IBM has been co-innovating with 150+ airlines over 70 years…

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...Co-designing historic and transformational innovations

Created the first reservation system and ticketing solution for AA/Sabre

Launched airlines online and mobile customer experience and channels. Later launched digital experience for frontline workers
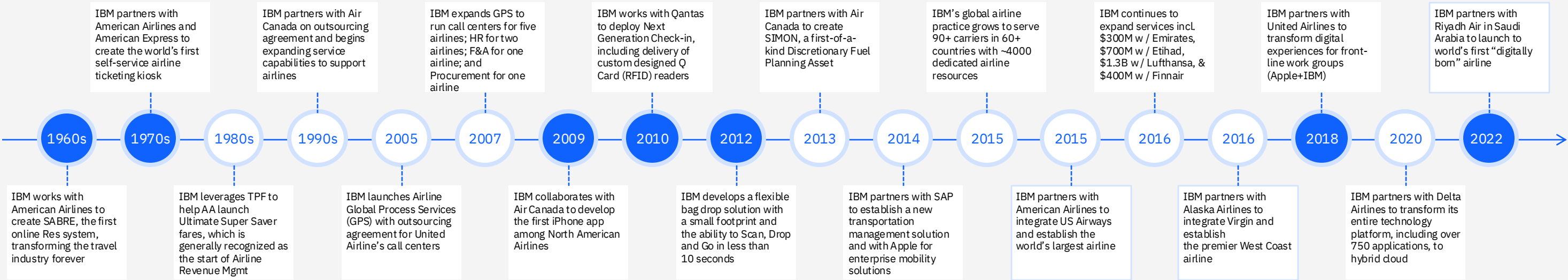
Created the first check-in systems, kiosks and later flexible bag drops, helping define IATA standards
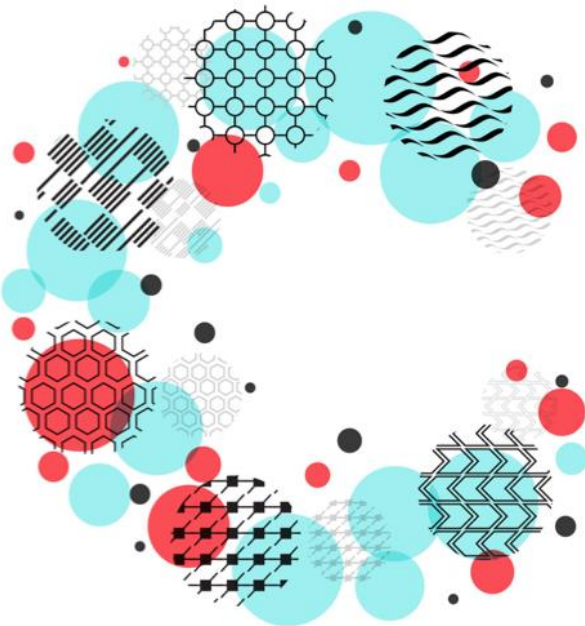
Creating the world's first "digital first" airline integrating more than 60 applications and more than 50 vendors

RIYADH AIR
طيران الرياض

3

| **1960s** | **1970s** | 1980s | 1990s | 2005 | 2007 | **2009** | **2010** | **2012** | 2013 | 2014 | 2015 | 2015 | 2016 | 2016 | **2018** | 2020 | **2022** |

Above timeline:

- IBM partners with American Airlines and American Express to create the world's first self-service airline ticketing kiosk
- IBM partners with Air Canada on outsourcing agreement and begins expanding service capabilities to support airlines
- IBM expands GPS to run call centers for five airlines; HR for two airlines; F&A for one airline; and Procurement for one airline
- IBM works with Qantas to deploy Next Generation Check-in, including delivery of custom designed Q Card (RFID) readers
- IBM partners with Air Canada to create SIMON, a first-of-a-kind Discretionary Fuel Planning Asset
- IBM's global airline practice grows to serve 90+ carriers in 60+ countries with ~4000 dedicated airline resources
- IBM continues to expand services incl. $300M w / Emirates, $700M w / Etihad, $1.3B w / Lufthansa, & $400M w / Finnair
- IBM partners with United Airlines to transform digital experiences for front-line work groups (Apple+IBM)
- IBM partners with Riyadh Air in Saudi Arabia to launch to world's first "digitally born" airline

Below timeline:

- IBM works with American Airlines to create SABRE, the first online Res system, transforming the travel industry forever
- IBM leverages TPF to help AA launch Ultimate Super Saver fares, which is generally recognized as the start of Airline Revenue Mgmt
- IBM launches Airline Global Process Services (GPS) with outsourcing agreement for United Airline's call centers
- IBM collaborates with Air Canada to develop the first iPhone app among North American Airlines
- IBM develops a flexible bag drop solution with a small footprint and the ability to Scan, Drop and Go in less than 10 seconds
- IBM partners with SAP to establish a new transportation management solution and with Apple for enterprise mobility solutions
- IBM partners with American Airlines to integrate US Airways and establish the world's largest airline
- IBM partners with Alaska Airlines to integrate Virgin and establish the premier West Coast airline
- IBM partners with Delta Airlines to transform its entire technology platform, including over 750 applications, to hybrid cloud

IBM

"The role of the CFO has migrated from a more traditional financial perspective to one with a really strong understanding of the business and a repository for insights."
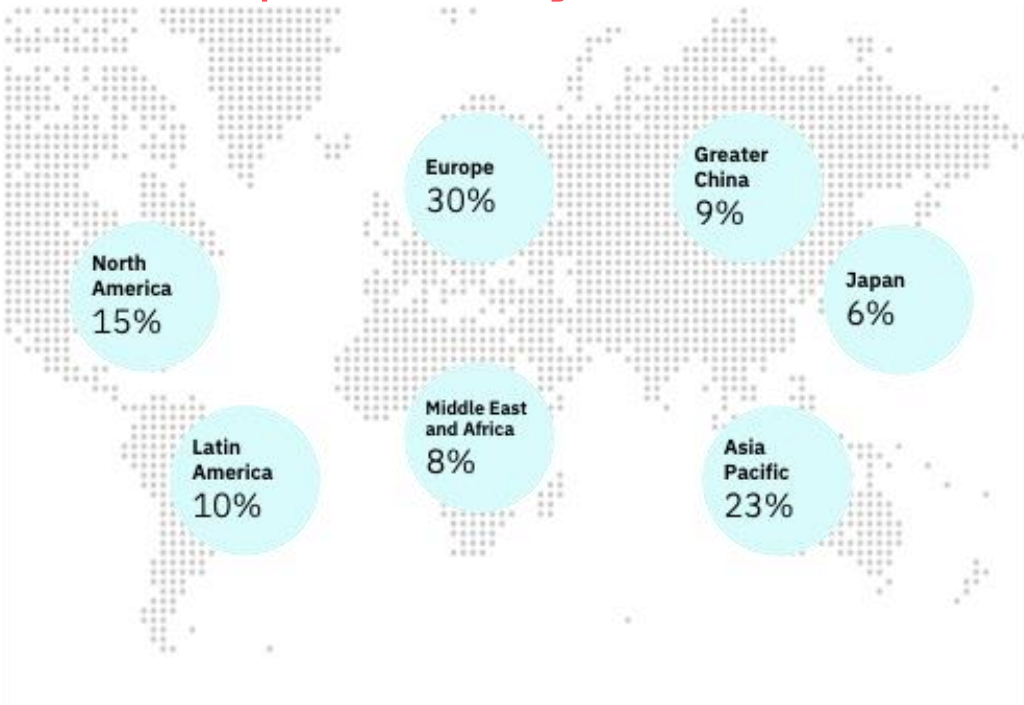
Diana Vuong
VP, Finance & CFO, Vancouver Airport Authority

IBM Institute for
Business Value

6 power moves
CFOs must make

Tackling hard truths in the generative AI era

Europe
30%

Greater
China
9%

North
America
15%

Japan
6%

Latin
America
10%

Middle East
and Africa
8%

Asia
Pacific
23%

The 2024 CFO study draws on input from:

2,000	26	30+
Chief Financial Officers	industries	locations

IBM

IBM

It's the generative AI era. Will your organization disrupt—or be disrupted? It depends on how your organization reacts today and prepares for tomorrow

and

62%

of CEOs say they must *rewrite* their *organizational playbook*

72%

of top CEOs say competitive advantage depends on who has the *most advanced generative AI*

IBM

AI's potential in finance is largely untapped. To safely adopt AI in all its forms, CFOs must create a strong foundation of simplified data access, integration, and evaluation

Only

34%

of CFOs say their finance organization is *operating or optimizing traditional AI*

and only

38%

of CFOs say that they have put in place an *enterprise data owner*

IBM

Leading CFOs drive their organization's growth by excelling at four critical capabilities and characteristics

A sharp focus on a strategic future

Articulate vision and strategy to optimize long-term investment value. Not only control and manage risk, but also finesse it with financial effectiveness.

An adeptness at strategy execution

Translate decisions into financially astute actions—as well as embrace cloud-based enterprise performance management.

An agile responsiveness to changing market conditions or new opportunities

Make decisions with more speed and financial effectiveness than their competitors. Enable better, faster decisions across their enterprises.

A keen eye for technology that drives competitive advantage

Connect tech investments to quantifiable business outcomes. Create cross-functional teams to forecast and allocate technology costs and manage tech budgets.

IBM

IBM: Global leader in Large Industry Finance Transformations

JAPAN AIRLINES	LATAM	IAG INTERNATIONAL AIRLINES GROUP / IBERIA / IAG Loyalty / IAGGBS / IAGCargo	AIRFRANCE KLM GROUP	Large UK Airline / VW
OMV	PEPSICO	AIRBUS HELICOPTERS	Heineken	

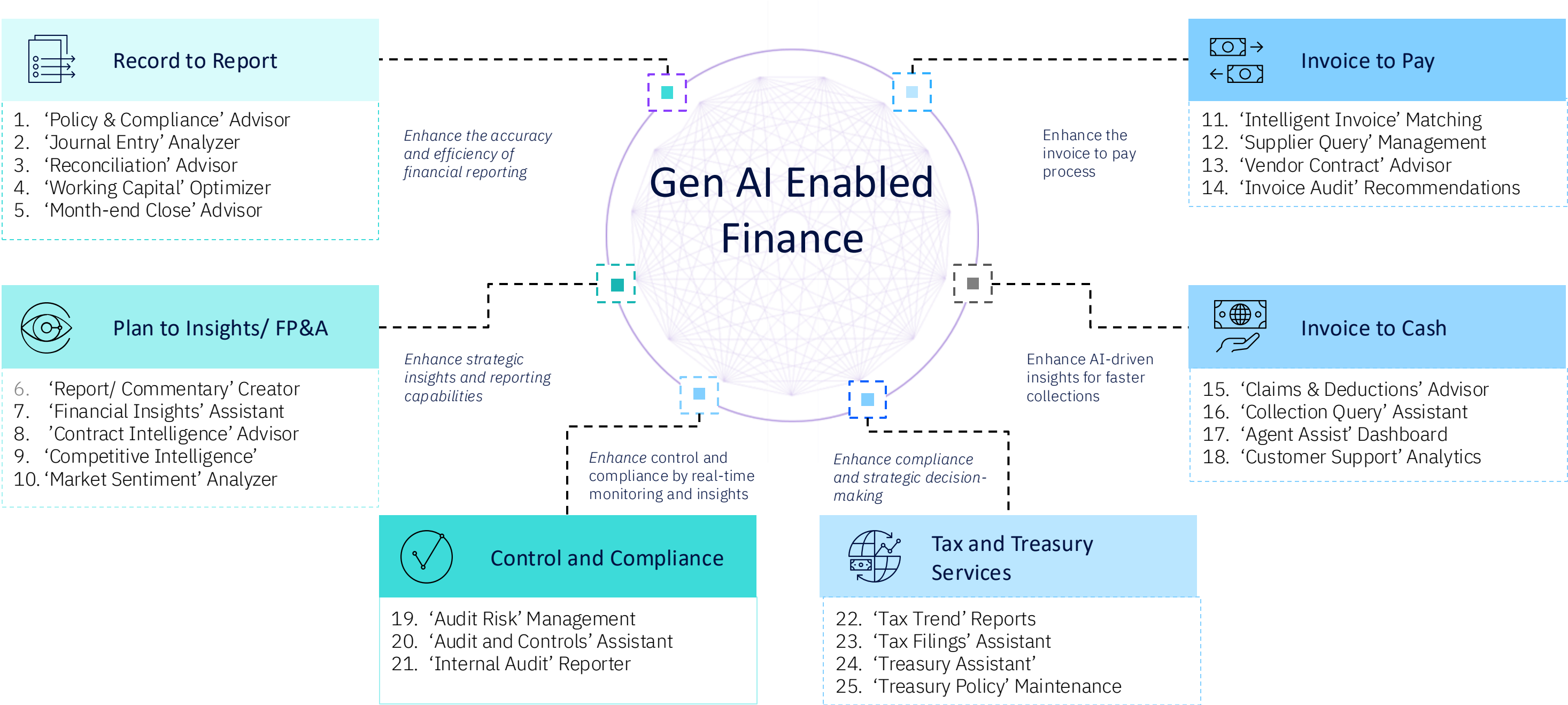|			
6500	**2019**	**140+**	**#1**
SAP transformations across all industries	Integrated Delivery partner of the year	S/4HANA Projects in Progress	IBM is the largest SAP learning hub user
4,043	**2018**	**285+**	**38 000+**
Airline projects (all services)	N.A. Industry Services Partner Excellence Award	SAP S/4HANA Go-Lives to-date	Global SAP consultants
5,000+	**2017**	**550+**	**21 000+**
Employees with sector experience world-wide	N.A. SAP S/4HANA Value Assurance Partner	HANA Impact Assessments Completed	Consultants trained in SAP S/4HANA

IBM.

Airline Finance Transformation Essentials Moving from Reactive to Proactive
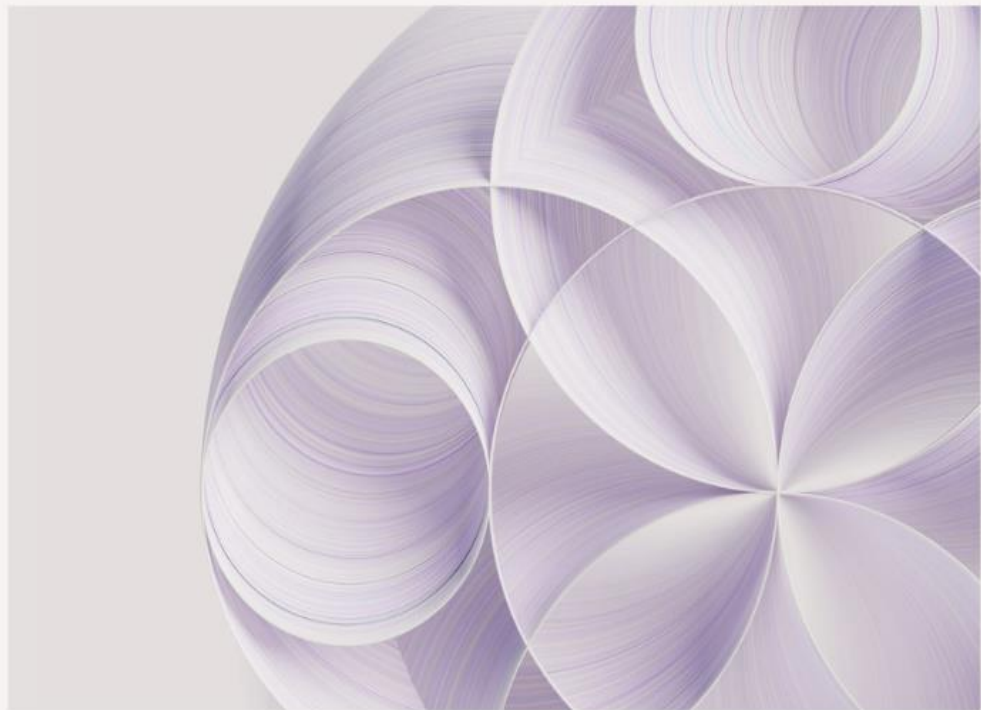
DIGITIZED AND AUTOMATED BUSINESS	• Growth opportunity via digitalization • Automation of repetitive finance processes • Centralized, harmonized and monetized data
IMPROVED MARGIN & REDUCED COSTS	• Identified deficient processes & cost optimization via standardization / shared services • Optimized operating and SG&A costs via digitalization • Identified performing and non-profitable areas
IMPROVED EMPLOYEE EXPERIENCE AND SATISFACTION	• Improved finance workforce productivity and satisfaction • Improved employee engagement and retention by focusing on experience • A flexible and agile organisation that can respond to a fast-changing environment
IMPROVED RISK MANAGEMENT AND CONTROLS	• Improved compliance and control • Navigated market volatility & reduced cost of capital • Disruption mitigated due to corporate risks
STRATEGIC AND OPERATIONAL INSIGHTS	• One single version of the truth • Data standards established with clear ownership and solid governance • A strategic outlook by unlocking the value of AI and data analytics • Use of predictive and real-time planning based attuned to a changing market and environment
IMPROVED ASSET UTILIZATION	• Optimized working capital management • Lower / Zero Inventory • Maximized Return on Assets (RoA)

Top Finance use cases demonstrating the power of Gen AI, augmenting traditional AI, driving efficiency and productivity improvement in the finance workflows

Record to Report

1. 'Policy & Compliance' Advisor
2. 'Journal Entry' Analyzer
3. 'Reconciliation' Advisor
4. 'Working Capital' Optimizer
5. 'Month-end Close' Advisor

Enhance the accuracy and efficiency of financial reporting

Plan to Insights/ FP&A

6. 'Report/ Commentary' Creator
7. 'Financial Insights' Assistant
8. 'Contract Intelligence' Advisor
9. 'Competitive Intelligence'
10. 'Market Sentiment' Analyzer

Enhance strategic insights and reporting capabilities

Gen AI Enabled Finance

Invoice to Pay

11. 'Intelligent Invoice' Matching
12. 'Supplier Query' Management
13. 'Vendor Contract' Advisor
14. 'Invoice Audit' Recommendations

Enhance the invoice to pay process

Invoice to Cash

15. 'Claims & Deductions' Advisor
16. 'Collection Query' Assistant
17. 'Agent Assist' Dashboard
18. 'Customer Support' Analytics

Enhance AI-driven insights for faster collections

Enhance control and compliance by real-time monitoring and insights

Enhance compliance and strategic decision-making

Control and Compliance

19. 'Audit Risk' Management
20. 'Audit and Controls' Assistant
21. 'Internal Audit' Reporter

Tax and Treasury Services

22. 'Tax Trend' Reports
23. 'Tax Filings' Assistant
24. 'Treasury Assistant'
25. 'Treasury Policy' Maintenance

IBM

Expanding the Impact: Generative AI for Travel & Transport Industry – 2024 Report

The generative AI opportunity for Travel and Transportation

DELTA — HR Talent management

IAG INTERNATIONAL AIRLINES GROUP — SafeGPT & Knowledge Search

UNITED AIRLINES — Allowable Parts

In production
MAERSK — Request for Quote data cleansing & transformation

American Airlines — Flight operations information retrieval using GenAI

FS TECHNOLOGY GRUPPO FERROVIE DELLO STATO ITALIANE — Marketing Campaign Generation

CATHAY PACIFIC
Text-to-SQL and synthetic data generation
Automation leveraging watsonx services LLM capabilities

SNCF
Watsonx Assistant to improve the user experience

>35%
early adopters of generative AI technologies are realizing operational cost savings of up to 20%–50% in selected areas.

>94%
of all employee-HR interactions in IBM are now carried out without human intervention using AskHR conversational AI-based experience.

Airline Finance Transformation: Lessons Learned

SENIOR SPONSORSHIP

People will be nervous

Risk of attrition for both retained and non-retained at the wrong time

Strong Executive leadership alignment, steering & commitment to execute the continuous transformation vision

CRITICAL ALIGNMENT

Due to the complexity and sensitivity of the change, communication, and key transformation activities must run with precision

Missteps in communication and certain activities can cause trust and confidence to erode and spark fear

WIIFM?

What's In It For Me!?

Need a value proposition that resonates with your people

Personalize the value proposition, engage them along the way and tailor the benefits to how they will work in the future

STANDARDIZATION

Standardization of processes and ways of working is a culture shift

Communicate and engage early and often with impacted employees to build the new culture together

RESKILLING / UPSKILLING

People will be anxious to understand the training and support they will receive

Be ready with personalized talent development plans, near term and long term

LOCALIZE

Localize change approach to suit local cultures and needs

One size does not fit all

There may be the need to localize change programs based on feedback from change agents and HR requirements

SUPPORT MODEL

Ensure the structure, people and other resources are in place to support the retained organization post go-live

Everyone needs to know what is in place to support them and who they can turn to

CONTINUED JOURNEY

The transformation will not end with the current transition Opportunities for additional efficiencies are expected to be realized going forward

Opportunities for additional efficiencies are expected to be realized going forward

Thank You