

# Case study

## easyJet



ERP - with NO Expiry Date™



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Tom Smethers, Financial Controller, easyJet

### Airline flies high by keeping costs low

The airline easyJet, founded in 1995 by Sir Stelios Haji-Ioannou, is a truly European operation and was one of the few airlines to take advantage of the reforms offered by the single European aviation market. The airline is based at Hangar 89, a bright orange building next to the main taxiway at Luton Airport. It has enjoyed many years of rapid expansion, and growth is currently running at around 15% a year.

easyJet keeps costs low by eliminating the unnecessary costs and ‘frills’ which characterise ‘traditional’ airlines. It does this by using the internet to reduce distribution costs; maximising the utilisation of each aircraft; and through ticketless travel. This helps to reduce significantly the cost of issuing, distributing, processing and reconciling millions of tickets each year.

The airline has done away with free food on flights to further reduce costs. It also makes more efficient use of airports with rapid turnaround times, and progressive landing charges agreements.

Since its launch easyJet has simplified its working practices by embracing the concept of the paperless office. The management and administration of the company is undertaken entirely on IT systems which can be accessed through secure servers from anywhere in the world enabling huge flexibility in the running of the airline.



### Agility to allow for growth

Towards the end of 2006, the easyJet management realised that their finance system had not kept up with the growth of the business. The existing systems had been in place for eight years and in that time the company had grown from operating 25 aircraft to over 130. This impressive growth rate needed to be matched by more capable and agile systems, including procurement and finance.

The existing chart of accounts had become outdated, adhoc processes had been developed outside of their system in many cases using complex excel spreadsheets which were proving difficult to support and were not ideal from an internal control perspective. The ‘procure to pay’ process was far from perfect. The airline wanted to implement a system that would last for at least the next 10 years and cope with growth of 15% a year. This vision meant the review and re-engineering of the business processes and the procurement and implementation of a new ERP system.

After evaluating a number of systems, easyJet chose Agresso because it had the flexibility to cope with the growing business and would be easier and faster to implement than traditional ERP systems.

The airline decided to implement the Agresso Financial suite, Logistics (Purchase and Sales Order Processing), Project Costing and Billing and Workflow to operate in a Microsoft SQL environment with user access via both the Smart client and Self Service client. Implementation began in June 2007, and Agresso went live on schedule in January 2008.

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# The Benefit

## easyJet cites the following benefits from using Agresso:

### Cost-effective

One of the key benefits of Agresso for easyJet is that it is an affordable ERP system. That affordability will help to deliver a real competitive advantage to easyJet.

Financial Controller Tom Smethers says: "Keeping costs down is a vital part of our culture and our business operations. The Agresso solution will help us keep a tight rein on costs as well as adding improved interfaces with operational systems and better reporting."

### Ease and speed of implementation

easyJet achieved a very rapid implementation by recruiting a dedicated project team and by following a rigorous project plan requiring business process re-engineering (BRP), product configuration, testing and training. The airline also worked closely in partnership with Agresso on the design and build.

Finance Systems Manager, Ken Liddell, says: "The project was ambitious and was prepared to take risks; these were well managed and there was always a contingency plan. One of the keys to success was the continuous involvement of, and reference to, the business and finance managers and their departments."

"The system duly went live in January 2008 and during the first few months the procurement processes have been rolled out across the business. From the first month cost centre managers have been able to see their reports via access through Self Service."

### Adaptable – even during implementation

Even during the initial implementation stages, easyJet project team needed to cope with significant changes in the business. One month prior to going live, easyJet took the decision to expand its business through the acquisition of GB Airways - a British Airways Franchise carrier operating from London Gatwick. The acquisition required changes to the configuration of several of the core accounting processes in the General Ledger area and brought forward the project team's work to implement a financial forecasting module within the solution.

Since taking the system live, the project team have worked through a second phase which includes expanding the reporting capabilities and implementing interfaces of key operational data, such as passenger numbers flights flown by route, credit card data and payroll costs and head-count. easyJet have also recently implemented the Agresso Travel Expenses module across their head-office departments, which enables web-based entry and processing of staff expenses claims.

### Agility and flexibility

The easyJet airline has plans for ambitious and rapid growth. It therefore needed a business system that was agile and flexible enough to scale easily to match changing business requirements. Tom Smethers says: "The solution needed to be scalable to cope with a 300 aircraft fleet and beyond."

### Improved processes

Business processes have been overhauled and streamlined as part of the process of implementing Agresso. This was essential to take account of easyJet's rapid growth.

"This is a key benefit area for easyJet," says Finance Systems Manager, Ken Liddell. "We wanted to reduce business risk and raise the efficiency of the finance function. We have also eliminated many large excel spreadsheets and processes by holding data within Agresso."

### Improved reporting

easyJet has been able to completely re-work its chart of accounts, and the finance teams have carefully designed how business information will be analysed.

"Improved reporting was a significant reason for adopting Agresso," says Ken Liddell. "We are now seeing benefits through self service access to reports and on-line browsers. More complex reporting is being delivered using the Excelerator product."

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Ken Liddell, Finance Systems Manager, easyJet

### The ERP Market's Definition of Agility

Agresso has labelled a horizontal layer across multiple vertical markets as 'Businesses Living IN Change' or in short "BLINC™" – a segment that is characterised by organisations that are experiencing almost frenetic levels of dynamic business change. This is particularly apparent in the services sector, in both the public and commercial world, where Agresso has traditionally strong worldwide presence built up over the last 15 years. Agresso's post-implementation agility capabilities have been the differentiating factor for the 2600 'BLINC' organisations that comprise our customer base.

Today, Agresso's unique underpinning architecture is being enjoyed by thousands of BLINC businesses, with over 1,500,000 worldwide users, through hundreds of mergers, reorganisations, consolidations, etc. The company is focused on correcting the CXO's longstanding and expensive "re-architect-or-die" assumptions promoted by the ERP leaders, whose lack of post-installation agility is cutting deep into corporate margins. Agresso is ERP...with no Expiry Date™.

For more information, please visit [www.agresso.com](http://www.agresso.com).

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