

84th Annual International Management Conference – PIMA

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**-- Benchmarking Successful Companies –
Eric Fishon – Southwest Airlines
*Lessons to Be Learned Across Sectors***



Eric Fishon

Marketing Director

- **SOUTHWEST AIRLINES**

- ✓ **Leading Performing Airline Company**
- ✓ **Safety, Employees & Customer Focused Enterprise**



Southwest Airlines Culture



Introduction to Southwest Airlines

- 32 Years of service
- 30 Years of Consecutive Profitability
- No Furlow Policy
- Cocktail Napkin Story (*Started service between Dallas, San Antonio, Houston*)
- Selling of plane to make payroll after 6 months of service.
- LUV



Southwest Airlines Culture

- **Safety** -- our #1 Importance- We are not in the business that one or two safety incidents are ok, they can be detrimental to our airline.
 - ✓ We only fly Boeing 737
 - ✓ We train on one type of plane and parts
 - ✓ We will inconvenience our Customers for safety factors
- **Employees** -- our 1st Priority after safety concerns
 - ✓ “We hire for Personality & train for Skills” Herb Kelleher, SWA Founder and Chairman of the Board.
 - ✓ We call our Human Resources Department a People Dep.
 - ✓ We are a *Culture* at SWA and we show that in our first day orientation down in our Headquarters at Love Field in Dallas, TX.
 - ✓ SWA encourages our Employees to move ahead and take courses at our “University for People”.



Southwest Culture

- **Southwest Employees give back**
 - ✓ **Pledge to LUV Program after 9/11**
 - ✓ **Fuel purchase after Gulf War**
- **Customers – Key to Culture**
 - ✓ **Internal and External Customers**
 - ✓ **Happy Employees make Happy Customers**
 - ✓ **Make there flights Safe, Cheap, on-time, & FUN**



Issues Faced By Southwest Airlines

- Keeping the SWA Culture intact over the years
- Operating in good times, as they were bad so that our bad times do not turn our company around.
- Post 9/11 economy



Southwest's Competition

**Other past low-fare airlines and
where they are now -- Points of
Difference between THEM & US.**



	Southwest	Alaska	America West	American	Continental	Delta
Change Fees	-0-	\$50	\$100	\$100	\$100	\$100
Paper Ticket Fees	-0-	\$20	\$10	\$25	\$20	\$20
Baggage Fees	3 checked bags \$40 for each additional (4 & 5)	2 checked bags \$50 for each additional (4-6)	2 checked bags \$75 for each additional (4-9)	2 checked bags \$80 for each additional (3-6)	2 checked bags \$80 for each additional (3-6)	2 checked bags \$40 for 4 & 5 \$80 for 6
Oversized Baggage	\$40	\$50	\$75	\$80	\$80	\$80
The Highest Fare You Pay^ (each way)	\$299 (YL)	OAK-WAS \$1649 (Y)	CHI-SJC \$1316 (Y6)	CHI-SJC \$1316 (Y26)	CHI-SJC \$1316 (Y8)	CHI-SJC \$1316 (Y06)
Use it or Lose it (for nonrefundable tickets, subject to certain restrictions and fees)	All unused or cancelled nonrefundable ticket funds may be applied toward the purchase of future travel for one year from date of purchase w/o the penalty of additional change fees.	Web specials cannot be exchanged or applied to other fares.	N/A	Traveler MUST make changes prior to departure date or the ticket will have no value.	Traveler MUST make changes prior to departure or the entire ticket is forfeited.	After the departure date, tickets for nonrefundable fares will have no value and cannot be changed or used for any purpose.
Frequent Flyer Award Tickets	No seat restrictions No change fees Limited Blackout dates	Seat Restrictions Blackout dates \$50 to change itin.	Seat Restrictions Blackout dates \$75 Redeposit \$75 Reissue fee	Seat Restrictions \$100 to change AT	Seat Restrictions Blackout dates \$35 Redeposit	Seat Restrictions \$50 if you ticket in 14 days or less \$75 in 72 hours or less \$100 to redeposit



	Southwest	JetBlue	Northwest	United	US Air
Change Fees	-0-	\$25	\$100	\$100	\$100
Paper Ticket Fees	-0-	N/A	\$25	\$20	\$25
Baggage Fees	3 checked bags \$40 for each additional (4 & 5)	3 checked bags \$50 for each additional (4 & 5)	3 checked bags \$80 for each additional (4 & 5)	2 checked bags \$75 for each additional (3 & 4)	2 checked bags \$80 for each additional (3 & 4)
Oversized Baggage	\$40	\$50	\$80	\$75	\$80
The Highest Fare You Pay^ (each way)	\$299 (YL)	FLL-LGB \$399 (Y)	CHI-SJC \$1316 (Y26)	BUR-MCO \$1603 (YUA)	LAX-MCO \$1422 (Y8P)
Use it or Lose it (for nonrefundable tickets, subject to certain restrictions and fees)	All unused or cancelled nonrefundable ticket funds may be applied toward the purchase of future travel for one year from date of purchase w/o the penalty of additional change fees.	Must make changes prior to flight. OW portion is lost if you fail to call prior to departure.	If the original ticketed flight is not changed prior to departure, the entire ticket will have no further value.	N/A	Nonrefundable fares must be used for the specifically ticketed flight and will have no value once the flight has departed.
Frequent Flyer Award Tickets	No seat restrictions No change fees Limited Blackout dates	Seat Restrictions \$25 change fee	Seat Restrictions \$25 paper AT \$50 if ticketed in less than 9 days \$50 to redeposit	Seat Restrictions \$100 change fee \$75 to redeposit	Seat Restrictions Blackout dates \$50 tickets w/in 14 days of travel \$75 ticketed w/in 3 days of travel \$50 redeposit fee \$50 change fee



What drives our success at Southwest Airlines?

- **Passion of our Employees**
- **Autonomy of our leadership-No leashes let them excel and do their job.**



Wrap-up

- ***“We are in the Customer Service Industry, we just happen to fly airplanes” -- Colleen Barret, SWA President.***
- **We are an *airline of people* not of titles and managers**
- **Together *we make a difference***
- **If you want to be successful . . .**
 - ✓ **For one year** grow wheat
 - ✓ **For ten years** *grow trees*
 - ✓ **For a lifetime** *Grow PEOPLE*



Thank You

