

Flight Centre transforms their global procurement systems to optimize customer experience

Client profile

Flight Centre Travel Group is one of the world's largest travel agency groups. Founded in Australia around a passion for travel and a drive to open up the world to those that want to see it, these ideals continue to live at the very core of this multi-faceted global company. Flight Centre has company owned operations in 23 countries and a corporate travel management network that spans more than 90 countries. The group employs more than 19,000 people globally across 2,800 businesses

Why Services?

- Digital Advisory
- Digital Transformation Consulting Services



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Jason Hartley, General Manager, Flight Centre Global Product

Summary

Flight Centre had an ambitious five-year digital transformation plan for their Global Procurement Network division – the Copernicus Program – to increase their speed to market, improve business agility and responsiveness, reduce capital and operational costs, and deliver a better end user experience across the supply chain. NTT was engaged to provide an external perspective and work with Flight Centre's key program stakeholders to deliver a strategic roadmap and future state conceptual model for the business. The report has given Flight Centre the strategic map and pathways they needed to accelerate their digital transformation and achieve on their long-term business goals.

Business need

Increasing agility, efficiency and customer value in a highly competitive travel market

Flight Centre operates in a highly fragmented market, with competition from both established players and web-based challengers. The company is differentiated by their extensive supplier relationships and their curated range and quality control, ensuring customers have a great travel experience. Their Global Procurement Network (GPN) – the group responsible for procuring land and sea product on a global basis – had identified that the complex set of bespoke systems, aging technology platforms, business processes and rules needed to be transformed. They were not providing Flight Centre with the agility needed to achieve the longer-term goals of the business and respond effectively to the changes taking place in the global travel market.

‘Our core systems for procurement, mid-office and booking were not evolving, and we had six or seven legacy systems that needed to be retired,’ said Jason Hartley, General Manager at Flight Centre Global Product.

Their transformational goals were to improve the efficiency of making travel products from suppliers available to travelers, and add extra value via their travel consultants and through the delivery of multi-component travel packages. Flight Centre also needed to reduce their capital expenditure, improve the user experience for staff and customers and maintain their competitive differentiation, including their curated range that features 15-20,000 suppliers and 880,000 hotels worldwide.

Solution

Interactive and collaborative problem-solving approach leads to strategic roadmap for action

Flight Centre GPN christened their five-year plan ‘Program Copernicus’, and engaged our Digital Advisory practice to assist with the first phase of the project. This would give Flight Centre an outside-in business perspective, helping them understand the current environment, identify opportunities for improvement and provide a series of recommendations on next steps.

‘We described the problem, but we were open-minded on how to approach the solution,’ said Hartley.

We used a design thinking methodology to structure their approach to the project. Design thinking is an interactive problem-solving approach focused around deep understanding, innovation, collaborative ideation, prototyping and real-world testing.

We conducted a combination of interviews, workshops and observation sessions in Australia, the UK and the US across Flight Centre’s supply chain, in the context of seven thematic business problem statements. A current state business capability model was developed, which could then have systems, processes and data overlaid on it.

Thirteen personas were developed to represent the most characteristic users of Flight Centre’s systems, with each of their internal touchpoints, behaviors, needs and goals, and pain points mapped out in a single at-a-glance page, which then led to design jam workshops with stakeholders to devise solutions to identified challenges.

‘Presenting us with a series of personas was a really effective visual, story-telling approach to engage with our internal stakeholders,’ said Hartley.

The outcome from the five-month strategic review was a detailed report that included 11 key recommendations and a high-level roadmap for the actionable recommendations.

Outcomes

Acceleration of digital transformation, resetting cost base and globally-aligned systems and processes

The report's findings, all 11 recommendations and the roadmap were accepted by Flight Centre's stakeholder team.

'NTT provided the critical thinking, industry experience and detachment we needed. They become trusted advisors pretty quickly, which is not that common, and the report was a game changer for us in having our business reflected back to us,' said Hartley.

One of the early benefits for Flight Centre was the opportunity to quickly decommission and retire seven legacy systems, generating between AUD 6-12 million in annual savings.

The guiding strategy underpinning the recommendations was to uncouple GPN from its core system and ensure that it was using capabilities and applications that were fit for purpose. To do this, we recommended an integration strategy based on the development and publication of two APIs – the first to allow suppliers to connect their systems for automated content load and the second to allow the connection of external booking engines.

The recommended approach has enabled Flight Centre to build a new information architecture that supports data-driven decision making and a globally-aligned approach to systems and processes, which has formed the basis for future phases of transformation.

'Without this groundwork, we wouldn't have been able to accelerate our digital transformation during COVID-19. Our cost base has been totally reset; it will stay relatively flat now, not rising with revenue. We have the path to return quickly to profitability.'

That's also opened up opportunities for Flight Centre to innovate by adopting new models to support retail shops, web and home-based agents, and introducing AI and robotic process automation to enhance the user experience and optimize processes.



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Global Product