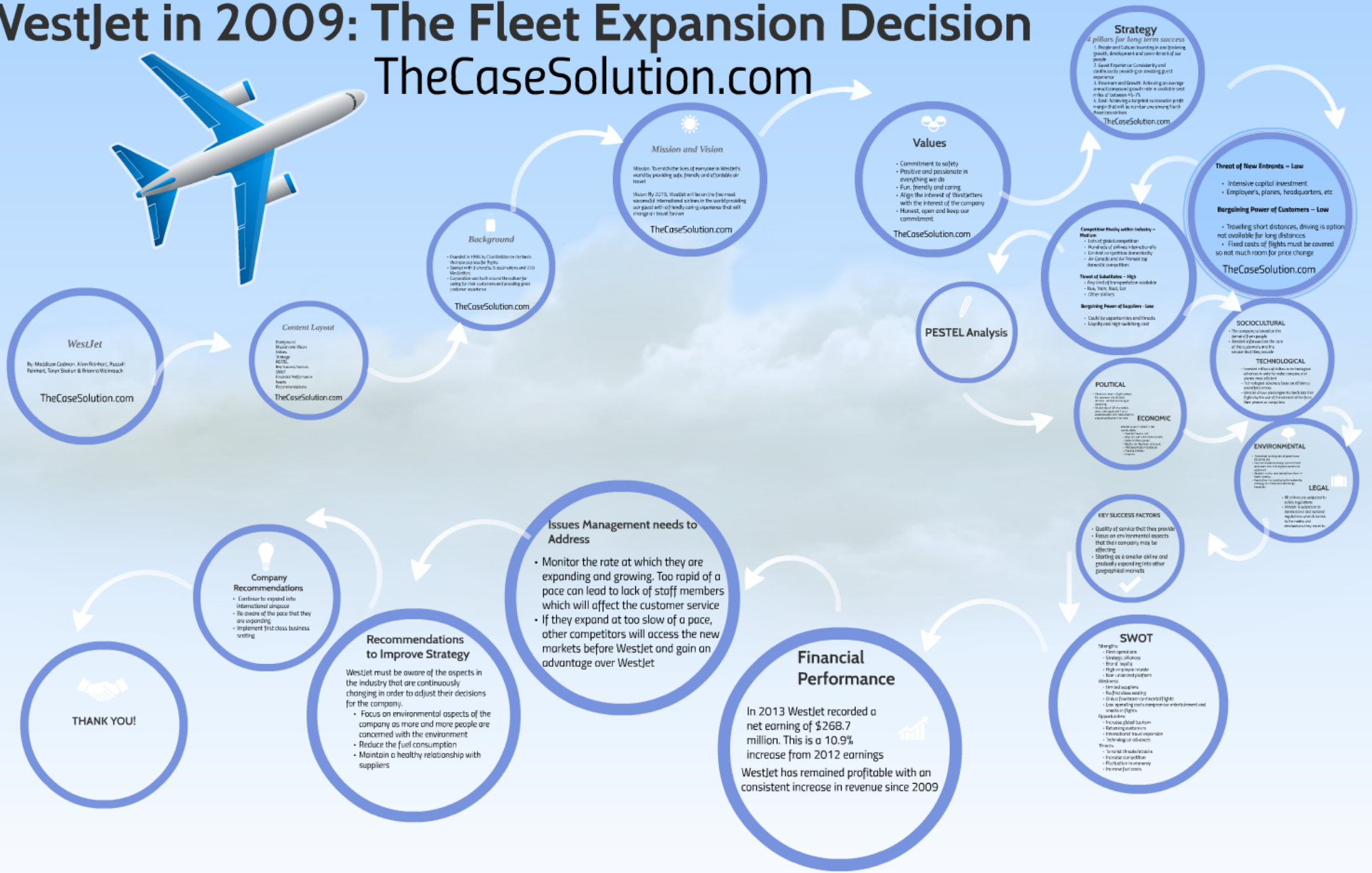


Westjet in 2009: The Fleet Expansion Decision

TheCaseSolution.com



WesJet
By Madison Graham, Alex Rishor, Russell Penner, Tony Stokar & Brandon Weisbach
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Content Layout
Background
Mission and Vision
Values
Strategy
Threat of New Entrants
Bargaining Power of Customers
Competitive Rivalry
Threat of Substitutes
Bargaining Power of Suppliers
PESTEL Analysis
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POLITICAL
ECONOMIC
ENVIRONMENTAL
LEGAL
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SWOT
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Recommendations to Improve Strategy
Company Recommendations
THANK YOU!

Background
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• Founded in 1986 by Clive Bellon on the heels that you can take the Pacific
• Operates in 20 cities in 5 countries and 200 destinations
• Corporation was built around the idea of being caring for their customers and providing great customer experience

Mission and Vision
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Mission: To enrich the lives of everyone in WestJet's world by providing safe, friendly and affordable air travel
Vision: By 2015, WestJet will be on the list of most successful international airlines in the world providing our guests with a friendly caring experience that will change their lives forever

Values
TheCaseSolution.com
• Commitment to safety
• Positive and passionate in everything we do
• Fun, friendly and caring
• Align the interest of WestJetters with the interest of the company
• Honest, open and keep our commitment

Strategy
4 pillars for long term success
1. Provide excellent customer service and positive growth
2. Increase market share and customer loyalty
3. Expand operations
4. Increase revenue
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Threat of New Entrants – Low
• Intensive capital investment
• Employer's, planes, headquarters, etc
Bargaining Power of Customers – Low
• Traveling short distances, driving is option not available for long distances
• Fixed costs of flights must be covered so not much room for price change
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Competitive Rivalry within Industry – Medium
• Lots of global competition
• Market of selling internationally
• Low cost competitors
• Air Canada and Air Transat top domestic competitors
Threat of Substitutes – High
• Any kind of transportation available
• Bus, Train, Boat, Car
• Other airlines
Bargaining Power of Suppliers – Low
• Could be opportunistic and threats
• Loyalty and high switching cost

PESTEL Analysis

SOCIOCULTURAL
• The company is located in the heart of the country
• Global expansion the core of the company and the market for the service
TECHNOLOGICAL
• Investment in technology to improve customer service and efficiency
• High-tech services based on efficiency and productivity
• Specialized software for tracking and flight operations and all the services within the airline
ENVIRONMENTAL
• All activities related to the airline are subject to environmental regulations and standards
• The airline and its operations are subject to environmental regulations and standards
LEGAL
• All activities related to the airline are subject to legal regulations and standards
• The airline and its operations are subject to legal regulations and standards

POLITICAL
• Government support
• Government regulation
• Government intervention
• Government intervention
ECONOMIC
• Economic growth
• Economic recession
• Economic recovery
• Economic stability

KEY SUCCESS FACTORS
• Quality of service that they provide
• Focus on environmental aspects that their company may be offering
• Starting as a smaller airline and gradually expand into other geographical markets

SWOT
Strengths
• Strong capital base
• Strategic alliances
• Brand loyalty
• High employee morale
• Non-unionized program
• Low fuel costs
• Low operating costs compared to other airlines
Weaknesses
• Limited expansion
• Limited customer loyalty
• Limited marketing budget
• Limited brand recognition
• Limited operational experience
• Limited technological resources
Opportunities
• To expand into other markets
• To expand into other geographical markets
• To expand into other geographical markets
• To expand into other geographical markets

Financial Performance
In 2013 WestJet recorded a net earning of \$268.7 million. This is a 10.9% increase from 2012 earnings
WestJet has remained profitable with a consistent increase in revenue since 2009

Issues Management needs to Address
• Monitor the rate at which they are expanding and growing. Too rapid of a pace can lead to lack of staff members which will affect the customer service
• If they expand at too slow of a pace, other competitors will access the new markets before WestJet and gain an advantage over WestJet

Recommendations to Improve Strategy
WestJet must be aware of the aspects in the industry that are continuously changing in order to adjust their decisions for the company.
• Focus on environmental aspects of the company as more and more people are concerned with the environment
• Reduce the fuel consumption
• Maintain a healthy relationship with suppliers

Company Recommendations
• Continue to expand into international airports
• Be aware of the pace that they are expanding
• Implement first class business seating

THANK YOU!

WestJet

By: Maddison Cadman, Allen Reinhart, Russell Reinhart, Taryn Skakun & Brianna Weinrauch

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Content Layout

Background
Mission and Vision
Values
Strategy
PESTEL
Key Success Factors
SWOT
Financial Performance
Issues
Recommendations

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Background

- Founded in 1996 by Clive Beddoe on the basis that you pay less for flights
- Started with 3 aircrafts, 5 destinations and 220 WestJetters
- Corporation was built around the culture for caring for their customers and providing great customer experience

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Mission and Vision

Mission: To enrich the lives of everyone in WestJet's world by providing safe, friendly and affordable air travel

Vision: By 2016, WestJet will be on the five most successful international airlines in the world providing our guest with a friendly caring experience that will change air travel forever

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Values

- Commitment to safety
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Strategy

4 pillars for long term success

1. People and Culture: Investing in and fostering growth, development and commitment of our people
2. Guest Experience: Consistently and continuously providing an amazing guest experience
3. Revenues and Growth: Achieving an average annual compound growth rate in available seat miles of between 4%-7%
4. Cost: Achieving a targeted sustainable profit margin that will be number one among North American airlines

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Threat of New Entrants – Low

- Intensive capital investment
- Employee's, planes, headquarters, etc

Bargaining Power of Customers – Low

- Traveling short distances, driving is option not available for long distances
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