Air Canada IT

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Introduction

At first, IT is focused on how it is aligned with business (Luftman & Kempaiah, 2007).

Secondly, a business is searching for some silver bullet (2007). "Our research suggests that while

there is no silver bullet for achieving alignment, progress has been made" (2007. P. 166).

What changes occurred and why do you think they occurred?

Air Canada, like most airlines, relied heavily on information technology (Karimi-

Alaghehband & Rivard, 2014). In 1994, Air Canada signed a 7 – year contract with IBM,

virtually handing over their IT (outsourcing) to them (2014). The main reason s were to reduce

costs and allow the airline to focus on its core business (2014). This allowed IBM to serve as Air

Canada's IT department and create new IT functionality as needed (2014).

How was Air Canada addressing these challenges in 2011?

In 2011, Air Canada assigned IBM as their integrator to other IT services (2014).

> When you have a major incident (MI), a problem, something breaks, depending on how many vendors have a piece of it, it becomes very complicated to know what has broken. It could be the network, it could be an application server, it could be the application and sometimes that's three or four vendors who need to be on the phone saying okay, my network looks good. Okay who's the server person? Okay, my server is up. Okay, application person, what do you see? Or is it the person's workstation? (Senior Director, IT Sourcing)

(2014, p. 5). As their primary integrator, Air Canada could turn to IBM as far as resolving the

issue with the appropriate vendor.

Based on Luftman and Kempaiah's five-level maturity model, at which level of alignment is

Air Canada's IT and business alignment?

Figure 1: IT-Business Alignment Maturity Criteria
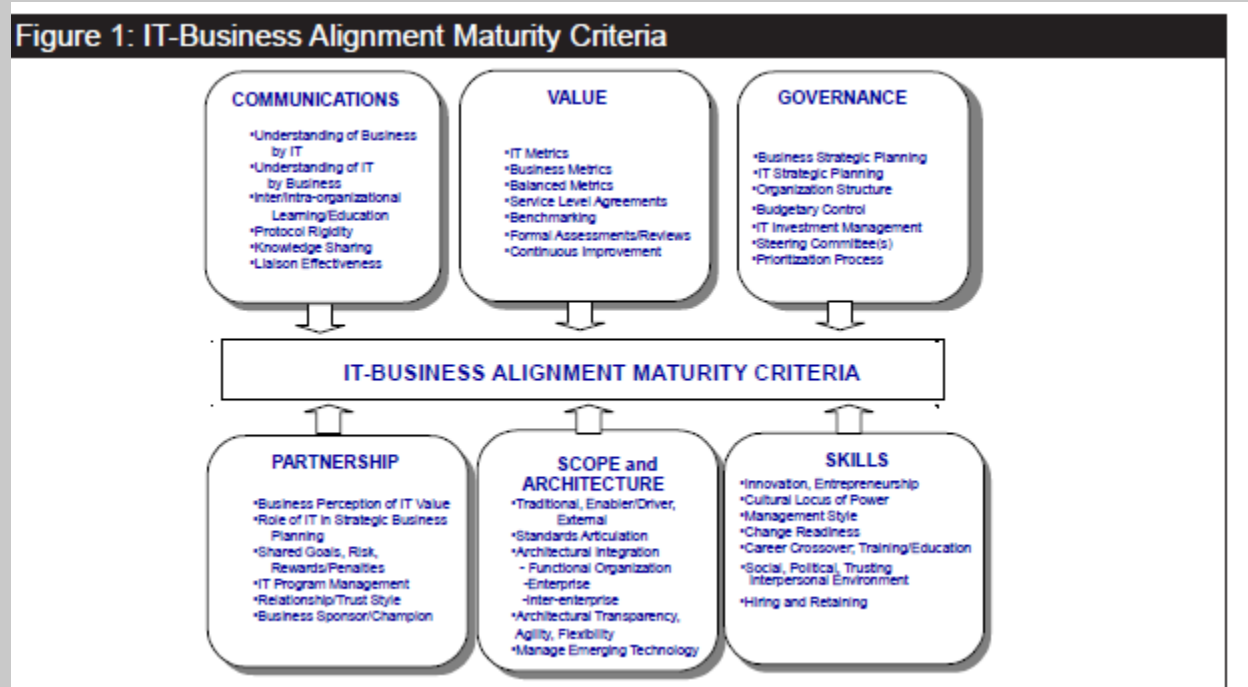
(Luftman & Kempaiah, 2007). As related to Luftman and Kempaiah's five levels, Air Canada's

IT and business alignment were, as totally outsourced, Levels 3, 4 and 5. IBM had authority to

make IT decisions (for the most part), the was Level 4 trust established and between IBM and

Air Canada. As min CMMI, the alignments were Level 3, established process, Level 4,

improved managed processes, and Level 5, optimized processes (2007).

What changes occurred and why do you think they occurred?

The decentralized processes of the IT department was reorganized and assigned to

Customer service, Commercials, and Operations (2014). The representatives of the different

branches were within each branch and could respond as needed.

Although each of the three units had separate responsibilities, they had one common goal: to link the business side and IT. The three units also worked closely together to coordinate requests from the business branches. They were responsible for developing a comprehensive view of business needs and requirements, translating the needs into IT solutions (with the help of the other four IT units) and passing them along to the vendors for implementation. (Karimi-Alaghehband & Rivard, 2014)

What challenges did Air Canada face in reaching this stage?

They needed to employ people who could talk both IT and understand the airline's needs (2014). They had 54 people who needed to manage the Customer Solutions to make sure all was being handled appropriately. They had to be on their toes and respond to internal and external changes as they occurred (2014).

What are the challenges now?

The need to continue to innovate and to learn is ongoing. According to the CIO, you frequently have to get away from the daily business and get a fresh perspective on what is needed now – what innovations are out there (2014). "Innovation of IT is the key differentiator" (2014, p. 15).

Reference

Karimi-Alaghehband, F., & Rivard, S. (2014). Air Canada: flying high with information technology. International Journal of Case Studies in Management, 12(2).

Luftman, J., & Kempaiah, R. (2007). An Update on Business-IT Alignment:" A Line" Has Been Drawn. MIS Quarterly Executive, 6(3).