

ASSIGNMENT

RYANAIR CASE STUDY ANALYSIS

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Introduction

This case study analysis is done in order to look at the current strategies which are used by Ryan air though the utilization of various strategies and models in order to generate a better future for the company (Caputo, Borbély, and Dabic, 2019). As various aspects have been developed in this report, the major focus would be on the unique strategies through which the company has made rapid success in the international market and has gained great competitive advantage.

1. Ryan Air – Organizational structure, type, vision, mission, key objectives and the strategy

Organizational structure

The structure of Ryan Air in accordance with the details that have been given has remained to be tall which means that the organization is having a functional structure. This functional structure of the organization represents a traditional functional structure in which the functional heads of the company report directly to the CEO of the company who is Michael O’Leary (Caputo, Borbély, and Dabic, 2019). The Chief Operating Officer and the Chief Financial officer report directly to the CEO of the company along with the Legal Secretary, HR manager and the ground operations officer (Caputo, Borbély, 2019). Hence it illustrates the ideal hierarchy of the company which is short and the company is being able to communicate effectively within different segments in order to ensure the consistency of the company to be permanent (Caputo, Borbély, 2019). The upper management staff has the following people:

Michael O’ Leary – Director and Chief Executive Officer

Neil Sorahan – Chief Financial Officer and Deputy Chief Executive

Ray Conway – Chief Pilot

Caroline Green – Director of Customer Service

Michael Hickey – Director of Engineering

Juliusz Komorek – Direct of Legal and Regulatory affairs and Company Secretary

Kenny Jacobs – Chief Marketing Officer

David O'Brien – Direct of Flight Operations and Ground operation

Edward Wilson – Director of personnel and In-Flight

Ryan Air – Mission and Vision statement

The mission statement of Ryan Air is:

“To offer low fares that generate increased passenger traffic while maintaining a continuous focus on cost containment and efficiency operation.”

The vision statement of Ryan Air is:

“Ryan air’s objective is to firmly establish itself as Europe’s leading low-fare scheduled passenger airline through continued improvements and expanded offerings of its low-fare service.”

By using this strategy, Ryan Air has been success to gain large amounts of customers and growth since it has been incepted in the year 1985 (Caputo, Borbély, 2019). The different strategies which the company has used in order to maintain its competitive advantage and has survived in extremely turbulent times have been categorized into eight types: Maintenance of low fares for the customers, delivering the best performance in customer service, provision of frequent service point-to-point

over short haul routes, achievement of lowest cost of operations in the industry, taking complete advantage of the internet (Caputo, Borbély, 2019), commitment to quality and safety maintenance, enhancing the results of operations through the ancillary services and focusing on the growth of the markets that are being targeted (Caputo, Borbély, 2019). The major focus of these strategies is to focus on the Ryan air's core competencies which are exceptionally offered by it in the saturated market of airlines. By the provision of constant best value, the growth is expected to be growing for many of the next years to come.

2. Ryan Air – SWOT and PESTLE analysis

Below are the internal and external analysis of the company in order to see where the company is functioning effectively and where it is not. For the internal analysis of the company, the SWOT analysis is conducted to look at the Strengths, Weaknesses, Opportunities and Threats for the company while the PESTLE analysis is conducted to see the effect of environmental factors on the company.

Ryan Air – SWOT analysis

Strengths: The Company has strong marketing strategies which has made strong brand reputation and brand recognition among the people and the use of aggressive price strategy has built a strong image of the company in the minds of the customers (Gürel, and Tat, 2017). The costing for the company is low due to the deals with the airport operators. Reputation is considered to be the biggest budget of the airline (Phadermrod, Crowder, & Wills, 2019). The publicity of the company is focused a lot due to the controversial issues and O'Leary. It had been published by the Air Transport World Magazine that Ryan Air had been the most profitable airline across the globe (Gürel, and Tat, 2017). The airline was titled as the "world's favorite airline" in the year 2006.

Weaknesses: The cash for the purchase of new planes is tied up. The basis of the entire company is made upon the lowered cost market of airline (Phadermrod, Crowder, & Wills, 2019). The profit warning shocks have showed that the company might have used the cash reserves and the fiscal structure of the company is weak. The issues such as the EU Commission issue was backed down by the company which created trouble for it (Gürel, and Tat, 2017). The relations among the employees are found to be poor. The dependence of the company is complete made upon the Michael O'Leary who is the CEO of the company.

Opportunities: New routes for the company can be profitable for the market share of the company. The new planes would provide larger capacity to the company (Gürel, and Tat, 2017). The company must use the space of advertising on the planes and websites which could increase the revenue (Phadermrod, Crowder, & Wills, 2019). Collaborations could be made with other airlines while expanding within EU.

Threats: the competitors such as BMI baby, Easyjet and Thomsonfly could act as the biggest threat to the company (Gürel, and Tat, 2017). If there is recession in the economy, the disposable income of the company would decrease, fluctuations in the prices of fuel could be a threat to the company. Restrictions could be put by the EU Commission on the company if does not adhere to the aid rules of the state (Phadermrod, Crowder, & Wills, 2019).

Ryan Air – PESTLE analysis

Political or Legal: change in the policies of the government would had a great impact on the company, due to which the company had to get involved in a number of disputes in both of the countries (Perera, 2017). The governments in the regions where company flies might support the

flagship carrier. The local councils have been objecting to the noise of the company and new runways built supported the operations of the business a lot (Caputo, & Borbely, 2016).

Economic: the economic recession which was substantial in the economy of Ireland was growing but it changed suddenly but due to this reason a number of customers didn't fly for business as it was cost cutting (Caputo, & Borbely, 2016). Uncertainty is caused because of fluctuating fuel costs. The factors like country wise conflicts have influenced the operations of the company.

Social: due to increasing trend of travelling, the opportunities of the company to fly in countries which were previously unconsidered has increase (Caputo, & Borbely, 2016). Business travel by the airline has increased due to the provision of lowered costs (Perera, 2017). A broad demographic of consumers have been attracted through this strategy.

Technological: the company is providing online check-in and self-service at the airport and the company has also used the internet facilities to increase its awareness among the consumers (Policy, 2018).

Environment: the aircrafts of the company are more environmental friendly. The company pays for the environmental taxes against the emission of carbon in the EU.

3. Ryan – Change management

It has been suggested by the current report of Ryan Air that a change is needed in the organization due to the changes in the business environment of the company (Calvellini, Frosecchi, & Tufo, 2019). It has thus become important for the company to change its environment in accordance with the external factors of the company while analyzing the external environment of the company in order to become more effective in the industry (Calvellini, Frosecchi, & Tufo, 2019).

The company was facing a number of issues such as the reputation in the public which was deteriorating and the price of the shares of the company were falling (Calvellini, Frosecchi, & Tufo, 2019). The overall productivity of the company was suffering due to the dissatisfaction among the employees of the company. In this situation, the change management model which was created by Kubler-Ross was implemented in order to minimize the problems of the change in the company which was promised by the CEO to the public and the pilots of the company (Calvellini, Frosecchi, & Tufo, 2019). The change management model was applied in the following manner:

Shock: the shock was unavoidable and made the company to implement change management in the organization.

Denial: the managers of the organization started to inform the employees slowly about the change which has to be brought in the company (Calvellini, Frosecchi, & Tufo, 2019).

Frustration: the uncomfortable feelings among the employees would have been reduced through communicating with them.

Depression: motivating the employees at this stage is the most important task for the company. This is because the feelings are altered by the change (Calvellini, Frosecchi, & Tufo, 2019).

Experiment: the change must be started to get implemented at this stage and the managers must be motivating the staff through appraisals in order to implement the change successfully.

Decision – a set of rules must be made for the new change in the company so that the jobs of the people could be done consistently and smoothly (Calvellini, Frosecchi, & Tufo, 2019).

Integration – compliments and motivation are maximized at this stage in order to congratulate the people on their success (Calvellini, Frosecchi, & Tufo, 2019). The quality of work must be controlled at this stage of the change management.

4. Ryan Air – Organizational management

The Ryan Air plans, organize, lead and control using the POLC model of management. By using this framework, the managers respond to the challenge of the problems which are creative and these have been categorized into four different stages which are planning, organizing, leading and controlling (Griffin, 2016). The implementation of these within the organizational structure of Ryan Air is described below:

Planning: in the planning function of Ryan Air, the company focuses on the objectives of the company which have to be achieved while analyzing the environmental conditions of the company (Ansoff, et al, 2018). The vision and mission of the organization are set by the managers of the company at this stage while predicting the future of the company (Griffin, 2016). Strategic planning, operational planning and tactical planning is then done which is based upon the objectives of the Ryan Air.

Organizing: at the level of organizing, the company allocate the responsibilities to all of the individuals and the efforts of all of the people are coordinated (Ansoff, et al, 2018). The duties and responsibilities of all of the people are decided at this stage and organizational culture, organizational design and the social networks within the company are then decided by the company (Griffin, 2016).

Leading: at this stage, the organization decides about the leadership that would be used at the organization, the decision making pathway which would be followed and the motivation among the members of the team (Ansoff, et al, 2018). The company here decides who it would be motivating the employees through different methods such as reward management, performance management etc. The communication among the groups and teams is decided too.

Controlling: the systems and processes are formulated here through the creation of different policies and understanding the contribution of behavioral sciences in understanding (Griffin, 2016). The performance standards and the corrective measures are made at this stage which help to know about the status and quality of performance. Managers at all levels and departments are

5. Ryan air – business management techniques

The three major controls which are focused by the organization are the performance control, operational controls and the financial or budgetary control which are followed keenly within the organizations (Fayol, 2016). The tools and techniques which are majorly used by Ryan Air in this regard are as follows:

Performance control: the performance control in the organization is achieved by the performance management tools and techniques. This helps the organization to stay in competition and generate higher amount of productivity (Fayol, 2016). The major performance tools which are used by the organization are key performance indicators and the metrics which help in showing how well the company is performing against the goals of the company, performance appraisals, reward management and management by objectives (Fayol, 2016).

Operational control: the operational control consist of controlling and managing the basic operations of the company which happen in the everyday life (Fayol, 2016). The tools and techniques which the company uses in the operational control are the marketing control which consists of researches and trends in the market, the control of human resources in the company which consist of performance control and behavioral control and the control over the equipment and supplies of the company (Fayol, 2016).

Financial control: the company controls the finances of the organization through top down budgeting, bottom up budgeting, flexible budgeting and zero based budgeting. This helps the company to take control over the finances of the overall company.

6. Ryan Air – Leadership

The leadership of the Ryan air is based on the leadership strategies of Michael O’Leary ways of business management (Buchan, 2017). The leader of the company seems to be accepting the challenges for the company and makes strong commitments among the executive of the company.

The leadership of Michael O’Leary is divided into five levels which are:

Level one: being capable of making productive contributions through the knowledge, skills, talents and good work habits which the leader is having (Decker, 2016).

Level two: contributing as a team member in the company and contributing his individual capacities to achieve the objectives of the group and working efficiently in the group settings (Buchan, 2017).

Level three: he is a competent manager as he knows how the people could be organized along with the resources to achieve the objectives of the company.

Level four: the leader of the company has a clear and vigorous vision of the company which has made him to achieve higher standards of performance in the company (Decker, 2016).

Level five: the leader of the company is considered to be building greatness by the blend of humility which is paradoxical and professional will.

The leadership of Michael O’Leary has been able to utilizing a number of steps to make Ryan Air as the no. 1 airline of UK and the major reason behind this are the driving forces of O’Leary rather

than his restraining forces (Buchan, 2017). The blend of greatness in every task he does with the abilities he is carrying forms the greatest forms of leadership. In short, the leader possess democratic style of leadership with a combination of autocratic (Decker, 2016).

7. Ryan Air – Human Resource functions

Though the employer and employee relationships were previously not good in the company. But now as the networks among the people are focused by the company, the relationships of the company between the employee and employers are focused and developed (Piludis, Jones, & Hansen, 2018). The company follows the common employee lifecycle that has been made standard in the business industry. The payroll of the company is streamlined and the services of the human resources by entering into a contract while utilizing the ResourceLink (Buchan, 2017). The system of the Ryan Air is operated by the staff of the company. There are a number of programs which are made for the employees such as the payroll programme, health and safety programmes, training programmes and expenses. The internal communication system in the company was not implemented until the year 2011 (Piludis, Jones, & Hansen, 2018). Signagelive was considered to be the provider of the company which provides daily programming list to the 44 bases of Ryan air all across the Europe (Ahmed, et al, 2019). For example, the reward management and appraisal programmes for the employees has benefitted the relationships of the employers and employees a lot through the utilization of change management programme in the company (Piludis, Jones, & Hansen, 2018). This created a sense of loyalty is created among the employees of the company through this and thus the overall productivity is increased.

Conclusion

The overall success of the company is found to be dependent upon the differentiation strategies which the company has used in order to make it the number one airline all across Europe.

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