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Use cases

- Workforce planning

- Financial planning, budgeting, and forecasting

Challenges

- Highly volatile market requiring continual changes to planning models

- Ability to manipulate large amounts of data in real time

- Need for rapid implementation with minimal consultation

Solution

- Replaced thousands of spreadsheets with a single Anaplan model

- Highly flexible, real-time, driver-based planning and budgeting

- Self-managed solution that allows rapid scenario analysis

- Flexible financial reporting across multiple perspectives and currencies

Results at a glance

- Drastic reduction in the time spent amending models and creating new versions

- Rapid time to value with global rollouts completed in a few weeks

- Improved accuracy in forecasts and improved decision-making

- Ability to run multiple scenarios

Agile planning and budgeting for the high-velocity airline travel industry

Introduction

Running an airline is a complex business, with many carriers having multiple brands and alliance partnerships that make thousands of flights a day across all six continents. Providing such a service means carriers employ thousands of ground staff at hundreds of airports all around the globe. The huge scale and complexity of a carrier's network make planning and budgeting for its ground operations difficult enough in "normal" times. But currency fluctuations and increasingly volatile commodity costs, such as fuel, have made it doubly difficult for airlines to maintain profitability.
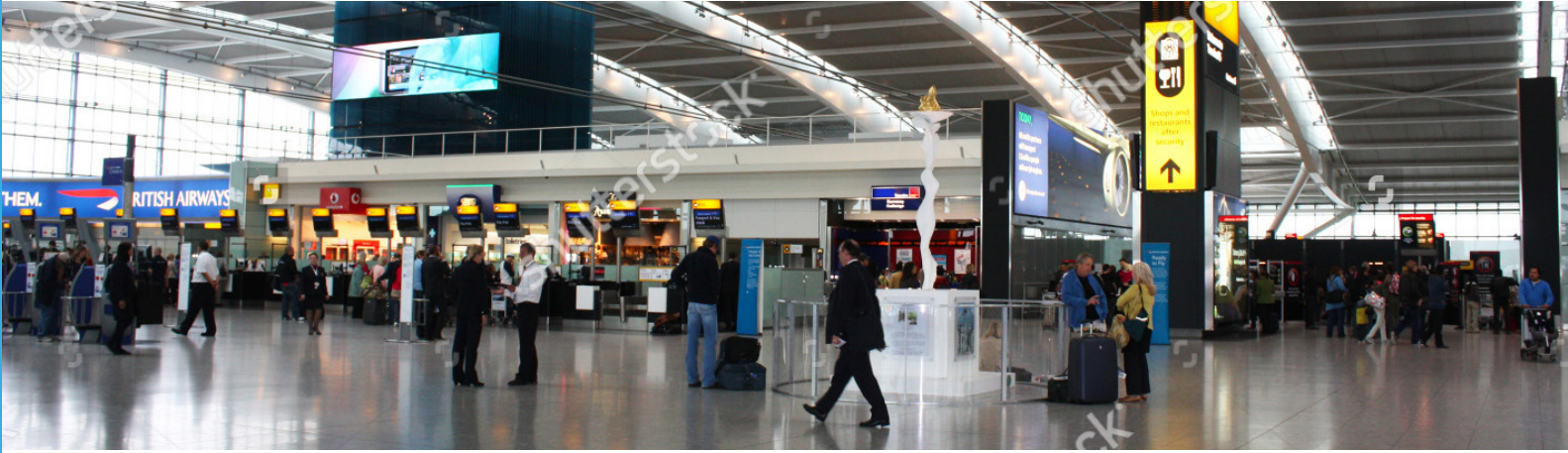
Challenge

Fluctuating exchange rates influence whether consumers decide to travel, so carriers have to constantly juggle routes and schedules to keep their network capacity in step with changes in demand. This calls for speed and agility in spotting emerging trends, and keeping flights and schedules aligned with the changing market. Operational capacity also needs to be adjusted at each of the hundreds of airports served by an airline, which typically means redeploying staff, the largest element of controllable cost.

Clearly, traditional planning systems that were designed to support annual budgeting do not provide the speed or flexibility carriers need today—especially if technical support is needed to restructure constantly changing planning models. The need for speed, flexibility, and self-management drove many carriers to build planning models in standalone spreadsheets, feeding huge volumes of data from disparate legacy systems and embedding numerous business rules to model metrics such as headcount requirements.

However, the problem with this approach is that spreadsheets are prone to errors, especially when manipulating the billions of data combinations encountered in operational planning and budgeting in the airline travel industry. They also make collaboration difficult—it can take finance teams many days to upload, consolidate, and refine the millions of cells contained in an array of interlinked planning models, and weeks to restructure models every time flight schedules change. Such laborious processes complicate scenario analysis and hamper productivity at a time when finance teams are trying to do more with less.

What's needed

Those working in FP&A teams in the airline travel industry know they need a flexible, fast, and easy-to-manage system with all the data in a central repository so that it can be easily shared with remote users at airports and offices globally. Those who have worked with any of the big legacy systems are also aware that traditional data architectures struggle to provide the flexibility needed to quickly and easily amend planning models, which is a must-have functionality in such a fast-moving environment. Since workforce planning is such an important element of planning and budgeting in this industry, the ability for users to write and amend the business rules needed in driver-based models is also a key consideration.

Implementation and deployment

The airline industry is changing too rapidly for FP&A teams to spend months vetting and implementing a system the traditional way. Because Anaplan is built on a flexible data architecture that has built-in intelligence, implementations can be rapid and iterative, with changes and enhancements being made whenever users spot an opportunity.

Integration with the legacy systems, GL accounting, and enterprise databases can also be achieved within just a couple of days, giving carriers immediate access to their real-time data. From there, carriers can enhance their initial model, with users themselves writing new business rules to produce a complete working model in two weeks or less. One month later, carriers can have an end-to-end rollout to every country in their network.

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"We've got quick and fast forecasts, total accuracy, and auditability in the numbers. We're doing scenario planning and sensitivity analysis for the whole business across Asia, and that's giving us a dynamic understanding of where the business is and where it's going."

HENRY TJAN, HEAD OF FP&A ASIA, AIRASIAEXPEDIA

Benefits

The combination of rapid modeling and on-the-fly adaptability, supported by a real-time calculation engine, allows carriers to implement sophisticated driver-based planning and budgeting across their entire network—no matter the data volumes or level of complexity involved. And because users themselves can quickly amend models to keep them aligned with an ever-changing network, new versions that used to take a month or more to produce in spreadsheets are now being produced in a matter of days.

Flexible, real-time, "what-if" scenarios allow managers to rapidly view data on different dimensions, quickly shifting between currencies to see how fluctuations in exchange rates impact corporate results. Such analysis gives managers greater confidence when making important network decisions and gives carriers better insight into where their business is heading in this ever-changing market. As a result, carriers have seen step changes in the accuracy of their financial forecasts, allowing them to give better earnings guidance to their investors.

What's next

The growing range of Anaplan apps in the Anaplan App Hub cover strategic planning, cost and profitability management, financial consolidation, tax planning, and many other user cases for Sales, Marketing, HR, and Supply Chain. Simply activate an app and tailor it to fit your business—there are always new ways you can use Anaplan to improve business planning across the enterprise.

About Us

Anaplan is the leading planning and performance management platform for smart businesses. Anaplan combines an unrivaled planning and modeling engine, predictive analytics, and cloud collaboration into one simple interface for business users. Anaplan is a privately held company based in San Francisco with 16 offices worldwide. To learn more, visit **anaplan.com**. Follow us on: **Twitter**, **LinkedIn**, **YouTube**, and **Facebook**.

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