouellette,  
Director of  
Customer Solutions  
and Innovations,  
Air Canada

It's Monday morning in Montréal. As he does most every week, Patrice Ouellette has convened a coffee klatch with the small, energetic and tight-knit team he leads. While the mood is light, the agenda is all business. As Director of Customer Solutions and Innovations for Air Canada, Ouellette's mission is to keep a laser focus on improving the customer experience for passengers at every point in their journey. Known within Air Canada as the "Innovation Team," the group Ouellette has pulled together over four years has evolved into a well-oiled machine that is constantly attuned to which programs are working, which aren't and which processes can be done better.

When Ouellette calls himself and his team "data-driven," the description is apt, for data is the oxygen that fuels and directs the Innovation Team's efforts. At any time, he can get an accurate and up-to-date read on how many people are using each of Air Canada's multiple self-service channels, what the trends are over time and what each check-in costs on a unit basis. At a basic level, this visibility provides Ouellette—as well as Air Canada's senior management—with a gauge of the business value and success of the company's self-service initiatives and, as such, a rationale for making future investments.

## Leadership Spotlight

Air Canada has come a long way in its self-service journey, and Patrice Ouellette has been there from the beginning. Under his leadership, Air Canada's "Innovation Team" has sparked a number of firsts in the industry, including the placement of "off-site" kiosks outside the airport.

## How Air Canada got smarter

Beneath Air Canada's leading self-service capabilities is an equally innovative technology strategy that consolidates all self-service channels to enable a seamless customer experience. It was on this foundation that Air Canada launched its latest industry first – the delivery of proactive travel services via iPhone® and BlackBerry® mobile devices. Relying on rules-based intelligence, the solution delivers notification messages that are always up to date. In addition to fitting in with customers' increasingly mobile lifestyle, the solution enables Air Canada to process transactions such as check-ins 80% more cost effectively than those done at the customer service counter.

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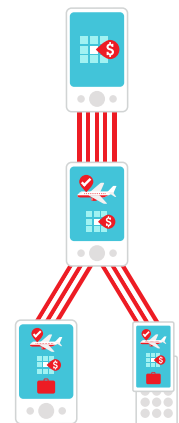
## Shaping the future

While calling the perspective gained critical, Ouellette sees an even bigger value in the way such information can provide a roadmap for shaping processes, practices and even the layout of the airport going forward. For instance, when Air Canada's CFO asked Ouellette to put together a comprehensive analysis of the impact of four years' worth of self-service initiatives, the results reaffirmed the prevailing view that they were reducing costs, increasing revenue and satisfaction, and making Air Canada a stronger competitor. But the exercise also triggered the airline's Real Estate and Airports divisions to work together in managing the layout of its check-in facilities, changing the flow of passengers and—in the long run—reconfiguring or removing counters.

The path Air Canada took in becoming an industry leader in self-service is dotted with significant achievements. It started with Air Canada's kiosk strategy, through which the company led the industry in deploying "off-site" kiosks at different points in the travel ecosystem, beginning with hotels and eventually considering other possibilities such as car rentals, convention centers and airport-bound train stations—just about any place that travelers gather. It continued with Web-based check-in. Most recently, Air Canada broke ground with the delivery of a mobile self-service solution, first as an Apple iPhone®/iPod® touch application ("App"), then as a BlackBerry® App—in both cases a first among North American airlines.

From the all-important customer perspective, the Air Canada App is accessed simply through a single icon, which serves as a gateway to a broader array of information and services, including the ability to book flights, download electronic boarding passes, check in, get flight status and book rental cars and other services. Behind the scenes—and in keeping with Air Canada's strategic architecture vision—the solution leverages the same SOA infrastructure as Air Canada's other self-service channels, including the same set of common enterprise-wide services (such as flight status check). The efficiency that comes from this level of reuse is a big reason Air Canada was able to cut by more than half the time and cost required to bring the mobile solution to market (more on the benefits later).

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### The benefits of Air Canada's self-service innovation

- Approximate 80% reduction in per-check-in cost compared to traditional counter check-in process
- Increased customer loyalty by virtue of more compelling and "stickier" self-service options like real-time notification
- Greater than 50% reduction in time required to launch new services or channels through the reuse of existing service assets
- Reduced paper costs
- Improved quality of customer service
- Increased customer service productivity

## Change presents opportunity

While the core mission of Ouellette's group—to continually look for ways to simplify the customer experience—has remained consistent over its four-year history, its practices have steadily matured. And while the group faced skepticism at the outset, a long string of successes has given Ouellette the credibility he needs to continue to push for change when the opportunity presents itself. As Ouellette points out, these opportunities often originate from the need to adapt to external—and sometimes event-driven—industry forces. “The airline industry is a very dynamic world, with regulations around security always changing,” he says, citing the 2009 “underwear bomber” incident in the United States as an example. “While we’re under constant pressure to reinvent the way we operate, it also gives us a chance to assess whether we can do something totally differently. So if new security requires us to add a new step in the check-in process, we ask: Can we streamline or eliminate other steps to make it simpler for the customer? That’s the kind of dynamic that drives our change efforts.”

Leadership is:  
**Thinking differently**

Change happens a lot in the airline industry, and it’s often driven from outside forces. Air Canada’s strategy is to continually look at industry dynamism as an opportunity to simplify the customer’s experience. “While we’re under constant pressure to reinvent the way we operate, it also gives us a chance to assess whether we can do something totally differently.”

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The success of Air Canada’s self-service transformation efforts also owes a lot to having the right governance framework in place, one that balances the fresh “outsider’s” perspective of the company’s change agents (i.e., Ouellette and his team) with the pressing day-to-day realities each of the airline’s operational areas face in moving passengers and staying on schedule. This give-and-take process occurs within a group of stakeholders known as Customer Service Platforms, whose key members include IT, Airports and the Customer Service Organization. Meetings conducted monthly (or as events dictate) in a roundtable format are a mix of decision making, brainstorming and status review. One scenario may have the Airports Team presenting a new check-in requirement, the Customer Service team addressing how to inform customers of the change and IT figuring out how to implement it. Ouellette’s role in this scenario would be to probe for how to yield a simpler process from the new requirement.

Under another scenario, it’s the Innovation Team’s job to inject new ideas into the mix and move them forward by proposing pilot solutions and working to get them implemented and tested quickly. Ouellette believes that to succeed in this role—an impetus for change—maintaining a degree of organizational separation from the rest of the business is a must. “We need people who instinctively and passionately think outside the box—who know the airline’s day-to-day ways of doing business, but are not stuck in it,” says Ouellette. “It’s important [for the Innovation Team] to think from a different perspective and to keep asking why.”

Lessons learned:  
**Change requires distance**

For the Innovation Team to be a successful change agent, it needs to maintain a degree of separation from the operational areas within Air Canada. “We need people who instinctively and passionately think outside the box—who know the airline’s day-to-day ways of doing business, but are not stuck in it. It’s important [for the Innovation Team] to think from a different perspective and to keep asking why.”

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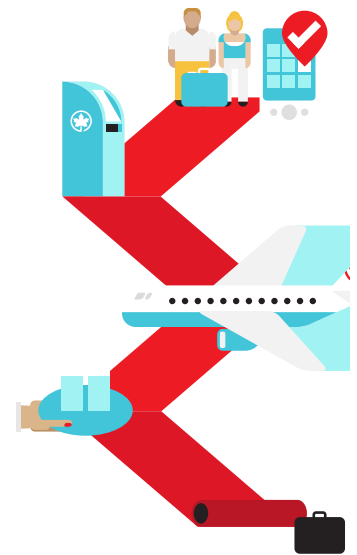
## Understanding through engagement

At the time Air Canada decides to enable a new self-service capability, the Innovation Team's role is, in many ways, just beginning. Take a recent example, when Ouellette's team opted to develop a proof of concept for a new service, known as Paid Upgrade, and to roll out a test version on Air Canada's Web check-in site. Using its analytical tool set, the team was able to get an instant snapshot of who was using it and who wasn't. Further enriching the picture was real-time feedback from users and a usage analysis that pinpointed areas in the user experience where customers were more vulnerable to errors or misunderstandings. "It's a hands-on, highly engaged approach designed to get the best possible understanding of our customers," explains Ouellette. Just how hands-on? Ouellette regularly dispatches his staff to airports to observe with their own eyes the nuances of how people use Air Canada's self-service systems—and, most importantly, to learn from these insights.

So what became of Paid Upgrade? From the start, it showed unmistakable signs of being a major hit among customers. As Ouellette recounts, one influential blog writer endorsed the new service, lauding it for being "so easy, it took 60 seconds to do the entire process" and to get upgraded. "That's the kind of impact our team gets paid to achieve," says Ouellette. Based on feedback such as this, the service was quickly expanded to include Air Canada's kiosk channel, and is now one of the company's most popular self-service features. Looking at the success of Air Canada's self-service initiative more broadly, the numbers speak for themselves. By moving passengers from counter check-in to Web, kiosk and mobile device check-in, Air Canada has produced efficiency improvements in the neighborhood of 80 percent for those transactions.



What makes Air Canada stand out isn't the fact that it's doing self-service, but the way it's doing it. By creating a common technological framework to underpin all of its self-service initiatives, Air Canada is able to provide a wider range of channels—and choices—to meet its customers' diverse preferences, and in doing so, drive a larger share of its customers to self-service channels. This enables Air Canada to not only reduce the overall cost of serving its customers, but also serve them better. That's because self-service frees up service resources to focus them where the human touch is needed, such as assisting children, the elderly and groups of travelers. Air Canada views the ability to provide this level of service as one more area where it can stand apart.



### Air Canada: The parameters of smarter transportation

#### 🔧 Instrumented

Air Canada customers have the choice of Web, kiosk or mobile device self-service to access a broad array of information and services.

#### ✳️ Interconnected

Leveraging the same SOA infrastructure as the airline's other self-service channels, the solution detects in real time when flight status or itineraries change, and automatically notifies the customer.

#### 💡 Intelligent

Rules-based intelligence at the core of the solution ensures that notification messages are not only up-to-date, but sent via the appropriate medium (text vs. e-mail) based on the nature of the message.



## A commitment to innovation

For all Air Canada's progress in customer self-service, Patrice Ouellette considers it still in an early stage in its innovation journey. "We see our commitment to constantly elevating the quality of our customers' overall travel experience as the basis for our current success, and even more so as the foundation of our future," says Ouellette. "With its experience, technology, and knowledge of the business model, IBM has been critical to helping us meet this commitment to our customers."

Air Canada's self-service solution is...

### Software

IBM® WebSphere® Application Server, IBM DB2®, IBM Consumer Device Services, IBM Kiosk Manager

### Hardware

IBM N series full-service travel kiosks

### Services

IBM Global Business Services®—Application Innovation Services

### For more information

Please contact your IBM sales representative or IBM Business Partner.

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