

British airways and e business business flashcard

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- Decision and Recommendations

Information engineering revolutionizes the whole universe in every domain of life. World has become a planetary small town and you can merchandise from one portion of the Earth to the other terminal. In modern planetary economic system, usage of information engineering is the built-in portion of the daily concern procedure. With the developments in the Internet and web based engineering's difference between traditional markets and electronic market topographic point has been narrowed down.

‘ Information Technology (IT) consists of all the hardware and package that house needs to utilize in order to accomplish its concern aims. This includes non merely computing machines, pressmans, manus held personal digital helpers, and yes even iPods (where they are used for a concern intent) but besides package, such as the Windows or Linux runing systems, the Microsoft office Desktop productiveness suite, and the many 1000s of computing machine plans that can be found in a typical big house ‘ .

(Laudon et al 2007)

E-business is a term derived from e-mail, e-commerce it is a activity of a concern on the cyberspace where an organisation can non merely purchase or sell its merchandises but besides offers its services to the remainder of the universe. In the past few old ages ‘ organisations are transforming themselves to vie with each other and with their challenger. Organizations around the universe spend immense sum of money to pass their operations and concern information system to do speedy and timely determination for

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the improvement of the company. The alphabet ' E ' before every word changes the whole scenario for companies. E-business, e-sales, e selling, e-procurement, e-banking, e-cad are merely few illustrations.

E-Business & A ; E-Commerce

E-business involves several cardinal activities including bettering concern procedures, heightening communicationA and supplying the agencies to transport out concern minutess firmly. E-business is a portion of Internet economic system, which encompasses all of the activities involved in utilizing the Internet for commercialism. (Hardcastle, 2008,)

E- Business is purchasing and merchandising, serving the client ' s communicating with clients through Internet. It is all about e-transaction because it increases the productiveness and enhances the determination doing power at right clip.

E-commerce is more than merely mare minutess. It surrounds the broad scope of activities like logistics, gross revenues support.

E-commerce activities can be of following types ;

Business to Business

Business to client

Business to authorities

Customer to concern

(LSBF, SOM Course notes L. 11, p. 3)

British Air passages

British air passages has a glorious yesteryear since 25th August 1919, but in modern signifier it came in to existence on 1st Sep, 1974 with the name of BOAC (British overseas Airways Corporation and BEA (British European Airways) . British Airways is UK ' S largest premium scheduled air hose with more than 400 finishes around the Earth. The chief activities are operation international and domestic scheduled air services for riders. It operates form London Heathrow, London Gatwick, London metropolis airdrome.

878revenue of the BA comes from riders, 7 % from lading and 5 % per centum from other activities. British air passages earned ? 6. 7 billion in twelvemonth 2010.

(British Airways, Report and Accounts to December 2010) .

British Airways & A ; Information Technology

History of utilizing information engineering in British Airways is really old. In 1991, British Airways spent about ? 150 million for information engineering, as it was about equal to the monetary value of two elephantine jets at that clip. Core operational activities of BA are winging the clients around the Earth by keeping the excellence of services with the usage of latest engineering. BA used the largest computing machine of the universe outside the defence industry for the processing of its informations. BA can pull out informations within 2 sec from anyplace in the universe. Most typical operational methodological analysis is the

nucleus competency of British Airways. British Airways understands that information engineering is inseparable portion of organisation ' s operations. IT is strategic tool, which can supply competency border on rival organisations. Brand name and value concatenation activities can be critical success factors of the company.

(Beginning: Financial Times, 8th January 1991, Sunday times concern universe, 1991)

British Airways & A ; Input/output Transformation Model

“ All the operations modeled on input-transformation-output procedure. They all have input of transforming resources, which are normally divided into ‘ facilities ‘ and ‘ staff ‘ and transformed resources which are some mixture of stuffs, information and clients. “ (Slack, N. 2010) .

In input/output transmutation theoretical account “ input ” ever loses its individuality during transmutation procedure and give end product in the signifier of merchandises or services. Input can be of many signifiers like stuff, information, and clients as shown in the image below. In fabricating industry end product is in pure merchandise signifier likewise in service industry end product is in pure services and which are usually intangible.

(Slack, N. 2010) .

Operations direction in organisation like British Airways are non so simple, there are series of activities to steer these operations. The systematic design, way and control of procedures that transforms inputs into services or merchandises for internal and external clients. By steering the operations of

an organisation a supply concatenation can be formed for better end product of the product/service, which can finally fulfill the client, demands.

Management of operation of British Air passages can break understand by the application of Transformation theoretical account.

In BA, aircrafts, pilots, aircrew, land crew, rider and cargo are the inputs, which transformed into end product which means service has been offered (riders and cargo transported) . During transmutation procedure look intoing in of riders, fly of riders and cargo, rider ' s attention is included.

Fig 1: Input/output Transformation theoretical account

For better service, which is the concluding merchandise of BA, input should be of good quality. State of the art aircrafts, extremely professional pilots, hospitable air crew, polite land staff and extremely dedicated applied scientists made up the all right input for best end product. In transmutation degree seasonably arrival, speedy cheque in and good quality service during flight make a difference that consequences in up to the degree end product. Customer satisfaction and their feedback bring betterment in these procedures.

BRITISH AIRWAYS & A ; OPERATION MANAGEMENT

Operations direction is the activity of pull offing the resources, which produce and present merchandises and services. (Slack et al, 2009)

Success of an organisation depends upon how its operations are managed by its directors. “ Operations directors are the people who have peculiar duty

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for pulling off some, or all, of the resources which compose the operations map. Again, in some organisations the operations director could be called by some other name. For illustration, he or she might be called the ' fleet director ' in a distribution company, the ' administrative director ' in a infirmary, or the ' store director ' in a supermarket. (Slack, et Al, 2009)

In order to accomplish the aims of a company its operations must be consistent and should be in right way. A British air passage is seeking to accomplish its aim in an effectual manner by in run alonging its activities.

CUSTOMER RELATION MANAGEMENT

Retention and attractive force of new clients is critical public presentation index for any company. British air passages understand its importance that ' s why " The Customer and Operations Executive is accountable for daily client service, operational public presentation and guaranting the highest criterions of safety. " (British air passages, one-year study 2008/2009)

Couple of old ages back client relation direction in British Airways was really weak as there was a down bend of 2 % from 61 % to 59 % of client urging BA services. (British Airways, one-year study 2008/2009) .

Invention in organisation was really slow. British air passages was failed to aim the monetary value witting clients through low cost air hose operations. Baggage handling and promptness was a changeless job for concern category clients.

Challenge: client relation direction for both concern and leisure travellers to maximise the gross was a large challenge for British Air passages.

Solution: concern intelligence (BI) was the solution for all these jobs.

Customer relation direction, gross direction, flight promptness and output direction bringing of information across the whole organisation worldwide was done by concern intelligence.

Different attacks can be adopted for CRM. Customer cleavage: value based and need based attack is adopted in this signifier technique in which organisation identify the demands of clients and mark high value clients which guide them for more investing in that area. CRM enterprise development: organisation must abandons its fast following attack. CRM inaugural development program can do it leader in air hose industry.

Organization design and direction: in this attack employees need to joint in CRM scheme so that organisation can derive competitory border. (lbm. com/crm_airline)

In today ' s competitory air hose market, the British air passage is traveling to turn over out its CRM package to back up its selling runs through wider informations warehousing vision (OLAP) . Merchandises of BA, which are available in market, it is non possible to alter all those at sudden due to capacity limitation, as paths have to be negotiated and published 6 months in progress.

Maximization of output can be achieved by making a balance between concern seats and cheaper leisure menu seats. The demands of both types of clients are different. Business category clients require frequency of flights, promptness and good client service on the other manus leisure travellers want value for money. To cover with this issue CRM stairss in through which

different offers have been made to different clients, which satisfy their demands. Data had been collected from clients travel history ; client profiles and so different offers were made to all clients. CRM usage in marketing runs can convey all the commercial activity on individual platform, which can finally, improves overall decision-making power of an organisation

KNOWLEDGE MANAGEMENT

A " Knowledge direction is a systematic attack of set guidelines in which information is collected, accumulated and made easy available to all seeking cognition and experiences to stand out themselves in order to accomplish aA communal growing in an organisation. "

Knowledge direction. 2012. A Knowledge direction. [ONLINE] Available at: A hypertext transfer protocol: //www. knowledge-management-online. com/knowledge-management16. html. [Accessed 02 July 2012] .

Knowledge direction can be of two types ;

Tacit cognition

Explicit cognition

Tacit cognition can be gained from personal experience, aptitude. It ' s the manner that one perceives insight. Implied cognition is besides a signifier of tacit cognition it resides in persons and squads. British air passages is an old participant in air hose industry. Its experience helps to get the better of its ain errors and to better procedures. British air passages late changed its ' KIOSKS ' system with Personal computer ' s. Because they think that people

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are more familiar with computing machines and that will be easy for them to utilize and it will salvage cost for the organisation. Tacit cognition comes with the transition of clip as it is besides gained signifier best patterns and wisdom. It is recordable rational belongings.

Explicit cognition is a cognition, which can be conveyed to others. It is a statute cognition can be transferred through duologue, certification, media, books, pulling and presentation. British air passages collects all the information at counter about their clients information. They take client ' s ailments really earnestly as they know the importance of it.

Fig 2: cognition direction

British air passages ever try to maintain affable relation with its clients. BA ever appreciate the clients and their feedbacks which been analyzed different sections for their public presentation assessments.

Information engineering plays an of import function here for cognition direction procedure. Introduction of new engineerings at terminal 5 is the subsequence of this procedure. Check in through Mobile, e-tickets, on-line engagement and on-line buying of tickets is portion of that procedure.

Basic intent of cognition direction in concern particularly in e-business is to make, reassign, and use that cognition to accomplish the corporate aims.

Cost decrease, being systematic in informations aggregation and speedy response are the basic qualities of KMP. Furthermore it is besides a cardinal

driver of invention as merchandise and services are going smarter twenty-four hours by twenty-four hours and more cognition based.

Terminal 5 of Heathrow airdrome is the best illustration of cognition direction, which was built in March 2008 to work out the jobs of inordinate air traffic. British air passages has been successful minimising the air traffic so far.

Fig 3: cognition direction and decision-making.

Knowledge direction is cardinal factor in e-business as e-business broadens the significance of concern. An organisation with good bid of cognition of clients, providers, rivals, employees, methods and procedure can merchandise around the Earth with assurance through Internet and intranet. Knowledge direction is, hence, an built-in portion of client relationship direction and e-Business.

Value Chain Analysis

‘ The Cumulative of the procedures of a house is a value concatenation, which is the interconnected series of procedures that produces a service or merchandise to the satisfaction of clients. Each activity in a procedure should add value to the preceding activities ; waste and unneeded cost should be eliminated ‘ .

(Krajewski et al 2007)

Fig 4: British Airways value concatenation analysis.

Value concatenation procedures are of two type ' s nucleus process/supporting processes. Core procedures are those activities those add value to client ' s and encouraging procedures are those activities, which give resorts to core procedure. These are of import to direction.

Above figure can break exemplify the value concatenation in British air passages but there are figure of inefficiencies that can cut down the value created by these activities.

Support ACTIVITIES

Firm substructure: big bureaucratic construction within British Airways is doing the determination doing process really slow.

Human resource direction: harmonizing to British Airways one-year study 2007/2008 sentiment study merely attracted 35 % people.

Technology section: British air passages have failed to derive acknowledgment for new invention.

Core Activity

Inbound Logisticss: high solidarity between provider workers and BA employees has created history negative action as BA employees walked out in supplies employees support for two yearss

Operational/outbound logistics: At terminal 5 operational troubles and luggage handling jobs were obvious in early yearss of Terminal 5.

Selling: Lack of invention in marketing schemes of British Airways left him behind the Virgin Atlantic air hose.

Competitive Advantage through Operation Management

A company can hold competitory advantages over its challengers through efficient operation direction. It happens when company ' s net income exceeds from its industry norm so it can be called sustainable competitory advantage. Michal porter from Harvard University established the ways by which a company can acquire competitory border over its challenger.

Harmonizing to Michel Porter (1985) competitory precedences can be extended to wider chance by company to acquire sustainable competitory advantage. (Porter and Millar 1985)

Cost leading: A company can be a cost leader if it offers its merchandise or services with a less monetary value than its challengers. Cost leader must hold economic systems of graduated table in its operations, entree to raw stuff and entree to engineering with a smaller cost. Example ; easy jet in UK is cost leader presents. All the activities of easy jet make it a cost leader like ;

Standardized fleet with low care cost

No nutrient during flight

Use of secondary airdromes

Use of IT to cut down the disposal cost

Differentiation leading: it is wholly different scheme in which company ' s aim is to do its merchandise /services different from other instead than to

salvage cost. Differentiation can be of one 's services may be of its selling attack or may be of bringing system.

(LSBF category notes p3)

British Airways believes in distinction leading as it is claimed itself a UK ' s premium scheduled air hose.

Undertakings image of luxury and comfort

Comprehensive service and professional attenders

Significant concern category capacity.

No uncertainty British air passages is a premium scheduled air hose of UK but still there are no. of ways through which competency advantage can be achieved like better resource planning, better quality direction, revolutionising the supply concatenation direction. All these operations of a company are interlinked so in other words inseparable when we talk about the accomplishing the competency border.

Resource Planning: A better resource planning can do it possible for a company to get the better of its operation cost. Through which British Airways can optimise its operations and productiveness. Demand driven resource planning and employees scheduling are really important for success.

Crew programming: Dynamics of British Air passages are really complex. Complicated, frequent flight scheduling with optimum crew planning is really

of import in this civilization. Incorporation of both employees ' penchants with corporate aims can give best consequence in this complex environment.

Fleet direction: British air passages are good cognizant of its fleet direction for better services which makes it a leader in air hose industry. Skillful swift direction with optimising trades use made it a leader.

Supply Chain Management & A ; Resource Planning

Harmonizing to Slack supply concatenation in streamlining of information along with merchandise and services.

(Slack et al 2009)

British Airways ' competency advantage is straight link with its supply concatenation direction along with resource planning. Although British air passages is non a cost leader in air hose industry but at the same clip it is duty of direction to acquire best out of its supply concatenation.

Customers ' trueness with British air passages is merely because they think they give best value for money. So it is really of import to cut down the cost for back uping activities and present best from nucleus activities.

Supply concatenation direction and resource planning are straight linked to each other for competency advantage. Pro-active planning is the demand of the hr. Complex procedures of forces be aftering demands a package solution. Use of information engineering, employee ' s expertness, employee ' s penchants work clip directives and labour contracts must be the portion of the system.

Baggage handling, fueling, lading managing de-icing, care are core activities in supply concatenation direction. Excellence in these countries gives competitory border to British air passages.

Operationss Excellence & A ; Competitive Factors

Slack et Al. (2004) argue that there are five operation public presentation aims ;

Quality

Cost

Speed

Dependability

Flexibility

Cost: organisation ' s ability to give its services or produce at low cost.

British air passages is non cost leader in its industry.

Quality: client satisfaction with high criterions of quality. A British air passage is known for its quality services.

Speed: The ability to make things rapidly in response to client demands.

British Airways is premium air hose, which is besides known as for its timely reachings.

4. Dependability: The ability to present merchandises and services in conformity with promises made to clients (e. g. in a citation or other published information) .

5. Flexibility: The ability to alter operations. Flexibility can consist up to four facets:

The ability to alter the volume of production.

The ability to alter the clip taken to bring forth.

The ability to alter the mix of different merchandises or services produced.

The ability to introduce and present new merchandises and services.

Fig 5: slack ' s operation public presentation aims.

In order to acquire competitory border it is of import to stand out in one or more of these operation public presentation aims, which can enable organisation to prosecute, its corporate aims matching to competitory factors.

It is truly of import for an organisation how client value its chosen competitory factor along with its ability of operations to accomplish excellence in appropriate public presentation aims.

Quality Management

Bing a premium scheduled air hose of UK, British Airways has to keep its quality in its operation to maintain its clients trueness with it along with

pulling the new clients. Quality direction is really of import as it has a flight in every 2 proceedings.

Putting people foremost: British Airways motto “ setting people foremost ” brings immense duty on the company as people demand quality in every operation. Entire quality direction construct is embedded in the civilization of BA. BA deals its employees as internal clients as they raise slogan “ we fly to function ” every section in BA is theoretical account of excellence quality direction as technology section comes frontward with slogan “ engineer excellence ” .

Food services: nutrient services have a powerful impact on client ‘ s heads and memory of flight. British Airways adjusts its nutrient formulas in conformity with geographical topographic points.

Fig 6: operations public presentation aims and competency factors.

Due to this quality direction British Airways is executing good as it manages addition in its net income up to 13 % and 12 % in each subsequent twelvemonth at the same clip it manages to keep 4th place in universe ‘ s air hose ranking which has 41 % portion in North Atlantic market with progress fleet strength and tremendous client attention plan.

CAPACITY MANAGEMENT

Capacity direction is a procedure in which a company tries to bridge the spread between demand and supply demand. Capacity is a ability to run into the demands. Difference between demand and supply could be due to fluctuation between either of these. (Slack et al 2010)

Insufficient capacity without any planning can deteriorate the company ' s public presentation at the same clip extra capacity could do excess cost which finally leads to impact the organisation ' s overall public presentation.

British air passages capacity planning section is endeavoring hard now a yearss to undertake the immense inflow of people in London olympics2012. they are seeking to acquire best out of their existing capacity at the same clip seeking to acquire excess so that they can run into the client ' s demands. British air passages is seeking to rescheduling all its activities so that they can cut down the unexpected holds, presenting self service cheque in installation merely to salvage clip, cut downing the aircraft look into up clip without compromising quality. At the same clip selling section of BA is modifying the demands advancing the leisure traveller so that they increase the efficiency.

E-Business & A ; Operation Management

E-business is really popular in air hose industry due to its battalion of operations benefits. It is cost salvaging due to decrease in paper minutess. It speeds up the communicating due to use of information engineering.

Supply concatenation: E-business enhances the supply concatenation efficiency by supplying existent clip information sing flights, tracking of lading etc. it links the client ' s demand information to up-stream supply concatenation map efficaciously later easing ' pull ' (demand driven) supply concatenation operation.

LEVELING THE PLAYING FIELD

E-business being a tool of e-commerce makes it “ aggregate customization ” which provides a leveled playing field for all companies. A big no of companies are accommodating vitamin E concern attack, as it is easy to utilize for clients in this modern age.

British air passages late replaced its ‘ KIOSKS ‘ system of cheque in with ‘ PC ‘ system as it is easy to utilize and will salvage ? 3. 5 per rider every clip he will look into in with the usage of this system.

ROLE OF E-BUSINESS IN BUSINESS STRATEGY

In modern times, e-business has become a basic component of all the concern schemes. It is widely transforming concern attacks and concern operation as there are no geographical boundaries for this attack.

ADVANTAGES OF E-BUSINESS

Following are the advantages of e-business in British air passages ;

Cost decrease: E-business plays a major function in overall cost decrease of a company as it moderately reduces the paper minutess within a company.

Fleet communicating: usage of IT in e-business makes it possible to pass on with other parties electronically, which makes the communicating faster than of all time.

Gross saless: E-business brings revolution in selling schemes of an organisation. Now a client can travel straight to British Airways site and can buy ticket straight form site instead than traveling to agent to purchase. By

this attack a client can salvage a batch at the same clip British air passages has nil to pay to go agents.

Seasonableness: Correct information at right clip can supply possible competitory border to any company. In British Airways information sing flight reachings and going and on-line engagement of tickets with discounted rate make it of import to acquire all the information at right clip in timely manners.

ISSUES REGARDING E-BUSINESS

E-business is a hot bar for every industry in this modern age but despite of the fact there is still figure of issues sing e-business those have to be solved to acquire best out of it.

Some of these issues are following ;

Security

Flexibility

Mistake tolerance

Seasonably processing in every field

Lack of understanding

Concern about security of sensitive informations, such as recognition card Numberss, personal informations and concern confidential informations.

There are still many issues with e-business those have to be sorted out because ' cyber war ' is traveling on, on cyberspace in which hackers attack on organisation ' s web site to steal confidential informations using their recognition card information, remainder of other of important confidential information.

BRITISH AIRWAYS & A ; CISCO

" Cisco was able to assist us towards a new manner of looking at our internal universe. A manner that will not merely have profound effects upon our civilization, but will besides drive through immense betterments in our concern efficiency. "

(Simon Harford, Head of eBusiness, British Airways)

British Airways want to be unchallenged leader in the universe of air travel. British Airways managers are cognizant of this desire so they are endeavoring hard to acquire value through IT.

CISCO came up to work out this job for British Airways. Cisco made BA a ' web enabled ' airline by spreading the possibilities and taking down the hazards. Cisco ' s system information concern solution group accelerates the accomplishment of that aim. (Cisco. com)

E-BUSINESS AND BA CARGO INDUSTRY

British Airways have achieved a milestone of heightening its client services up to cargo services. British Airways is utilizing IT to give its clients best services for loading. British Airways uses EDI (Electronic Data Interchange) engineering for having and conveying airway measures.

Automated presentment engineering is besides used with path and hint utilizing barcode information system. BA is member of lading 2000, which is group of air hoses forwarders, sponsored by IATA whose purpose is to better efficiency of lading around the Earth. (Baworldcargo. com)

Decision and Recommendations

E-business has changed the manner the concerns are run in today ' s universe. It is utile but still has some gray countries that need to be fixed.

Issues like the security flexibleness, cost mistake tolerance, seasonably treating etc discussed earlier are the grounds why organisations are loath to utilize e-business. These issues need to be addressed so that e-business could be of existent worth to the concerns.

Fiscal issues could be addressed by authorities intercession by supplying subsistence to the companies to present e-business. Security issues are amongst the most of import issues as debut of IT comes with security.

Companies are loath to utilize e-business because it poses menace to the security of their confidential informations. Security issues could be resolved utilizing anti viruses. Laws should be put in topographic point to cut down cyber offenses and informations larceny.

All the informations should be documented so that the sum of paper used could be reduced. This would be good to the environment and the company would be seen to be eco friendly.

British air passages uses electronic media to vie on the footing of distinction where as they could besides utilize it to cut down cost. This would intend

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that BA could utilize assorted scheme. For illustration: Dell uses assorted scheme to vie they provide good quality at inexpensive monetary values.