

Air France uses Lean Agile Procurement to outsource a critical project



With a challenging six-month time frame, Air France looked to a new innovative approach to procure the right team for the job.

Air France KLM Cargo Operations needed to improve the efficiency and productivity of its door-to-door cargo. Time is essential in freight and any delay or break in the chain would lead to product waste and unhappy customers. It was critical that a new system was created to improve the efficiency.

A new booking system was required within six months, how were Air France going to assemble a team that worked cohesively and remotely, thought innovatively, understood the cargo industry, and produce the product within the challenging time frame.

Challenges:

- Critical project with potentially high business outcomes
- Short time frame
- Keeping a high level of cooperation with an outsourced team in a remote location
- Remodel the vendor sourcing policy

Solutions:

- Six weeks to select a vendor and actually start the project
- Accelerated project start: team building already done and new team already well aware of the business context and challenges
- Challenging milestones easily reached

A key player in the air cargo industry, AIR FRANCE KLM MARTINAIR Cargo is the specialised air cargo business of the Air France KLM Group, offering a worldwide network of 457 destinations from two hubs, Paris Charles de Gaulle and Amsterdam Airport Schiphol.

End of 2018, Frédéric was facing two major problems:

1. Deliver a new critical IT application for Cargo Truck management within a tight schedule. High importance – vital the Cargo Truck management system was efficient to reduce waste and increase output.
2. Recruit a new team to develop the new system. The existing team consists of many contractors from different vendors. It is not big enough to handle the project and there is a need for new skills.

The Team - Air France KLM Cargo Operations Department

- Frédéric Jacques, Head of Cargo Operations IT
- Simon Spoor, Frédéric's Business counterpart (acting as Product Owner)
- Eric Chaumette, Head of Managed Delivery Centers initiative
- Sophie Durand and Lionel Massiera, Agile Coaches and LAP specialists

According to the new Air France procurement policy on hiring contractors, Frédéric would have to source a whole team, remotely located on the vendor's premises.

Air France Cargo department has been working in an agile way for years (SAFe): how would a brand new remotely located team fit in? How would they quickly reach the necessary level of cooperation?

Time was of the essence and following the current procurement policy would have taken several months. Frédéric's business counterpart, Simon was really concerned with this issue and couldn't believe that sourcing a new team would fit in the challenging project schedule, given that traditional RFP (request for proposal) processes usually lasted several months a new way of thinking was needed.

'Lean Agile Procurement is an innovative, outstanding partnership accelerator to identify and select your right team with the right people having the best fitting competences and team spirit.'
- Dominique Guillet, Air France Business Analyst

The solution:

Frédéric had heard of Lean Agile Procurement (LAP) from Sophie and Lionel from Good!, whom he was already working with. He immediately thought that it would help him to solve this challenging equation. LAP, here we go!

1st step: Build a cross functional LAP team involving all people that have a say in the vendor selection process, and those who will have to work day to day with the future team => 12 people.

It was the first time that business team representatives were taking part in an IT vendor sourcing process.

2nd step: Align the LAP team on common goals. This took a half-day facilitated workshop.

3rd step: Brief the four pre-selected vendors through a one-hour webinar on the new selection process.

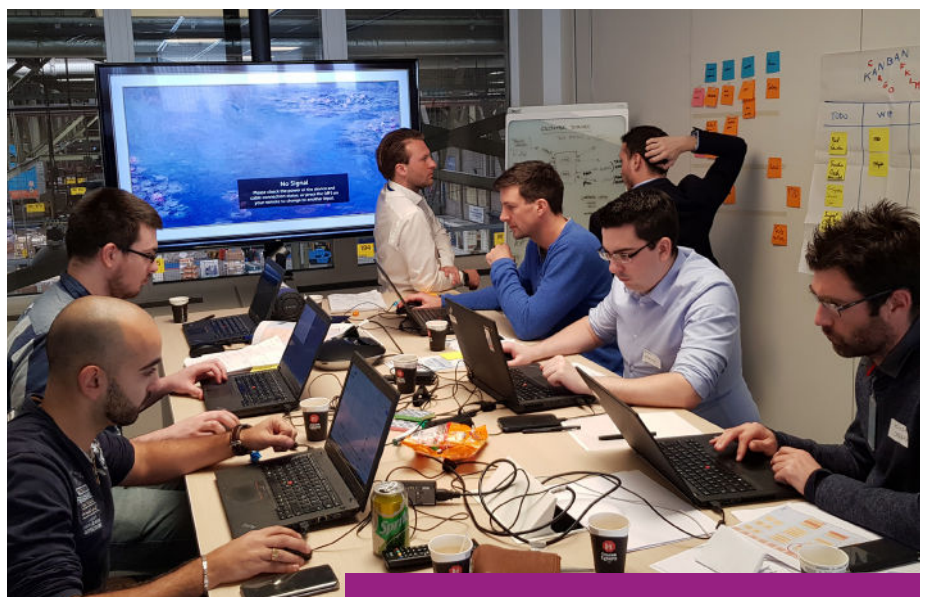
4th step: Run the two-day selection workshop "POCAthlon". All four vendors came with the core team that would actually work with Air France plus the necessary people that could build a proposal and decide on prices.

45 people were present in a wonderful location in Amsterdam Schiphol airport, right above freight dispatching facilities.

The aim was to evaluate both business fit, through the co-creation of the proposal with each vendor and also the human fit, through a hackathon-style team work activity on a tricky feature for the future system.

5th step: Select the winner. The decision was taken and announced to all vendors at the very end of the workshop.

6th step: Start the project, only one week after the vendor selection, with the team already launched.



Teamwork during breakout sessions

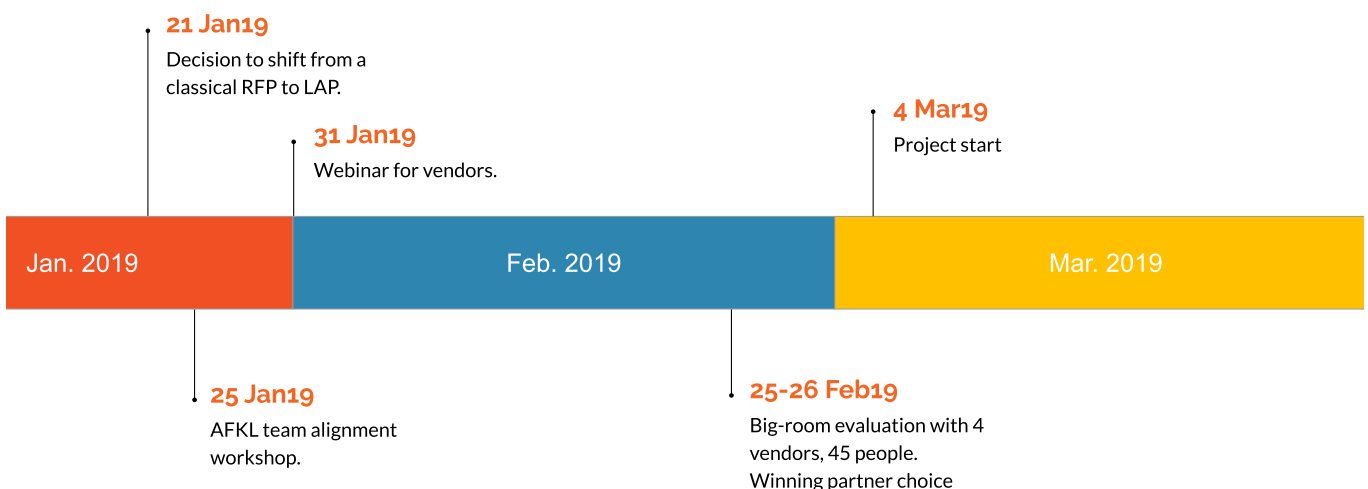
What made it work:

Involvement of all parties in the vendor selection, alignment and focus on a common objective, and creating an opportunity for working together early in the process instead of only evaluating documents.

Results:

- Timeline – Vendor selected within six weeks; project started just one week after vendor selection.
- Critical project milestones achieved: First release of the product only two months after project start and major milestone reached as planned, three months later.
- Positive feedback from all vendors from the two-day workshop.
- The workshop allowed the project to start swiftly after the contract was signed. Teamwork and collaboration were key and visible during the ‘POCAthon’ workshop. The immediate start meant the first product release was midMay and the major release with the critical features was live by September.
- In a complex, fast changing environment, the team is the main asset: LAP allows assessment of the human-fit and the quality of a vendor customer relationship to build a true partnership around the client’s challenges.
- While agile delivery is becoming mainstream in the IT world, a lot of processes like selecting the right partner beforehand still remain long and tedious. Being able to accelerate the selection of the right partner is definitely a competitive advantage (time to market accelerator).

‘We usually end up with offers consisting of 50 to 80page documents. We tend to choose the best writers. Instead, within two days, we were able to get a truefeel of actually working with these companies.’
- Frédéric Jacques,
Cargo Operations
Development Manager
at Air France



Timeline of the critical project milestones

How to find out more:

Air France:

Air France Klm Martinair Cargo is a key player in the air cargo industry. Through the combined fleet of our three airlines, we transport a wide variety of goods to all corners of the globe. We complement the large cargo belly capacity of our passenger fleet with the reasoned and flexible main deck capacity of our 747 Combis and full freighter aircraft.

Through this flexible concept we are able to offer a wide range of services and solutions to the market, providing seamless connections across the world. Our two hubs, Paris Charles de Gaulle and Amsterdam Airport Schiphol, are ideally located (only 398 kilometers away from each other) to allow for flexibility in reaching your final destination. More than ever, we are committed to quality and simplicity to match your shipping requirements.

Learn more at: afklcargo.com

Good!:

At Good!, we believe that companies should be both profitable (or they won't last long) and responsible (or their ecosystem won't last long). Through our expertise in agility, we help men and women at every level of the company to tackle human and organizational waste.

Located in France, our diverse team of coaches and consultants help build great products and services that delight customers, change management practices to foster engagement and autonomy, find great partners to sustain the company endeavours. As a member of the LPA, Good! promotes a new way of thinking and doing partner sourcing. Through training, consultancy and coaching we increase the ability of Operational and Procurement Managers to set-up quickly win-win partnerships in the long run.

Learn more at: good.com

Lean Agile Procurement Alliance:

The Lean Agile Procurement (LAP) Alliance is a not for profit organisation of global agile experts, that currently disrupt procurement and supply. The LAP Alliance is also a Certification Body and offers in-person and online awareness and advanced certification workshops as well as guidance via coaching.

Learn more about LAP Alliance at: lean-agile-procurement.com

Agile Business Consortium:

The Agile Business Consortium is the professional body for business agility. We're all about community – whether you're a multinational working through a large-scale transformation, a new start-up, or a contractor, we can support you to achieve more, to grow more, and to build your business agility.

As a global not-for-profit organisation that's been around for over 25 years, our knowledge and experience around agile competencies and behaviours can offer you the guidance you need to reach your agility goals.

Together with our partners, we create and share agile research, case studies, resources and tools that help you compete in today's uncertain world. A registered not-for-profit, we're the world's longest-standing agile-orientated organisation. We're the brains behind AgilePM®, AgileBA®, AgilePgM®, AgilePfM™ and AgileDS™. Based in the UK, we have members in over 30 countries around the world.

Learn more about business agility at: agilebusiness.org