From concept to reality

Transformational Agility at enterprise scale

5th October

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virgin atlantic

What I will share with you today

How we made the magic happen – from old world, to a brave new world of enterprise agility

Context and background

Why it mattered

The solution

The difference it has made

Virgin Spirit https://www.youtube.com/watch?v=UfElEJdlAmU&t=4s

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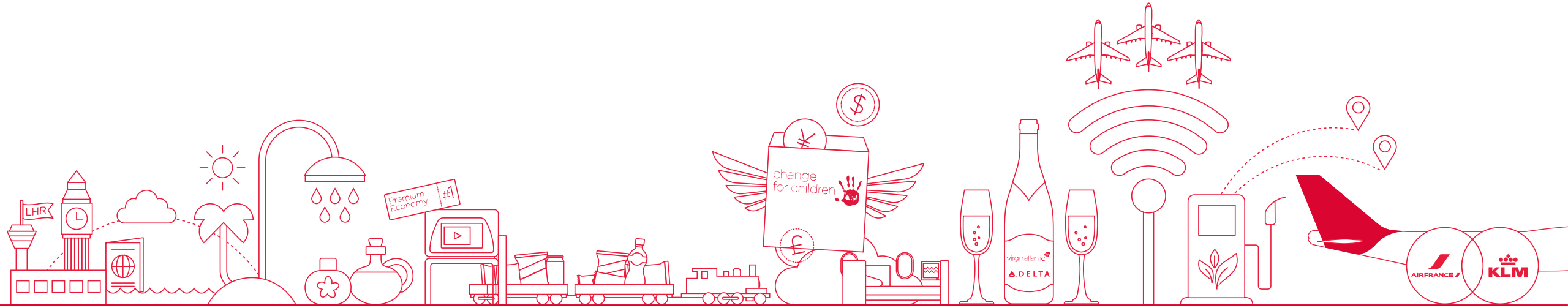
We've been shaking up aviation for 35 years



1984 Virgin Atlantic's inaugural flight from London Gatwick to Newark

1992
First airline to introduce Premium Economy and seatback TV

2003
First airline to launch a Change for Children scheme

2017
First European airline to offer fleet wide WiFi

2019
New route into Tel Aviv

Joined forces with Air France and KLM

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Virgin Atlantic

**Pre-Covid-19 numbers*

45 aircraft

25 destinations

5.4m passengers

£2.1bn revenues

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About Virgin Atlantic

**All facts, figures & structures are pre Covid, 2018/2019

What we do?

Hello Gorgeous – it doesn't matter to us if you're flying on a budget in Economy or in Upper – we will make **you** feel *the most loved*. We will do it with Virgin Flair, whoever you are and wherever you are going.

Flights & Cargo to > 30 destinations and Holiday packages

Revenue/Turnover before Covid

- 2018 reported 5.8% year on year increase to £2.8 billion
- 4.8% increase in passenger numbers

Post Covid

- no passengers but our busiest Cargo on record!

Employees

We were around 9,000, sadly now facing reductions and furlough

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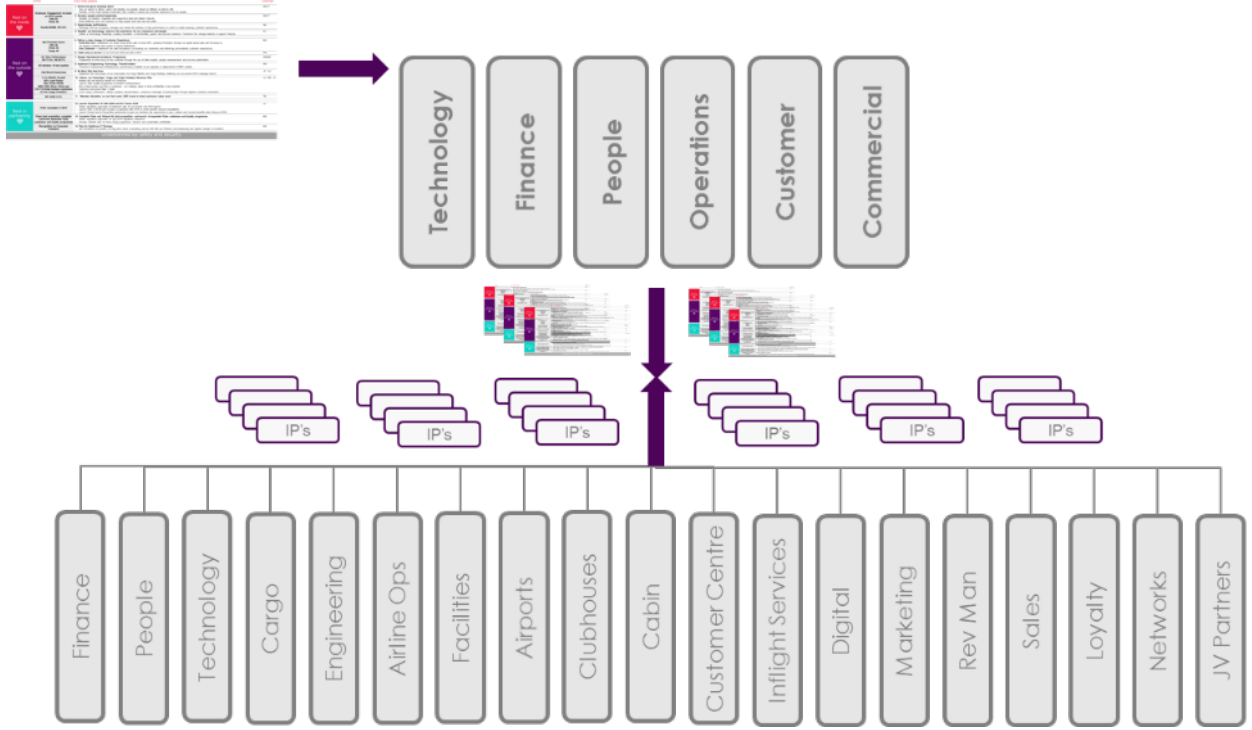
Background

The driver for change and the problems we were fixing

Not only the driver for change but a key enabler was our newly appointed CEO and CIDO, and the ambition they set out for our business. This needed real, rapid and reimagined organisational transformation, not only to the way we think about and plan, but how we deliver change.

Virgin Atlantic operated in the same way as many organisations did, and some still do:

- annual budget setting
- divisional silos
- business Cases 100's of pages long and are out of date a day after sign-off
- deliver then wither - no benefit tracking or monitoring
- multiple Change Delivery functions
- demand outstripping supply at least 2:1
- some Agile but mostly Waterfall delivery teams
- disjointed against the organisational strategy and values
- no way of knowing who is doing what and when



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Why changing this mattered

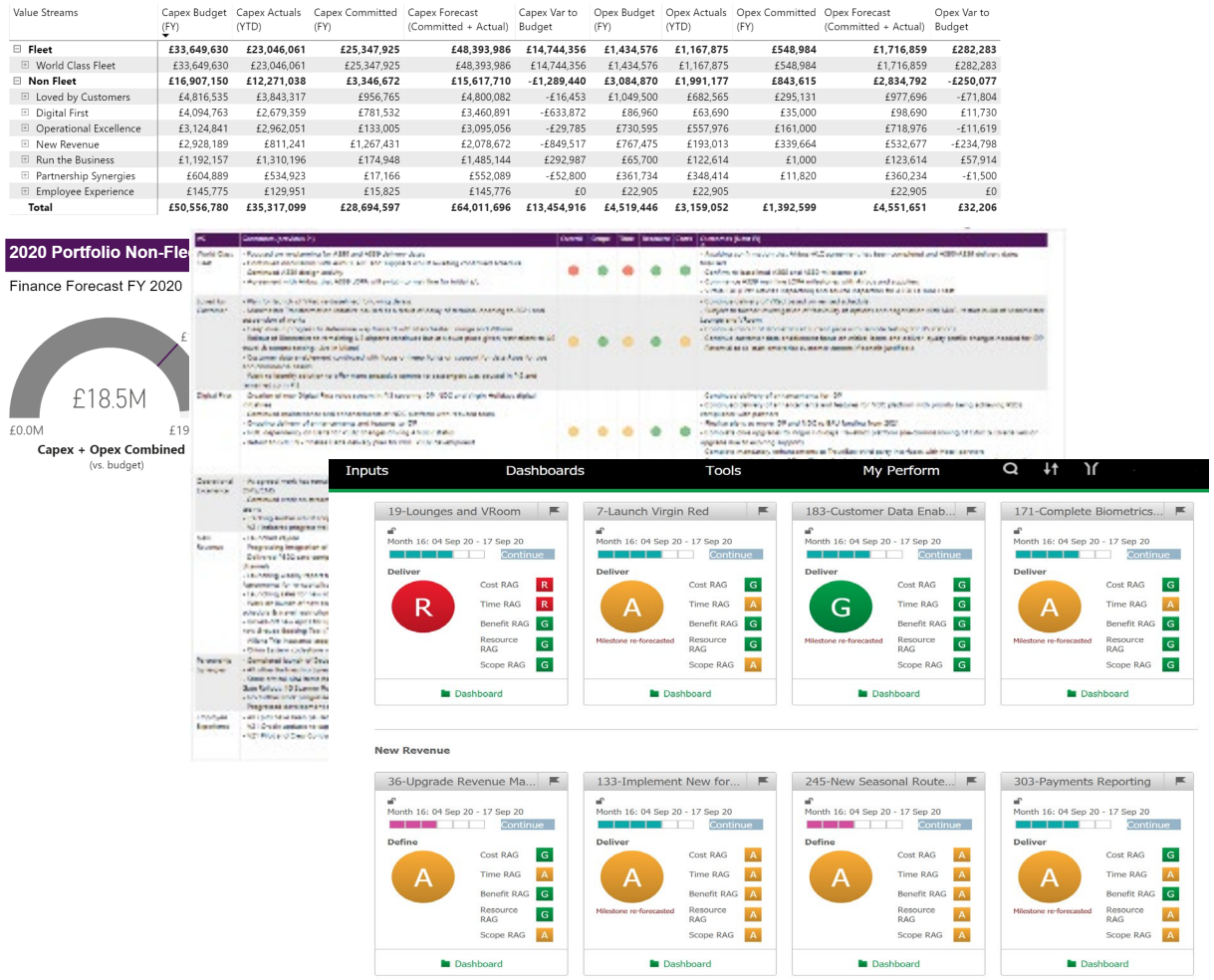
The art of the possible

We all know that doing less of the right things is the winning recipe, but how do you make it happen.

- imagine being able to see all of your demand in one place
- ranked by ease of implementation (RIICE) and
- the value to your organisation (BVI)
- that can be directly linked to bottom line impacting KPIs
- with benefits that are traceable
- that everyone is aligned to what you are doing
- and understands the context why

All of these things being equal and true, allows you to deliver more, at pace whilst operating in a constantly changing market – and I'm not even going to mention CV-19!

And of course our people at Virgin Atlantic, they are really what makes our company so special and provides the secret sauce ingredient ! That's exactly how we have done this in less than a year whilst in the middle of a global pandemic.



Value Streams	Capex Budget (FY)	Capex Actuals (YTD)	Capex Committed (FY)	Capex Forecast (Committed + Actual)	Capex Var to Budget	Opex Budget (FY)	Opex Actuals (YTD)	Opex Committed (FY)	Opex Forecast (Committed + Actual)	Opex Var to Budget
Fleet	**£33,649,630**	**£23,046,061**	**£25,347,925**	**£48,393,986**	**£14,744,356**	**£1,434,576**	**£1,167,875**	**£548,984**	**£1,716,859**	**£282,283**
World Class Fleet	£33,649,630	£23,046,061	£25,347,925	£48,393,986	£14,744,356	£1,434,576	£1,167,875	£548,984	£1,716,859	£282,283
Non Fleet	**£16,907,150**	**£12,271,038**	**£3,346,672**	**£15,617,710**	**-£1,289,440**	**£3,084,870**	**£1,991,177**	**£843,615**	**£2,834,792**	**-£250,077**
Loved by Customers	£4,816,535	£3,843,317	£956,765	£4,800,082	-£16,453	£1,049,500	£682,565	£295,131	£977,696	-£71,804
Digital First	£4,094,763	£2,679,359	£781,532	£3,460,891	-£633,872	£86,960	£63,690	£35,000	£98,690	£11,730
Operational Excellence	£3,124,841	£2,962,051	£133,005	£3,095,056	-£29,785	£730,595	£557,976	£161,000	£718,976	-£11,619
New Revenue	£2,928,189	£811,241	£1,267,431	£2,078,672	-£849,517	£767,475	£193,013	£339,664	£532,677	-£234,798
Run the Business	£1,192,157	£1,310,196	£174,948	£1,485,144	£292,987	£65,700	£122,614	£1,000	£123,614	£57,914
Partnership Synergies	£604,889	£534,923	£17,166	£552,089	-£52,800	£361,734	£348,414	£11,820	£360,234	-£1,500
Employee Experience	£145,775	£129,951	£15,825	£145,776	£0	£22,905	£22,905		£22,905	£0
Total	**£50,556,780**	**£35,317,099**	**£28,694,597**	**£64,011,696**	**£13,454,916**	**£4,519,446**	**£3,159,052**	**£1,392,599**	**£4,551,651**	**£32,206**

The solution - we reimagined our future and made it happen

A vision without a plan is an hallucination

On the 9th & 10th of January 2020, we brought key stakeholders from all across our business together for our first ever PI (planning Increment) event.

We spent the first day ensuing everyone understood from a business perspective what our key KPIs were, and then how their idea delivered against these, or not. We came out of the first day not hitting our target, but we still had day 2.

At the end of day 2, we had a fully understood, signed up to and agreed delivery portfolio for our first increment - the delivery team just need to go get on with deliver.

Throughout the year, we have continued to hold our PI sessions, albeit in a very different way to the big day planning session.

We have now fully migrated to a digital way of working:

- PI's run on Micorsoft Teams
- ePMO and project delivery data held in Perform and surfaced through PowerBI – not a .xl or .ppt in sight !
- all change, be it Data & Insight, Business Enablement & Automation or Transformational Change Programmes have the same from door through Azure DevOps Kanban Boards, again, surfaced using PowerBI to give enterprise visibility and transparency

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The difference it has made

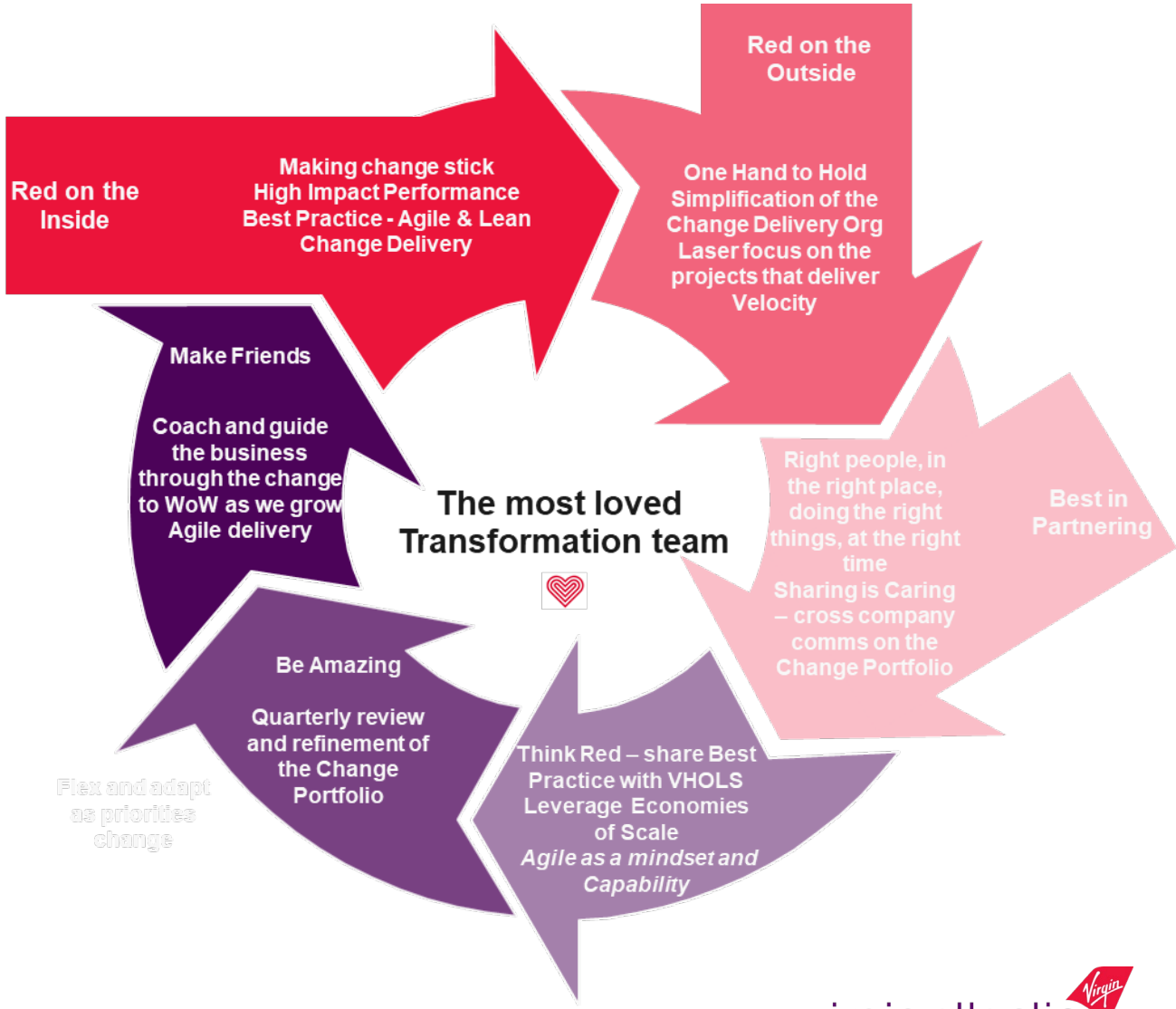
How we consistently deliver organisational value

Aligning our vision to Virgin Atlantic's vision – to be The Most Loved Travel Company, the strategy behind this is, our plan called Velocity. Velocity is made up of three Pillars:

- Red on the inside
- Red in the outside
- Best in Partnering

Aligned to our company values:

- Think Red
- Make Friends
- Be Amazing



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