

FLIGHT INTO THE FUTURE



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**AIR TRANSPORT
IT REVIEW ARTICLE**

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“THE ‘QUANTUM LEAP’ HAS DELIVERED AN EXCITING JOURNEY OVER THE PAST FOUR YEARS – AND WE STILL HAVE MORE TO GO.”

JENY MUSTOPHA,
VP IT STRATEGY, GARUDA INDONESIA

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INDONESIA'S FLAG CARRIER GARUDA SEES TECHNOLOGY AS PIVOTAL TO TRANSFORMATION AND GROWTH. JENY MUSTOPHA, THE AIRLINE'S VP IT STRATEGY, TELLS US MORE.

How has Garuda's 'Quantum Leap' program progressed?

This has been a bold and vigorous five-year business transformation. It has resolved past issues and positioned Garuda so that we can contribute to the massive growth of aviation in our country and region.

We set up Quantum Leap in 2010 and IT was always expected to play a critical part – particularly in terms of infrastructure and passenger service systems.

The program has involved

a dramatic re-design of our airline's strategic direction, network, brand and fleet. IT is now making a much stronger contribution towards business optimization.

It is enabling us to grow by creating better quality of service, establishing a wider network, and serving that network with a larger and newer fleet, with 55 new aircraft in 2013/14. And, of course, we've pursued massive cost reductions at the same time.

We believe the program is bringing success. We won the 'World's Best Economy Class airline' at the Paris Air Show in 2013, and in March we'll become a SkyTeam member.

The Alliance is a key step, because it enables us to join

a substantial market with 19 other world-class airlines.

It's also a major endorsement of our progress and acknowledges Garuda as a world class airline.

What IT initiatives are critical to your transformation?

Clearly, we intend building a competitive airline that is respected as a global player – and as a significant member of SkyTeam.

To do that, we need to get better insight into our customers and our markets. And of course IT is now able to provide a wealth of tools for doing just that. At the same time, our customers are increasingly varied in their choice of channels, so we need to respond to that as well.





What has been your focus with IT developments?

If we're going to be able to properly serve new markets and compete effectively at this global level, then we need to be up and running with our next generation passenger services system.

Our new reservation system is the key part of that – and I'm pleased to say we delivered it over three months during 2013.

Switching to SITA Airfare Insight was also an important step, allowing us to focus on strategic pricing initiatives, rather than simply managing the pricing process.

We also needed to optimize management of our infrastructure. That's why we've outsourced it – so that one provider manages on an end-to-end basis our airline's domestic and international networks, managing vendors and all end user computing services.

We're benefiting from simplified management, administration and billing. We've also got end-to-end visibility of the network through the real-time dashboard.

It means we don't have to deal with generic issues such as end-to-end computing – but we can focus on delivering other strategic IT initiatives.

Can you give examples of these strategic initiatives?

Given our geography, 80% of our market is domestic. Within that market, as well as internationally, we're moving towards cloud-based systems. However, one of our biggest challenges is the varied quality and coverage of the national telecoms and data infrastructure.

Huge advances are being made in the availability of a world-class telecoms infrastructure, but there remain gaps and difficulties – particularly in some of the more remote islands and communities.

Internet penetration is at about 22%, compared to more than 60% in Europe and 40% in China, so we have a way to go.

Within the airline, in 2013 we laid the foundations for a full CRM system.

We don't just sell air tickets – we're a full service airline, so we need a better understanding of how our customers are reacting to the various touchpoints. In the first quarter of this year, we will introduce CRM for the service side of the business

and in the second quarter we will turn to the sales side.

As our experience of CRM tools grows, we will make more use of Business Intelligence. It's a gradual but focused and planned evolution.

We want to embrace tools that can help us generate those all-important ancillary revenues. More than ever, it's all about gathering not just information, but the right information, and doing it in a way that genuinely results in better services for our passengers.

How about mobile?

Given the challenges in terms of national telecoms infrastructure, mobile telephony is massive in Indonesia.

So, of course, mobile is a key part of our plans for the future. We need to ensure our customers can access our services whichever way best suits them – whether for booking or paying for a flight, checking flight details and updates, or accessing other services.

We will be strongly focusing on digital marketing across the board in the next six months.

How has co-operation helped you achieve your aims?

You cannot achieve anything without co-operation and partnership.

We fly to 40 destinations in Indonesia and 36 internationally. That's 76 airport administrations.

We must always be looking for ways to enhance our partnership with those airports – sharing data and information where it is mutually beneficial, sharing infrastructure and resources wherever possible.

It's common sense, but to make it work requires commitment and a readiness to invest in the right technologies.

And of course all of our partner businesses – from catering to fuel to ground handling – are working towards the same long-term objectives.

Technology makes that more feasible, so long as the parameters are correctly defined and the relationships are nurtured correctly.

The 'Quantum Leap' has delivered an exciting journey over the past four years – and we still have more to go.

But we've seen the pay-off. With the help of IT we've been able to build on early successes and we're upbeat about the future. Within the next few weeks, we'll be defining what comes in 2015, after Quantum Leap. ■

WHY GARUDA?

Across south-east Asia, Garuda is a symbolic bird with eagle-like features that is found in both Hindu and Buddhist mythology as the vahana of the god Vishnu – the preserver and protector of the universe.

The Garuda is the national emblem of Indonesia, where it is always shown with traits similar to the real-life Javan hawk-eagle.

FIND OUT MORE:

Full interview on web and tablet issue

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