

## INFO221 Case (2006)

### Scenario

West Coast Air Adventures Ltd. (WCAA) was set up in 1989. This company offers flights to the two major glaciers, Fox Glacier and Franz Joseph Glacier on the West Coast of the New Zealand's South Island. Tourists can fly to the glaciers by helicopter and be taken for guided walks on the dynamic, awesome, geological structures. Fixed wing aircraft are also used to take tourists on flights around Mt Cook and along the Tasman glacier.

On the whole, WCAA is a highly successful company. However, a recent crash into Mt Cook during bad weather has seriously dented the company's reputation and confidence. For a while, bookings were minimal and the company lost a considerable amount of money paying large pilot salaries while receiving very little income. Two of the directors are keen to see the company diversify its activities so that it can withstand future shocks of this type. Cost savings are still in place while the company recovers.

WCAA has just 15 staff including Charles Edwards the CEO, Mike Dixon Director of Marketing and Ian Thomson Manager Administration, Information and Computing. The company employs four pilots, Cathy, Alice, David and Brian.

WCAA has just completed a series of key meetings to update its strategy. A survey had shown that overseas visitors want to purchase complete holidays that include sight seeing, good hotel accommodation and travel between tourist centres. They are also concerned about safety and want to be sure that they get good value for money.

The directors, pilots and other staff have come up with several ideas to take the company forward.

- A) Charles wants the company to purchase a number of hotels in the area together with a tourist coach company so that WCAA can construct complete holidays for its customers.
- B) Mike has suggested that the company develop a highly professional website that describes the company, its flights, guided tours, hotels in the vicinity and the transport opportunities. The website will offer packages that integrate getting to the West Coast, high quality hotel accommodation, travel to airfields and full descriptions of the guided tours themselves. The website would enable clients to purchase holidays online.
- C) Ian wants to cut down the administrative costs of the company by purchasing a modern network of computers that integrate all aspects of the company from financial administration, payroll and asset management through to aircraft maintenance and safety procedures.
- D) Alice wants to make sure there are no further accidents and has suggested that the company invest in newly released high tech GPS equipment and sophisticated radar for all the aircraft plus training for all the pilots.

## Assignment 1

- a) Summarise each of the above-proposed projects in a simple table format suitable for presentation to top management. Include the name for each project, identify how each one supports business strategies, assess the potential financial benefits and other benefits of each project, and provide your initial assessment of the value to the company of each project. (Use your imagination in the financial area)
- b) Prepare a weighted decision matrix (similar to that shown in the lecture) to evaluate these four projects. Develop at least five criteria that are relevant to the business situation. Assign weights to each criterion, assign scores, and then calculate the weighted scores. Identify the project that appears best from your analysis.
- c) Assume that you have been appointed project manager for project “B”, the one concerning the website. Prepare a business case for this project. You need **not** carry out an extensive financial analysis at this time.

### Due date and delivery methods.

This assignment is due before 12 noon, 17 March 2006.

Both a softcopy and a hardcopy are required. The softcopy must be submitted via Blackboard. The hardcopy must be submitted to Box A2, Level 1, Easterfield (Near to Peter Metham’s office).