

# Royal caribbean cruise case study

Business



Cruises definitely lacked in many aspects of the Cycle of Capability. The article stated nothing about limitations and expectations of employees, employee recognition, how satisfied the employees were, employee referrals of potential Job candidates, or employee/customer selection.

However, since this case focused on technology, I can see that Royal Caribbean Cruise lines have Incredibly well-designed support systems. With the leapfrog program In effect and several technological innovations Murphy Implemented, the customer's needs were not only met, they were exceeded.

After the arrival of CIO Murphy, the role and focus of the IT department changed drastically, In a positive way. Once appointed his new CIO position, Murphy made It clear that his main focus was on IT's customers. One Innovation that Murphy cited was linking the shore-excursion booking to the web. Before this had been done, shore excursions were a tedious chore for the cruise ship's passengers.

This new innovation made customers happier, and decreased the costs.

And since the passengers excursions were booked and bayed for in advance, they would tend to forget and spend just as much money aboard the ship as they would before. Over 10 months, the approximate revenue was around \$22 million. Another change was the onboard internet cafes and web access for the crew members. Charging the crew \$0.

10/minute and the guests \$0. 50/minute also drove the company's revenue higher. Murphy initiated positive technological change to the cruise line, and it is no question that Murphy was the right man for the Job. Since Murphy's

arrival, there had been a 50% staff turnover in four years, and the revamped IT team had won significant awards in the past year. " The most effective IT change that Murphy introduced to Royal Caribbean was the Leapfrog project.

2. ) Leapfrog was a \$200 million project which focused on supply chain, employee systems, and customers. The first aspect, supply chain, was " intended to rationalize the purchasing process, reduce costs, leverage RACE bargaining power with vendors to get better prices, and Improve inventory planning'.

The second, employee systems, focused on upgrading the HER system in order to track employees. It also offers ship officers to access employee backgrounds, training certifications, and access to licensing. As for the third focus, customers, Leapfrog enables business users to view the customers and access the information through a single source, known as Messengers.

By August, the Information Technology team had increased to 450 people, and their morale was higher than ever, making RACE a tough competitor to other cruise lines. . ) After the events of 9/11, Royal Caribbean established a six person committee to discuss ways to boost revenue again. After carefully reviewing every option, Murphy and his team decided to cut off the staff members. They then decided to consider Leapfrog at a more appropriate time and able to finance the program.

Although they suffered a catastrophic drop in business volumes, the 9/11 crisis encouraged the organization to be more focused and efficient.

As stated in the article, " Murphy learned to respond more quickly by breaking IT's goals into smaller projects and spreading them over a longer period of time to meet various needs. The idea of microchemistry allow him to be more flexible and adaptive and to react faster to new environments. " I would recommend that the firm chooses the micro strategy stated above. The travel industry is forever changing, due to events such as the 9/11 crisis, and businesses need to be flexible in order to react fast. If firms aren't able to adapt to new environments, then they will eventually cease to exist.