It’s an early morning in July of 2010 at Perth Airport’s Terminal 4, well before the surge of travelers engulfs the airport, which is the largest in Western Australia. Some among these early flyers may sense a palpable difference as they move through the terminal to check in for a domestic flight on Qantas Airways, which operates the terminal. The layout is different, for one, with sleek white kiosks and card readers positioned out in the open, where customer service check-in desks used to be. Just as noticeable are the agents themselves, many of whom have come out from behind their fixed stations to mill among arriving travelers with an inviting smile and body language that says, “I’m here to help if you need it.” Whether they realized or not, these travelers were among the first to pass through an entirely new check-in system that Qantas had spent the previous year designing and implementing.

Meanwhile, in Sydney, some 2,000 miles and two time zones to the east, the extended project team that collaborated on the effort began to breathe easier. They had spent much of the previous 24 hours working through details with the local Perth team to make sure that every aspect – technology, people and processes – was ready for the planned debut of the Next Generation Check-In System. After working into the night to address minor technical snags, Perth got the go-ahead to switch on the new system, triggering a sense of relief across the entire Qantas team. Hours later, when it became clear that the new system had made it through the day’s peak traffic with flying colors, relief gave way to euphoria. To the airline's CEO, Alan Joyce, who had cited the system as a key element of Qantas’s new competitive strategy and was on hand for the launch, it was an auspicious start to an important initiative.
First step in a new direction

As Executive Manager of Ground Operations and a key project sponsor, Matt Lee had ample reason to be in a heightened state of anticipation that night. Just over a year earlier, Lee had led a team of senior colleagues to the conclusion that the time was right to take the check-in process in a completely new direction. They were well aware of the growing tide of negative feedback from Qantas customers on the length of the check-in and bag-drop process, which, combined with security check points, represented a significant pain point. “Our customers are buying a ticket to travel from point A to point B,” says Lee, “not to spend time in the airport itself.”

How Qantas chose to frame and address the problem can be seen as a lesson in strategic jiu-jitsu, in translating a point of vulnerability into an opportunity. Had the company followed the standard playbook on loosening bottlenecks, it would likely have made incremental changes to the process, increased front-line staffing or both. But Lee and his colleagues recognized that Qantas wasn’t facing a “standard” situation. Its closest domestic competitor, long focused on the low-end of the market, had signaled its intention to challenge Qantas on its home turf, the premium market segment. To preempt it, the Qantas team thought big. “We envisioned not just shortening queues, but eliminating them,” Lee recounts. “That’s how we’d make the leap from fixing a problem to creating a source of real differentiation.”

Bold new thinking for the future

In figuring out how to accomplish that goal, the team was intent on making an even greater leap from traditional thinking. The bold stroke was the insight that existing front-office systems and processes weren’t only a bottleneck for today’s passenger flow – they also posed a potential constraint on future growth. To check in more passengers and bags the traditional way would require significant new investments in physical infrastructure and floor space. However, with much of its terminal space already at capacity, and the cost of building or leasing new space prohibitive, the Qantas team saw the time as right to take a completely fresh, out-of-the-box approach to customer check in.

The benefits of the Qantas Next Generation Check-In System

- Reduced the time required for passengers to check in by more than 90 percent, to under one minute
- Improved ability to optimize the deployment of agent resources through analysis of passenger travel patterns
- Achieved an all-time high in check-in experience satisfaction
- Increased customer loyalty and retention by offering a premium service that fully differentiates Qantas from its competitors
The crux of their plan was to replace much of its physical check-in infrastructure with an array of sophisticated self-service terminals – kiosks, RFID card readers and bag-ticket printers – that would give passengers the option to perform all aspects of the check-in process in a matter of seconds, literally. What truly set the plan apart, explains Lee, was that it completely reimagined – and in many ways expanded – the role of live Qantas agents in the customer’s check-in experience. “As a complement to giving passengers more choice, we envisioned customer service hosts who could move around the floor space, either helping out with a light touch or getting more deeply engaged with people who needed it,” says Lee. “This meant our agents could do more of what they love the most about their jobs, which is engaging with our customers and offering the sort of service we’re famous for.”

Managing for success

With broad executive support for the Next Generation Check-In System project established, Gabriella D’Alessandro, then Head of Program Delivery Services Transition and Transformation for Qantas and currently Head of Technology, assumed the leading role in getting it up and running. The team she would lead included Qantas personnel, as well as a variety of technology partners, whose roles ran the gamut from card reader and user interface development to integration with the airline’s reservation, inventory and departure system.

The project’s overall governance scheme was built around a steering committee made up of senior Qantas executives, as well as senior executives from each of its service vendors. IBM, the lead integrator, managed the project’s providers and acted as liaison to the committee. The key benefit of this structure, says D’Alessandro, was nimbleness. “We ran the team very tightly,” she explains. “So when issues came up, we were able to resolve them very quickly. That’s a big reason why the project’s execution went so smoothly.”

Though originally slated to take 18 months, the project hit its first key milestone, the Perth deployment, in just 12. That performance, incidentally, was good enough to earn Qantas two awards with the Australian Institute of Program Management. On the same note, the solution almost immediately met the lofty performance expectations – of a virtually zero-queue check-in experience – set down by the Qantas team at the project’s outset.

Lessons learned...

A new service mindset means a new kind of training

Having traditionally followed a “chalk-and-talk” classroom approach to training, Qantas saw that the nature of the change it was driving required a very different training approach.

“We saw that it was more important for us to get across the visionary aspect of change than the procedural side, so that [agents] would understand the bigger context.”

– Matt Lee
A passenger-eye view

So how does it work? Imagine that you’re a Qantas flyer enrolled in the program, you’ve entered the terminal and you’d like to bypass the traditional check-in counter. In the foreground, you’ll see card readers, kiosks and tag printers. You reach into your purse or wallet for your Qantas-issued “Q Card” and hold it for five seconds in front of the reader. During those five seconds, your information, which is stored on an RFID chip embedded in the card, is captured and delivered back to the reservation system, which automatically checks you in. And your bags? If they have an RFID-embedded Q Bag Tag, they’re processed the same way. Then it’s on to the priority security lane and the gate, where your card now functions as your boarding pass. Elapsed time: about a minute.

It was imperative for Qantas to get across to their agents the key message that the Next Generation Check-In System was about improving the customer experience – and they were expected to play a major role in achieving it. In the same way the program liberated customers from long lines, Matt Lee explains, Qantas also envisioned it liberating customer service agents from the routine, repetitive and transactional nature of working behind the counter. “Our aim was to release the customer service passion of our people that we’d gradually sapped away by putting them behind the desk,” says Lee. “That wasn’t possible when we had long lines waiting for service.”

Reigniting the passion to satisfy customers

Qantas didn’t take a passive approach to rekindling the service passion in its agents. Instead, Lee explains, “We started focusing on rekindling the innate passion for helping and delighting customers that led most of our agents into their careers to begin with. A big part of that is empowering our people to make more decisions. That means trusting – and backing – our people to do the right thing.” Such decisions might involve going the extra mile to meet a customer’s seating request or making candid suggestions to management about changing procedures.

In addition to reigniting the passion, Qantas also recognized the importance of keeping it burning. The fact that agents were now out from behind the counter, freely engaging with passengers, helped to promote that mindset, but the airline resolved to go even further. For instance, for tips on how to maintain vigor and enthusiasm day in and day out, the team asked a series of Broadway actors how they can do a show for 18 months and make the first performance as good as the last. They sought tips from funeral parlors, whose interactions with customers were inherently morbid, on how to turn a bad situation into a positive experience. “We were trying to tap into a really new way of thinking,” says Lee. “But at the core, it’s about how happy people are when they come to work.”
Listening to the data

Within a year of the successful Perth roll-out, Qantas had expanded deployment of the Next Generation Check-In System to Sydney, Melbourne, Brisbane, Adelaide and Canberra and 21 regional airports, as well as Auckland, Wellington and Queenstown, New Zealand. Over that span, Qantas made good use of the extensive passenger behavior data it gathered and analyzed, learning where to optimally position kiosks and card readers, fine tune its staffing resources and otherwise improving service. As it was designed to do, the solution has cut the check-in time for passengers using the system by 90 percent or more, driving customer satisfaction numbers to unseen heights, especially among the premium frequent traveler segment whose loyalty Qantas set out to protect.

Numbers like this may give an idea of the impact of the new check-in system, but pictures are better at getting across what it means to real people who buy tickets to travel, not wait in queues. To illustrate the impact of the new system, Qantas took photographs of two terminals on Christmas Eve, one of which employed the new system, the other didn’t. Though they processed nearly identical passenger volume, the difference was stark. While queues were practically nonexistent where the new system was in place, the other terminal—with long lines, folded arms and glum faces—had the look of a cautionary tale against holiday travel. That contrast may best illustrate exactly what Lee and his team envisioned at the outset.

Now, with a new daughter at home and the transformational project behind him, Lee is busier than ever. But it’s the “right” kind of busy—the kind that comes with what he calls “stunning” success. “Our customers have been giving us great feedback on what a fantastic experience it is,” says Lee. “From the very beginning in Perth to the furthest flung airport in Australia, it’s worked the first time. In my 25 years in the industry, I can’t think of another program of this magnitude that has just run like clockwork right from the beginning. It’s fantastic and a credit to everyone involved.”