

GORDON BETHUNE

FROM WORST TO FIRST

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Gordon Bethune, the CEO of Continental Airlines, has written *From Worst to First*, an account of how he turned that airline from lackluster to leader, in just a-year-and-a-half. He is not bragging, but rather sharing the secrets of leadership that can transform other companies. Gordon Bethune emerges as an inspirational leader, by bringing Continental Airlines back from the brink, in 1994, which is a truly phenomenal management turnarounds of our times. This book is a refreshing proof of focus on customer satisfaction being an effective spearhead for a turnaround strategy.

A fascinating book written in a simple and lucid style, it contains many stories to illustrate how Continental Airlines became so successful under the leadership of Gordon Bethune. The author hopes that in reading at least one of these stories, someone will learn a lesson it took him years to learn. That person might take some other broken company, or a broken division, or a broken family for that matter, and help to make it work.

The principles behind the changes he made at Continental are really simple but the trouble is that most people tend to forget them in day-to-day work. This book serves to remind readers of these principles.

He makes the point in chapter 2 that companies succeed when they have a product people want and employees who like coming to work. He also makes the point that it is necessary to have a *single* leader in charge to implement fundamental changes required to turn around sick companies. Gordon convinces the reader that the ideas in the Go Forward Plan prepared by him and his associates worked because he had the *control*, by virtue of the authority given to him by the board of directors of Continental. This allowed him to make necessary changes to address big problems.

The first segment of the Go Forward Plan was very simple. Every action had to be considered from the perspective of the *average* customer. Once Continental learnt to think like its customers, the customers started to like the way the people at Continental thought.

Gordon states that by honestly telling the employees and the lenders, how the company planned to improve and meet their expectations of wage hikes and repayments

of loans—the so-called Fund the Future Plan—Continental made them partners in improvement rather than adversaries.

Chapter 5 presents pretty simple stuff. Gordon and his associates figured out that all the marketing strategies weren't going to help if they still had a lousy product. So they fixed their product by removing the company's old focus on cost savings to simply putting out a first-rate product. They measured the quality of their product by what the passengers considered important—clean, safe and reliable flights *that reached their destinations on time* and with their luggage. They used U.S. Department of Transportation measurements of the percentage of flights on time. Each month Continental was among the top five, Continental paid \$ 65 extra to its employees! And when Continental became more reliable, their customers came back again and again.

In chapter 6 Gordon emphasizes the importance of teamwork by asking employees a simple question: which part of a *watch* is important for the whole watch to work. His administration showed Continental employees that an airline was like a watch and they all had to work together to get their jobs done—and either win or lose \$ 65 on-time bonuses as a group—and consequently the entire company was going to succeed or fail together. Given a product they could believe in, an environment in which success was encouraged and rewarded, and the finances to do their jobs right, the employees found soon enough that they liked winning more than fighting.

In chapter 7 Gordon makes the point that it is human nature to relax once things have started going well and therefore it is necessary to fight that tendency by raising the bar on success, fine tuning and keeping an eye on the ball.

In chapter 8 the author emphasizes the importance of creating an atmosphere in which the best people are rewarded for being the best and where success is actually understood and properly measured.

In chapter 9 Gordon again dwells on the idea that a good company is like a good team—no body loses when the whole team wins.

The author firmly believes in keeping the lines of communication open with employees. In chapter 10, he says: “ If we know anything that affects them we tell them. And furthermore, if we tell them something, it is *true*”. He says further that; “We share any information we have, in as many ways as possible—from newsletters to daily updates on bulletin boards, to e-mail, etc. Employees never have to go to the newspaper to get the information on their workplace. If we know it, they know it”

Something people often forget is that in this stressful, maddeningly unpredictable world, predictability is incredibly valuable. “ The more consistently we land our planes on time and with their bags, the more likely passengers are going to want to be on our planes. This works internally too. It makes for a better place to work. And that makes for better work”, says the author in chapter 11.

What gets measured gets managed. This is perhaps the key concept in improving performance—Making sure that everyone knows the goal, how the goal is going to be measured, and what the rewards are for achieving it.

In conclusion the author says that when all is said and done he turned Continental into *a place that puts out a product that customers value and where employees like to come to work*. When people feel valued, good things happen. It is that simple.

A word about the author: When Gordon Bethune took over as President and COO, and later as Chairman and CEO, of Continental Airlines in 1994 he had decided to leave his comfortable executive position in operations at the Boeing Company and move to Houston to take up the new challenge. He had faced many challenges before and learnt his lessons from each one of them. He was well equipped for the task. He knew everything about the airplanes. He knew what made people tick. He could get things done. He had served as a mechanic in the US Navy; as a naval officer; as a helping hand to a private pilot, his own father, engaged in crop dusting; he had worked in executive positions in operations at Braniff, Western and Piedmont airlines; he had gone to college and earned a degree in engineering; and had learnt to fly. He knew his business. He says in Chapter 13: “ The higher I got, the clearer one lesson became. Regardless of the specific processes involved, no matter how many people I was in charge of, they were all still people; and focusing on their needs, as people, was going to make things work.

Heaven knows if we can all learn from a successful leader.