

Information system of westjet essay sample

[Business](#), [Management](#)



1. Introduction

IT governance recently has raised many companies' concern with its advantages including balancing companies' priorities for scale and IT standardization, leverage IT innovation in Business to support companies' operation and strategic growth. WestJet, as one of the most competitive international airline has invested much to the improvement of technological development. However, it now faces a great challenge during the transition into codeshare that they have no idea whether they have a great IT, if not, how to improve it to bring this company to where it need to be. This assignment is going to illustrate the key strengths and challenges of WestJet, the IT management condition and some of personal suggestions to improve the IT governance.

2. Key Strengths and Challenges

There are several elements can be regarded as WestJet's key strengths, one of which is the custom service based corporate culture. By adopting the employee share purchase plan, most employees are motivated to be dedicated into their works ' Because Owners Cares' (Munro & Khan 2013). In addition, better efficiency of funds brings down the cost of the company, leading to the relatively low airfare costs, which is another advantage. When it comes to WestJet's IT, WestJet has a significant number of excellent technical employees in IT group which format the solid foundation for all IT practices.

Many IT employees in this group has been in WestJet since early and they are experienced in IT techniques and most familiar with WestJet's IT. They work together share experience and expertise easily and frequently, so

everyone are quite experienced in several fields, in which case , solving emergencies becomes much easier for Westjets. However, there are also some challenges for WestJet to solve. For instance, inappropriate organizational structure (no direct connection between IT and Business), chaotic planning/budget process, lack of backup data center, heavy pressure on 24/7 support, also, the skepticism to the transformation plan has lead WestJet into a dilemma , to convince both leadership and employees has been another great challenge.

3. IT Transformation in WestJet

3. 1 Former IT Condition

Before IT transformation plan is adopted, WestJet's IT is generally not well managed although it has the right technology (codeshare ticketing system), significant number of IT experts and proper number of total IT employees and budgets. These resources were used inefficiently. There is no obvious evidence of IT-Business alignment in this company, business doesn't understand the function of IT, never take the advice from IT group and isolated business units require IT resources regardless of other business unit's request and the resource limitation of IT group. In addition, IT group cannot bring extra interests to business as it is merely following the step of business (Luftman, 2000). Therefore, IT group is not accountable to business's quests due to the lack of connection and the improper process of plan/budget make these two groups unsatisfied with each other, the result is the cost doesn't bring back corresponding interests both of business and IT group. Also, it is lack of business continuity plan and disaster recovery plan.

3. 2 Effective IT Transformation Plan

To make sure the company is doing the right things (effectiveness) and doing things right (efficiency), alignment between IT and business is urgently needed (Luftman, 2000). Smith's IT transformation plan intends to totally realign IT to ensure IT is more accountable to business request and IT resources can be properly deployed, further more trust between business and IT is rebuilt. In addition, improving the strategic position of IT in the company as business's partner help increase the system functionality. 1. Since nowadays market emphasizes far greater collaboration between business and IT and pay close attention to human capital (Agarwal & Sambamurthy, 2002), Smith reassigns half of the 240 IT employees to be responsible for specified business areas, also she creates five new business unit CIO (BU-CIO) to be assigned to support an executive vice-president (EVP).

In this way, competitive use of IT will no longer happen and each specified IT groups can be more concentrated on specified tasks which improves the efficiency, what's more, the alignment between BU-CIO and EVP facilitate the formation of visioning network, which is vital to IT governance. Thus IT resources and priority are well managed. 2. Monthly VP meeting is cancelled and instead, annual plan/budget process will be established to assess the organizational projects or projects which need more budget applied by business unit. Those worthless project will be abandoned which helps reach the cost-efficiency. In addition, the report relationships between IT and business, leadership is a recommended action to encourage co-evolution

between IT and business, a two-way relationship is created and enable the IT investments and capabilities to potentially benefit and change business strategy.

3. A backup data center and IT operations center is established to defuse the risk of service blackout. A backup data center ensure that data is still accessible when disasters happen and the IT operations center ensure emergencies will be handled immediately. This combination support service provisioning (one of the eight value creating processes in the IT function) can provide 24/7 continuous service to client, which can directly enhance WestJet's key strength—custom service. All these activities make contributions to organizing efficient IT governance which can bring innovation value from IT to business and make IT the strategic differentiators to WestJet. 4. Suggestions to Improve IT Governance

WestJet's primary task now is to implement Smith's IT transformation plan successfully, and the biggest challenge facing the company is how to convince the senior management (CEO, EVP) and staffs. In my perspective, to persuade the leadership, critical success factors should be identified, furthermore, each activity in the plan should be aligned with the company's strategic plan to inform them clearly with which activity will brings which benefits and achieve which organizational goals, also, collecting and presenting successful samples is needed to demonstrate they are achievable with this plan. In terms of staffs, a convincing develop plan should be made which adjust to the transformation of IT structure, including 1. Expertise Rebuilding: build new expertise needed since the change 2. Team

Reforming: Choose proper staffs and human resources deployment adjust with the reassignment and new created BU-CIO 3. Facilitating and Support: motivate employees to change attitudes blend in the new IT environment and provide help during the transformation. 4. Feedback Collection: Collect any feedback from staff, make improvement from these feedbacks.

Conclusion

WestJet's outsources its CIO function to Cheryl Smith to judge whether it has the proper IT and how to improve IT. Smith comes up the IT transformation plan intends to change WestJet's IT foundation. Specified IT resources are assigned to each BU and are controlled through their corresponding BU-CIO, in this way IT can be more accountable to business tasks, further with some new application released, WestJet could be able to move the business to next level. However it is still a long way for WestJet to finish the transformation as there are many unpredictable elements come from interior and outside. In the future, outsourcing part of IT function to a professional provider to may be an efficiency option (Cullen, Seddon & Willcocks).

Reference

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