

11.6.1.4 Other Functions

Other functional areas of the organization will be affected by a RM implementation as well. Pricing analysts and product-design groups have to input their knowledge on customer preferences and behavior so appropriate RM products can be created. Business rules and existing business contracts have to be respected and the RM system needs to conform to these rules.

Operations and customer-service divisions are affected by overbooking decisions made by a RM system. If the firm never practiced overbooking in the past, or did it in an ad-hoc way, then customer-service representatives and field managers have to be involved in the implementation and develop proper customer-service procedures to handle oversale situations.

11.6.2 Project and Organizational Structure

Given the interdepartment coordination and rapid communication that is required, any RM implementation should involve careful review and planning for the new organizational design, both at the project stage and at the operational stage.

11.6.2.1 Project Organization

The project leadership role could be taken by the operations research group—or lacking one, by the pricing or inventory-control group. However, IT and sales organizations have to be involved even from the project-conception stage. All this will be feasible, of course, only if senior management buys in and backs the project wholeheartedly. A senior officer has to be actively involved in the implementation to smooth over interdepartmental frictions and priorities. Indeed, most industry experiences of RM cite top-management leadership as a key success factor. It is also important to have all teams involved every step of the way—from initial proposal, to implementation, to training, to performance measurement. Table 11.12 shows a task list for a typical RM implementation.

11.6.2.2 Operational Organization

It is also important to think through the organizational design that will support RM on an ongoing basis. One important issue is how analysts are organized (by product, market, or resource). For example, in airline single-resource quantity-based RM, analysts are normally assigned collections of flights to manage. The flights may be related by geographical market (flights into or out of the same city) or by “type”