

## Case Prospectus

<http://www.qantas.com.au/>

### Qantas Airways Ltd.

**Background:** Qantas is Australia's leading domestic airline and the world's second oldest airline. As a major international airline with an outstanding record for safety, Qantas has become an extremely valuable brand name. In September 1998, Qantas joined the **oneworld** alliance, which includes American Airlines and British Airways. While there are many benefits expected from the alliance there also are considerable risks, most particularly, compromising the Qantas brand. Ansett Australia, holding the number two spot domestically recently joined the Star Alliance, a major competitor. This action put Ansett in a much stronger position to compete with Qantas in an industry that is heavily regulated and where profitability globally has been cyclical and, on average, relatively poor.

**Case learning objectives:** Students completing this case will:

- Identify business risks within the airline industry.
  - In particular, this case examines the potential business risks and advantages associated with entering into a global alliance with other international airlines.
- Become familiar with strategic-systems auditing (SSA) for an entity within the airline industry. For this endeavor, students will:
  - Complete an entity-level business model for Qantas.
  - Perform fundamental business process analysis.
  - Relate specific business risks to audit risks and determine remaining audit procedures.
- Understand how each stage of a strategic-systems audit is related and provides evidence to the auditor.
- Develop an understanding of how to use business knowledge to develop expectations as a basis for analytical procedures.

**Level of use:** The case can be used in undergraduate and graduate auditing courses. Much of the case also may be appropriate for strategy courses. Previous exposure, or concurrent exposure with this case, to strategic-systems auditing (SSA) is assumed.

**Time to complete:** We recommend that students spend 4-8 hours reading the case and preparing responses to the discussion questions. We suggest that the case be covered over two separate, sequential 1.5-hour class meetings.

Students and instructors lacking knowledge of SSA should read, *Auditing Organizations Through a Strategic-Systems Lens* (Bell et al. 1997).