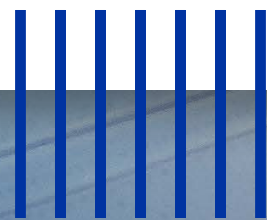


Major Airline Chooses Globant to Help with Revenue Management

Top player in highly competitive industry relies on
Globant-designed systems to ensure all seats are filled



Background

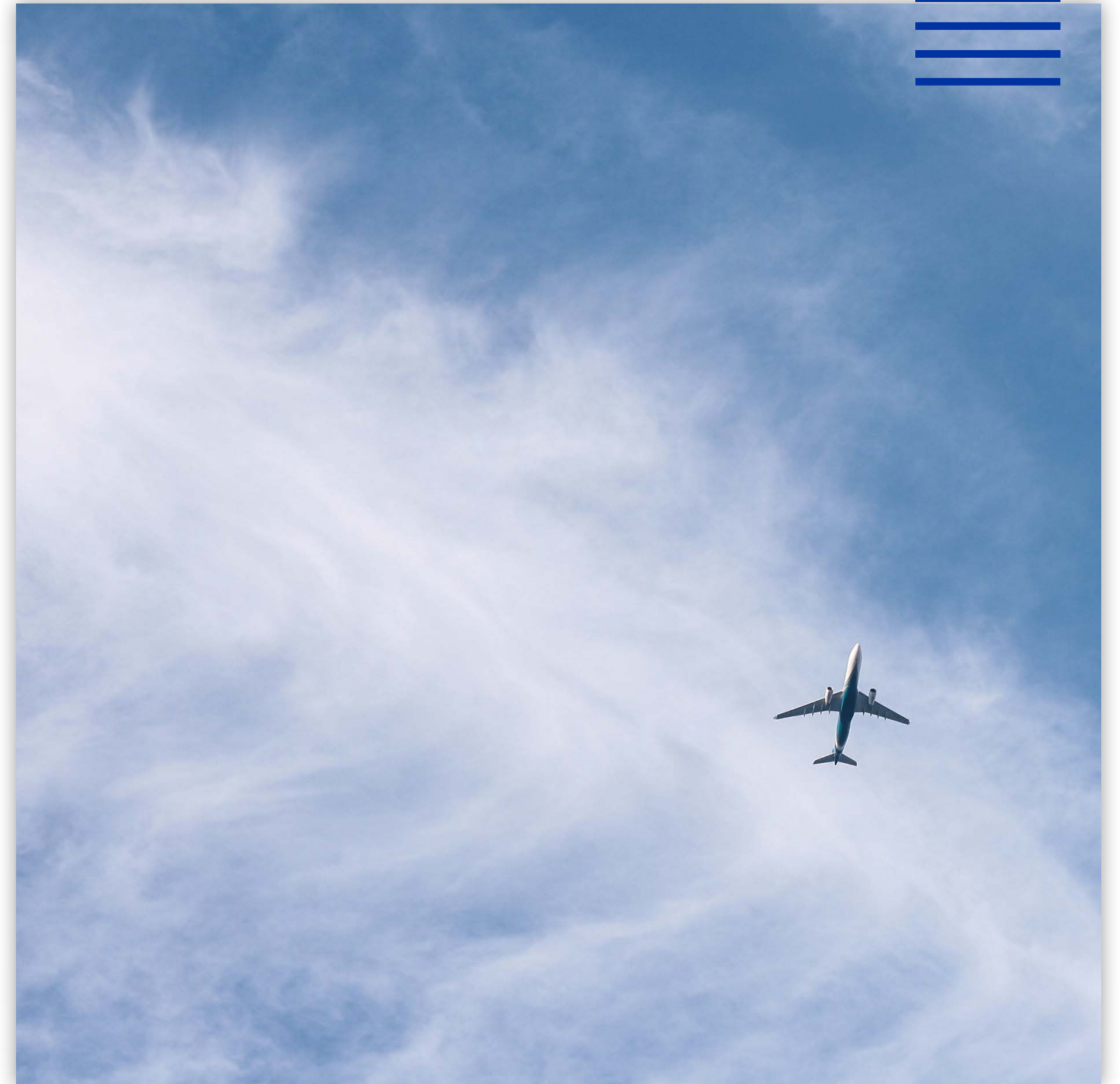
Globant started its relationship with this airline in 2014. Over the years, the airline and Globant have partnered on a number of important projects. Recently, the airline turned to Globant with a challenge in its revenue management operation--a critical function for any airline.

The price applied to a specific seat on an airline is not a fixed revenue item. It's constantly in flux. Determining that price is the job of a revenue management analyst, who must rely on a wealth of data to keep pricing competitive and relevant to market conditions.

The technology underlying these decisions is complex--but the technology used to display and support the is very rudimentary. This airline relied on a broad array of data poured into pivot tables in an antiquated Excel spreadsheet.

Because of the existing system's complexity, ramp up for a new analyst was taking about a year with the old system, which siphoned off significant time, people and money. And if that wasn't bad enough, the length of the ramp led to a high rate of attrition in the analyst corps--because few people want to train in a job for a year. It wasn't unheard of for an analyst to work for six months, then tire of the process and resign.

That's why the airline turned to Globant. The mission was to build a front end to the system that enabled faster, better, more reliable decision-making--while reducing the ramp-up time.



Building a Revenue Management Front End

Revenue management might be one of the most important pieces to a modern airline. Successful revenue management enables an airline to fill up all the seats at the optimum prices and ensure that no airplane takes off without being as close to full as possible.

Consider a 100-seat airplane. A good revenue management program can ensure that those 100 seats generate maximum revenue. If an analyst can fill the plane up to 85%, that's a good start. But if that same analyst can mine data and look at trends to squeeze a few hundred dollars more per seat, the math is very clear. 100 seats filled at 85% capacity will generate \$42,500. That same capacity with a higher average price per seat, say a few hundred dollars more, can produce revenue of \$68,000. Imagine that kind of increase, or even slightly less or more, across an airline with hundreds of flights a day and you can start to see the value of a well designed revenue system.



Initiating Discovery, Working with Rapid Prototypes and Agile Teams

To fix the revenue management system for the airline Globant initiated a discovery phase, with the big data, user experience and design studios as the key areas of expertise.

As Globant presented its findings, it also shared its commitment to the agile team methodology with the airline. These teams are measured according to four variables: innovation, velocity, quality, and autonomy. The airline was very interested in this approach and the airline ended up adopting the methodology for its own internal projects.

As the project started and progressed, the airline's team was able to see, in concrete ways, how the project was coming together by receiving wire-frames and updates regularly. The airline team found that they could move from planning of functionality to user acceptance testing very rapidly.



Helping Ease Tensions Between the Business and IT

The airline had been plagued by conflicts between the business side and the IT department. Such issues are common in business, but the conflict this airline saw was really hampering its ability to compete.

With Globant in place and running the new project, those issues melted away as soon as the business and IT groups saw the results start to come in. The agile methodology brings together cross-functional and multidisciplinary teams that are sometimes in opposition.

For the airline, the application was a game changer. It has helped the revenue management function become more efficient. An improvement in efficiency--whether as a result of retaining highly trained analysts or seeking out gains in seat prices--can make a massive impact on a multi-billion dollar business like this airline.





Takeaways

Some key takeaways from the relationship forged with the airline include:

Share everything that can help the client:


Globant is passionate about its commitment to agile methodology. It uses it for everything it's involved in with clients. But it doesn't hesitate to share it so that clients can utilize it for themselves. With the airline, Globant shared the underpinnings and the airline adopted it.

Keep the rapid prototypes coming:

Showing progress, gaining buy-in and moving to the next step in the process is key. It also demonstrates a commitment to the client's success. With the airline, Globant invited them into the process and ensured the prototypes were exactly as described.

Involve the skills needed:

The revenue management challenge was perceived as a UX issue, but Globant has very capable studios in big data and design that it put to work for the client to ensure the solution would be as complete and well executed as possible.



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