

Enterprise CI Deployment Journey

Integrated and multi-disciplinary approach to create embedded CI thinking



Ruben Del Toro
Director of Enterprise CI & MBB

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Webcast Series

About MoreSteam

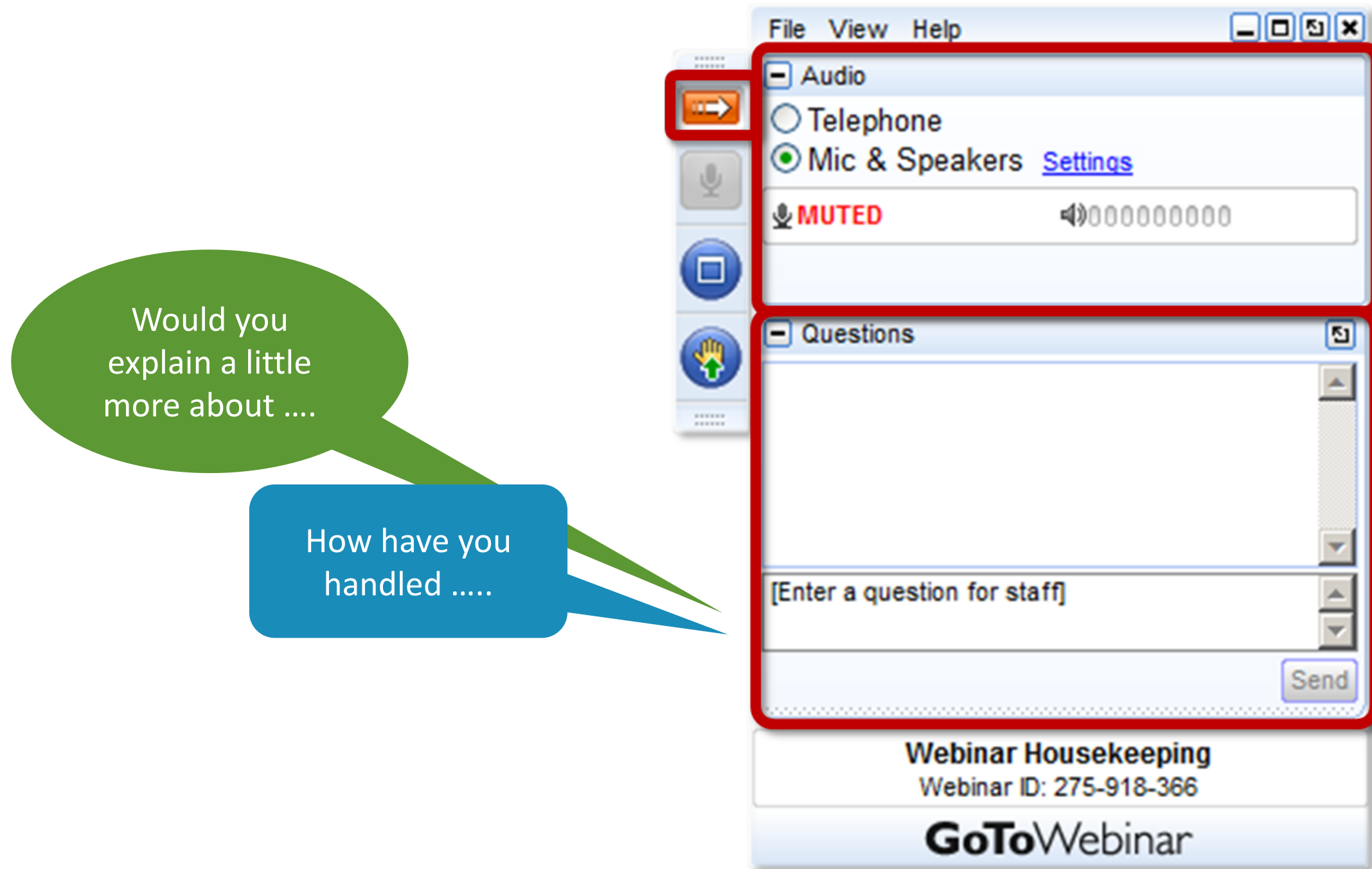


Enterprise continuous improvement from training to project completion

584,000+



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Ruben Del Toro

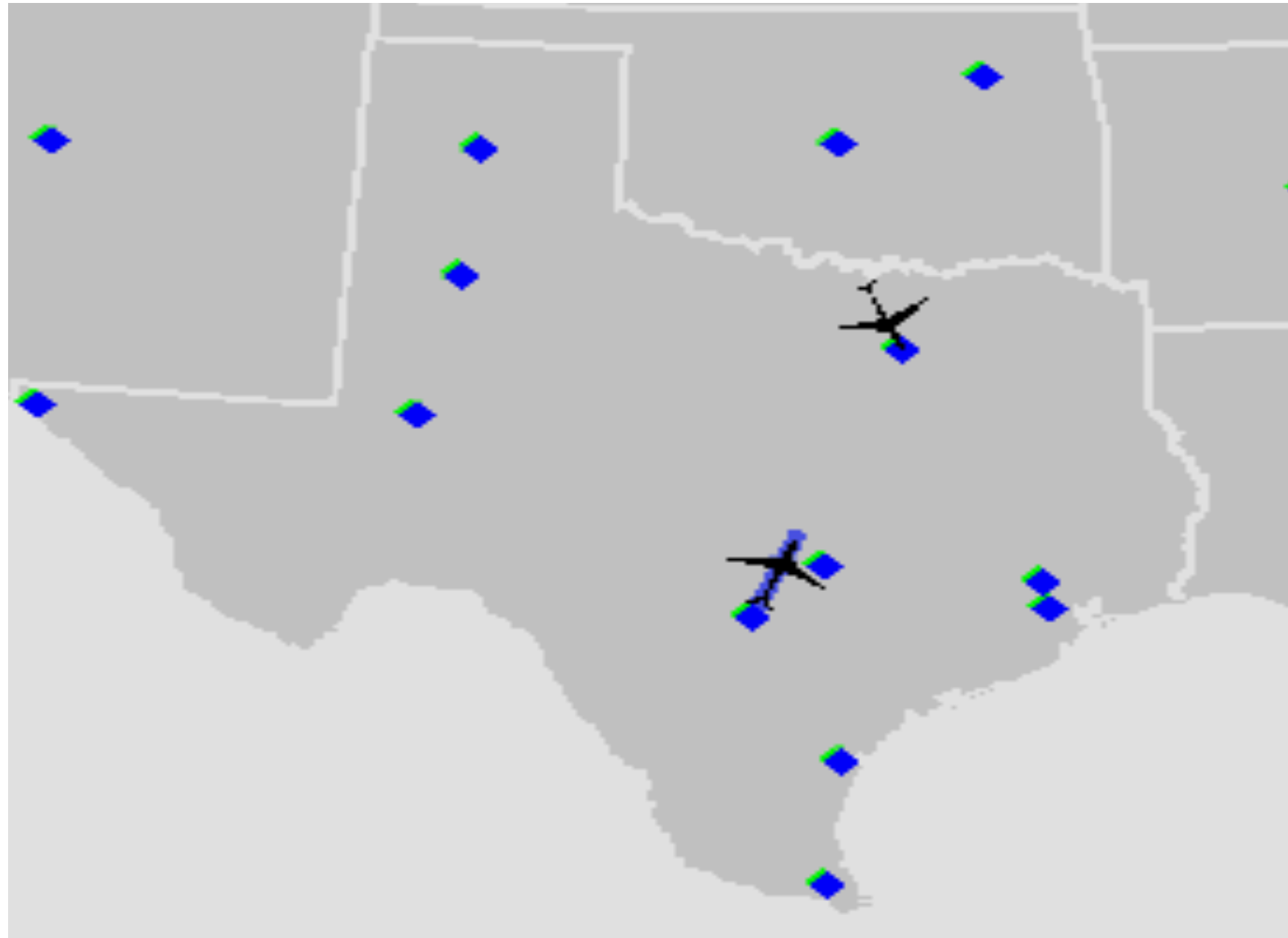
Director Enterprise Continuous Improvement, Southwest Airlines



- Leads the Enterprise Continuous Improvement Program within the Corporate Strategy & Innovation Team at Southwest Airlines
- Certified Master Black Belt, PMP, and Aircraft Mechanic
- MBA in Technology Management and a B.S. in Management of Technical Operations

Southwest Airlines an Innovative Model for Air Travel

This simple model faced challenges that required innovative thinking and tools



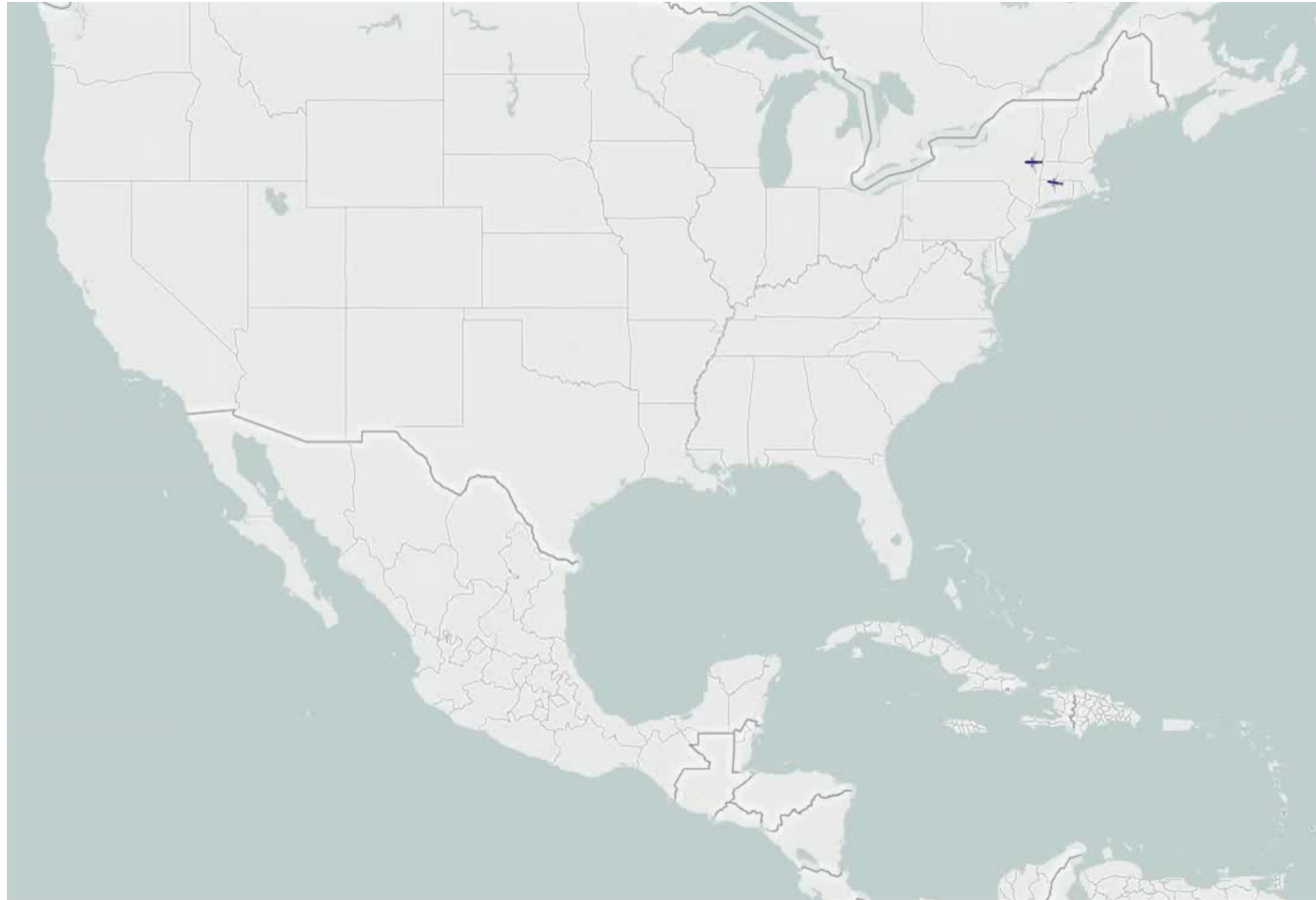
➤ The solution revolutionized the industry with efficient turns

Southwest Airlines The 10 Minute Turn



Southwest Airlines Today

We face different challenges, but the need for Continuous Improvement and Innovation remains



➤ Continuous Improvement thinking at Southwest focuses on complexity & flow

CI the Southwest Way

Bringing a structured approach to “find a better way”

Southwest Airlines Enterprise Continuous Improvement

The series of events and actions that shaped our deployment strategy and approach



- Recruited “Executive Steering Group”
- Formed a small Team of MBB & BB experts
- Created Guiding Principles, Operating Model & Strategy
- Developed a pipeline of projects with early adopters
- Built training program and community
- Resulted in a “pyramid of belts”
- Focused CI Center to build capability & support projects
- Deployed relationship managers & CI Champions
- Organized talent into a CI Network

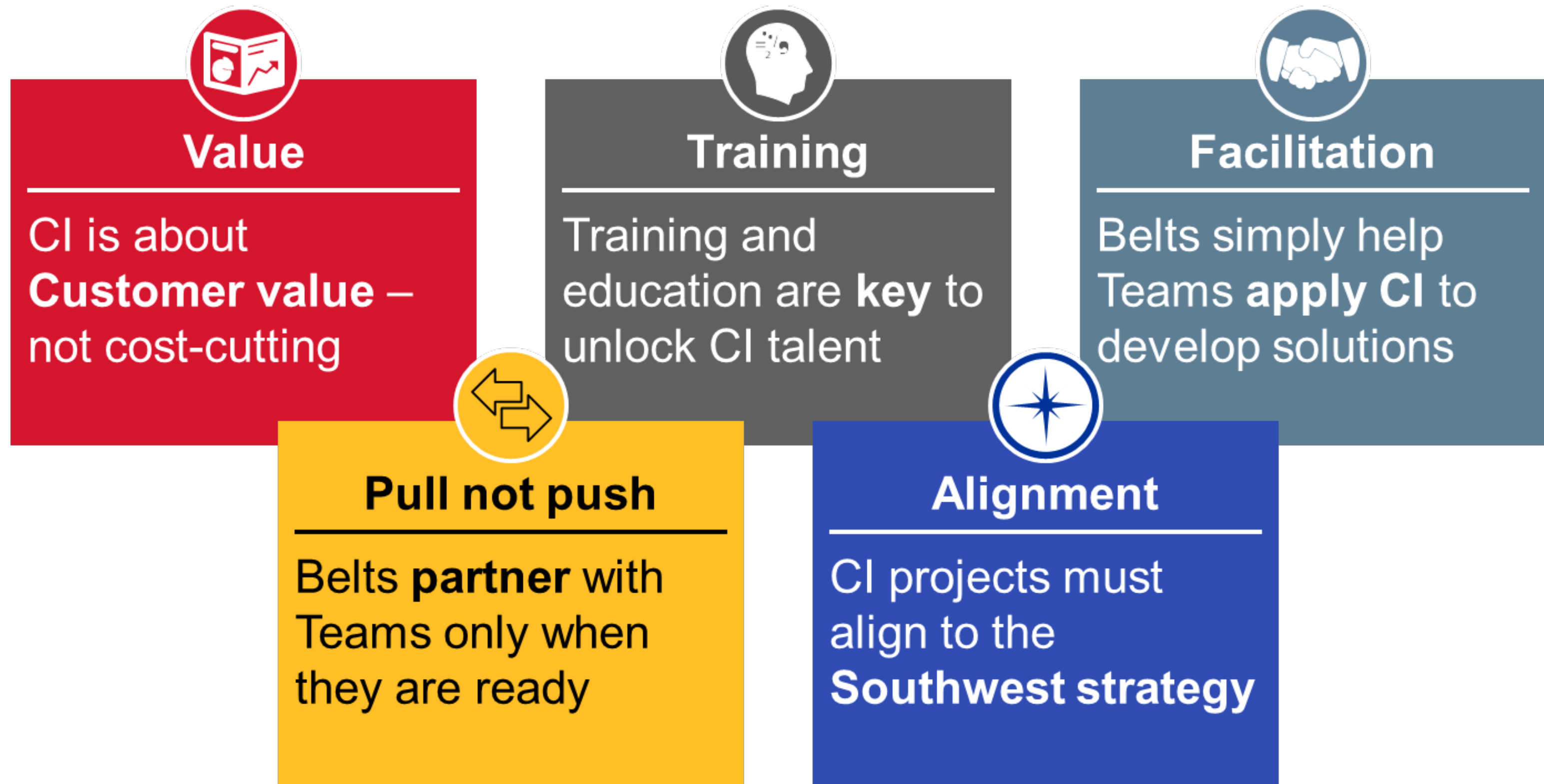
Enterprise Continuous Improvement Vision at Southwest Airlines

PEOPLE

use CI to deliver
Customer value
across the Company, every day

Enterprise Continuous Improvement Guiding Principles

Learned from our past experiences and develop these Guiding Principles to ensure program fit












➤ We strongly commit to these principles to ensure continued success

Enterprise Continuous Improvement Engagement Model

Grass roots approach and engagement model

Best practices and steps to follow:

-  Executive familiar with CI the Southwest Way
-  Director-level CI Champion
-  CI project pipeline
-  Initial project success
-  Yellow Belts go on to Green Belt
-  Growing buzz about CI
-  Growing community of CI practitioners
-  Develop your Department CI Strategy
-  Develop or hire Department Black Belt(s) (optional)

Must have items:

- ☐ Department head, provides direction
- ☐ Owns CI capability and projects
- ☐ Good CI fit project ideas framed
- ☐ Quick wins project showcase value
- ☐ Develop CI talent to lead projects
- ☐ Strong training demand
- ☐ 20+ Yellow Belts to 1 Green Belt
- ☐ Plan to deploy CI at Department
- ☐ CI experts, leads, coach GBs

 **These steps drive CI capability building organically and at business pace**

Enterprise Continuous Improvement Key Elements for Department CI Teams

Department capability deployment strategy roadmap

Key Elements:

Executive support: Department head(s) and Champion(s) provide the resources, direction and bandwidth to deploy CI within Departments

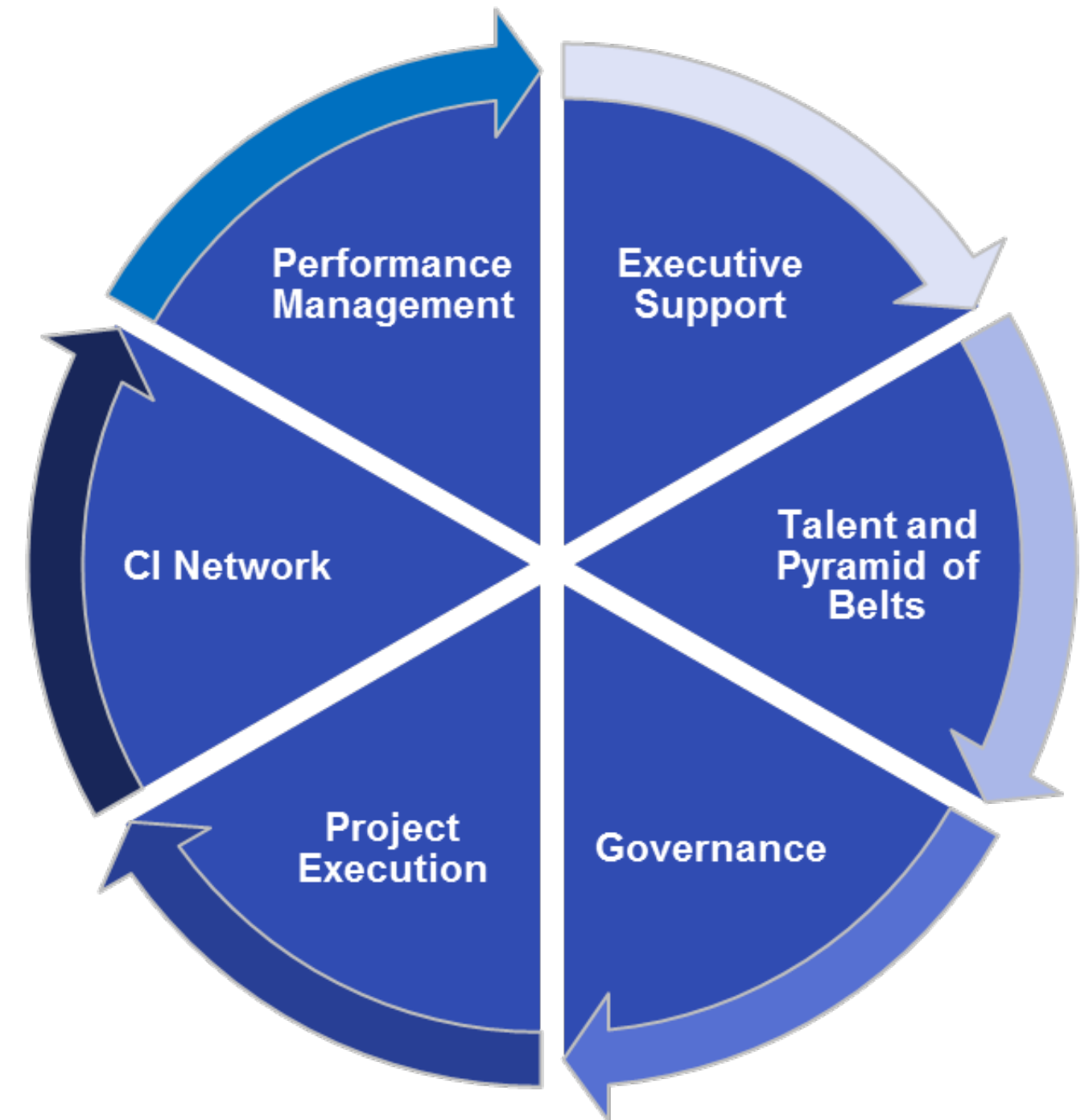
Talent and pyramid of belts: Belts support Belts as mentors and coaches

Governance: A designated Team approves CI work, and aligns CI

Project execution: CI Belts follow CI the SWA way

CI Network: Department CI Belts are connect as a network of talent

Performance management: Each Team tracks performance and CI value

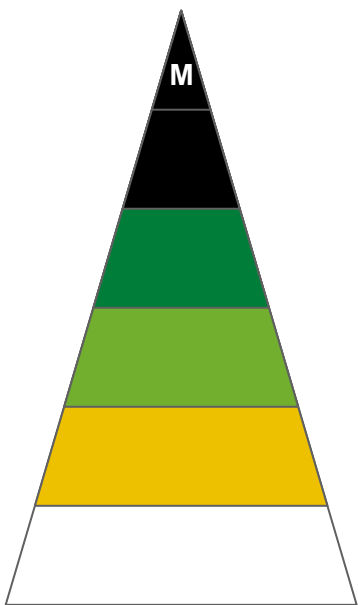


Enterprise Continuous Improvement Current State Overview



“Finding a better way” through a company-wide grassroots approach, led by our People, grounded in education, deployed at the right pace

Enterprise CI develops talent & supports groups










- ☐ Operational
- ☐ Commercial
- ☐ Support Teams



“Actively driving”



Elements:

-  Department governance
-  Strong pyramid of belts
-  CI portfolio & value
-  Business wants CI
-  Active projects
-  Designated CI Champion
-  Leaders learn CI

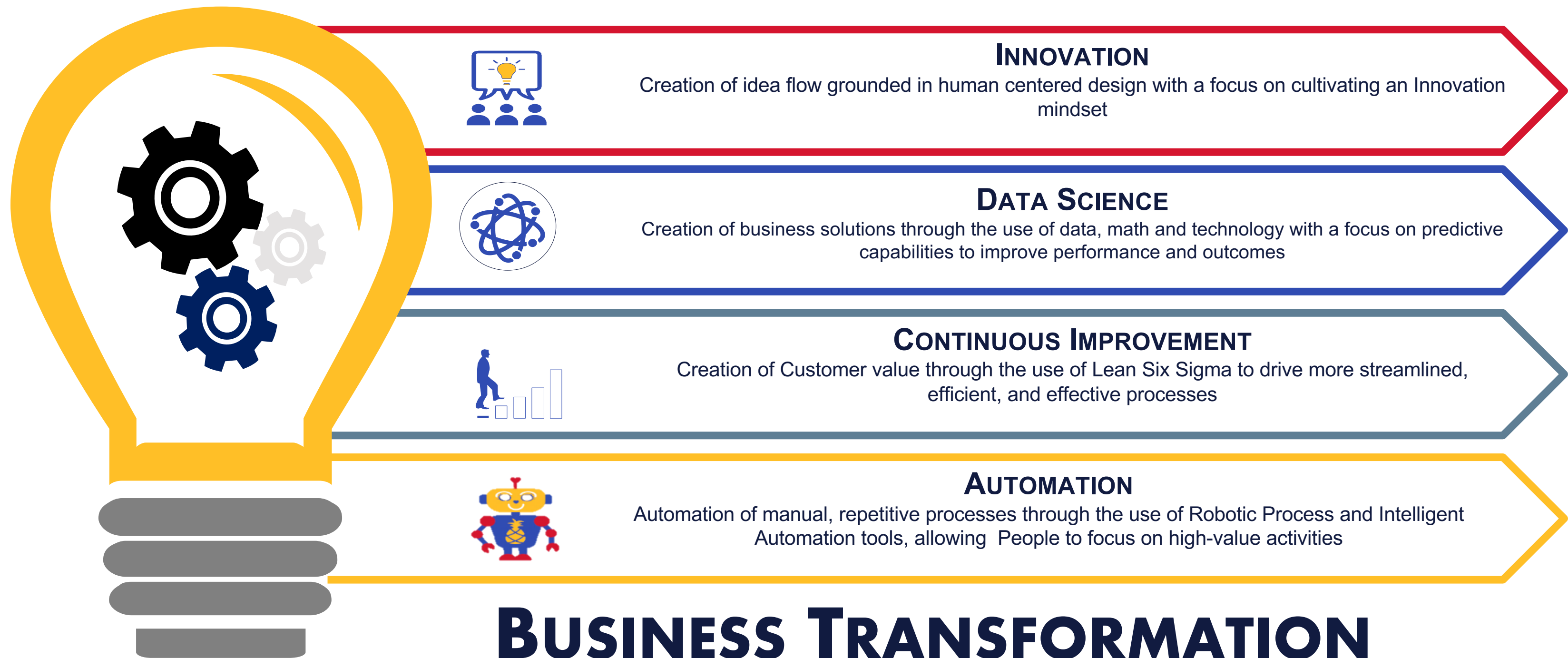
“Eagerly starting”

➤ CI the “Southwest Way” generated strong demand for CI skills, projects and embedded CI capability

Moving Towards Business Transformation
Creating centers to support the enterprise

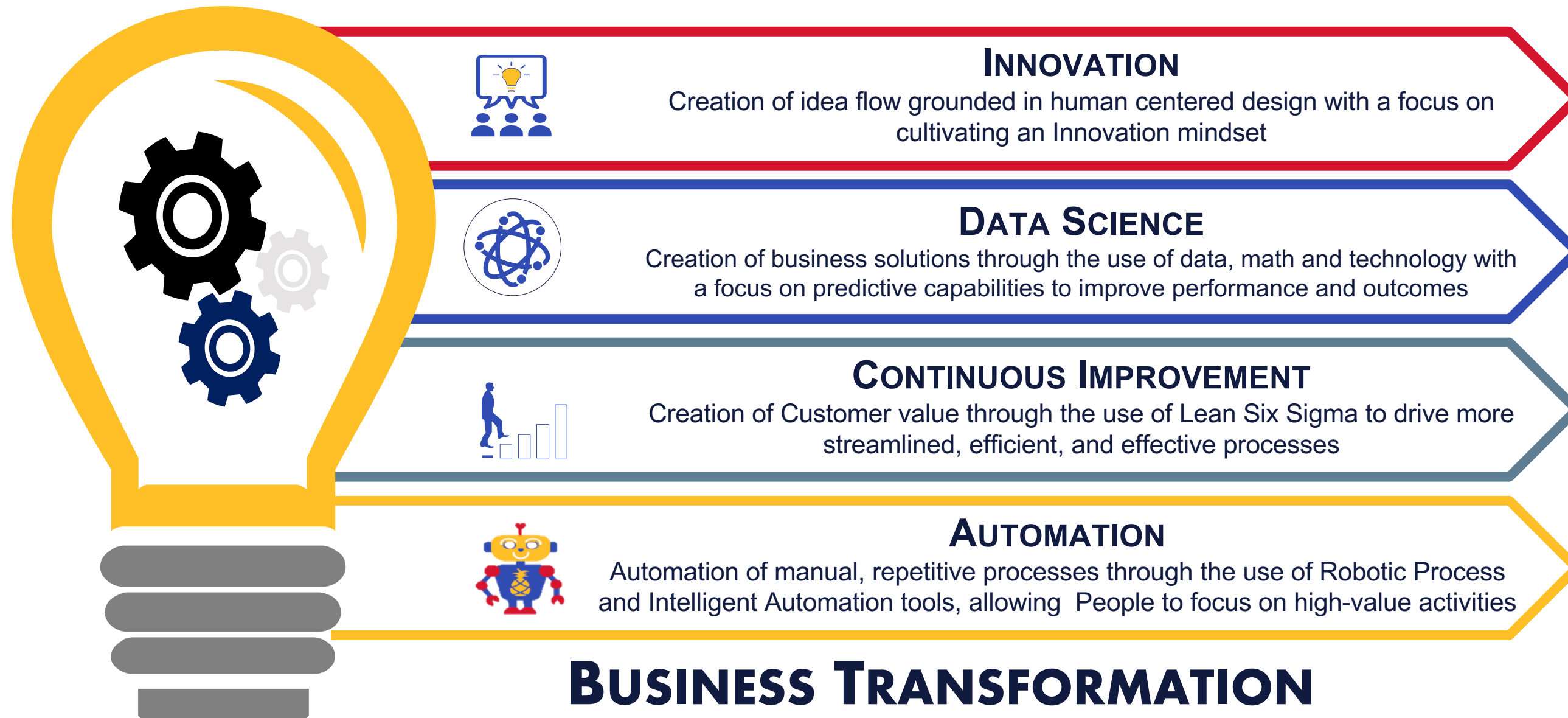
Business Transformation

Over the first three to four years of our CI journey, Corporate Strategy stood up additional capability “centers”, ultimately forming our Business Transformation team



Naturally the Teams formed as Integrated Partners for Business Transformation

Core Centers have naturally aligned to form partnerships and find ways to collaborate



Center Collaboration:

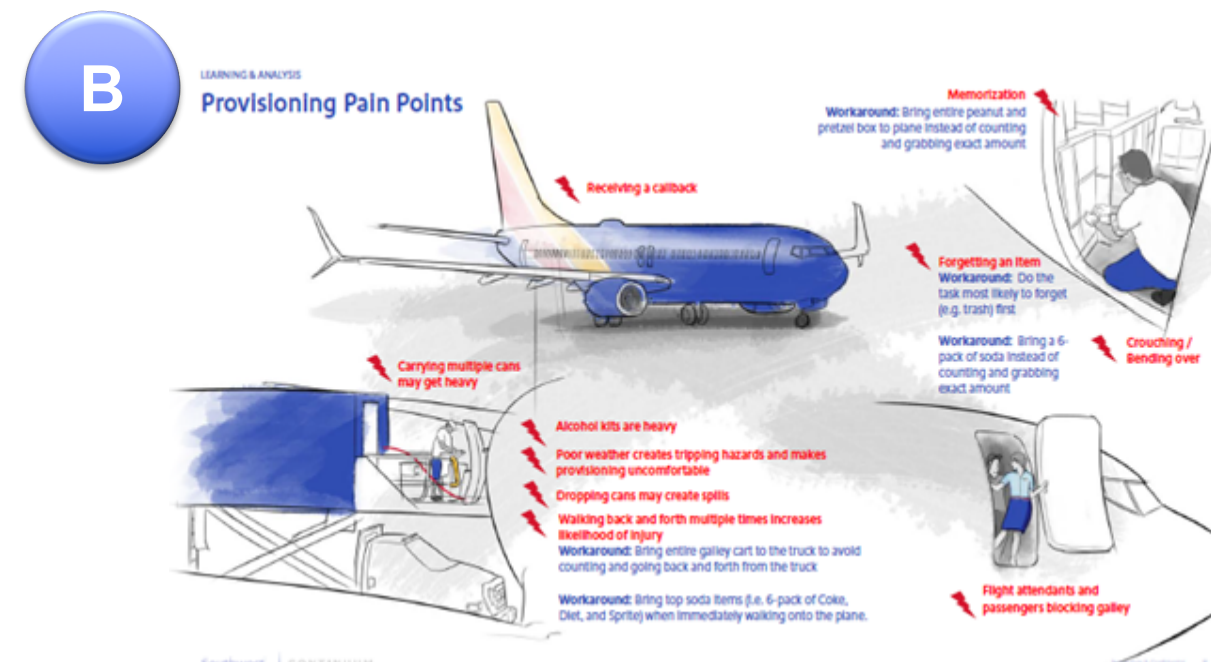
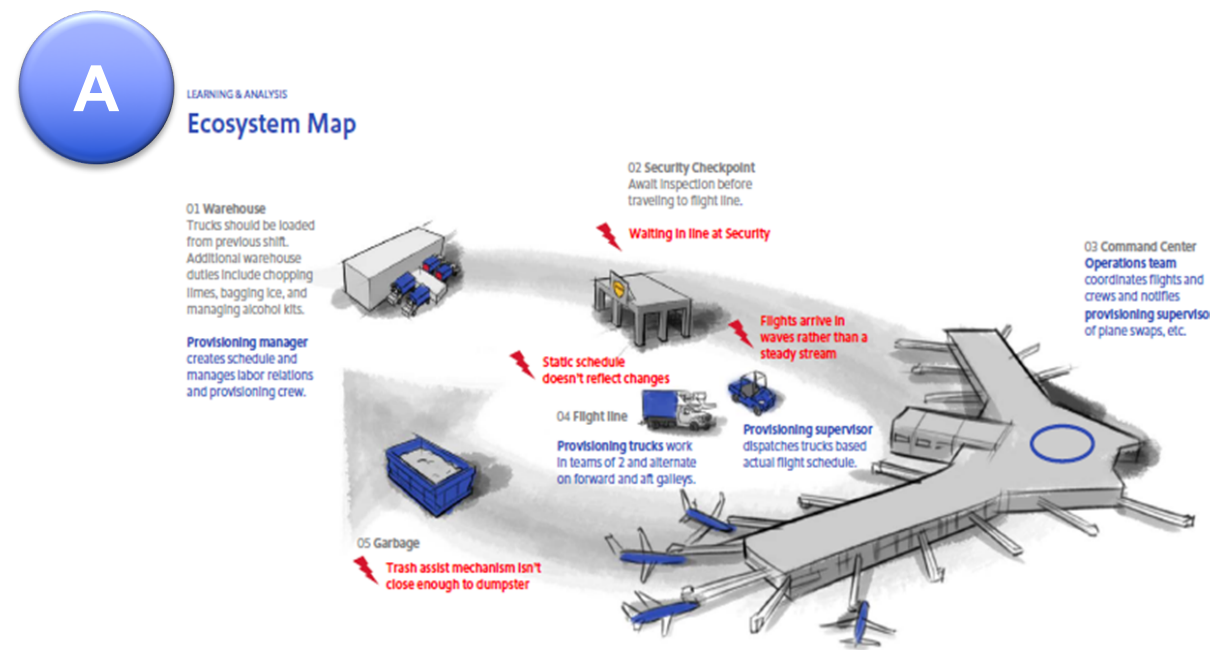
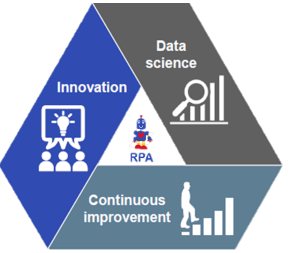
- *The Teams became enablers through collaboration*
- *Leaders started sharing and Teams found ways to Integrate and work together*

Real Life Examples

Multiple disciplines working together

Enterprise Continuous Improvement & Innovation

CI process discovery and Innovation human center design for improved provisioning

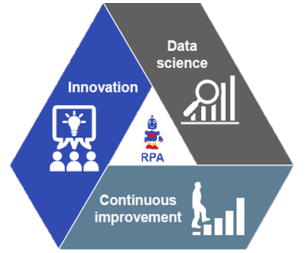


Improvements across the passenger journey:

- *CI studied ecosystem*
- *Understood the pain points*
- *Worked with field experts*
- *Innovation design support*
- *Engaged Continuum*
- *Multiple designs*
- *Tested and narrowed solution*
- *Final proof of concept*
- *Created Buy-in created through full collaboration*

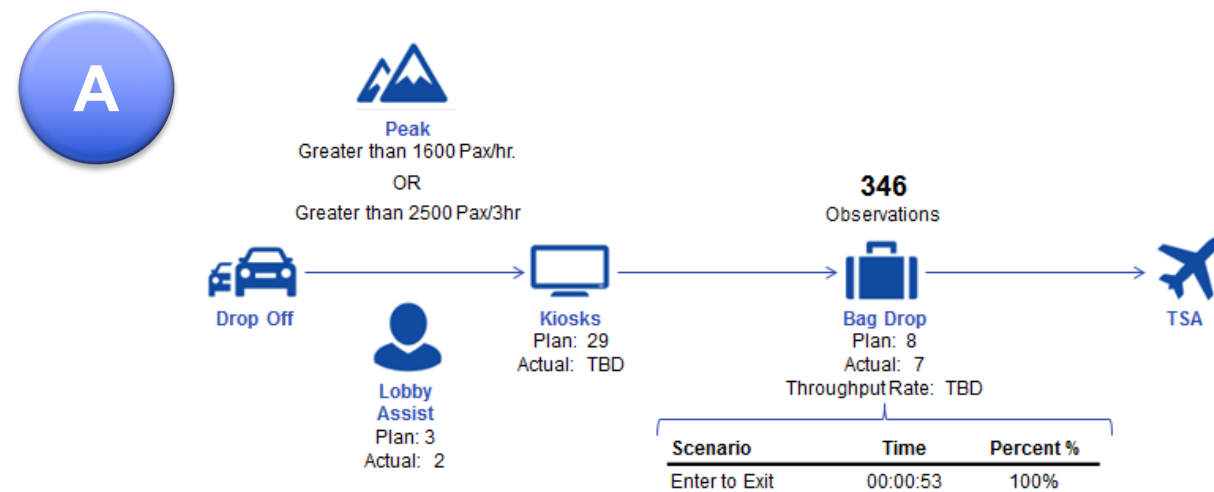
Enterprise Continuous Improvement & Data Science

CI and Data Science for improved queues and self tagging lines



Improvements across the passenger journey:

- *CI studied ecosystem*
- *Engaged Data Science*
- *Used video analytics*
- *Data generated*
- *Understood the pain points*
- *Worked with field experts*
- *Innovation design support*
- *Tested solutions*
- *Implemented*
- *Reduced queue times*
- *Improved Customer experience*



B

Throughput Rate: TBD

Scenario	Time	Percent %
Enter to Exit	00:00:53	100%
• No issue	00:00:22	53%
• Issue	00:01:30	47%
1 ID not ready	00:00:41	43%
2 Bag Not Tagged	00:00:37	12%
3 Bag Overweight	00:01:24	11%

C

	Top Causes	Root Causes	Solutions
1	Imbalance of staffing	Start times and breaks are not staggered	Adjust Employee start times
2	Customer's didn't have IDs in hand at Bag Drop	Customer's are unaware they need IDs in their hand	Add floor decals and kiosk signage
3	Customer Confusion on Full Service vs. Self Tagging	Lack of signage and triage	Assign a Lobby Assisto triage and provide signage
4	Variance in number of Agents assigned to Bag Drop vs. Lobby Assist	When it became busy Supervisors would pull Lobby Assists to help Bag Drop	Determine correct ratio of Lobby Assisto to Bag Drop
5	Inconsistency in Help Desk utilization	Lack of clarity on Help Desk process	Standardize process and share expectations

D

Please have your ID in hand.

1. Tag your bag
2. Have ID in hand
3. Proceed to bag drop lane
Thanks!
Southwest

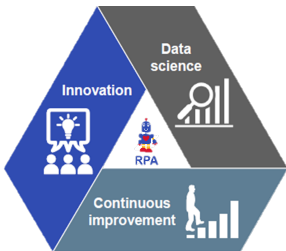
Only checking bags?
←

Additional services?
• Pets
• Unaccompanied Minors
• Add Known Traveler Number
• Special assistance
→
Southwest

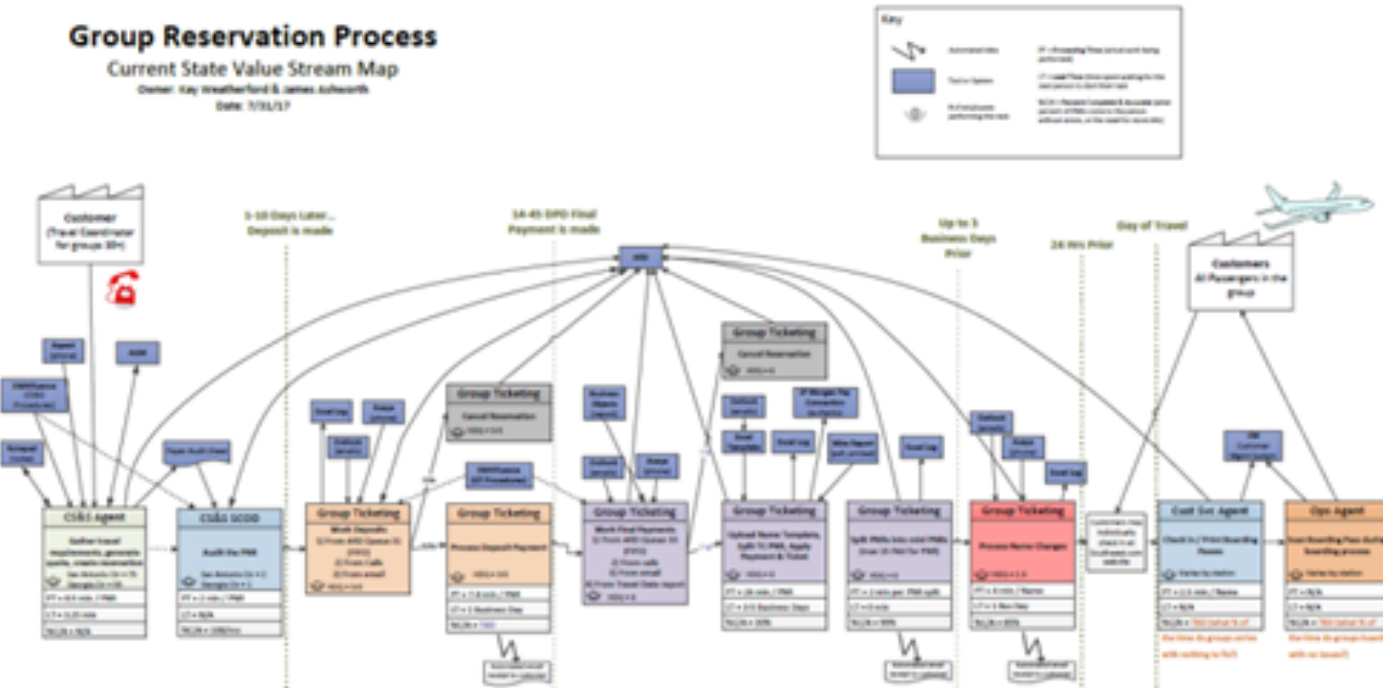
Help Desk
Southwest

Enterprise Continuous Improvement & Robotics Process Automation

Group Reservations CI leaned process and robotics to automate repetitive high volume tasks



A



B



- Deposit Payment**
- 1. Enhancements to Customer receipt
 - 2. Customers can now pay at time of booking
 - 3. Mitigating the 25% failure rate of refunds
 - 4. Adding a receipt for refunds



- Adding Names**
- 1. Exploring options for online uploading
 - 2. CS&S can now make name corrections & changes over the phone
 - 3. Working on name re-upload tool



- Final Payment**
- 1. ARI may create a reminder email
 - 2. Request to net deposit with Final Payment
 - 3. Exploring PayPal to replace e-Check option



- Auditing**
- 1. Requesting Daily Audit report for CS&S to ensure accuracy & reduce manual auditing
 - 2. Updating Daily Callback Report to catch all unpaid reservations & release inventory
 - 3. Requesting Fake/Blank Names report
 - 4. Implement Bulk Group Feed to build reports for Leadership



- Shopping**
- 1. Enhanced IVR routing
 - 2. One-stop shop for booking & paying
 - 3. Long term website vision



- Booking**
- 1. Accommodate groups of 9+
 - 2. Add tracking for IOTA & 99#
 - 3. Enhanced CS&S agent experience (less clicks, includes taxes)
 - 4. Revised contract & email verbiage
 - 5. Working on adding RR# to reservation
 - 6. Working on increasing group from 15-90



- Modifications**
- 1. Collect \$50 for additional PAX
 - 2. Cease the Appeals process in SC
 - 3. Long term enhance AGM for modifications



- Cancellations**
- 1. Stop-gaps put in place to prevent errors
 - 2. Reports worked daily to revise inventory
 - 3. ARI enhancement to send Customer cancellation notifications

C



Improvements impacting the Customer Experience:

- CI studied the passenger journey
- Identified the pain points
- Reduced the number of contacts
- Consolidated steps
- Name changes remained
- Engaged RPA Team
- Deployed a “Bot” to automate name changes
- Fully automated name changes

Enterprise Continuous Improvement as a Fully Integrated Partner

Detailed process for seamless CI, Data Science and Innovation integration



UNDERSTANDING



- Business lead Teams & CI Engagement
- Data Science, integration & generation of data
- Advanced analytics support
- Seamless collaboration to client

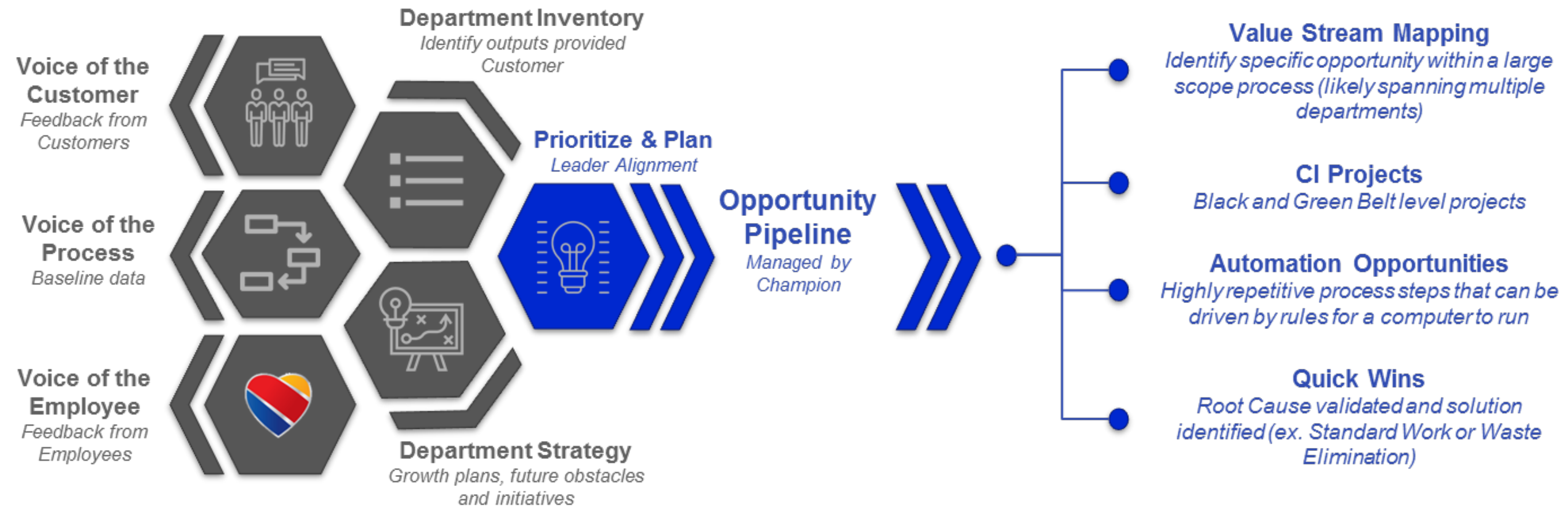
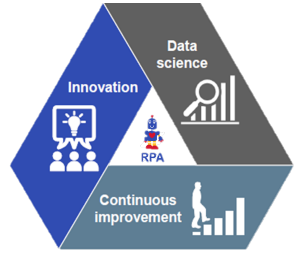
OPTIMIZATION



- Scientists Modeling & Simulation
- Scientists Predictive Analytics Capabilities
- Improvements created through Innovation workshops
- Human centered design experts helping the business

Enterprise Continuous Improvement, Planning and Future Outlook

What is next? Opportunity Discovery Approach



Key Decisions:

- Strictly a business request (pull system)
- VP supported department assessment with a CI lens
- Works best when CI Capability is present (CI Champion, Green Belts, and experienced with CI work)

Enterprise Continuous Improvement Program Results

The results are in and our teams are excited deploying tangible and sustainable improvements

Southwest
LUVLines
The Employee Magazine | June 2017

Operational Reliability:

Running an Efficient and Reliable Operation

Crew Change, Dual Door Deplaning, Flight Close Standardization, and Last Off-First On

How the Operational Agility Team is working to improve operational reliability

“As a Flight Attendant, I never realized how detailed Ops’ responsibilities were in getting each flight pushed.”

“It’s powerful having folks from different workgroups being able to talk in a neutral environment about the process.”

“After the kickoff I knew this project was a big deal!”



What is Next?

Find a new collective purpose & work together to
“find a better way, everyday”

Business Transformation, Planning and Future Outlook

Explaining our core capabilities and methods

We Use Trusted Tools and Methods:

We invest in a suite of systems, platforms, and methods that are proven to solve challenges according to our values. This list is by no means exhaustive and we're always looking for new ways of delivering better results. These approaches ensure we are using best-in-class methods to solve challenges.

Methods

Data Modeling

Human Center Design

Lean Six Sigma

Data Processing

Analytics

Programming

**Robotics &
Automation**

Data Visualization

Emerging Technology

Focus on capabilities that work together to deliver value

**Making our tools
and methods
simple & relatable**

Business Transformation, Planning and Future Outlook

Future Engagement: How do you work with us?




The engagement will focus on creating solutions to business problems as one team



Q&A Discussion

Without a Heart,
it's just a machine.


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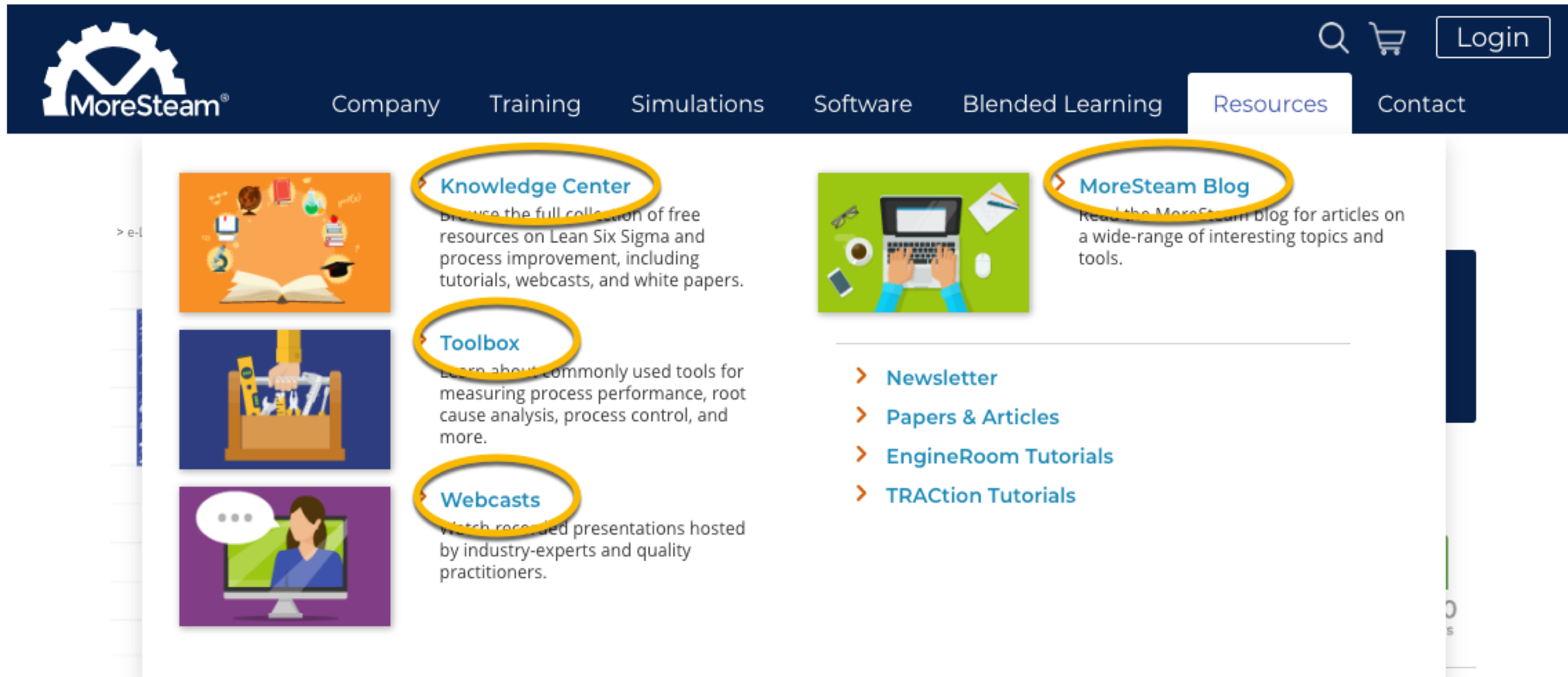


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