### **AGILITY MAKES YOU BETTER!**

#### **Frederic Ducros**

Group Chief Transformation Officer, Air Asia













#### **Airline Commercial**

**Travel Agent / Management** 

**Technology / Service Provider** 

### personal





## Frederic Ducros #transform #perform



#### Frederic Ducros

Deloitte, KPMG, agi.li, transform.ng

3Com . Aceva . AirAsia . Airbus . Apple . Applied Materials . Ariba . Armstrong . Art Avrist Bank of America Merryll Lynch BAT BearingPoint BellSouth . Cathay Pacific . CB Commercial . Chevron . Cisco . Cisneros . Citibank . Colt . Commerce One . CS Systèmes d'information . Cranfield University . Crédit Agricole - Corporate & Investment Bank . Crédit Suisse Private Banking Harmonic . Health Management Associates . Hewlett-Packard NASA . Nespresso . Nestle . Netigy . nexB . Nokia . Nortel . Oracle . Philips



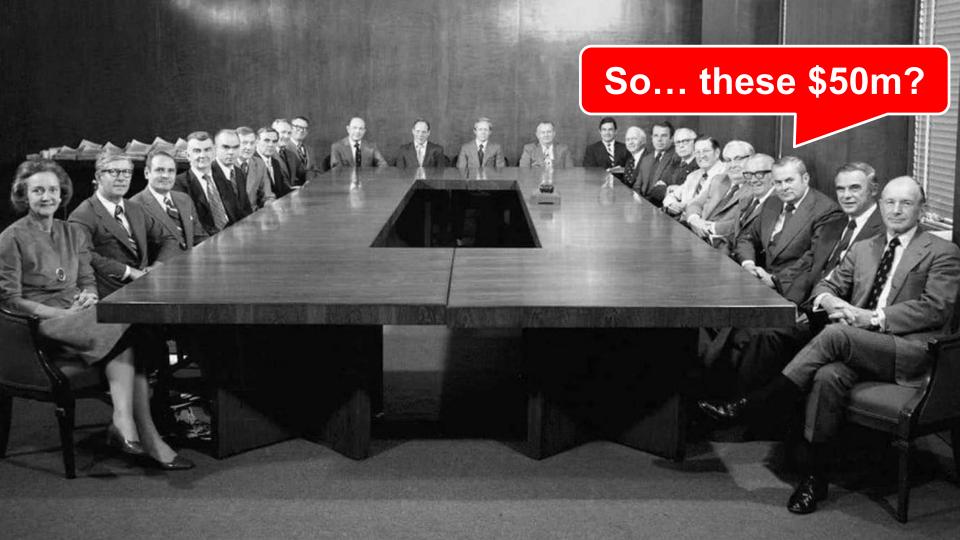


### I do not represent either

# Just sharing experience of #transform

### personal

## practical



## how

## how

### AirAsia story ++

tips & thoughts



### GOOD JUDGMENT COMES FROM EXPERIENCE

AND

EXPERIENCE COMES FROM BAD JUDGMENT.



# 3 journeys

## 3 journeys

1. Mind

2. Hand

3. Heart

### 1. Dare to dream

2. Make it happen

3. Bring People with you







#### Airline

1 country2 planes200 people

Low-cost

**Online** 

#### Airline

1 country7 airlines2 planes250+ planes200 people22,000 people

Low-cost Large fleet

Online Digital









### Internal pressure



#### Comfortable

#### Confident





#### External pressure















200 people 2 aircrafts

2001 2018



2019 2025 2050





Change or DIE







#### Before my time

Multiple businesses → One business

#### my initial focus

Fast fast → Lean & Fast

## big trend play

Doing digital → Being digital

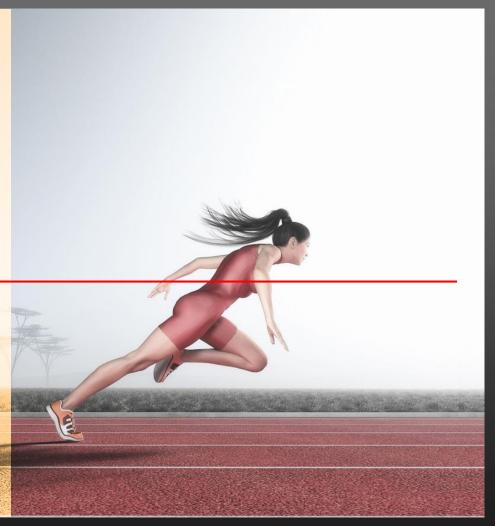


#### AirAsia 1.0

1 country2 planes200 people

**Low-cost** 





#### AirAsia 1.0 AirAsia 2.0

1 country2 planes200 people

9 airlines 250+ planes 22,000 people

Low-cost

Large fleet





#### AirAsia 1.0

AirAsia 2.0

1 country

2 planes

200 people

Low-cost

9 airlines

250+ planes

22,000 people

Large fleet

#### AirAsia 3.0

9 airlines

250+ planes

22,000 people

Finance, Insurance, Logistics, Retail, F&B, Telco ...

**Online** 

Digital airline

Digital

business



Now everyone — Now everyone can fly can dare to dream

# Now everyone — Now everyone can fly can make it happen

Now everyone — Now everyone can fly can \_\_\_\_\_





#### A lifestyle platform

#### 1. Dare to dream

## 2. Make it happen

3. Bring People with you

#### Grow a lifestyle platform

#### Grow new offerings

# Grow new offerings across AirAsia

# Grow new offerings across AirAsia to sell more ancillary

#### Grow new offerings across AirAsia to sell more ancillary meals, hotels, activities, packages, transport, flight on other airlines

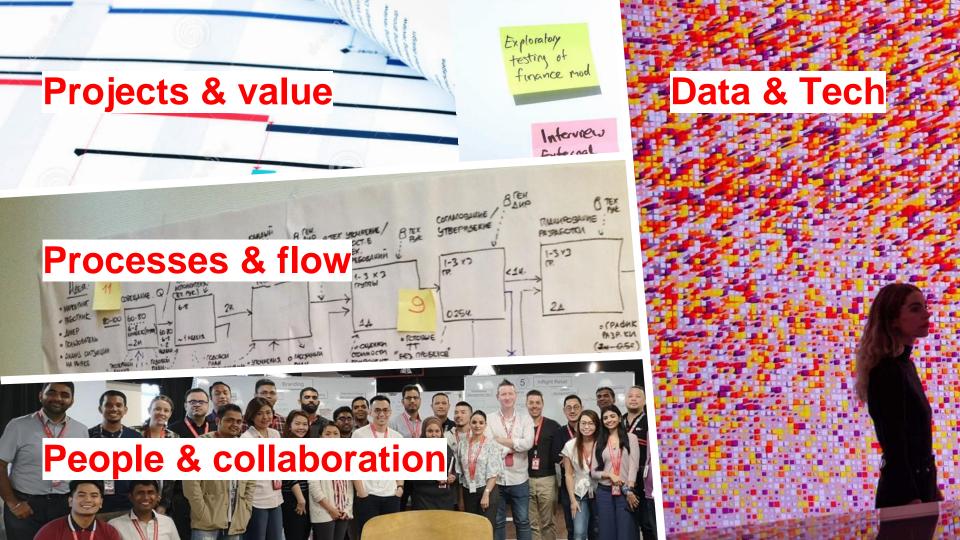
### Grow new capabilities

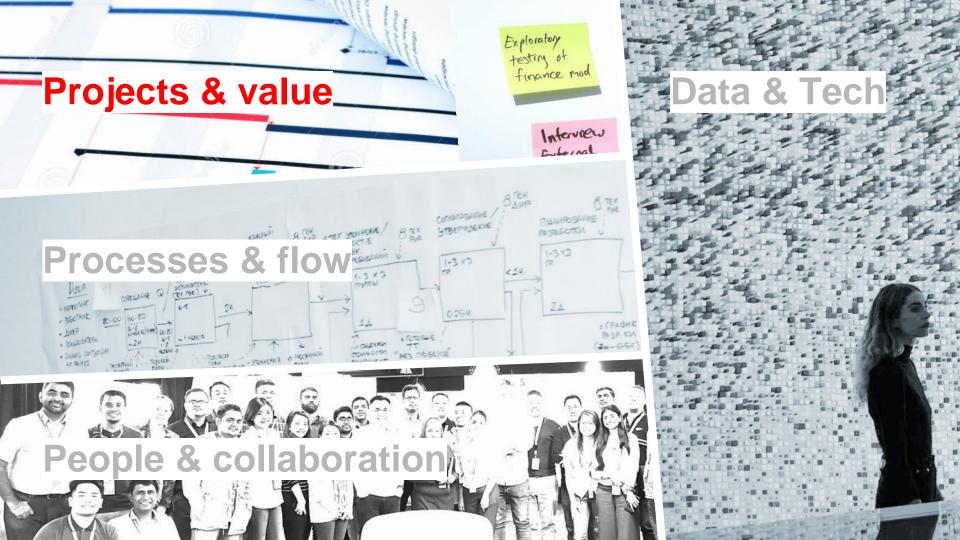
# Better customer service

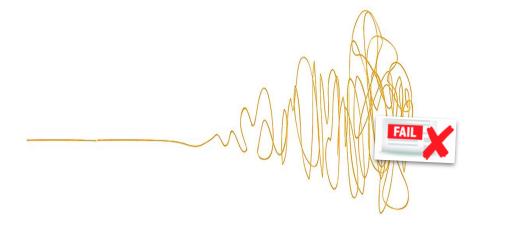
# Better customer visibility

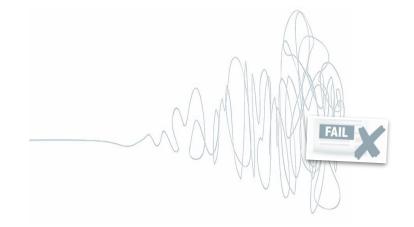
# Better corporate travel and travel agent booking

# **Good foundations**





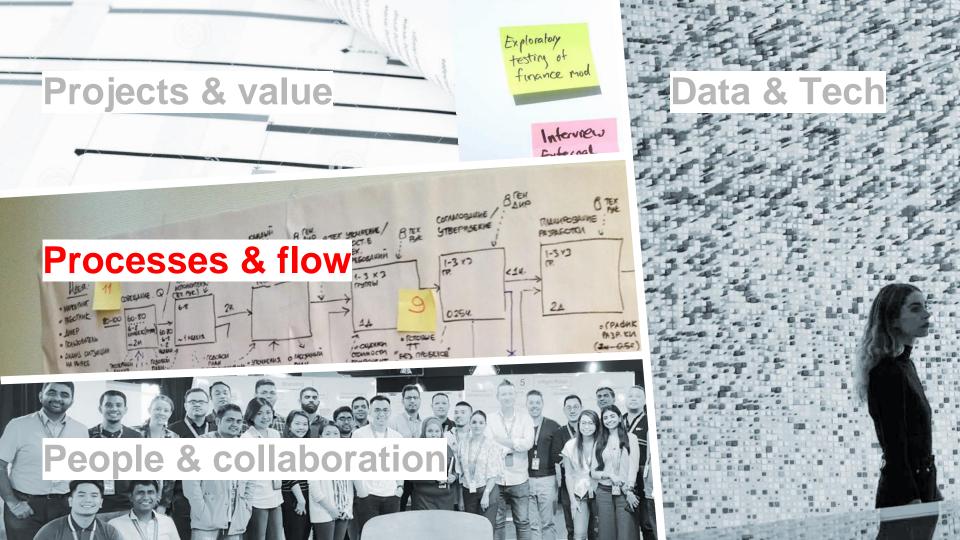


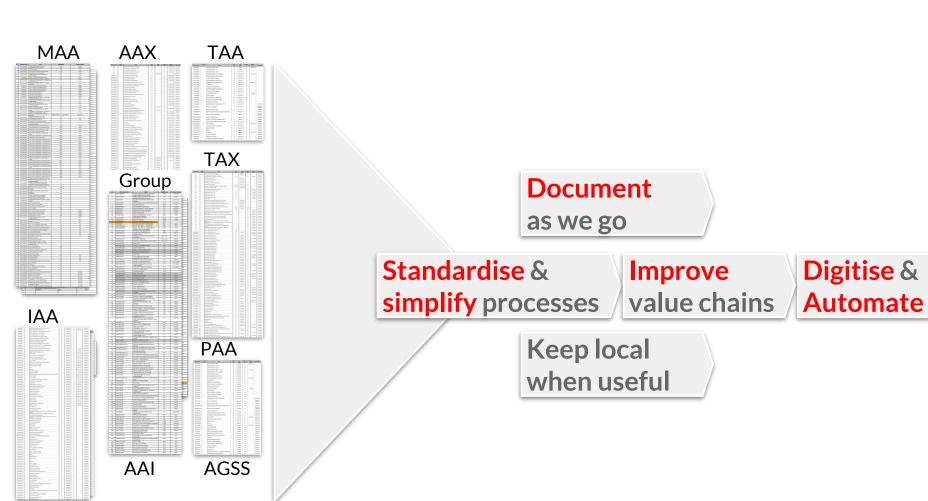












# Great(er) processes

**Start** 

. Too simple or convoluted

. Incomplete, inconsistent

. Siloes

 $\longrightarrow$  End

. Fit-for-purpose

. Complete, consistent

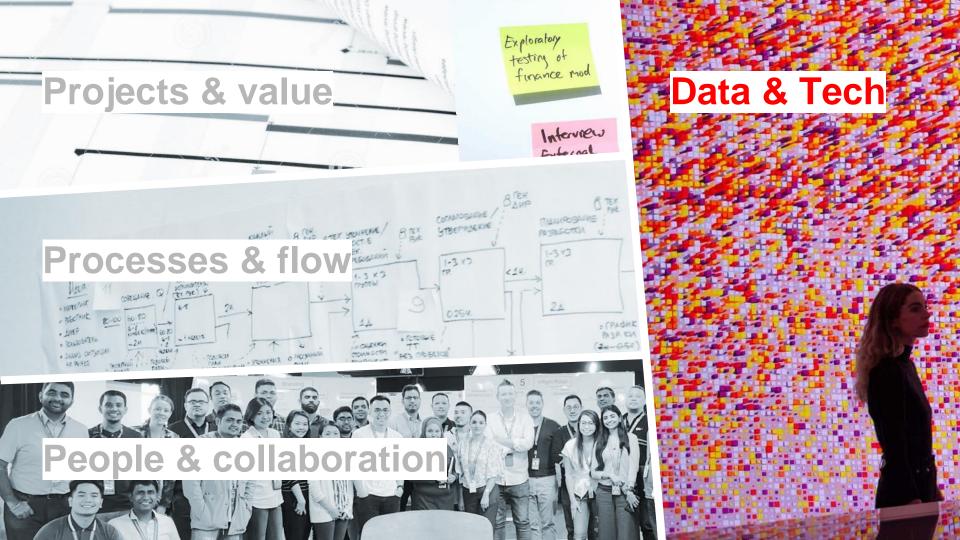
. Value chains

How?

How:

# Know what others do and how:

- . Customer interviews
- . Gemba walk
- . Value stream mapping



# AirAsia 1.0

1 country 2 planes

200 people

**Low-cost** 

# AirAsia 2.0

9 airlines 250+ planes 22,000 people

Large fleet

# AirAsia 3.0

9 airlines250+ planes22,000 people

Finance, Insurance, Logistics, Retail, F&B, Telco ...

Online

Digital airline

**Digital** 

business

Interaction
Digitisation
Automation
Analytics

# AirAsia 1.0

AirAsia 2.0

AirAsia 3.0

1 country 2 planes 200 people

9 airlines 250+ planes 22,000 people

Finance, 250+ planes Insurance, 22,000 people Logistics, Retail, F&B, Telco ...

Low-cost

Large fleet

Digital airline **Online** 

**Digital** 

9 airlines

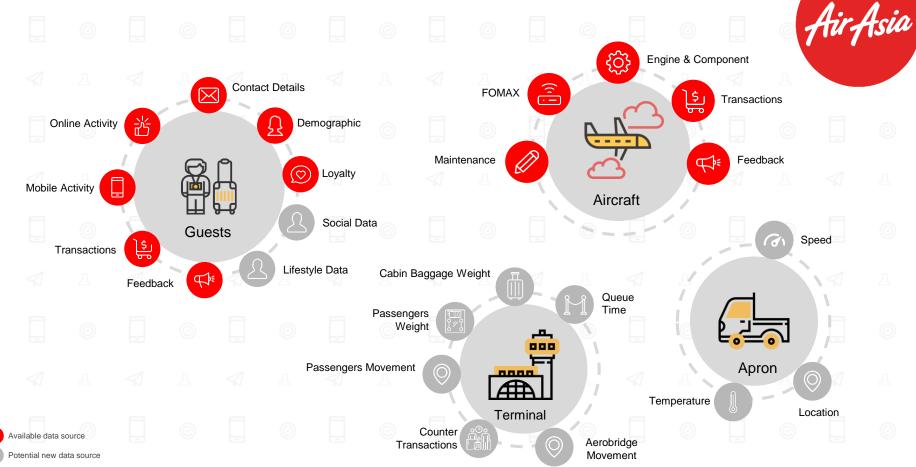
business

Interaction **Digitisation Automation Analytics** 

**New ways of Working** New people **New culture** 

## We have a lot of Data to drive ecosystem expansion

BIG Data and Real-time Insights



# Great(er) data

## Start

- . Siloed data sets

. Enterprise systems/data Vs. Shadow IT

## **End**

- . Harmonised data sets
- . Incomplete, inconsistent \_\_\_\_\_. Complete, consistent

. Enterprise systems/data for Personal uses

**Experience** → **Measure** → **Automate** 

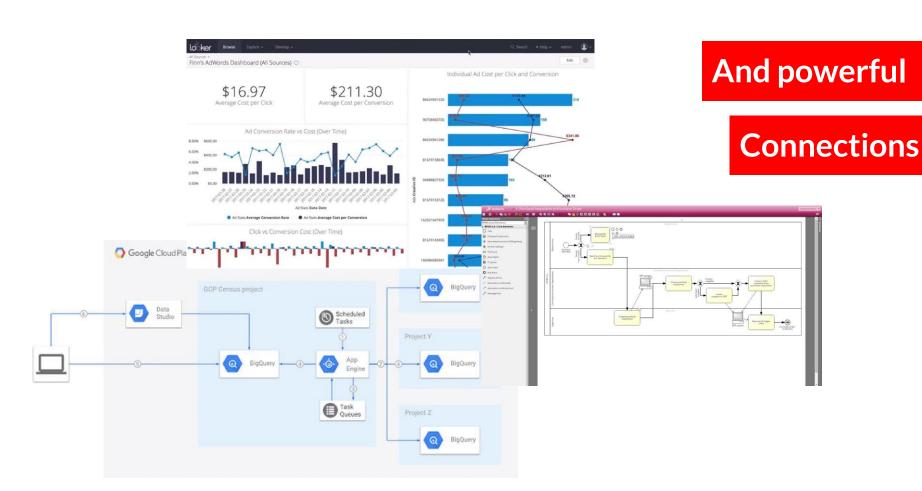
Appreciate Key factor

Improve Facts Optimize Data



# Go for simple

**Interface** 



## Focus on 5 innovation themes...





Revenue

- Dynamic Pricing
- Distribution channels
- Unsold inventories
- New ancillaries



**Excel operationally** 

- •On-time performance
- Passenger satisfaction



Help our Allstars

- Collaboration
- Processautomation
- Decision support



**Delight Customers** 

- Check-in
- Boarding
- Servicing
- Preferences



Explore the future

{ Secret:) }

**Interaction - Integration - Analytics - Decision Support - Automation** 



# 1. Dare to dream

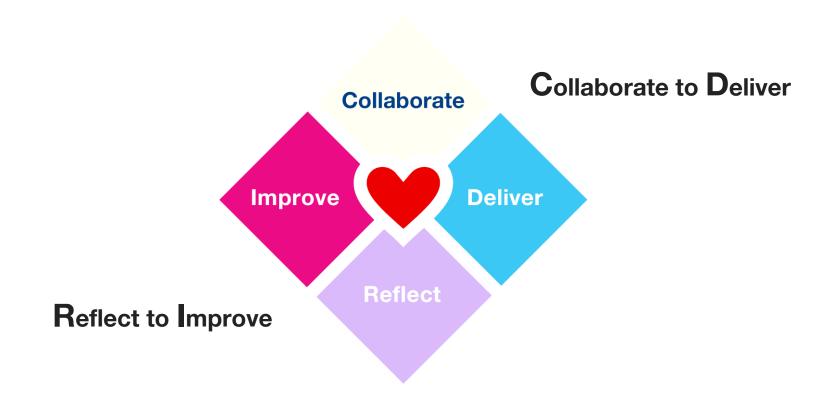
2. Make it happen

3. Bring People with you

# The madness



# The method



Meet

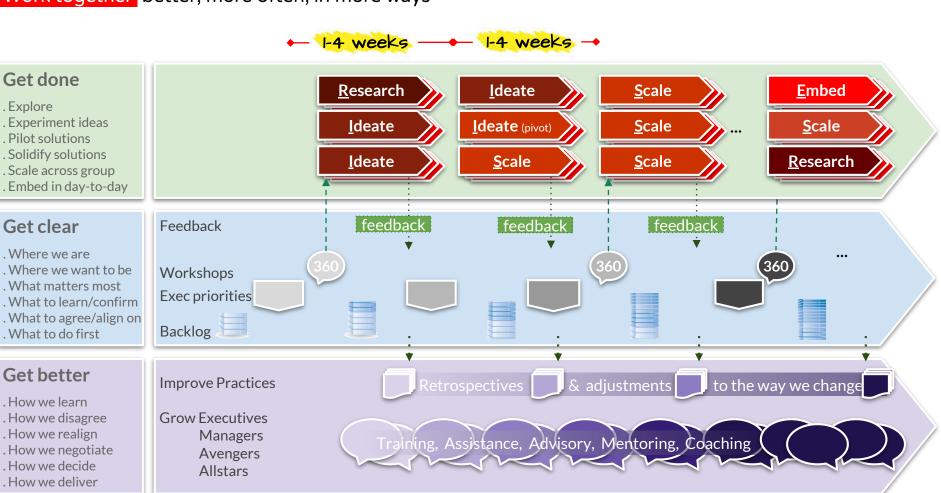
# **Prepare**

- Follow-through
- What matters most
- What to learn
- What to align on
- What to do first

- Do the work
  - Measure
- Share



### Work together better, more often, in more ways



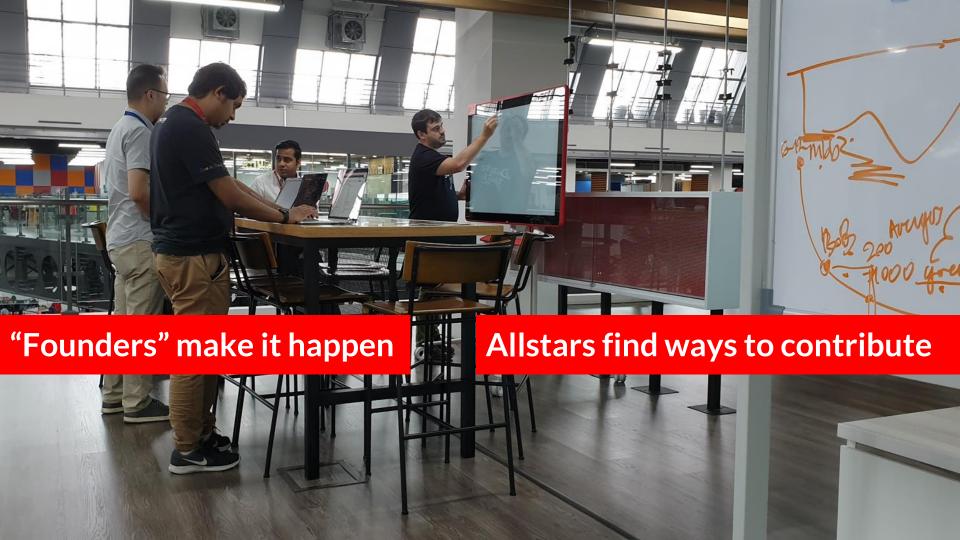


# The touch



Create a safe space for people to share







# How

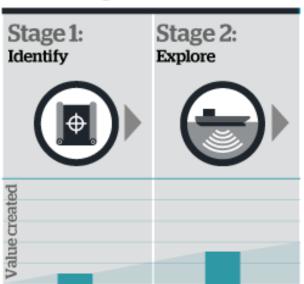
do others handle exploration & appraisal



# **Exploration** Stage 2: Explore

# **Identification: Exploration**

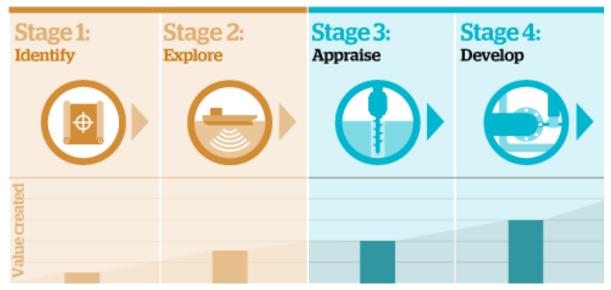
## **Creating value**

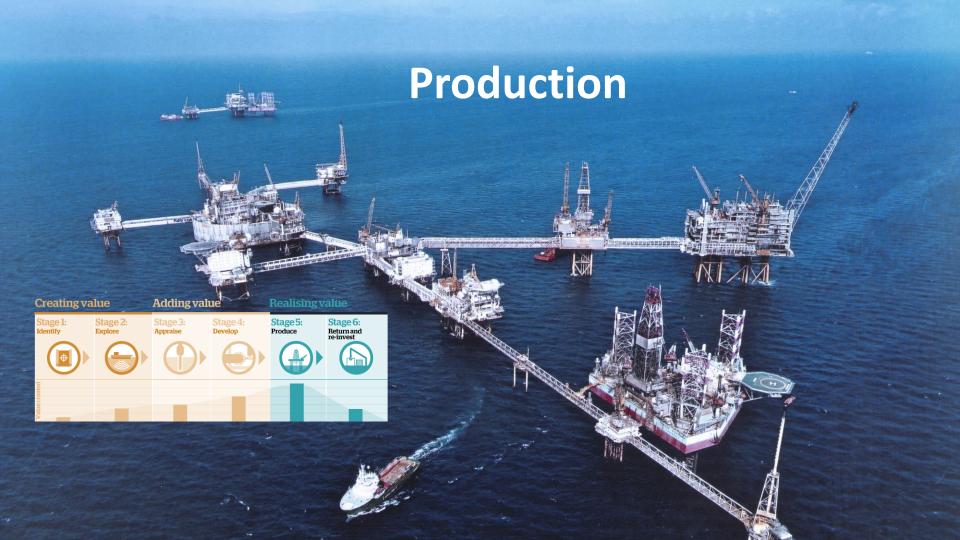




#### **Qualification: Appraisal & Development**

Creating value Adding value





#### The long game

**Creating value** Adding value Realising value Stage 2: Stage 3: Stage 6: Stage 1: Stage 4: Stage 5: Identify Explore Appraise Develop Produce Return and re-invest Value created

## tips

### 1. Dare to dream

2. Make it happen

3. Bring People with you





### Learn to see Indo insurance internet

### barcode

Learn to see High-tech OEM

UsersDecision makers

Ecosystem:

Enablers (op, partners)
 Pains to address (or account for)?

Upper market
Mid-market
Lower-market

Decide (for now)

Indo insurance 3 markets

- End game?
- First move?
- Partner to start with?
- Play with? • Pilot? (for now)

Decide

Deploy?



### Find the joy

### case > business case

### 1. Dare to dream

### 2. Make it happen

3. Bring People with you



W. Edwards Deming

# A bad system will beat a good person every time.

#### **Build a core team**

#### **Transformation Acceleration Office**

- A pace
- A space
- A group of "helpers" (coaches, trainers, etc.)

Set (for now)

### Partner enablement

To...

- Acquire
- Train & test
- Engage & reward
- Re-engage or let go

Set (for now)

### Product Management

To manage:
• Inquiry

FeaturesRoadman

Roadmap

(for now)
Microsoft, SAP, Amazon,

Set (for now)

### 1. Dare to dream

### 2. Make it happen

### 3. Bring People with you





### Train everyone on the job

Sales

**Business Analysts** 

**Developers** Domain Experts

**Project Managers** 

### On the job:

- Find a need
- Align with manager(s)
- Micro-train everyday
- Train through play
- Mentor first attempt
- Support as needed

### Train all

### Finally...

GOOD JUDGMENT COMES FROM EXPERIENCE

AND

EXPERIENCE COMES FROM BAD JUDGMENT.

### Finally...



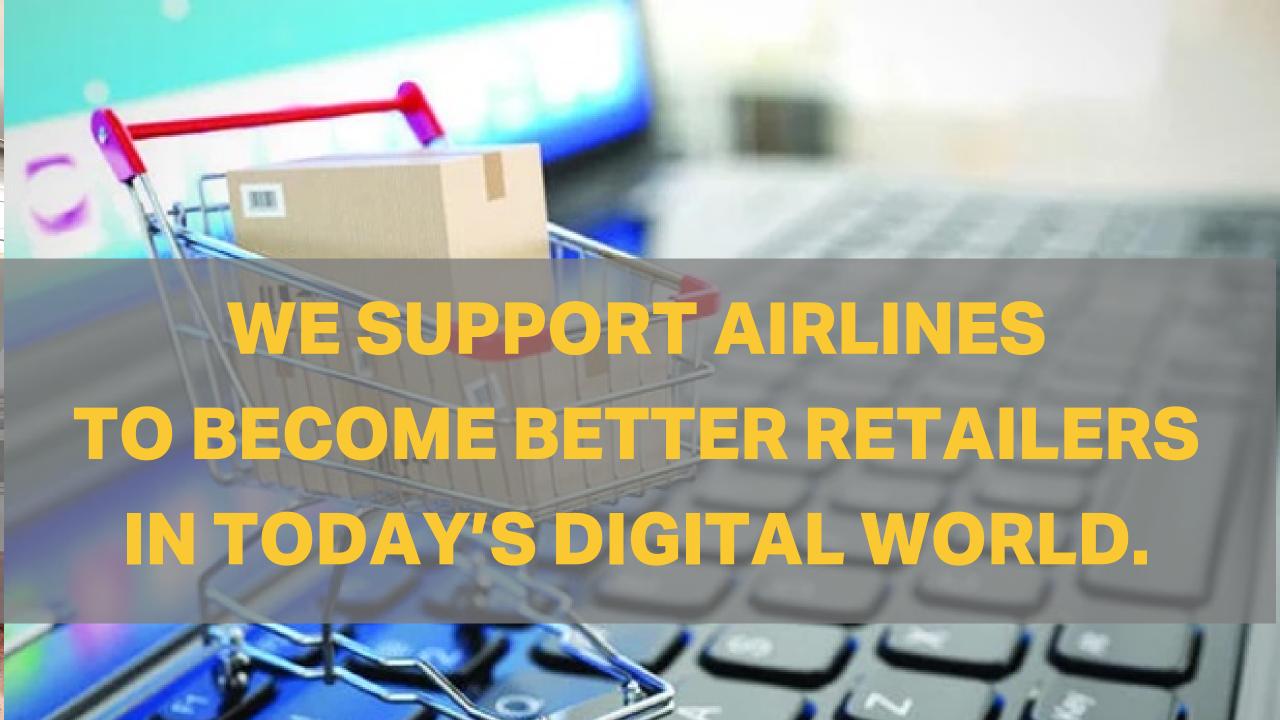
let it go



### INDUSTRY INNOVATION







## WE SUPPORT AIRLINES TO BECOME BETTER RETAILERS IN TODAY'S DIGITAL WORLD.

- Personalized and dynamic offers
- In control of distribution
- In control of payment
- Customer centric
- Think true retailing
- Broaden partnership

- Anticipation of tomorrow's new challenges
- Digital AirlineVision
- Building digital capabilities
- Move from automation to digital
- Engage with the digital native

#### A WELL-ROUNDED



#### **ECOSYSTEM**

We push innovation forward and accelerate industry transformation

We do this by connecting pioneering players, know-how, tools and an innovative spirit





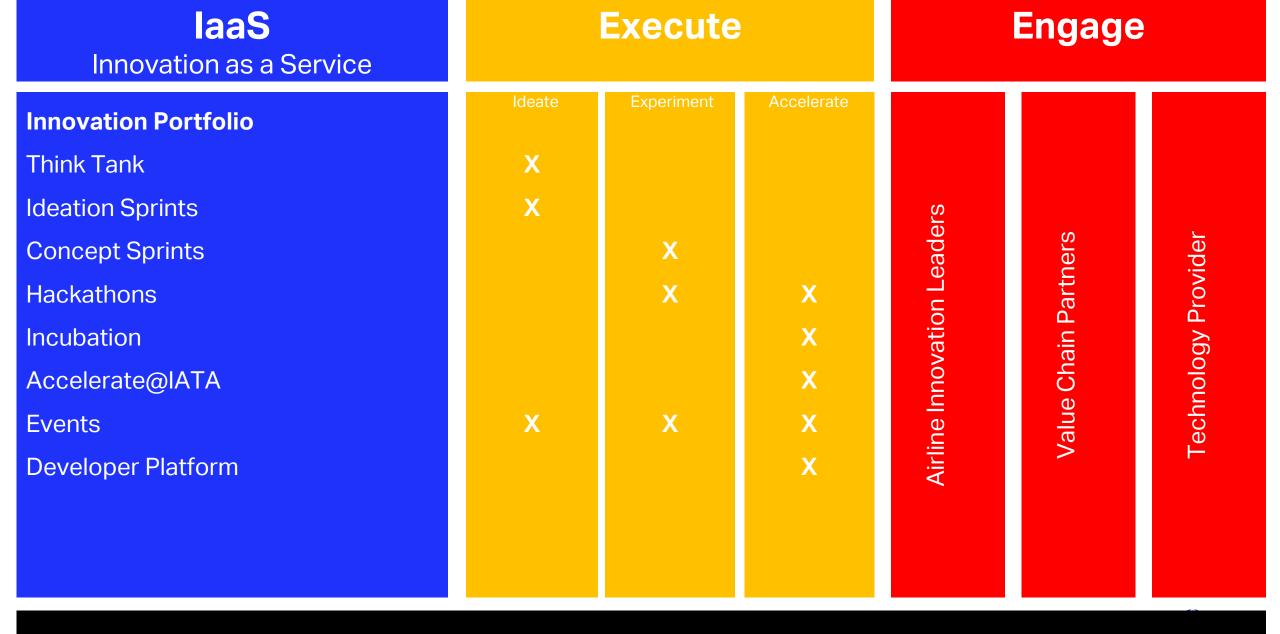




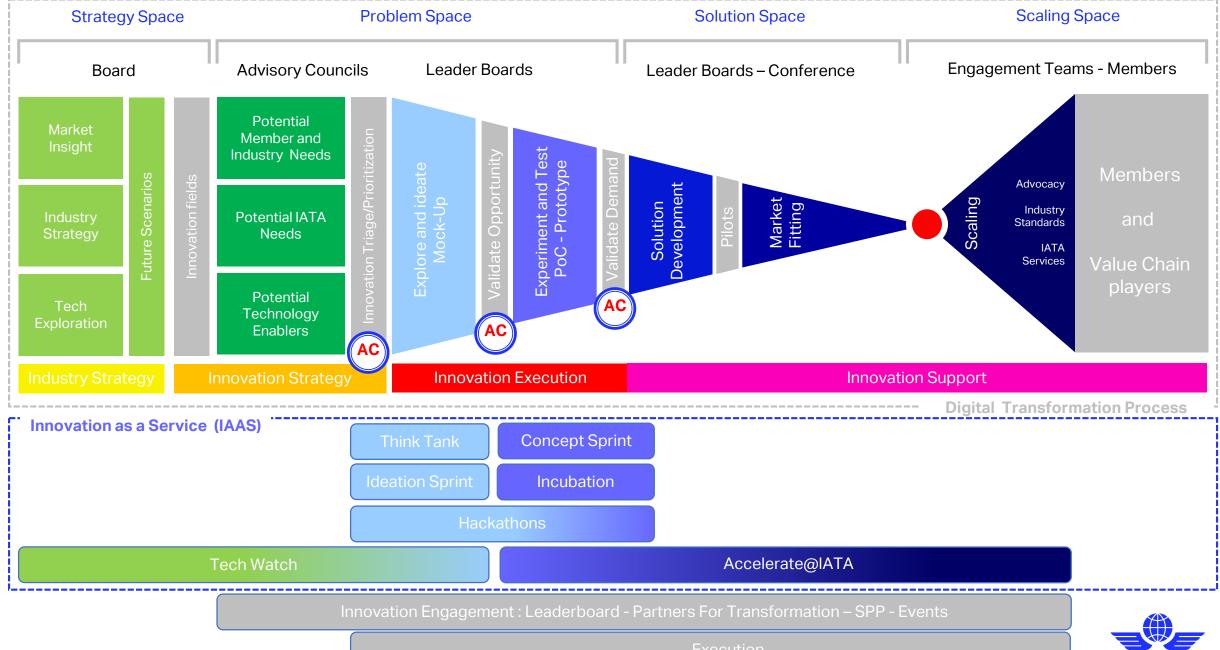








#### **Innovation Technology and Infrastructure**







4 new ideas per year Key projects generation: (e.g. NDC-ONE Order-ONE ID- ID Management – IATA Pay) Building a community



14 Hacks | 55winners200 developers in the community



- > 75 partners
- > 5 Accelerations per year
- > Change Management



> 5 Al POCs in 2019 Strengthen our initiatives and solutions Data driven Organization



Hack: 28 MVPs | 19 Implement. 5 Acceleration sprints per year Accelerate@IATA Batch0: 7 startups in the program



- > 600+ delegates @ AIRS The place to be for airline retailing
- > Mobilization (Leader Board)
- > ONE Innovation @ IATA

# ACCELERATE @IATA

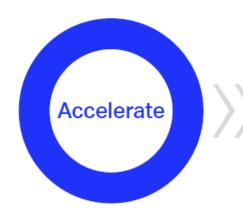
The First Industry-Owned Startup Accelerator



PLUGANDPLAY



# Accelerate @ IATA Purpose



Accelerate standard development & adoption | Stimulate competition | New entrants Identify & Select Relevant Startups

Define business and technology theme

Map Solutions and Demand

3 month program | Adjust solution to demand | Connect startups with industry Implement

Pilots and Implementations



New entrants offering sustainable solutions | Accelerate adoption



# ACCELERATE@IATA The First Industry-Owned Startup Accelerator

## **Amir Amidi**

Managing Partner, Travel and Hospitality, Plug and Play

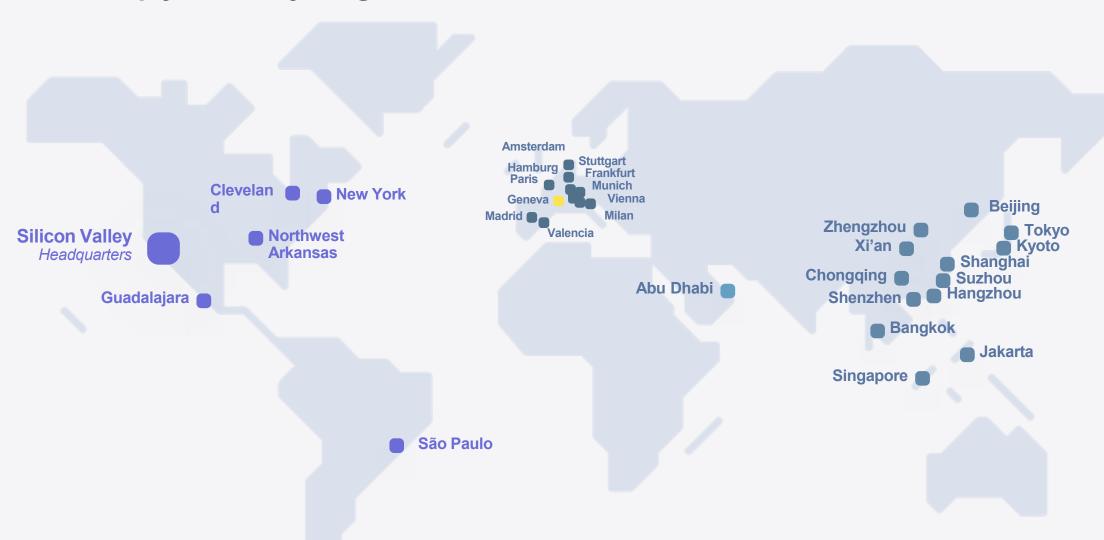
## **Kat Morse**

Project Manager Innovation, IATA



The First Industry Owned Startup Accelerator

### We help you build your global reach



We give you line-of-site across different industries.



**Travel** 



**Brand & Retail** 



Cybersecurity



**Fintech** 



Food



**Energy** 



**Enterprise 2.0** 



Health



IoT



Insurtech

NEW



**Mobility** 



**New Materials** 



**Real Estate** 



**Supply Chain** 



**Smart Cities** 





B2B Distribution

**Stage-agnostic** 

Late-stage startups
Funding greater than \$50M

15,000+
Startups in our
Ecosystem

Mid-stage startups
Funding greater than \$5M

Early-stage startups
Funding less than \$5M

Very early-stage startups
Funding less than \$1M

### **Our Selection Process - Accelerator Program**



**Educational Modules from IATA SMEs** 

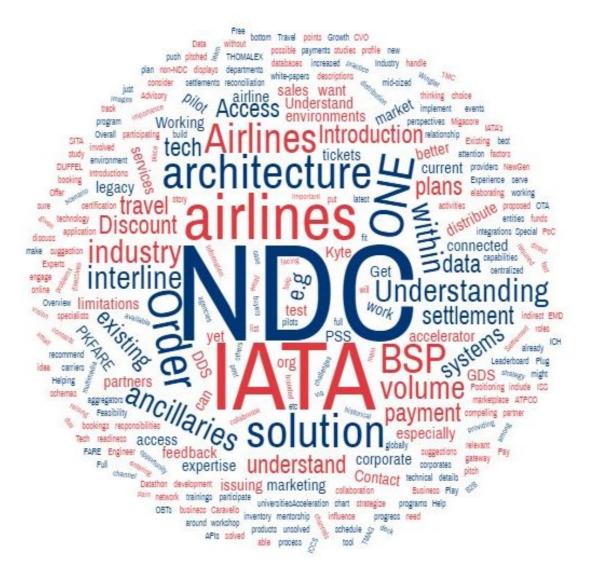
Mentorship from Corporate Partners

Startup Coaching from Plug and Play

Goal = Pilots & Implementations with Startups



# **Startups**



## **Airlines**



# ACCELERATE@IATA The Startups' view

# **Tim Rogers**

Head of Airline Partnerships, Duffel

## **Jonathan Newman**

Chief Commercial Officer, Caravelo







(caravelo (

# ACCELERATE@IATA The Airlines' view

## **Andrew Webster**

Digital Business Transformation Manager, Shop

Order Pay, International Airlines Group

# ACCELERATE @ IATA



# ACCELERATE @IATA

The First Industry-Owned Startup Accelerator



PLUGANDPLAY



## Contact us!



**Stephan Copart**Head of Projects & Innovation IATA



**Kat Morse**Project Manager Innovation
IATA



Amir Amidi Managing Partner Travel and Hospitality, PlugAndPlay





# PROJECT TRULYME – AIR THINK TANK 2019

Marie Masserey, Head Industry Architecture, IATA

Akira Mitsumasu, Vice President Global Marketing, Japan Airlines

Jesko Neuenburg, MD Aviation, Seabury Consulting

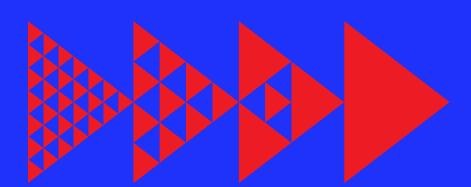
Brian Lewis, CTO, OpenJaw Technologies

# Project TrulyMe

Smart Travel Objects you control.

Airline Industry Retailing (AIR)

Think Tank









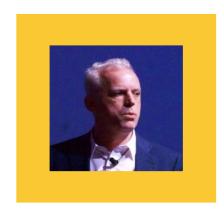
# Project TrulyMe



Akira Mitsumasu VP, Global Marketing Japan Airlines



Jesko Neuenburg MD Aviation at Seabury Consulting



Brian Lewis CTO at OpenJaw **Technologies** 



Marie Masserey **Head Industry Architecture IATA** 

AIR Think Tank 2019 Project supported by:















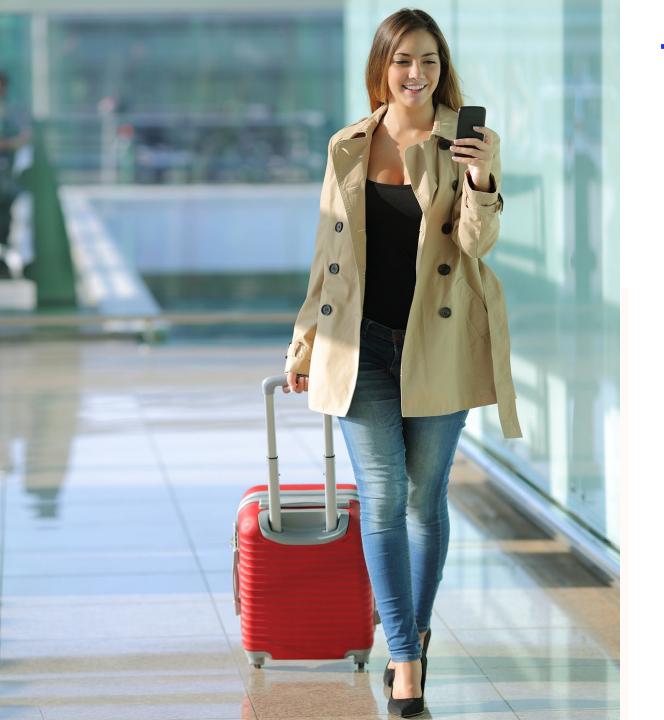


## **Current Situation**

- Friction in customer experience
- Personalization falls short of expectations
- Interoperability challenges among travel service providers

There is an opportunity to increase communication and collaboration among travel service providers to enhance the traveler experience.





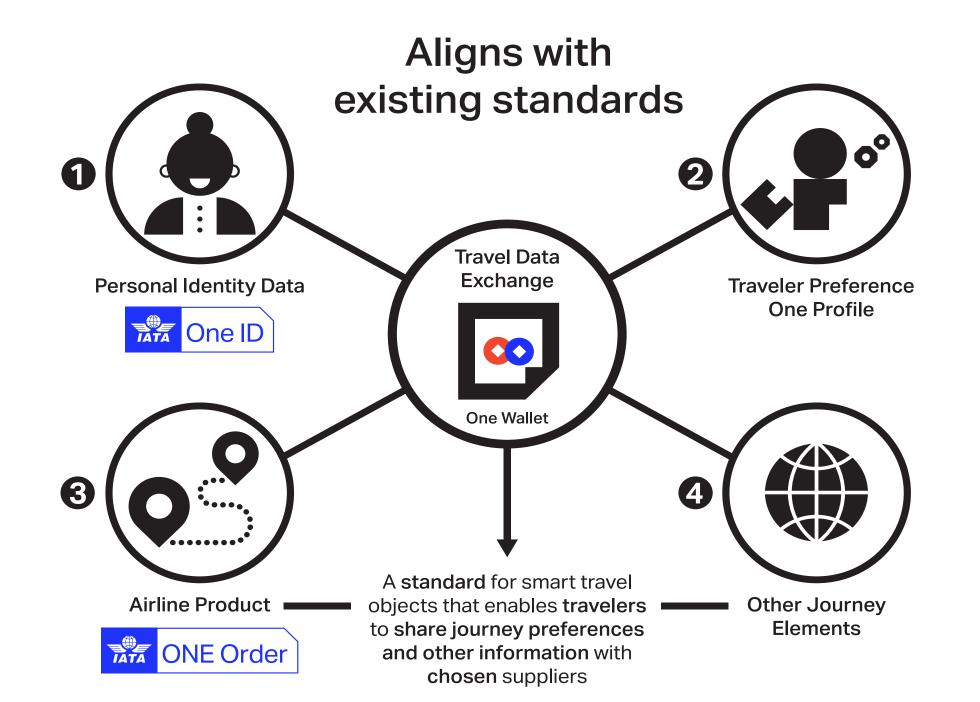
# The Solution

- Traveler preferences and journey elements translated into smart travel objects
- Leverages distributed ledger technology
- Traveler controls permissions for data sharing
- Participants access data when traveler grants consent and legitimate interest exists
- Suppliers guaranteed information accurately reflects traveler's current preferences
- Stored traveler preferences can facilitate personalized offers
- Enables relevant mid-journey updates

Leveraging distributed ledger technology and smart travel objects will enable travelers to create, control and share personal and other preference data to increase personalization resulting in enhanced travel experiences

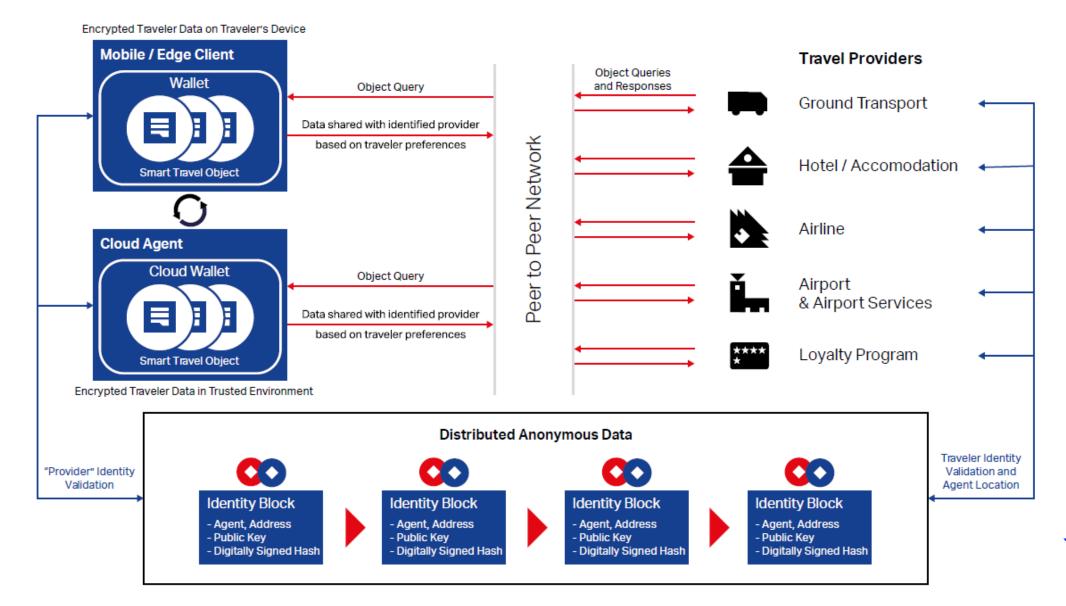
# Showcase Prototype







# TrulyMe Architecture





# Thank you

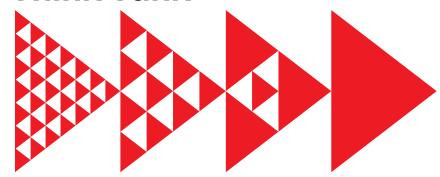
We would like to hear from you

- What did we miss?
- Are you interested joining us to build a pilot?

Join us during the coffee break at IATA Innovation stand

Airline Industry Retailing (AIR)

### **Think Tank**









# Transforming Airline Retail in a World of Data and Al





# Transforming Airline Retail in a World of Data and Al

IATA Airline Industry Retailing Symposium – October 31, 2019

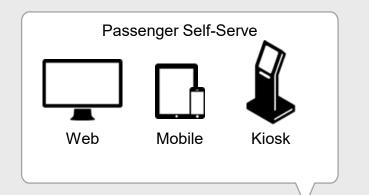
## Rob Ranieri

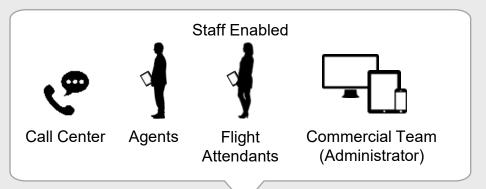
VP & Global Industry Offering Leader Travel & Transportation Industries, IBM





# IBM Personalized Pricing and Offers (PPO) asset covers multiple use cases while leveraging the same cognitive engine





#### Microservices

**Initial Offer** 

Post ticket purchase

Personalized Offer: Destination

Personalized
Offer:
Conversion Incentive

Dynamic Pricing:
Preferred & Reserved
Seats

Personalized Pricing: Class-of-Service Upgrades Personalized Pricing: Dynamic Packaging

**Cognitive Learning Engine** 



## AI / ML will be part of a Digital Commercial future...

Radically changing the way customers interact with the airline through conversational technologies.





Personalizing offers to more diverse customers at more points in their travel experience.











Optimized pricing and availability decisions for a broader, more sophisticated





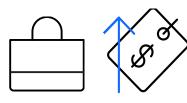
Enabling more effective, more efficient, friendlier disruption recovery.

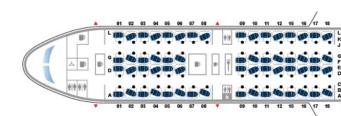




product catalog.

## Al Applied to Offer Optimization







#### **DEMAND**

- ✓ More Diversity
- ✓ More Data & Analytics
- ✓ More Segments
- ✓ Situational Data
- ✓ Environment/Operations

Hundreds of Customer segment / scenario possibilities!!!

#### **OFFER**

- » 4 Cabins (Flight Product)
- » 40 Flight Related w/ 4 Values
- » 20 Non-Air Products
- » 20 Routing Options
- » 6 Pricing Points

### 1.5M Offer Possibilities!!!

Tens of Millions of Customer-Offer Possibilities!!!



The Right Offer

Al Optimized Offers



## **Applied Machine Learning**





**OFFER** 



#### **SHOP**

#### **Understands Context**

Derive context of a customer interaction from customer, journey and product attributes (social data, destination insights, weather, etc.)

#### **Forms Hypotheses**

Identifies offer(s) to present to customers at touch points to increase the odds of conversion (e.g., lounge access, discounted upgrade, etc.)

Learning

#### **Scores Hypotheses**

Quantifies the effectiveness of each hypothesis via a "cognitive score".

#### RESPONSE

#### **Learns preferences**

Analyzing buyer behavior data via contextual learning to continually improve customer centric recommendations





#### **Customer**

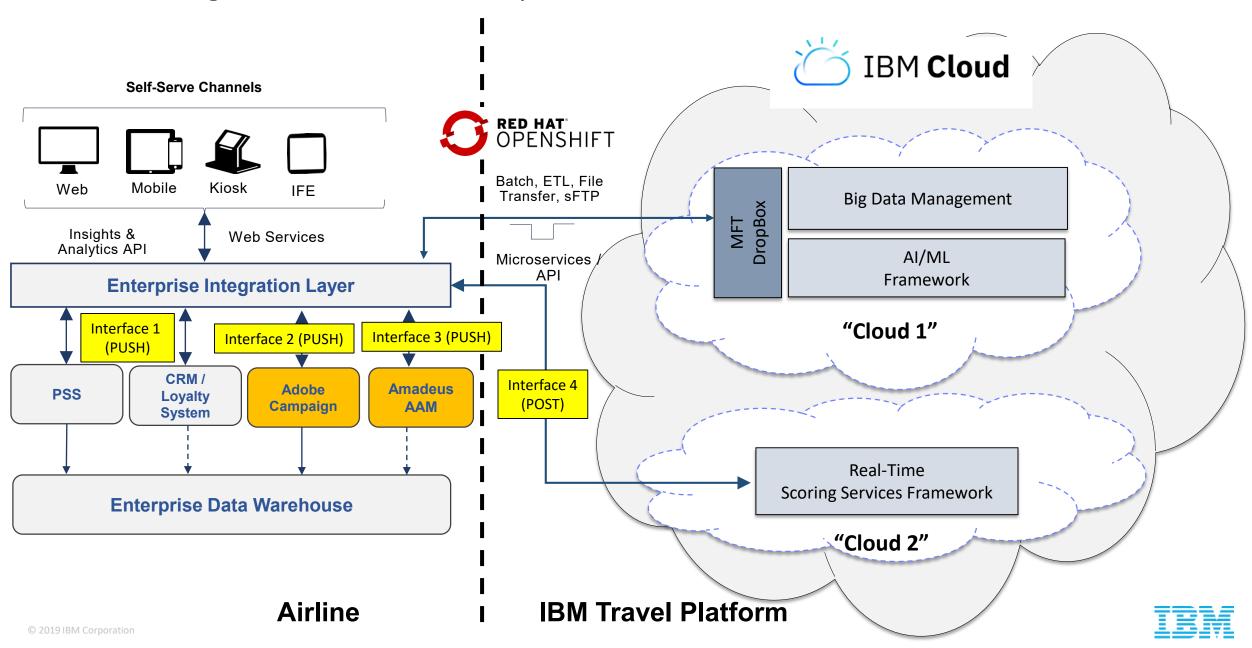
Profile, Analytics, Dashboard, Journey Stage Itinerary, Channel, Environment, Operations

Context

Cognitive engine conducts a continuous loop of selecting offers, monitoring responses and tuning it's learning base. It **NEVER STOPS**.



### PPO Integration Architecture – Hybrid Cloud Solution



## Malaysia Airlines – Launch Partner

Al-based pricing leads to higher conversions & revenue during promotional campaigns

Customers that received personalized recommendations made over

20% more bookings

than customers in the control group

54% more bookings

in business class

Test Group members created 44% more revenue

compared to Control Group members



Launch partner for IBM's Al-based Personalized, Pricing and Offers (PPO) using proprietary Al algorithms analyzing hundreds of thousands of data points to dynamically deliver highly-personalized offers and pricing.



