

## Book Review

by Mike Taigman

Nuts: Southwest Airlines' Crazy Recipe for Business and Personal Success by Kevin and Jackie Freiberg

Jockeying for position among the morass of other travelers, with my blue boarding card in hand, I boarded the Southwest Airlines flight from Albuquerque to San Diego. I grabbed an isle seat about halfway back, next to a chronologically endowed woman holding her purse tightly in her fists, cackling to herself with a mischievous grin. In no time at all the doors were closed and we were backing away from the gate.

As they started the pre-flight safety announcements, the overhead bin a couple of rows ahead popped open and a polo shirt and short-clad, chronologically deficient and vertically challenged man rolled out of the bin and landed in the isle. The instant his feet hit the floor his hands were up buckling the seat-belt in perfect synchronization with the instructions from the front of the cabin.

As we started to land the lead flight attendant announced over the PA system, "We have heard that some of you think Southwest Airlines treats passengers like cattle... Well I have only one thing to say to that." And he started singing (to the theme from Rawhide), "Rolling, rolling, rolling, keep those passengers rolling, Rawhide. Rain and wind and weather, hell bent for leather..." As we were herded off the plane, all of us, businessmen, grandmothers, and college kids were singing the Southwest version of Rawhide at the top of our lungs.

In their wonderful book, *Nuts*, Kevin and Jackie Freiberg take us behind the scenes for an up close and personal look at what makes the world's most fun and financially successful airline fly. A lot of it doesn't make sense. "Isn't it nuts for a company to:

...like to keep prices at rock bottom?

...believe that customers come second?

...settle a major legal dispute by arm wrestling?

...loathe the titles and trappings of "terminal professionalism?"

...run recruiting ads that say, "Work at a place where wearing pants is optional?"

...paint its \$30 million assets to look like killer whales and state flags?

...avoid TQM, reengineering, and other trendy management programs?

...spend a lot more time planning than writing policies?

...avoid formal, documented strategic planning?

...make the “Lone Ranger” leadership mentality a thing of the past?”

Most ambulance services are concerned with profits. The U.S. Airline industry lost \$12.8 billion between 1990 and 1994. Southwest was the only airline to be profitable each year during that period. Southwest is the only U.S. Airline to earn a profit every year since 1973. Its net profit margins have averaged over 5 percent since 1991, the highest in the industry. Since deregulation in 1978, 120 airlines have gone bankrupt, while Southwest has grown 20-30 percent each year.

How do they do it? This book is packed full of answers. Much of their success is the result of their approach to employees. In the productivity realm Southwest serves twice as many passengers per employee of any other airline. Yet they have the lowest turnover in the industry, 4.5 percent each year. Robert Leverin and Milton Moskowitz put the company in their top ten in The Best 100 Companies to Work For in America. In their entire history they have only laid off three employees due to cash problems. The three were immediately rehired. In an age where most people think that job security is a thing of the past, Southwest gives people a chance to think differently.

They also have the highest customer satisfaction rating of any airline, according to DOT. They enjoy the best safety record in the industry. Their style has been the most copied in the industry. ValuJet, Kiwi, Reno Air, Western Pacific, and United’s Shuttle are all attempts to garner some of the success that Southwest has enjoyed.

It’s fun to read this book and dream of an ambulance company with low rates, thrilled customers, loyal and happy employees, an outstanding safety record, high productivity, continuous growth and profitability. Rolling, rolling, rolling...