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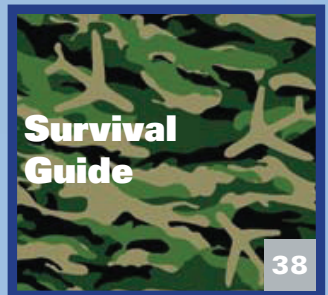
Taking your airline to new heights

A Clear Vision

A Conversation With ...
Sean Durfy, Chief Executive
Officer, WestJet Airlines,
Page 16.



Special Section



8 Japan Airlines takes steps to improve its environmental performance

21 Delta Air Lines/Northwest Airlines merger impacts regional carriers

44 Airlines have three basic options to raise capital

A person in a blue uniform is seen from the side, looking out a window. The scene is dimly lit, with light coming from the window, creating a contemplative atmosphere. The person's face is partially visible in profile, looking towards the right side of the frame.

A Clear Vision

A Conversation With ...

Sean Durfy, WestJet Chief Executive Officer

WestJet Airlines



Photos courtesy of WestJet



WestJet Airlines, Ltd., has come a long way since the days of three aircraft flying to five destinations in western Canada. Its growing fleet of Boeing Next-Generation aircraft now serve cities across Canada and the United States, including three Hawaiian destinations. It is quickly becoming the airline of choice for vacation travel with its Caribbean and Mexican destinations.

Despite a global economy that is currently dictating a significant downturn in the airline industry, WestJet remains optimistic about its expansion plans.

Yes, it's been impacted. In February, the carrier posted a 45 percent slide in fourth-quarter earnings to C\$40.8 million (US\$31.5 million) as harsh winter weather and waning demand for air travel continued to bog down its earnings. But Sean Durfy, WestJet chief executive officer, is bullish on his airline's expansion plans, which forecasts 5 percent growth this year and includes adding eight more leased planes to its 77-plane fleet.

"We're still growing this airline," Durfy said in a February interview with Canada's *Financial Post*. "We're still adding new routes, and we'll continue to grow the WestJet Vacations product. We're taking nine aircraft this year, and we have no flexibility on that."

During that interview, Durfy said there are several initiatives in the works that will help fill WestJet's planes, most of which rely on the successful implementation of its new reservations system, built by *Sabre Airlines Solutions*®, by the end of the year.

While that process will likely push the launch of WestJet's new loyalty program into the third quarter, it will enable the airline to increasingly move to an "à la carte" model, where passengers pay for the services they desire, such as advance seat selection and flexible fares.

It will also enable the airline to implement its recently announced codeshare agreements with Southwest Airlines and Air France-KLM by the end of the year and during the first quarter of 2010, respectively.

Talks continue with Cathay Pacific Airways and several other carriers over the potential for further codeshare agreements.

"I think we will sign up at least one more this year for 2010," Durfy said.

What is the key to the carrier's success? People, first. At WestJet, a team responsible for corporate culture organizes



WestJet Airlines employees, through their friendly, professional interaction with customers, display firsthand the airline's emphasis on its award-winning corporate culture and how important its employees are to the company's overall success.

250 annual events including talks with pilots and flight crews to discuss culture and news, parties, and town hall meetings.

Durfy communicates regularly with employees to keep them updated. In addition,

all employees undergo an orientation program in which they learn about the importance of corporate culture. The company also conducts an internal biannual survey called WHY (We Hear You) that measures culture and



Safety is just one of five key elements that define WestJet Airlines' culture, along with accountability, fun, friendliness and ownership.

employee engagement and encourages feedback so leaders can make improvements.

Durfy ties his success to technology as well. In an ad by Microsoft, an announcer asks, "So Durfy, how do you keep the vision alive?" His reply?

"When we had 200 people, everyone said, 'Ah, you'll never keep your culture.' Then we went to 1,000 people; they said, 'Ah, bet you won't keep it when you go to 2,000.' Then we went to 2,000, and they said, 'Ah, when you get to 5,000, it's going to be a different game.' Of course, we're at 7,500 people, and our culture has never been as strong.

"With 7,500 folks across Canada and the United States, you can't look at everybody's eyes anymore. We now look at technology as a strategic driver of the company. If you don't have that, you're screwed, brother."

Durfy has been with WestJet since 2004, when he joined the airline as executive vice president of sales and marketing. He was appointed president in September 2005 and assumed the role of CEO in September 2007.

In a recent interview with Lynne Clark from *Ascend* magazine, Durfy shared more thoughts about keeping the vision alive.

Question: On your Web site, you call WestJet a different kind of airline. What sets WestJet apart from other low-cost carriers?

Answer: First and foremost, it's our people and their commitment to deliver a world-class guest experience that sets us apart from other airlines and, indeed, other companies. Our people are our greatest asset. In addition, we have a strong business model and low cost structure, which allow us to offer our guests great fares and travel packages.

Q: WestJet has been named one of Canada's "most admired corporate cultures" four times. Describe your corporate culture and how it has contributed to the company's phenomenal success.

A: Our culture is value based and driven by our entire workforce in a grassroots way by every WestJetter and demonstrated equally by our leadership teams. Centered around caring, our culture includes elements of accountability, safety, fun, friendliness and ownership. Pride in ownership and being part of this great success story encourages our people to make great decisions and contribute even further to our performance.

Q: What would a first-time WestJet passenger notice most about his or her flight experience?

A: The first thing they'll notice is the fun and friendly attitude of our WestJetters.



Like traditional low-cost carriers, WestJet Airlines operates a single aircraft type, with a fleet of 77 Boeing Next-Generation 737 planes and plans to grow its fleet by 5 percent this year.

We get more compliments about our people than anything else. From the time our guests book their tickets to check-in, the boarding lounge and, of course, the flight itself, it's all about delivering a world-class guest experience. People also like our new and efficient Boeing Next-Generation 737s, our on-time performance and, in general, how easy and worry-free it is to fly with us.

Q: Describe a memorable, fun or off-the-wall event WestJet hosted for employees and/or shareholders.

A: It would be hard to describe just one. In fact, we have over 200 parties and events for WestJetters and their families every year. Probably one of the most satisfying events is our twice-annual profit share parties, when WestJetters have an opportunity to come together to celebrate and share in our success, and leaders enjoy the opportunity to personally reward team members for their part in our success.

Q: Your founders based their business model on Southwest Airlines. Describe the similarities and differences of the two carriers.

A: There are many similarities as well as some differences. For example, we are similar in that we use only one type of aircraft, we are dedicated to providing high value at a low cost, we're fun and friendly, and we focus on creating an amazing guest experience. However, our workforce is much smaller and it is non union.

Q: You have a new codeshare agreement with Southwest Airlines. How chal-

lenging will it be to integrate your operations? Will it be difficult to differentiate your brands?

A: From day one, we have always enjoyed a tremendous relationship with our friends at Southwest. For example, our respective operations teams have exchanged best practices and business process information, which has been a significant benefit not only from a technical perspective, but also in terms of getting to know each other and experiencing the cultural "fit" firsthand. From a brand perspective, we share many

of the same values with Southwest and look forward to the day when our guests will be able to enjoy the full benefits of this new arrangement.

Q: What do you consider when evaluating new partners?

A: Our first priority is a cultural fit. How does the potential partner view the importance of creating a world-class guest experience? What are their organizational values, and how do they treat their people? Of course, we also evaluate critical elements such as technology, business processes, etc. At the end of the day, any partnership must be mutually beneficial and be capable of moving both companies forward in their respective business strategies.

Q: How do you balance the need to grow with the need to nurture the corporate culture that has made you so successful?

A: This is an excellent question. As an organization grows, its culture changes subtly with each new hire. At WestJet, we believe we can maintain our strong corporate culture while growing our business, and that our culture will grow and evolve along with our business. There is a strong relationship between the two, and we're resolved to never lose that focus.

Q: Obviously, WestJet has been successful because it continues to provide safe, friendly and affordable air travel. What role has technology played in that commitment?



More than 80 percent of WestJet employees are owners of the airline, which contributes to their strong desire and motivation to help build and grow the business. In addition, WestJet leaders view all employees as partners, and it's this team concept that supports the thriving carrier.



With its fleet of Boeing Next-Generation 737-600, 737-700 and 737-800 aircraft, WestJet Airlines operates the most modern fleet in North America of any large commercial airline. The aircraft are equipped with more legroom, leather seats and live seatback television.

A: Technology innovations and partnerships have played a significant role in our success as much of our core business is dependant on technological applications. For example, we developed an RNP (required navigational performance) application, which affords us significant fuel savings and increased safety when flying approaches. We have brought *Sabre Airline Solutions* onboard to replace our reservations system, which will serve as a critical foundation for our growth in the future. As an aside, we were asked a similar question by Microsoft recently, and the answer is contained within their new series of animated television commercials featuring prominent businesses and CEOs. We were flattered that we were the only Canadian company they chose to feature!

Q: Why has WestJet been so successful in an environment that sees airlines going out of business every year?

A: We have an incredibly hard-working, dedicated and committed workforce of some 7,400 WestJetters, over 80 percent of whom are owners of the company and highly motivated to drive

strong business results. We have a sound business model, low costs, a strong value proposition and, best of all, guests that are fiercely loyal to us. Some nine out of 10 people who fly with us, fly with us over and over again.

Q: What specifically do you intend to do to become one of the five most successful international airlines by 2016?

A: Overall, we will continue to grow and expand in a balanced, measured and sustainable way. We will continue to focus on creating and delivering an amazing guest experience and celebrating our incredible culture. Specifically, we will look for additional codesharing opportunities with other airlines as well as other strategic alliances to move our company forward.

Q: What do employees and customers say about the WestJet experience?

A: A WestJet customer service agent captured her gratitude for flight privileges and being part of this great team by saying, "Thanks for making the

country so small and my heart so big." Another WestJetter once said, "After years of searching, I've finally found my home." Our guests sum up their experience with comments such as: "I am well aware how important well-trained, caring people are to the success of any company. Without them, any company will fail. Thankfully, WestJet is in good hands." Another guest said, "I am singing your praises to everyone I know. Thank you to all your great employees."

Q: If there is one thing you want customers, employees and shareholders to know about WestJet, what would that be?

A: We want our customers to know that we value their business and genuinely enjoy their company. We want our employees to know they are valued partners and contributors in our success and the keepers of our culture. We want shareholders to know that we have a strong business model, a proven track record, we routinely outperform our peers, and we are confident that we will continue to achieve our goals and create value for our shareholders. **F**