The Southwest Way Successful Practices of a Market Leader



The Emergence of Southwest

- Founded by Herb Kelleher and Rollin King in the late 60's
- Designed to be a low cost high frequency carrier serving
 Dallas, San Antonio and Houston
- After several years of legal battles with other airlines,
 Southwest won their certificate to fly in Texas in 1971
- From the very beginning Southwest wanted make flying fun and available to all of the traveling public not just business travelers, the wealthy and celebrities

The Emergence of Southwest



- Consumers, particularly corporate travel departments, became more price-sensitive in the 80's
- Consumers began to redefine quality more in terms of reliability
- During the Gulf War crisis, Southwest expanded while other airlines shrank
- Since then, Southwest has grown to encompass almost all regions of the U.S and some international markets.

"The Southwest Effect"

"Southwest is having a profound effect on the airline industry. Southwest's much lower operating costs are making it the dominant airline today in the sense that Southwest, more than any other airline, is causing the industry to change. Other airlines cannot compete with Southwest in the same manner as they do each other."

Department of Transportation report





While other airlines struggle to achieve 3 or 4 consecutive years of profitability, Southwest has been profitable every year since 1973

"The most successful airline in history..."



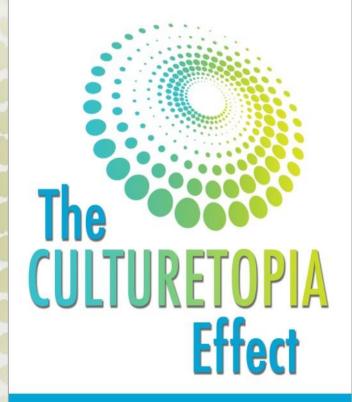
Culture Drivers



Most Loyal Southwest Customers will say:

- Low Cost
- Lean/Efficient Operations
- Reliable Service
- Fun and Enthusiastic Employees
- Customer First Attitude

JASON YOUNG



How successful organizations create
HIGH PERFORMANCE and HIGH FULFILLMENT
and how you can too.

CULTURETOPIA JASON YOUNG

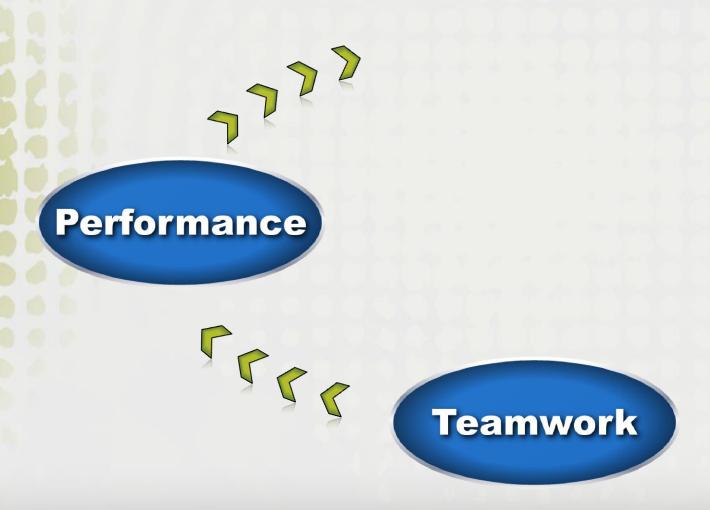
High Performance Low Fulfillment

Culturetopia

High Performance High Fulfillment

Low Performance Low Fulfillment Low Performance
High Fulfillment

What Drives Culturetopia?





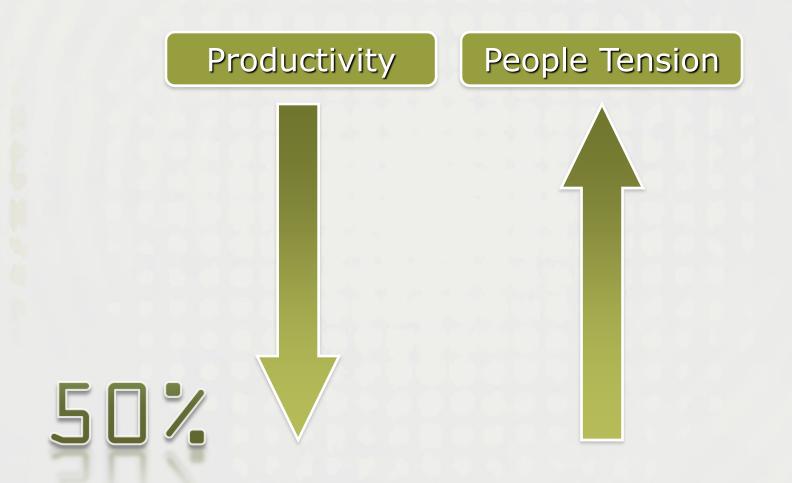
Using the Power of Relationships to Achieve High Performance

JODY HOFFER GITTELL

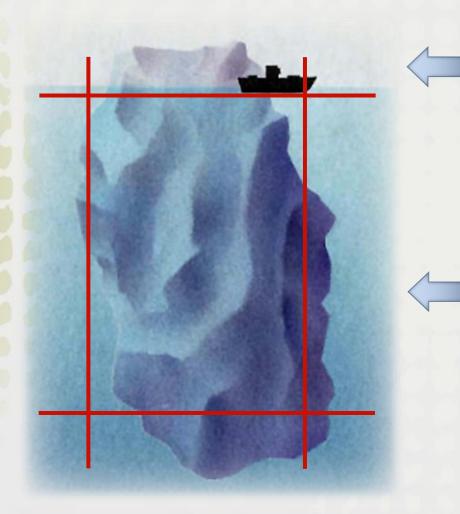


Relational Coordination

Relational Coordination



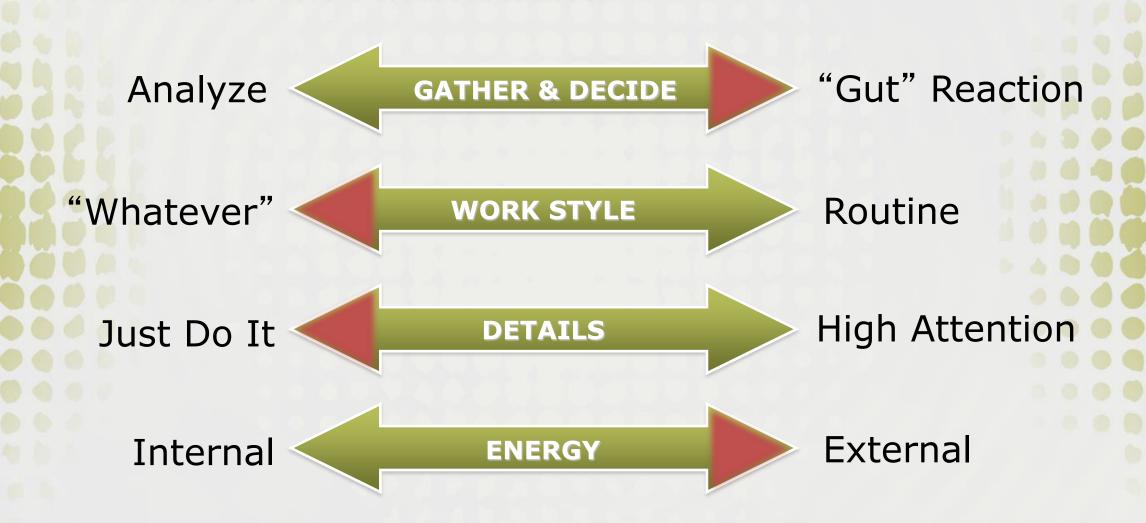
Relational Coordination



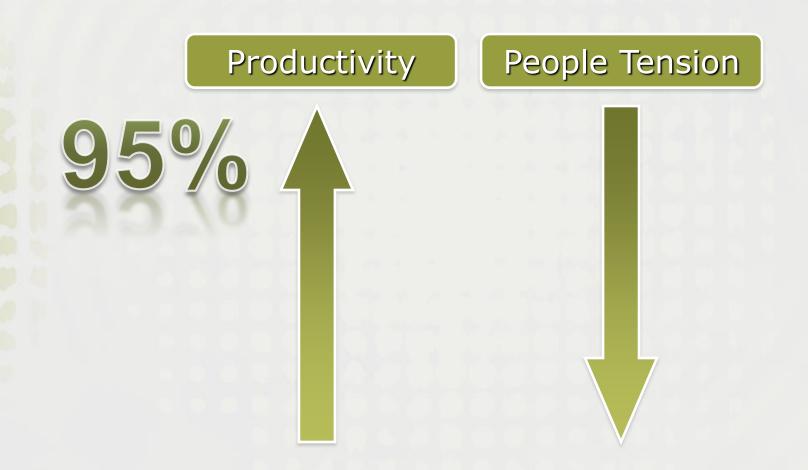
What you show the outside world, your talents, gifts and preferences.

What 's underneath, the skills that are less developed and the mistakes you have made. Things that you do not feel comfortable showing the outside world.

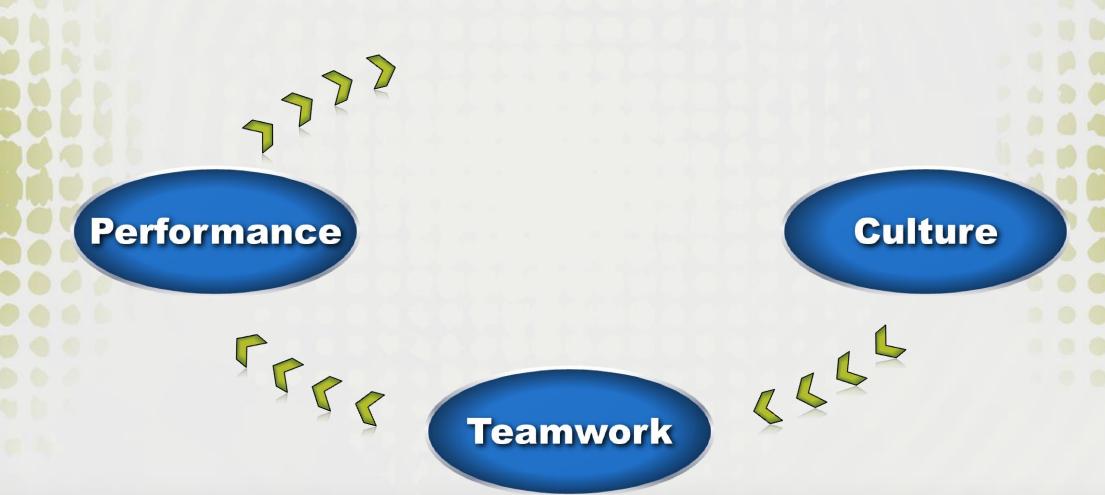
Appreciating Differences



Relational Coordination



What Drives Culturetopia?





Culture Cycles

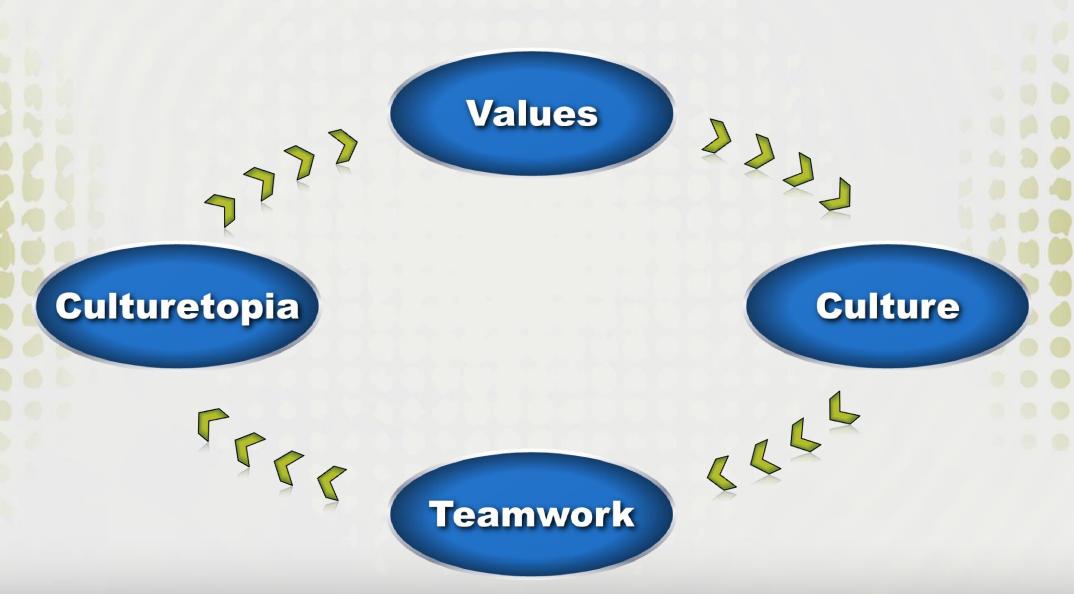
Fresh/New **Growth Maturity** Learn C **Startup Culture Innovation Culture** Risk-Taking **Heated Competition** New products? New strategy? What's next? Managing

Change Culture

Risk-Taking



What Drives Culturetopia?



Southwest Airlines Vision

The vision of Southwest Airlines
...is dedication to the highest quality of Customer Service delivered
with a sense of warmth, friendliness, individual pride, and Company Spirit.

To Our Employees

We are committed to provide our Employees a stable work environment with equal opportunity for learning and personal growth. Creativity and innovation are encouraged for improving the effectiveness of Southwest Airlines.

Above all,

Employees will be provided the same concern, respect, and caring attitude within the organization that they are expected to share externally with every Southwest Customer.

Customer Defined Service

CUSTOMER EXECUTIVE

Supervisor

Manager

Director

Executive

BOD

Customer Service Focus

Southwest Airlines is a customer service company that happens to be in the transportation business.

The level of service you give externally will only be as good as the level you give internally.

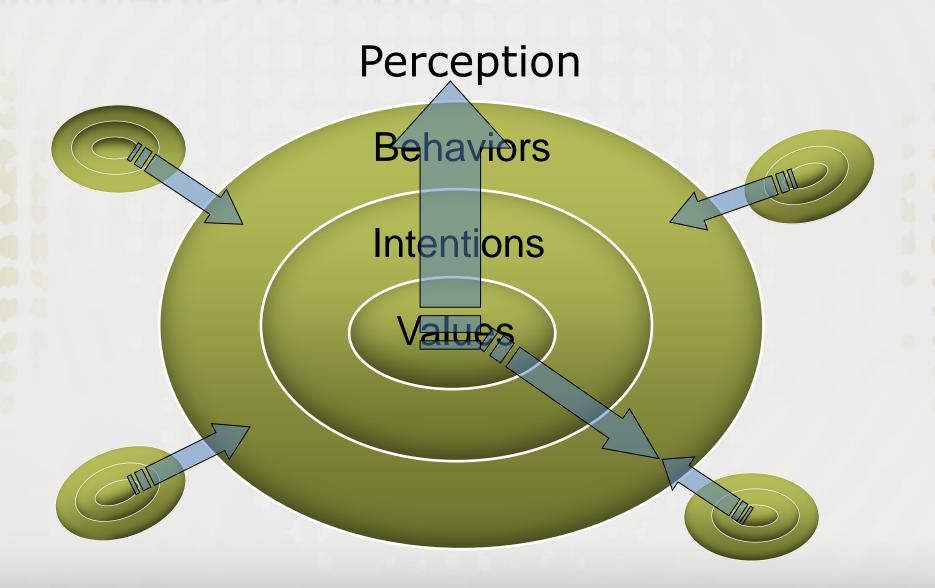


Hire for Attitude &

Train for Skill

MENIT RUJIE

Moments of Truth



"What People Notice"

"The 4 Minute Sell" - Research by Janet Elsea

- Appearance
- Facial Expression
- Eye Contact
- Body Movement
- Personal Space
- Touch

Sending Emotional Signals

Albert Mehrabian - Professor Emeritus of Psychology, UCLA

Gestures

55 %

Tone

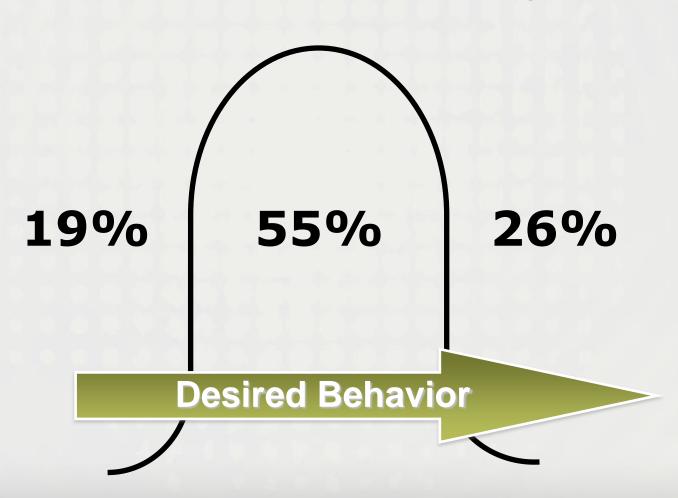
38 %

Words

7_%

Employee Engagement

Research by Marcus Buckingham



The "CASH" Box

Competencies

Attitudes

Strengths

Habits

Leadership "Best Practices"

- Clearly define expectations.
- Provide the tools and training to ensure success.
- Get people using their talents and strengths.
- Give frequent recognition and praise.
- Show care and concern for everyone.
- Encourage continuous learning and development.

"Soar with your Strengths"

by Don Clifton





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How successful organizations create
HIGH PERFORMANCE and HIGH FULFILLMENT
and how you can too.

Thank You!

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