CASE STUDY

Providing the right capability to achieve Cathay Pacific's strategic goals

Cathay Pacific Airways is an international airline registered and based in Hong Kong offering scheduled passenger and cargo services to more than 110 destinations around the world. The airline was facing increasing challenges with its aging passenger systems, which were restricting them from improving customer service, launching new services and delivering operational effectiveness.

Cathay launched the Passenger Support System (PSS) programme to implement the industry standard 'Amadeus' system. This system is integrated, supports multi-channel interaction and provides a much enhanced User Experience (UX) for passengers and internal business users. Importantly, the new PSS platform also offered the opportunity to drive up revenues (e.g. by supporting additional cabin classes) and reduce operating costs.

The £90m programme represented a major business-wide transformation of processes and technology for Cathay Pacific impacting around 12,000 call centre, airport and ground staff in 80 locations.

The success of a transformation of this size and complexity is very dependent on the right programme capability (people, tools, governance, organisation, etc.) to define the scope, establish controls, deliver, accept and embed the change. It is all too common for programmes to deliver the new capability and then find that the business is not ready or engaged sufficiently to accept or exploit the change. What this means is that getting the building blocks of the Change Management activity established is as equally important as delivering a robust solution. However it often an area that is under-invested in. Change Management is a fundamental component of business transformation and is most effective when addressed from the outset and then through every stage of delivery of capability and through into benefits realisation.

*Figure 1 — Building block for change*

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Partner

Providing a framework for Change

Some months into their journey, Cathay Pacific recognised that they had some weakness in some of these core building blocks.

Berkeley was asked by the PSS Programme Director to develop an over-arching change management approach to bring consistency to their business change activity, ensure stakeholders were effectively engaged and that staff were going to be equipped to use the system effectively from day one.

Using our Change Management Framework (CMF) (Figure 2), we assessed the current change management activity to identify gaps and made recommendations for stakeholder mapping and planning, change impact assessments and the process education approach.

Figure 2 – Change Management Framework
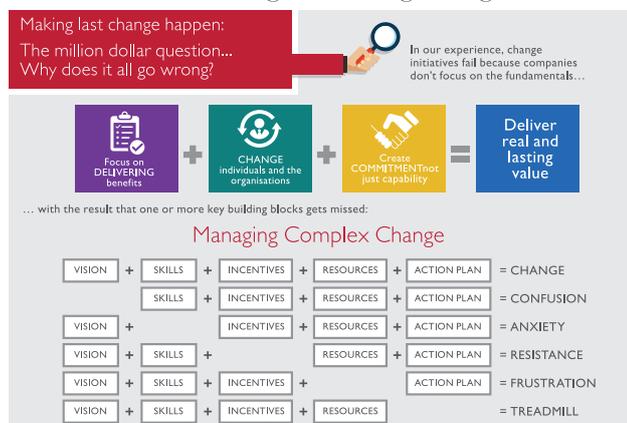
Our recommendations were endorsed and we were asked to undertake the Change Manager role for the remainder of the programme. A consistent approach to change management was established and the internal capability enhanced making them better able to develop and validate the business case, finalise requirements, undertake business process changes and carry out training.

The key outcomes were:

- The programme developed much more robust messaging related to benefits and established a comprehensive approach to benefits realisation.
- A wide-ranging stakeholder engagement and tracking process was put in place which ensured that the individuals working in all the impacted business units were made aware of what PSS meant for them. This was very much a consultative process where feedback and questions were encouraged. As a result, the level of positive engagement increased significantly as the programme progressed towards delivery.
- Training was developed to support changes to business processes rather than the implementation of systems functionality, making it more relevant and understandable to end-users.

Programme Capability Review PSS Phase 1

Via the PSS Change Manager role Berkeley was also able to highlight other areas of the programme where there were capability gaps and were asked by the Programme Director to undertake a Programme Capability Assessment (Figure 3).

The following recommendations were made and endorsed:

- Enhance the core leadership team, providing clear accountabilities and responsibilities, and adopting a more effective working style.
- Implement a stronger governance model, including a rigorous checkpoint approach and criteria to guide the steering committee's decision making.
- Establish a fully integrated programme plan, with a clear critical path for technical delivery and testing, business readiness and implementation / cutover.

This enabled the programme to maintain delivery momentum, whilst also re-orientating the team for the final phases of testing, training and cutover. The trust in the Berkeley team was evidenced by the request for Berkeley to shape Phase 2 of PSS and to fill a number of key roles across the programme team, including: acting as Interim Programme Manager, running the testing function through a defects management process and taking on the Cutover Manager position.

Figure 3 – Programme Capability Assessment

The right capability for success

In summary, the Berkeley team provided end-to-end leadership and strategic advice in establishing clear approaches to Change Management and key elements of programme delivery, working hand in hand and as part of the leadership team. The key themes were planning, governance, organisational design and business readiness.

Berkeley established a 'one team approach' through listening to the business needs and bringing the stakeholders together to identify improvements collectively. This focus on collaboration resulted in alignment of thinking and understanding, and a building of consensus across the business leadership team. In addition, we were able to quickly work with the programme team to identify potential risks and alternative ways of working that had not been considered to date.

A blend of programme delivery, governance and change management expertise filled a critical gap in the internal programme team's capability. As well as ensuring the success of this major transformation, the Berkeley team transferred knowledge to the PSS programme team resource and created a sustainable change to the organisation as a whole.