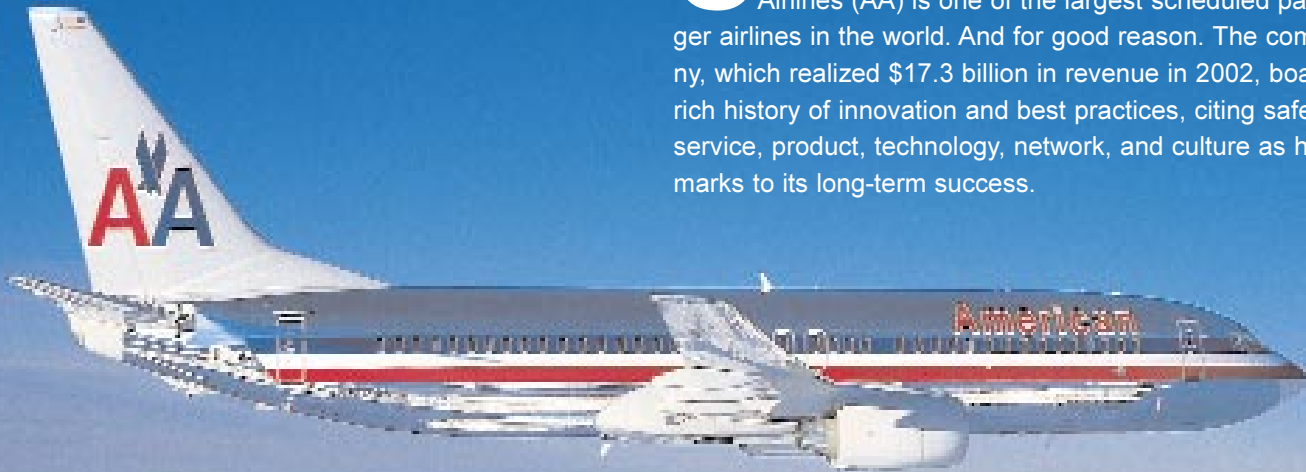


TAKING FLIGHT...

AND STAYING THE COURSE

American Airlines' Passenger Sales Department makes the move from making stand-alone transactions to building value-added partnerships, enhancing customer loyalty and differentiating itself in a cost-driven marketplace.

Serving nearly 81 million passengers in 172 cities each year, Fort Worth, Texas-based American Airlines (AA) is one of the largest scheduled passenger airlines in the world. And for good reason. The company, which realized \$17.3 billion in revenue in 2002, boasts a rich history of innovation and best practices, citing safety, service, product, technology, network, and culture as hallmarks to its long-term success.



AA's commitment to excellence in these key areas is apparent in everything it does. And it hasn't gone unnoticed. The company has been recognized for the past five consecutive years as the best domestic carrier with which to do business from a corporate travel management perspective, according to the *Business Travel News* Annual Airline Survey. In fact, even in the wake of the tragedies of 9/11 and in the face of a downed economy — factors that brought some airlines to their knees — AA persevered, placing first in 7 out of 10 categories in the 2002 survey.



Craig S. Kreeger
VP and General Sales Manager
American Airlines

The company attributes its ongoing success in passenger sales to superior solutions and a well-trained sales force. "We have a training program that becomes the way we work," says Frank Morigiello, vice president of global accounts for AA. "From the top down, we instill that into all our salespeople."

At the heart of this program lies Wilson Learning's *Creating Competitive Business Solutions* (CCBS), which AA began exploring in 1997, when the company decided it needed to change its

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approach to corporate travel sales. Managed corporate travel had become a cost-driven marketplace, where the carrier with the lowest bid typically secured the account. And while that carrier was often AA, the company knew that playing into the commoditization of its industry would garner short-term results, at best. Sure, this transactional approach may help the company capture additional market share today, but who would fly in to land a better deal tomorrow?

"We sat down and took a hard look at where the company was going and how the sales team fit into that plan," says Craig S. Kreeger, vice president and general sales manager. "In most cases, we found we weren't selling ourselves as a leading airline — we were primarily talking about deals and discounts. So we rethought our strategy and created a new program that gives our people the tools to sell AA as the premium product that it is."

LOOKING AHEAD

AA spent several months formulating a plan for differentiating itself in the industry. According to the *Dallas Morning News*, "the top 2 percent of its business travelers accounted for 25 percent of AA's revenue." Clearly, even a minor boost in business-to-business sales would have a deep impact on the bottom line.

Just how to "turn up the notch" on this key market segment was less clear. AA knew that it needed to bring added value to its customers to escape the revolving-door cycle driving most of the industry. But how? Ironically, inspiration came in the form of an incoming sales call. Or rather, several sales calls spanning the better part of a year — ever since Wilson Learning had responded to AA's RFP. What's interesting is that these sales calls didn't really seem like sales calls at all.



Jan Broll
Account Executive
Wilson Learning

"It started as a highly transactional process," says Jan Broll, the Wilson Learning account executive who had been following up with AA about its plans to bring added value to its corporate travel customers. "We couldn't get high, wide, and deep." But when Broll began applying CCBS principles in her attempt to win the account, things began to change — and quickly. "After we modeled it, they just really took off with it."

Kreeger and his team saw in Broll the very characteristics that AA hoped to instill in its own sales force. She had researched the dynamics surrounding the airline industry, had asked informed questions to better understand the underlying business issues at hand, and had given careful consideration to AA's critical success factors moving forward. She had demonstrated how a consultative approach can bring added value to the sales process, often transforming stand-alone transactions into ongoing win-win partnerships that reach far beyond the usual buyer/seller relationship.

Wilson Learning was given the green light to deliver what proved to be a successful pilot of brand CCBS in the summer of 1998. And when Broll and Jane Blinde, the Wilson Learning extended enterprise consultant who helped facilitate the pilot, gave Kreeger a final presentation on the value of CCBS in the context of the carrier's mission to up the ante on the business traveler, he was convinced. He had experienced CCBS firsthand.

"The key behind this whole thing ... is that we had the processes and systems in place to support this philosophical change."

— **Michael Franks**
CCBS Program Manager
American Airlines

"One of the key reasons we went with Wilson Learning is that you guys practice what you preach, and it happened to be exactly what we wanted our sales force to do — to be more of a consultant, looking at and understanding our customers' business from their perspective,"

says Rick Kustus, manager of training for passenger sales.

EFFECTING CHANGE

In April of 1999, AA began delivering a customized version of CCBS to the 700-plus associates constituting its worldwide Passenger Sales team. And the timing couldn't have been better. Around the same time, Don Carty took the helm as CEO of AA. The change needed in the sales culture aligned well with Carty's Leadership Plan for the airline.



Given this tremendous internal momentum, AA really took ownership of the project from the get-go. For example, instead of having Wilson Learning facilitators deliver the program to its entire Passenger Sales team, AA chose to identify key internal individuals who would learn CCBS inside and out, then coordinate ongoing delivery efforts. These agents of change were Michael Franks, program manager for CCBS, and Debbie Reynolds, training specialist. "I think that their having their own resources internally delivering has been hallmark in their success," says Blinde. "Michael and Debbie are their subject matter experts now."

Over the two years that commenced, Franks worked closely with Wilson Learning to train the Passenger Sales team and to create additional proprietary support mechanisms that would keep CCBS alive in their hearts and minds. "The key behind this whole thing — what made it not just a training program, but

rather a true performance improvement solution — is that we had the processes and systems in place to support this philosophical change,” says Franks. “If you don’t have the programs in place to support the philosophy once it goes out to the field, it just becomes another training class that dies a slow death because it’s business as usual.”

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— Rick Kustus, Manager of Training for Passenger Sales American Airlines

Just as CCBS enables salespeople to reach high, wide, and deep within a customer organization, these custom support mechanisms have enabled CCBS to reach high, wide, and deep within AA. Coupled with executive buy-in, commitment, and direct involvement, these extensive reinforcement measures have made all the difference. Logistical variances, such as limited versus ready access to the Internet for sales reps, were identified. Barriers were overcome. And what began as a sales training program has permeated the very cultural fabric of the company.

“What CCBS has done for AA is physically change our organization,” says Kustus. “It’s the way we do business, and it is a key intervention that took place. We are now practicing what we preach with CCBS, calling higher, wider, and deeper within AA — talking about the philosophy to the airport people, talking about the philosophy to our revenue management folks, talking about the philosophy with our e-commerce business, talking about the philosophy with our cargo department.”

PUTTING CHANGE TO WORK

Today, when members of the AA Passenger Sales team consider approaching a managed corporate travel customer or prospect, they first do their homework, researching the company’s history, getting up to speed with industry dynamics, and exploring any recent organi-

zational announcements regarding matters such as product development. They then pull from this knowledge and insight to earn the right to make a strategic business call. During this visit, they focus on further discovery — not on simply making the sale — to better understand a customer’s corporate interests, goals, and plans. This approach makes it clear that they are truly interested in solving the customer’s business problems, in establishing a long-term relationship grounded in mutual trust and respect.

Since few decisions are made by a single individual or carried out in a silo, sales consultants also identify other key people to be impacted by these decisions. Leveraging the relationship they have established with their primary contact, they access these mission-critical contributors and consult with them about their respective roles.

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— Craig S. Kreeger, VP and General Sales Manager American Airlines

This not only provides the reps with invaluable insight when examining buyer patterns, but also helps them build rapport with all vested parties. For example, an organization’s corporate travel manager may be primarily focused on containing costs, while the chief information officer is concerned about attracting and retaining top talent. Bridging these gaps early on brings clarity to successfully carrying out objectives and facilitates much-needed change management. The result, with time, is that the Passenger Sales consultants redefine their role, from sales reps pushing product to trusted advisors building solutions.

“As industry leaders, we’ve got to deliver quality service that customers remember,” says Kreeger. “CCBS principles are a great tool because everything is put in the context of what the customer values. From the get-go, we’re letting our best customers know that we



will work with them to deliver a product that fits their needs.”

Gone are the days when AA sales consultants approached clients solely from a cost-containment perspective. More often than not, they discovered, travel-related products merely scratched the surface of a customer’s needs. And limiting the discovery process to cost only distracted them from getting at the heart of the matter — and hence from building customer loyalty.

CCBS has enabled the Passenger Sales team to move from being sellers to being business sales consultants. In each case, sales reps expand their understanding of the business of their customers through contacts high, wide, and deep within the customer organization. The team then uses the information gathered about the customer’s business priorities and processes to achieve a win.

STAYING THE COURSE

By remaining true to the principles of CCBS and ensuring that the proper mechanisms are in place to support it, AA continues to enjoy success upon success, despite external market factors like the recession, rising oil prices, and the tragedies of 9/11. And while other airlines may try to uncover AA’s secret to playing in the managed corporate travel arena, AA always rises above. “Others have tried to emulate what we do, but copying programs just is not enough,” says Morogiello.



“CCBS is our competitive advantage. It is the way we do business here at AA, and it’s not going away.”

— Craig S. Kreeger, VP and General Sales Manager American Airlines

In addition to continually being honored as the best domestic carrier in terms of managed corporate travel, AA was among the elite companies gracing the pages of *Training* magazine’s 2002 Top 100, an annual quantitative and qualitative ranking of corporate training and development initiatives.

“CCBS is our competitive advantage. It is the way we do business here at AA, and it’s not going away,” says Kreeger. With proven results like these, who would alter such a true course?

