

## Ed Bastian (Delta) and Jim Goodnight (SAS) | Executive Summary

**Jim Collins:** Ed, give people a feel for what the near-death experience was like for you at Delta. Describe the causes of the crisis, and give us a picture of the severity and magnitude of the situation.

**Ed Bastian:** We came within a few days of shutting the doors for good and going out of business. It was hard for people to appreciate how much trouble the company was really in. Following 9/11 and its implications on travel, the fuel shocks, as well as a number of poor decisions by our leadership, we found ourselves in a position where we were running out of cash and running out of time.

**Ed Bastian:** In that season, we availed ourselves of the bankruptcy process. It was a hard, hard lesson to learn. There was a lot of denial in the company, at all levels. We employed about 50,000 people at that time, and it was difficult to get people to understand the sense of urgency, that we weren't going to make it unless we made massive changes. I'm pleased to say that we've not just solved the bleeding, but we actually have, over the course of the last five years, rebuilt the company.

**Jim Collins:** How did you create the shared sense of urgency and shared sense of commitment to pull Delta through such a brutally difficult transition?

**Ed Bastian:** We decided the only way we were going to get out of trouble was if we went back to the employees and reignited the spirit of Delta Airlines. Over 18 months, we brought all 50,000 employees through our headquarters to talk about the company. We told them the hard facts and accepted responsibility for our mistakes. The employees knew we didn't have a lot of money to share and that they would have to make sacrifices. However, at the end of the day, they really wanted our time and attention, not our money. They wanted to connect with us to reignite a spirit that would lead the company back to greatness.

**Jim Collins:** People talk about SAS being "a great place to work"? What does that phrase mean and how do you create a great work environment?

**Jim Goodnight:** People in our organization work flexible schedules, 35 hours a week. We've done that since 1976. Being a great place to work is an effort on my part to make sure we have a productive environment where people are challenged and where they desire to be innovative. We're a knowledge company. Everything we do comes out of the heads of our workers. You have to treat knowledge employees differently. These are not factory workers; most have advanced degrees. The old rules do not apply in a knowledge environment.

**Jim Collins:** In my own life I've been blessed and fortunate to have amazing mentors and leaders in my life at key times. Who is a mentor/coach/guide you've had in life and what did he or she impart to you?

**Jim Goodnight:** My high school basketball coach taught me the importance of playing as a team rather than as individuals. Also, he taught me the selfless nature of leadership. If we won, it was our win. If we lost, he took responsibility for not having us prepared.

**Ed Bastian:** I had an influential mentor in my young career and a piece of advice he gave was that if you're going to succeed in life, surround yourself with successful people. Engage with people more successful than yourself and have a strategy for success. Never be afraid to hire people smarter than you are, and don't be intimidated by them. If you want to be great, surround yourself with greatness.

Action Plan:

- ✓ A healthy work environment fosters productivity. Examine your workspace. Is it free from clutter? Is it properly lit? Do you have a comfortable chair? Initiate at least one small act of decoration or rearrangement to give yourself a better feeling about the place in which you spend the majority of your workday.
  
- ✓ Mentor and be mentored. Set up at least one appointment with an older leader you respect and pick his or her brain. Then, volunteer one day at an after-school program, your place of worship, or in youth athletics. Use your skills to help someone else grow and learn.