

# Operations Strategy at a Leading Organization



## Southwest Airlines

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# Some Thoughts About Southwest

“We realize we can’t compete with Southwest. No one’s at fault. No one’s a dummy. It’s just a fact.”

- Stephen Wolf, CEO and Chairman of United Airlines, quoted in the *Wall Street Journal*

# Building an Operations Strategy

## **Target Market**

Who is our intended customer?



## **Service Concept**

What are the most important elements of our product/service from the customer's perspective?



## **Operating Strategy: Mission + Objectives**

How do we differentiate ourselves?



## **Delivery System: Levers**

How is the work organized and performed?

# Some Thoughts About Southwest

“The other airlines all understand the cosmetics of Southwest, but I’m not convinced they understand the meat – what holds the Southwest model together.”

- Pete McGlade, Southwest Director of Schedule Planning

“They’re coming to kill us.”

- David N Siegel, CEO of US Airways, just before Southwest began service at US Airways hub in Philadelphia in 2004

# Wrap-up

Alignment of operations and marketing is critical

The best operations strategies are supported through many individual elements (levers/tactics) that are consistent with the objectives

While each element may have value, competitors cannot achieve parity by simply copying individual elements – the sum is greater than the parts

Operations can be a competitive weapon!