

Operations management in southwest airlines

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Managing Operations Inserts His/Her Inserts Grade Inserts (25, May, Introduction Southwest Airlines is one of the largest airlines in United States of America. The success achieved by Southwest Airlines has attracted management gurus all over the world. The operations management of the airline has been seen as a standard for other airlines. The way Southwest Airlines has acquired its wide market just by following its cost leadership approach is simply amazing. The company has designed its operations to increase productivity and at the same time has remained cost effective. The lower costs are a combination of effective leadership and control over the organization. It is also amazing to find that the company follows a very open culture and employees enjoy working at Southwest Airlines. By following a strategy of cost leadership and increasing productivity the company is not overloading the employees with work. This is because of the effective operations management techniques and strategies of the Southwest Airlines. In this essay we will make an attempt to understand the operational aspect of the cost leadership strategy followed by Southwest Airlines. We will try to examine the strategies the company uses to increase the overall efficiency of its employees by designing tasks in a different manner. Operations Management and Southwest Airlines Southwest Airlines is an example for all of us because it has made tremendous progress by using techniques to improve upon its operations management. It is using its operations management to achieve competitive edge over its competitors. The company uses techniques like e ticketing, faster between flight services, increasing number of seats in planes, flying shorter routes, efficient service of planes, more flight hours by pilots, unique hiring method, and preparation

before starting new flights, and less waiting time for planes in order to achieve competitive edge over other airlines. E-Ticketing Southwest Airlines was the first airline in the world to use e-ticketing way back in 1994 (Air Treks, 2011). This initiative of Southwest Airlines has helped them a lot in saving costs related to paper. Also e ticketing has decreased the time required for passengers to board the plan and due to online ticketing checking time of passengers have decreased significantly. All these are the benefits of e ticketing. The company also encourages passengers to use e ticketing because of the advantages of this service. Customers are also charged a nominal fee for the service so this is a win win situation for everyone. Being the pioneer in e ticketing the company has also earned a reputation of serving its customers in a better way by using technology. The clerical work is also highly reduced by issuing tickets online. The system does all the work reducing the number of employees needed for the ticketing purpose. Paper tickets would take physical work as well so that is why it is not desirable. The cost effectiveness of Southwest Airlines is preserved in this way. Southwest Airlines flies domestically only so it is very important that it offers quick services to its customers. Mostly domestic flying passengers are in quite a hurry and that is why e ticketing compliments the clientele of Southwest Airlines. Passengers can book their flights before coming to the airport. By using e ticketing the company has increased efficiency of its operations. Between Flights Time Another operational method used by Southwest Airlines to increase its cost effectiveness is less time taken between flights. By decreasing time between flights Southwest Airlines fly more flights in a day. The time between flights is decreased by

quick cleaning services and faster checking out of passengers. Southwest Airlines is famous for quick boarding and off boarding of passengers. Passengers are immediately off boarded as soon as the plane reaches the desired destination. This allows planes to fly more than other competitors in a day. Employees at different airports are ready and as soon as the plane lands they start their work. The placement of planes is also done on airports in such a way that planes are not kept waiting before they can fly. Planes are also checked after a fixed number of flight hours and this is also done in a short time in order to increase the efficiency of the airline. Southwest Airlines is the industry leader because it manages its operations in a way that compliments its overall strategy of cost leadership. Employees are motivated to work faster on ground and this makes efficiency at Southwest Airlines possible. Because the company only has Boeing 737's it is very easy for the flight engineers to check and clear the plane for flights in a shorter time (Saporito, B. 2011). Increasing Number of Seats in a Flight Another aspect of the company's operations management is that it has been successful in increasing the number of seats in a plane. Southwest Airlines planes are designed in such a way that maximum space in the planes is utilized for seats. This increases the revenues from a single flight as compared to the competitors and also decreases costs. Seating arrangement in the Southwest Airlines is done in such a way as to increase the number of seats in the plane. There are no classes allotted in the flight by Southwest Airlines (Keith, A. 2005). There are no business and economy classes like other airlines. All passengers get the same services. The seating offered by Southwest Airlines is coach class seating (Vacation Idea, 2011). This is a way in which

Southwest Airlines increases per flight accommodation. Usually business classes have less number of seats and privacy is taken care off but this is not done in Southwest Airlines. The reason for this is that Southwest Airlines flies domestically and passengers are in the air for only a few hours. This is why absences of business class do not matter. It is important to note here that even small changes in a company's operations management can reduce costs significantly. Southwest Airlines shows us that utilizing space in a plane can significantly lower costs and increase profits in turn. This may look as a small step but it is one of the methods in which the company achieves its cost leadership strategy. By increasing the number of seats in a flight Southwest Airlines is also distributing its per flight cost among many passengers. This is the reason why Southwest Airlines can offer great rates to passengers. Average per seat per mile cost of airline industry is higher than that of Southwest Airlines. More seats in flight can be one reason for it. Flying Shorter Routes Another feature of Southwest Airlines' operations management is that it flies shorter routes. The airline starts routes that are considered not feasible by other airlines. This allows Southwest Airlines to acquire markets that are not explored by any other airlines. Passengers that are looking for quick travelling between cities go for Southwest Airlines because of this feature of the company. The focus of Southwest Airlines is purely on shorter routes and there is a big market for shorter airplane routes (Boguslaski, Lto, & Lee. 2004). Southwest is actually competing with other transport networks and not with other airlines when it comes to shorter routes. The rates of Southwest Airlines are tremendously low so anyone who even slightly prefers to reach his or her destination quickly can go for

Southwest. Flying shorter routes also allows the company to fly more flights in a day. The reason for this is that it takes lesser time to service the planes between flights. In this way planes can fly more in a day as less service is required. The overall efficiency of the company increases as a result of flying shorter routes. Academic research has also suggests the great market for shorter flights (Boguslaski, Lto, & Lee. 2004). Efficient Service of Planes and Fuel Consumption Apart from quicker service in between two flights, service of Southwest planes is also done in an efficient cost effective way. Water used during the service is recycled in order to avoid water wastage (Southwest Airlines Report, 2011). Other wastes are also recycled including the carpet that the airplanes use. This shows the extent to which the airline is efficient in its services. These small things lower costs but at the same time they give a good name for the company. In today's world where environmental friendliness is a big issue it is vital that airlines look into these wastages. It is really shocking to see the extent to which Southwest Airlines go to save cost. The company has added winglets in planes and they reduce the fuel consumption by around 2 to 3 percent (Southwest Airlines Report, 2011). This is a way in which the company achieves fuel efficiency. It is hard to think that even an airline can think in this way. But this strategy works for Southwest Airlines in an excellent way. Another strategy of Southwest Airlines is to hedge against high fuel costs (Brancatelli, J. 2008). This saves the airline a great amount of money because fuel prices are a major cost of an airline. It constitutes almost 40 percent of an airline's overall costs. In an environment like this Southwest Airlines is taking an initiative and is saving loads of money. This is an added reason why company is doing so well even

in bad economic times. By hedging against increasing fuel prices and using fuel efficient system during services the company is sustaining its cost leadership strategy. More Flying Hours by Pilots Operations of Southwest Airlines are unique in another way as compared to other airlines. The pilots of Southwest Airlines fly more hours than any other airlines. This allows the company to fly more planes in a day and cost effectiveness is achieved in this way. Pilots at Southwest Airlines are paid very well but they are required to work for long hours. Increase in working hours increase the profits of the company and have no negative effect on the performance of the pilots because the culture of organization is very friendly. Also pilots are not required to fly for long hours continuously. They take breaks between flights and this reduces the stress of pilots. The feature of pilots of Southwest Airlines is that they are not from a national union (Govindarajan & Lang, 2002). Pilots belonging to national union can only work for a limited number of hours. Pilots of Southwest Airlines are hired keeping in mind that they do not belong to a national union. It is an operational strategy of the company. In the industry pilots are unionized so they often go on strikes and do not work for longer hours. National unions also create problems for firms. By avoiding these unions Southwest Airlines is doing a very good job. Proper Preparations before starting new Flights Before starting flights on new routes Southwest Airlines prepare itself for in a proper manner. Usually the company hires staff that can take care of 3 flights before starting a single flight. This shows that the company has a well prepared growth plan. Southwest Airlines makes sure that all services are available before it starts it flights on new routes. This helps the company coup up with the increased

pressure of passengers. This also adds to the uniformity of operations of Southwest Airlines. Because Southwest Airlines provide point to point service it is vital that all points have sufficient crew that can handle new flights. If this is not the case then overall schedule of flights will suffer. This is why it is important to make sure all services and crew is available when Southwest Airlines starts flight on a new route.

Less Waiting time for Airplanes

Southwest Airlines favors smaller airports as compared to large airports and this reduces the cost of fuel by reducing the time plane is idle on the landing and taking off stripe (Garrison & Keller, 2008). Smaller airports also charge lesser fees for landing. This gives Southwest Airlines an added advantage over other airlines because they use larger airports. Smaller airports also ensure that flights of Southwest Airlines are on time. The reason for this is that larger airports always have issues regarding landing and take-offs. There is more chance that flights are late when planes use larger airports as compared to when planes use smaller airports. The traffic at smaller airports is limited and that is why the waiting time for airplanes is reduced.

New Method of Hiring

The hiring of employees is extremely vital for Southwest Airlines for many reasons. The airline requires hardworking employees who can devote long hours to work. Also company has to maintain cost effectiveness in its operations and that is why hiring should also be cost effective. Southwest Airlines cannot afford high turnover and that also makes hiring the right employees in a lesser cost is extremely important. Hiring is done by employees of Southwest Airlines (Srinivasan, M. 2011). This is hard to imagine but the company does not extend its hiring to any specific department rather it gives this important responsibility to the employees. A

group of employees at Southwest Airlines hire people in their own group for example pilots hire pilots and flight attendants hire flight attendants. This is a unique way of recruitment and is followed only at Southwest Airlines. This hiring method saves costs of the company significantly. Southwest can either outsource its hiring or can hire professionals to do this in the company but this will be costly. On the other hand this strategy practically costs nothing. By empowering employees Southwest Airlines is generating a sense of responsibility in employees. Also when particular groups like pilots or engineers hire new pilots and engineers respectively then they can better judge the qualities an employee should have that will best serve Southwest Airlines. Also in this manner the operations of the company are ran in a smooth manner with a new vacancy filled in shorter amount of time. Employees are themselves involved in the hiring process so they hire people they can work with. This also lowers the turnover costs of Southwest Airlines. Employee satisfaction is important in Southwest Airlines because work hours are long. This method of employment serves the overall cost leadership strategy of the company and at the same time increases the satisfaction of employees working in the company. Conclusion Operations management is extremely important at Southwest Airlines because it is through its operations that the company achieves cost effectiveness that helps Southwest Airlines in competing with other airlines. The company flies shorter routes and saves fuel and time by using smaller airports. Southwest Airlines also uses e ticketing to improve its operations. The time taken between flights is also very less as compared to other airlines. Planes are also of one class is that 737's so they are serviced in a cost effective way.

The seating arrangement at Southwest Airlines is also different and allows maximum amount of seats in the planes. Through all these techniques the company achieves competitive edge over other airlines. Bibliography Air Treks. 2011. E-Tickets. Accessed from < <http://www.airtreks.com/go/travel-documents/paper-tickets-vs-etickets/>> Boguslaski, Lto, & Lee. 2004. Entry Patterns in the Southwest Airlines Route System, Review of Industrial Organization, 25(3): 317-350. Brancatelli, J. 2008. Southwest Airlines' Seven Secrets for Success, Wired. com. Accessed from < http://www.wired.com/cars/futuretransport/news/2008/07/portfolio_0708> Garrison & Keller. 2008. Southwest Airlines Case Study, Thomas Hauck Website. Accessed from Govindarajan & Lang. 2002. Southwest Airlines Corporation, Dartmouth College. Accessed from Keith, A. 2005. To the Front of the Line, for a Price, The Washington Post. Accessed from < <http://www.washingtonpost.com/wp-dyn/content/article/2005/10/24/AR2005102401787.html>> Saporito, B. 2011. Southwest's Stress Test, Time Magazine. Accessed from < <http://curiouscapitalist.blogs.time.com/2011/04/04/southwests-stress-test/>> Southwest Airlines Annual Report. 2009. Performance People Planet It's our passion. Accessed from < http://216.139.227.101/interactive/luv2009/luv2009ar.pdf?print_pages=true> Srinivasan, M. 2011. Southwest Airlines Operations - A Strategic Perspective, Ezine Articles. Accessed from < <http://ezinearticles.com/?Southwest-Airlines-Operations---A-Strategic-Perspective&id=111277>> Vacation Idea. 2011. Seat configuration, pitch and width on Southwest Airlines. Accessed from < http://www.vacationidea.com/airlines/southwest_seats.html>