

Software upgrade. a case study of jetblue and westjet airlines essay

[Environment](#), [Air](#)



I would argue that any organization undergoing system upgrades should ensure that the end result of such an upgrade must align with its business process and goals. There is no crystal ball that can show if an upgrade will meet the entire business goals of an organization. Rather, there are measures that when taken could minimize the failure of an upgrade and thus optimize the essence of such upgrades. One such measure would be a feasibility study.

A feasibility study enables a company to determine the costs, benefits, and possible challenges of a system upgrade. Such a study would provide a system and operational analysis which spells out the need for an upgrade and other alternatives that could be available. The objective is to provide a control model which affords managers and decision makers' leeway to make adjustment until a desirable result is reached. JetBlue and WestJet Airways

In the case of JetBlue and WestJet both airlines upgraded to the same application but used different approaches thus achieving varying results. This is a reminder that implementation of upgrades could be fraught with difficulties but if well managed can yield desirable results. In the case, we are told despite months of planning, when WestJet was ready to switch on its new system, its website crashed repeatedly, and its call center was overwhelmed which created complications that took months to resolve. A major difference in their approach to implementation is the manner of roll out and readiness. JetBlue had a backup website and hired extra 500 temporary call-center workers to oversee its transition and even kept some of those workers two months after the implementation was over. This

decision according to one of the managers is regarded as ‘ one of the wisest investments we made.’

JetBlue made the right call by choosing a perfect time for its implementation, whereas WestJet made a transition at a time when it had already sold out tickets to customers; meaning these customers’ transactions had to be migrated to the new system. This became a problem when it came time to transition from its old reservations server to the new Sabre’s servers, because the process required agents to go through a complex step of processing data. Adding to its compounded problems is the failure of WestJet to reduce the number of passengers on flights. This would have enabled it to stabilize the phases of its implementation, providing a test measure of how well the upgrade is performing. Nor did the company tell its customers of its upgrade plans until the day of the switch.

The outcome of this fiasco is a tumble in customer loyalty as customers experienced difficulties in booking tickets and having to wait in long lines. On the other hand JetBlue had the benefit to observe and learn from WestJet’ transition. It made strategic business decisions by choosing a time when traffic was low and also trimmed its schedule, and sold less number of seats giving it enough room to test the new system. More so, the temporary workers hired were a buffer to their call center staff as they helped free up other staff to handle more difficult tasks. The impact of their different approaches to the project is glaring. Erosion of customers loyalty for WestJet

Increased wait times for JetBlue customers

Missed business

opportunities What precautions did the organization in the case take to prevent software upgrade problems? To what extent do you believe those helped? Both airlines bolstered their call centers by hiring temporary workers. JetBlue observed and learned from WestJet's roll out of its upgrade. JetBlue had a backup website.

Both airlines made changes to their flight schedules in anticipation of a glitch. JetBlue chose a perfect time to implement its upgrade. JetBlue's precautionary measure of having a backup website and extra workers helped minimized the difficulties associated with software upgrade. We are told in the case that WestJet's website crashed due to customers who flooded their site, and its call center was overwhelmed. On the other hand, JetBlue contracted 500 outside reservation agents in anticipation of any issue. It routed basic calls to temporary workers, leaving its own call staff to handle more complex tasks.

Why are ERP upgrades so complex and expensive? What roles does ERP customization, if any, play in this progress? Can you discern a pattern in what seems to be the major cost drivers of the upgrade process? Enterprise Resource Planning is an enterprise-wide information system designed to coordinate all the resources, and information needed to complete business activities. It is a business management system that attempts to integrate multifarious functions of an organization. ERP serves as cross-functional enterprise backbone that integrates and automates many internal business

processes and information system. 1 It promises one database, one application, and a unified interface across the entire enterprise. The success of a functioning ERP depends on a suitable system that aligns with the business process of an organization, and its implementation partner and vendor.

ERP software works by creating a large common database of information that users can draw from and contribute to. The software design must enable every department of an organization to store and retrieve information in real time and whenever this information is needed without having to ask each department for the relevant information. For example, when a customer places an order, this requires checking the warehouse to see if the order is available at the same time checking with the sales department to ensure prices are right. ERP makes this kind of transaction easy and fast by having the whole information and interaction needed in a common pool of information.

ERP technology comes in various forms. Broadly speaking, there are two choices that a company would choose to go with. One is to have software that handles different tasks, for example, supply chain management, manufacturing, human resources, etc. or go for an enterprise resource solution that combines multiple functions in a package, for example, SAP. ERP software is typically complex due to the wide range of applications that a business may require. For this reason, to implement ERP system companies seek the assistance of vendors and third-party consulting companies which provide customization, maintenance and support.

ERP has embedded business functions that can run simultaneously. This allows for customization of the system to suit the business function of an industry. For any organization which intends to implement ERP system it is imperative for the organization to evaluate its needs based on the size, and nature of the business. A small business will require a lesser amount of resources. A big business will require the IT department to conduct a careful research into what package it will need, and how it would work for them. The kind of customization that is required and how the business will take care of recurring costs incurred in integration of various departments, updating, and training, troubleshooting and testing.

Oftentimes managers in large companies do not understand the scope of ERP, the time it takes to fully implement the system. This creates anxiety because expectations are set high. The major cost driver in ERP implementation and upgrade includes the following but not limited to; Hardware costs, including data center space capable of housing, powering and backup power, network infrastructure, server hardware etc. Licensing fee and ongoing reoccurring maintenance fee

Training and knowledge costs, including the training cost of end users, cost of transferring the business process knowledge to personnel, consultant and support staff Opportunity cost incurred by temporarily assigning personnel to ERP system while upgrading SAP customers have the choice between upgrading to the most recent version of the application suite or integrating a third-party product into their existing infrastructure. What are the

advantages and disadvantages of each alternative? Every business entity has to make a choice between cost and profit maximization.

In the case, we are told SAP customers have the choice between upgrading to the most recent version of ECC 6. 0 or seek the help of third-party maintenance vendors who can integrate other software into their existing ERP without experiencing much difficulties. Given the usual cat and mouse relationship between end users and vendors of ERP systems, one cannot over emphasize the need to explore all possible alternatives. While end users are wary of ERP vendors a business would do well by exploring all available alternatives and the opportunities a system offers. Take for example in the case of Kennametal, Haworth, Dana and others, 2 Kennametal spent \$10 million trying to customize and upgrade its ERP without getting the desired results yet it was unaware of new technology opportunities it would have taken advantage of and avoid cost and pain associated with customizing and upgrading. What are the advantages and disadvantages of each alternative?

Advantages of ECC 6. 0.