

THE BOARD GAME

With new chief executives under intense scrutiny to prove they are up to the task, executive coach Peter Dunkin of Aviationwise looks at how to lay the foundations for that crucial first 100 days

Congratulations – you’ve just landed a new job as an aviation industry chief executive.

The first 100 days of a new role are widely acknowledged as a critical period which can determine your future success.

The chief executive’s approach will be driven by the prevailing conditions of the inherited business. Is it about turnaround or transformation to fix poor performance, or is it about building on strong foundations? And what kind of behaviours should a new chief executive adopt when starting a new role?

WHAT IS EXPECTED OF YOU?

As with any new role, it is important to understand what is expected of you, the issues to address, along with levels of empowerment. Much of this work will take place well before day one in the job.

When Mark Schwab was appointed chief executive of Star Alliance at the beginning of 2012, he was no stranger to the world of airline alliances, having previously worked for member carrier United Airlines. Now, however, he was faced with a significant challenge of heading a global organisation that facilitates cooperation between 27 airlines.

“I wanted to be sure that I fully understood what our diverse membership expects and

needs from us,” he says. “For me, it was therefore important to get this information first hand and face-to-face. As a result, during my first 100 days, I spent a lot of time on the road, or more accurately in our business, in the air.”

This was well worth the effort for Schwab. The individual meetings with his member carrier chief executives allowed him to create good working relationships with each of them, while at the same time, get a better understanding of their individual requirements. “My team and I can now focus our resources more precisely on matters which are of value to our members, enhancing the global travel experience for their customers and finding alliance synergies to contribute to their bottom lines.”

Richard Deakin, chief executive of NATS, also believes strongly in meeting a broad range of people to understand expectations: “One always has a certain impression of what the

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TOM ENDERS
Chief executive, EADS



Time is best spent away from the seat and on the ground, chief executives say

business priorities may be in advance of taking a new role, but the first 100 days are an important period to explore those initial thoughts and to spend as much time as possible meeting people internally and externally who set expectations about what you and the company should be looking to achieve.”

A challenge for many chief executives is balancing the expectations of the many different stakeholders.

NATS is an example of a complex corporate structure, which interfaces with many airlines, airports and overseas customers. Its ownership includes the government, seven airlines, the BAA and employees, and it operates in a complex UK and European regulatory environment.



Photo: Reuters

Oman Air's new chief executive Wayne Pearce, who brings a wealth of leadership experience from Etihad Airways and Qantas, says: "My first priority was to get clarity on my role and the key issues for the airline from the chairman and the board". He agrees that the first 100 days is a key time for listening, learning and gathering information. The strategy and planning can come later. He advises strongly against "plunging into the business plan."

BE VISIBLE. LISTEN. LEARN. ENGAGE

So it is clearly vital for a new chief executive to meet as many people as possible at every level across the organisation, as well as their key stakeholders.

A common challenge for chief executives is finding out what is going on in the organisation. Direct reports often prefer just to give their boss the good news and leave out the problem bits. This can put the business at risk. Good chief executives are those who are happy to hear about the things that they are not happy to hear about.

Peter Davies, chief executive of Air Malta and previous head of Caribbean Airways, has an impressive track record of turning around struggling airlines. His starting point is to get a synopsis of how things feel and how they are working in the airline. "Aviation has a strong operational focus and I'll want to know quickly if the 'wiring and plumbing' of the business is in good shape. I hate the

expression 'if it ain't broke, don't fix it' and am tempted to ask 'if it ain't broke why isn't it?'" he says.

There are always things that could work more efficiently. Davies will often be found sitting quietly on the ramp for an hour or so, simply observing and getting a feeling of how well things are operating. He also believes this is an important time to assess the senior management team – his own direct reports. And he will engage with middle management to understand levels of inertia or motivation.

British Airways chief executive Keith Williams has made it a priority to know what's going on in the business and has relished moving from financial director to the broader chief executive role.

"It involves you much more with day-to-day operations, customers and customer-facing colleagues. I read a host of emails from customers every day, and try to get around the terminals as much as I can."

Tony Tyler has just completed his first year as IATA director general. "I've put a priority on getting to know everybody. Getting out to parts of the world I didn't know well, like South America, Africa and the Middle East." This helped Tyler to better understand and address criticisms over the way IATA had been run prior to his appointment. His first few months in the role enabled him to prepare for a successful 2012 AGM and demonstrate actions taken to improve engagement and transparency in the organisation.

Tom Enders took over as chief executive of EADS in June, having previously been chief executive of Airbus. For Enders, engagement is a key pillar of success.

"The first 100 days are a key milestone," he says. "If you start rushing and jumping the gun you will soon see yourself running in the wrong direction. Thus, you have to step back and think about your first steps. The most important part is to get out and meet people, talk to them and hear their views and concerns. This is the part of my job which I really truly enjoy – doing site visits, talking to young people, spending time with people on the shop floor. This was really crucial when I was at the helm of Airbus, but it remains a key priority for me as chief executive of EADS."

Students of management will have heard of MBWA – management by wandering about. Or perhaps we should coin the term MBFA – management by flying about – for those chief

executives with a global remit like Star Alliance's Schwab and IATA's Tyler.

UNDERSTAND THE BUSINESS CULTURE

"Culture eats strategy for breakfast!" says management guru Peter Drucker. Organisational culture and values are perhaps the deepest drivers of behaviour, and will determine the success of future strategy and plans.

BA's Williams was very clear about his priority in the first 100 days. He took over as chief executive after a long period of restructuring which had left the airline more efficient and in much better financial shape. Since 2001, BA had reduced its flying programme by about 20% and its workforce by 45%. In the first 100 days, Williams' priority was to renew focus on the customer. "From my first day, I said we had to put the customer at the heart of everything we did – and I continue to say it. This is not a cliché. It has to drive all our actions. And I am not just talking about frontline, customer-facing colleagues. I mean everyone – managers especially. If we don't think rigorously about the impact on customers of decisions we are taking, we will take the wrong decisions – and our competitors will benefit," he says.

"The second thing was to set about reviving our brand. We'd gone through various periods of disruption – caused by everything from ash to snow to security clampdowns – and though the brand was still strong, people felt a little less warm toward us. So we relaunched our brand – To Fly. To Serve – which exactly summarises what British Airways is about: our pride and expertise in aviation, and our passion for customer service," he adds.

The changes at BA have required a major refocus towards an internal culture of customer and service following many years of cost-driven focus.

Oman Air's Pearce believes in the importance of extending openness, and leading by example in creating the style and tone for a new culture. He told me: "I don't manage silos. I hold regular cross functional meetings and this is a great way to break down silo mentality." He continues: "However, I also have to learn and fully understand the prevailing culture in a new country and a new airline."

Air Malta's Davies believes that for any cultural revolution to take place as chief executive, you must earn the respect of the workforce and understand their hearts and minds. "What is their sense of frustration, passion, can-do-ness? Do they want to change?" he asks.

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KEITH WILLIAMS

Chief executive, British Airways

And NATS' Deakin also points out the importance of culture in relation to bringing about organisational change: "Internally I also spent a lot of time meeting the managers, employees and union representatives, whose support would be important in the company's transition. Understanding the management style, culture and tolerance for change was an important objective in working out how best to effect the changes I would want to make."

LOOK FOR QUICK WINS

There will inevitably be pressure on chief executives from some quarters, be it the board or shareholders, on some quick results and signs of progress. So forgive the cliché, but it is important to identify some low-hanging fruit in the first 100 days. The balance between short-term wins and longer-term change does require considerable skill.

Davies of Air Malta discovered a flaw in the airline's fuel hedging policy and was able to make changes within a day. Pearce of Oman Air realised that attention to profit shortfall needed to be addressed as a short- as well as long-term issue. Williams of BA was able to quickly resolve the two-year long cabin crew dispute as a new chief executive dealing with a new lead negotiator of Unite union.

While the key focus for Schwab was meeting and understanding the needs of existing Star Alliance members, he also had future members in mind. As a case in point, the acceptance of EVA Air as a new member was a major announcement that was made as he was completing his 100-day milestone.

The nature of the airline business is that some chief executives will often have no choice but to focus on an immediate operational crisis or safety concern. Deakin of NATS experienced a baptism of fire, or rather volcanic ash, in his second week after taking the helm. "While I was clear in my own mind about my agenda for the first 100 days, what I didn't expect in week two was the eruption of the Eyjafjallajökull volcano which resulted in

the effective closure of UK airspace for the best part of two weeks. This thrust NATS into the limelight within hours of the eruption, but did accelerate many of the meetings I had planned, albeit not in the circumstances I had planned!" he says.

In line with getting UK airspace open again – itself a significant task alongside the UK's civil aviation authority, Met Office, Department for Transport, airlines and other neighbouring air navigation service providers – Deakin focused on understanding the operations around his core business especially safety management procedures. He also mapped out the expectations of the many stakeholders with whom NATS interface.

So circumstances may require a chief executive to focus on crisis and reputation management in the first 100 days. He/she should ask: whose relationship with the airline is being damaged by the crisis and what do you need to say and do to fix it? It will be about developing the right strategic response.

CLARIFY THE MISSION

And now for the final priority. It is paramount for any leader to articulate a vision and mission for the organisation. This will often happen towards the end of the first 100 days, particularly if a chief executive is to spearhead a change in strategy, organisation or structure. What the business will do and how the team will do it must be clearly communicated.

EADS' Enders says: "Everyone needs a clear mission. This is the only way to achieve a better performance on all levels. Does doing a particular project help achieve our mission? If not why are we even considering it? After the first 100 days, those decisions which you have to take should create a true community within the company and foster the engagement of people."

For Deakin, by the end of the 100 days, operations had returned to normal following the ash crisis and the time had come to address the future mission for NATS. "It felt more like the end of the beginning and a transition period to start setting the signposts for the future direction for the company, the management team and the longer-term vision," he says. ■



Peter Dunkin, founder of Aviationwise, is an executive coach with 30 years' experience in international aviation. His career has included senior commercial roles with British Airways, Delta Air Lines and the start-up team at Etihad Airways.