



Transformation Managed with Inspiration

---

# A Legendary Business Turnaround Story

*A classic lesson on how to create  
a customer-focused organisation*

by  
**George Aveling**, CEO, TMI Malaysia and  
**Sally-Ann Huson**, Global IP Director, TMI Worldwide



---

In this article, we will share with you a legendary business turnaround success story. Whilst it's about an airline, the principles that we discuss could equally apply across time periods, across industry types and across national boundaries.

“Us” and  
“them” at BA

Let’s put you in the picture. The energy crisis of 1979 was biting into the international airline industry. British Airways was in trouble. At a national level, British Airways’ stocks as a source of national pride were slipping. Employee morale had fallen. At a customer level, passengers were voting with their feet and were choosing to fly with other airlines. There was a high level of customer complaints. BA was voted Worst Airline of the Year. At a commercial level, the company was losing market share and money. All in all, the early 1980s represented a dark period in BA’s history.

The organisational culture, at this time, was that passengers were treated by employees as “bums on seats”, rather than as customers. Employees had little or no sense of how important a “BA Experience” was to the customer, and ultimately to the business. Departments did not talk to, much less work with, each other. When things went wrong, fingers were quick to point blame at other departments which created a sense of “us and them” within the airline.

Sir Colin Marshall, then CEO of BA, called in TMI following the well publicized turnaround that it helped create with Scandinavian Airlines. What followed became a legendary success story that involved a very significant commitment from BA. In the space of 18 months, TMI ran its unique customer service training program - Putting People First - for a total of 36,542 BA employees. The workshops were held in hangars at Heathrow airport, and then around the world in groups of around 140. Management workshops were held with senior and middle management levels. In addition, 170 Customer First teams were formed on a voluntary basis to make recommendations on how to improve service with specific objectives.

Major  
tangible  
impact after  
just one year

Bottom-Line Results one year after the programme included: BA being voted Airline of the Year, the company moved into profits, on-time take-offs and landings were up by 23%, and absenteeism went down by 15%. From a client point of view, Sir Colin Marshall said, “Many factors have contributed to our success, but the spearhead was the implementation of the TMI programme.”

The CEO personally opened 360 workshops.

Putting People First workshops instilled a new sense of pride

Why was this process such a success? TMI's involvement was part of a larger program developed by BA, but its impact was very significant. There were eight key elements that contributed the success of the process:

### **Leadership commitment**

Sir Colin Marshall symbolized real leadership commitment to the process. He walked his talk by opening or closing nearly 90% of the programs around the world. This converted to his presence at over 360 workshops! In doing so, Sir Colin signalled to his management team and to employees that he was serious about change!

### **Management signals**

Management workshops focused on helping managers understand how to manage in a Putting People First environment. This was important. A Putting People First Culture cannot survive without appropriate behaviours from managers. This does not mean that the company forgot commerciality. To the contrary, it recognised that commerciality is enhanced by having employees that not only turn up, but tune in to achieving the common objective as well.

### **Created a common focus – the customer**

Before TMI's Putting People First workshops, engineers went on technical training programs, pilots went on programs relevant to them, and service staff went on "smile training/basic service" courses and so on. The Putting People First workshops focused everyone in the organisation on a common goal – delivering a positive customer experience, both for internal and external customers.

### **Relevant, high impact and meaningful workshops that touched employees**

Employees came away from the workshops feeling good about themselves and their fellow employees. They came away with a renewed sense of vigour to rebuild the pride of BA. A common language of service was developed throughout the organisation and a culture of "I own the problem", rather than "I'll find someone to blame" was developed.

Shareholder value is best defined by how well employees and customers feel about your brand.

### **Employee involvement in service improvement**

After the Putting People First Workshops, Customer First project teams focused on practical issues to improve the internal and external customer experience, including managing queues, menu choice, building pride in what the uniform really stood for. These Project teams met, collected ideas and made recommendations. This reinforced employee connection with the process of improving the service experience for customers.

The lessons from BA were relevant 20 years ago and they are just as relevant today. In the words of Richard Branson, billionaire CEO of the Virgin Group, “It is my conviction that what we call ‘shareholder value’ is best defined by how strongly employees and customers feel about your brand.” In contrast to this view, many companies focus on numbers, numbers, numbers, with little real focus on people. This certainly has short term positive financial impacts, but it most often creates negative organisational cultures where people work for the money rather than for a common cause. There is an alternative, more sustainable strategy: Focus on your employees. Create a positive, service focused culture. In turn your employees will create loyal customers, and long term, sustainable financial returns will follow.

First published in Berita BMCC magazine, MARCH 2006 pgs 11-12

### **Copyright © 2009 by George Aveling and Sally-Ann Huson**

All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the Author or TMI Consultancy Sdn. Bhd., except in the case of brief quotations embodied in reviews and non-commercial uses as permitted by copyright law. For permission to reprint, write to TMI Consultancy Sdn. Bhd. or TMI Australia at:

TMI Consultancy Sdn. Bhd. (633749-K)  
Unit E-3-9, Block E, Plaza Damas  
60 Jalan Sri Hartamas 1, 50480 Kuala Lumpur, Malaysia  
T: +603 6203 4410 F: +603 6203 4458 W: [www.tmimalaysia.com.my](http://www.tmimalaysia.com.my)

TMI Australia  
Suite 220, 757 Bourke Street, Docklands,  
Victoria 3008 Australia  
T: +61 3 8687 9050 F: +61 3 8687 9051 W: [www.tmiaust.com.au](http://www.tmiaust.com.au)