

CASE STUDY



AGILE TEST FLIGHT IN SOUTHWEST MARKETING



In Partnership With



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Agile Test Flight in Southwest Marketing

Southwest Airlines, founded in 1967, has grown over the past five decades to become the largest domestic airline in the U.S. Southwest has over 60,000 Employees, operates over 4,000 daily departures at peak, and created over \$20 billion in revenue in the 2018 financial year.

Southwest Airline's focus on Customer and Employee wellbeing has remained consistent throughout its history. Their devotion to their mission statement: "Dedication to the highest quality of customer service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit," has resulted in Southwest being ranked #1 among all US airlines for Customer satisfaction (Department of Transportation, 2019) - a title they have held for twenty-five of the past twenty-nine years.

The ongoing success of Southwest Airlines is due in large part to a constant drive towards analysis and refinement of processes. It was this drive that led the Southwest Airlines Marketing Team to reflect upon their Customers' online experiences. With over one billion annual site visits, Leadership wondered if there was an opportunity for a new Agile Team to approach the booking flow armed with the ability to make small enhancements incrementally.

Six Marketing Employees and two Technology Developers were assembled in January 2019 from the larger Marketing Team. They were tasked with forming a twelve-month pilot Team that would use Business Agility methods and structures to analyze and improve upon Southwest's online booking portals. **Their only mission: to make the booking process better for Customers.**

One year later, that Team has launched over nineteen hypothesis-driven tests to the Southwest booking website focused on optimizing user experiences, driving incremental revenue and improving Customer satisfaction. In addition, the team's Agile methodologies have attracted interest from the broader Marketing Team, as well as other Departments.



Why Agile?

In late 2018, Southwest Airlines had an online booking system that was already considered the best digital experience amongst its competitors. However, with massive volumes of web traffic driving sales, the focus often shifted to the launch of new products and features versus targeted and iterative usability optimization. To solve this problem, Leadership, in conjunction with representatives from Agile Velocity (AV), proposed using Business Agility concepts and Agile practices to redesign the online experience. These practices focus on rapid iteration, Customer collaboration, and data-driven solutions.

Agile Velocity presented Leadership with evidence of how Agile methodologies and principles have helped other companies rapidly create, test, and reflect upon their developments. Southwest's Leadership engaged AV to assist with the assembly of the pilot Team. Their coaches liaised with the Southwest Technology and Marketing Teams to advise on what roles and skill sets would be required, what initial training the Team members would need in order to understand and apply Agile methodologies, and what ongoing coaching could be provided throughout the pilot year. With this information in hand, the Marketing department began assembling the Team.

A Leap Of Faith

While senior Leadership was enthusiastic about the possibilities of a self-governing Agile Team, some of the Employees invited to join that Team were hesitant. Many of those Team members were in critical roles within the broader Southwest Marketing Department, and stepping away from those roles left some members concerned for their career paths. They worried that, if the new Agile-based Team was unsuccessful, they wouldn't have jobs to return to. It was crucial that those Team members understood how their work would be appreciated and rewarded.

Agile Velocity met with the Team to provide early training and clarification as to how the Team would operate. They assisted in creating a shared Team Vision, which allowed everyone on the pilot Team to experience a unity of purpose. In addition, they trained the Team in the application of design sprints, scrum frameworks, and kanban overviews. This training, supplemented with walkthroughs of design sprint activities and exercises provided by AV and Google Ventures Library, gave the Team an in-depth understanding of the skills and processes they would explore throughout the year.

Once the scope of the project had been clarified, and the members had overcome the inertia of setting up a new Team, those Employees became excited to be a part of historical organizational change within Southwest Airlines. The Team was now able to make fast, democratic decisions and contribute equally to the design process.

Overcoming the Learning Curve

As the Team of six set up their new office in a repurposed copy room, they faced a steep learning curve. The Team was expected to operate almost autonomously, and had to develop an in-depth understanding of how the rest of Southwest Airlines operated. For example, before Employees could make changes to the booking experiences, they required an up-front knowledge of how bookings were charged, how treasury operated, and how even the most minute changes to the booking process would affect each step of Southwest's financial mechanisms.

Agile Velocity coaches also introduced the Team to the concept of a design sprint.

A design sprint is a five-day process in which small Teams address and analyze critical design problems, propose and prototype solutions, and test those ideas with Customers. This method of rapid experimentation and iteration was new to most of the Team, and had to be practiced from start to finish. The Team's AV coach returned periodically throughout the twelve-month pilot to assist with the operation of design sprints, as well as to help Team members identify and leverage their individual strengths, and to provide new tools or methods of thinking that allowed the Team to solve emerging problems.

Team Leadership also went through a major shift in perspective and operation. The broader Marketing & Technology leadership team empowered the team to work autonomously and outside of the established governance process accepting that the design sprint process applied to such a broad KPI – make the booking process better – would not necessarily return incremental successes, but could in fact return failures, or move conversion rates backward.

The Team worked together to build a shared space which supported the design sprint structure, complete with whiteboards and collaborative areas. However, not all Teams flourish in close environments. The Southwest Team in particular had to set out clear boundaries and procedures governing how they would work together and maintain good working relationships despite the tight confines of their newly



converted copy-room office.

To achieve this, one of the Team's earliest meetings was about how to work together. Questions were posed to the Team and solutions debated democratically, such as: what skills do we each have? How can we form a productive Team? How will we handle conflict, both personal and design related? When we have problems, who do we turn to and how do we arbitrate? The Team had to learn to trust that their proposals would not be discounted, however challenging or unexpected, and that all conflicts could be resolved amicably and, wherever possible, internally.

By establishing these structures early, the Team created a shared culture based around a mutual commitment to both the project and the well-being of their colleagues. They also set the standard for how their design scrums would proceed from that point forward – with openness, honesty, and mutual respect. With the Team now in an environment that supported their methods, and broad knowledge base that helped them understand how their prototypes would interact with the rest of Southwest Airlines, it was time to begin the Agile pilot program.

A Team Is Born

Every Team evolves its own unique culture, and while good training and a shared work ethic can provide a cultural foundation, in the end it's always up to individuals to build solid and productive working relationships.

The core design Team consisted of a leader who acted as a Team facilitator and scrum master, a strategist, a UX Designer, an analyst, a web content Designer, and a copywriter. Despite the diversity of their experiences and skill sets, all were relatively new to Agile, and it took them some time to trust in the principles and values. As such, it was vital for Team members to embrace the training provided by Agile Velocity before the beginning of the design sprint process, otherwise they would be unable to apply those principles when old approaches didn't succeed. There was the temptation to skip or streamline certain parts of the design sprint, and it took a number of iterations before all Team members saw the benefit of strictly following the steps, and not reinventing complex ways of achieving simple tasks.

Thanks to the small size of the Team, it was necessary for every member to, at some point, learn new skills, wear different hats, and pass on their skills to others. As such, skillsets cross-pollinated throughout the twelve month trial, with every member

adopting broad roles when required and expanding their knowledge bases. Agile Velocity coaches also provided training to Team members on how to expand their skill sets and adapt to new situations, helping them overcome unexpected roadblocks during prototyping and testing. This resulted in huge career development opportunities for the core Team throughout 2020.

Team members also went through a large change in leadership mindset. While the Team was still accountable to external Leadership, internally the Team became democratically managed. Transparency in communication and decision-making helped everyone on the Team feel like an equal player. Their wins and losses were shared, and equal credit was given for major project advancements.



While some design Teams develop their technology and design aspects side by side, the Southwest Team found it helpful to separate these two processes for the first three months of development. By focusing initially on large-scale problems such as site layout and the flow of information, they were able to solve some of the largest issues up-front. They then invited two UI Developers from Southwest's Technology department to join the Team. These front-end Developers, who moved into the copy-room in April 2019, were given a three-month backlog of prototypes to implement, while also consulting on what up-and-coming design proposals were feasible. The result was that the Team were able to skip the early, stop-start prototype phase, and skip directly to implementing high-level solutions in accordance with Customer-sourced data.

It was also important for the larger Marketing Team to be aware of the smaller Team's progress and achievements. As such, the Team's copywriter set out to create clear one-pagers that could articulate to the rest of the department what was happening behind closed doors. By expanding the Team steadily and sensibly, the core work ethos remained stable even during times of growth.

Open and enthusiastic collaboration was essential. As Team members came to

trust one another and believe that all ideas would be valued, they would more easily slip into a creative space, and suggested design solutions became wilder and more experimental. It was by layering solutions on top of these wild suggestions that some of the Team's best prototypes were born.

This unity of purpose, openness, and willingness to help the Team grow as a unit helped the Southwest Business Agility pilot Team support one another and help each other excel through the twelve month prototyping period.



Rapid Iteration Leads To Rapid Results

The new design Team maintained a strict five-day design sprint schedule. This began with a whole-Team meeting on Mondays where the Team would examine a single page of the online booking system, and work to make that single page the best experience possible.

For example, one week might be dedicated to examining the price review page, where Customers have a final opportunity to double-check the per-leg pricing of their flights. Collected data shows that Customers booking a round trip would exit this page at a higher rate than single-leg Customers. Team members came together to ask: why is this happening? What incorrect assumptions have we made? What is the Customer seeing at each point in the process, and how can we make their experience smoother?

All Team members were invited to make suggestions, propose refinements, and hypothesize new layers that could be added atop existing systems. This planning process would take from 10-4, and as per a recommendation from the Team's

Agile Velocity coach, was kept tactile using whiteboards, post-it notes, paper and markers. These tools ensured the Team worked broadly and collaboratively and avoided siloing their thinking, which was key in adapting their mindsets to a more Agile model.

Lightning demos were another vital part of the design sprint process. Designers would collect data, materials and potential solutions from other airlines and retailers, and come together as a group to examine how this information could be used to solve their problems. These then formed the foundation of many prototypes.

The Team aimed to complete their weekly prototype by Thursday. This rapid approach forced them to focus on the most important aspects of each prototype, maximizing gains to efficiency and clarity while stripping out non-essential design flourishes. With prototypes in place by the Friday of each week, the Team were able to bring in internal Designers and Marketing specialists, as well as internal and external Customers, to test their prototypes. This feedback would form the basis of future reflections, ideations, and design sprints. The main questions the Team would ask themselves based on this collected feedback and data were: have we moved the needle? If not, why not? What does the data show and how can we act upon it?

Maintaining a fulfilling work/life balance was vital for Team members. They encouraged one another to go hard when they were in the project space, but also insisted that their fellow Team members disconnect outside that space and enjoy their leisure time. It was important for everyone to recognize that, when working in such a tight-knit crew, exhaustion and burnout among even one member could quickly shut down the entire Team.

Employees quickly adopted an efficient and rewarding routine of group brainstorming, rapid prototyping, and feedback-based ideation. The Employees selected to form this new design Team were, at first, only asked to move to the repurposed copy-room for the specific periods when they were working on these sprints and iterations. However, as sprints progressed and ideas began to solidify, Team members quickly found themselves part of a close-knit squad who remained in their new office every working day of the week.

Solutions Through Data

The process of adapting to Agile methods wasn't always smooth. The Team began their work with no initial documentation, and had to document their methods and processes from week to week. As time progressed, the Team found this documentation was often abandoned as they adopted new processes and structures.

In order to maximize efficiency, the Team decided to keep their documentation and record keeping minimal, with a focus on collecting clear and usable data. By tracking every element and variable related to Customer use of the online booking portal, the Team was able to streamline record collection and focus on what mattered: making the Customer experience smoother and simpler via hard data.

This streamlining and data-centric approach, in accordance with the Agile value of working software over comprehensive documentation, also allowed Team members to find clear answers to complex questions. The design sense of a small Team was, they felt, no match for the feedback of one billion annual site visits. When a design solution wasn't apparent, the Team would choose a specific Customer scenario they could compare to existing data, and find ways of gathering new data from a prototype in order to make direct comparisons.

For example, when a prototype web form increased Customer retention, Team members could bring up clear numbers and see exactly what was being gained or lost, and more importantly, how it was being gained or lost. Clear communication regarding the benefits and detriments of each iteration helped the Team plan and execute the next iteration of the online portal.

Customers were considered the ultimate arbiters of what worked and what didn't, and until collective Customer data showed that the Customer experience had improved, the job was incomplete. As such, Customers relevant to the current design problem were identified – for example, Southwest fliers who booked frequently, or who often chose Southwest car and hotel partner services – and brought into the office to test and compare prototypes. It was also vital to find Customers who didn't use the services in question, to find out what needed to be changed in order to bring them into the fold.

With Customers able to directly interact with completed prototypes, the Team was able to collect and iterate upon immediately relevant data. In addition, refined

design solutions were sometimes shot down by Customers brought in for product testing, reinforcing the need to work directly with the Customer base instead of relying on intuition or vague tinkering.

For example, it was only through this process of analysis that Team members were able to pinpoint a major flaw toward the end of the online booking process: the price review page was too long for standard browsing, and failed to provide enough concise information to users about the per-leg pricing, per Customer. This was the cause of many Customers exiting the booking process at the last moment. Based on this analysis, the decision was made to turn the price review page into a single page snapshot, neatly encompassing all relevant information so Customers could make more informed decisions.

After ninety-two hours of usability moderation, assisted by almost two hundred Southwest Airlines Customers and internal Employees, the Team has developed a large repository of clear insights on what works and what doesn't. At each step of the way, the Usability information they gained directed them in their implementation of change.

Implementing Change

After a year of iteration and development, the Team had generated thirty-five ideas using the design sprint structure. Of these ideas, nineteen were prototyped and tested, with tests split between the primary Southwest Airlines site and the Southwest Business site.

Fourteen of these tests either generated additional revenue for Southwest Airlines or improved Customer experience metrics. In total, 61% of the tests resulted in changes, both small and major, to the primary Southwest Airlines website.

The net result of these cumulative additions is a cleaner, simpler system that's easier for Customers to interpret. This is backed up not only by Customer feedback, but also by data: the prototype site results in more purchase conversions, faster, and brings in millions of dollars of additional annual revenue for Southwest Airlines.

The website improvements may be live but the Team's vision extends throughout 2020 and beyond. Individuals from the original core Team have fallen in love with

their new ways of working and have little interest in returning to their original working structures. In addition, the larger Marketing Team has recognized the effectiveness of the pilot Team's methods, and there have been calls to stand up similar experimental Teams throughout the Technology, Communications, Advertising and Sales departments.

The original Team members are assisting in this transformation by acting as Agile ambassadors within Southwest Airlines. While the Agile methodology is not an appropriate model for the entirety of the Marketing department, there are multiple smaller departments that could effectively leverage Agile principles and values. As such, their immediate aim is to scale the Agile work model throughout the Marketing Team by creating multiple pods of excellence and training small, independent Teams.

The Team's relationship with Agile Velocity has also strengthened. AV provided an in-depth analysis of the pilot Team's operations and performance, as well as advice on how future Teams can improve upon their techniques. AV continues to coach the Marketing Leadership Team, as well as assist Transformation Teams with tools, training and new methodologies. As the Southwest Marketing Team progressively adopts Agile methods of working, AV is working alongside Leadership to build a Path to Agility® framework that lays out Southwest's goals, milestones and key indicators of successful change.

The Southwest Airlines slogan - without a heart, it's just a machine - refers to the almost 750 aircraft in their ever-growing fleet. But it could just as well refer to the smaller mechanisms upon which Southwest relies, including their website and online booking platforms. After twelve months spent experimenting, iterating, and refining in pursuit of the most welcoming and intuitive booking system possible, Southwest's online Customers can be assured that this machine has plenty of heart.



ABOUT SOUTHWEST AIRLINES

The mission of Southwest Airlines is dedication to the highest quality of Customer Service delivered with a sense of warmth, friendliness, individual pride, and Company Spirit. We are committed to provide our Employees a stable work environment with equal opportunity for learning and personal growth.

ABOUT AGILE VELOCITY

Agile Velocity serves Fortune 500 companies nationwide. It has grown into an organization filled with people who are passionate about helping companies react quickly to market demands and compete on a global scale through iteration, collaboration, and a shared understanding of both vision and practical execution.

Change can feel unmanageable--it's complex and risky in business. That's when companies partner with Agile Velocity. The firm is a trusted, full-service transformation partner, equipping organizations with tools to implement and practice Agile principles through training and on-site coaching. Agile Velocity utilizes their proven change management framework, The Path to Agility®, to teach leaders how to guide their organizations through initial chaos and onto accelerated success.

To learn more contact info@agilevelocity.com.

ABOUT BUSINESS AGILITY INSTITUTE

Traditional models of management and corporate governance are failing to keep up with the needs of the modern economy. Change, both technological and cultural, is occurring faster than ever before. In this climate, modern enterprises will live or die on their ability to quickly adapt. As a result, companies are turning to Agile for ideas to innovate, reduce costs, and remain relevant in a changing market.

Business agility embraces change. Business agility changes how you think, how you work and the way you interact with people. This change is crucial at every level of the organization, from the operations floor to the C-Suite.

