

Best Practices – A Measured Tale

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This wasn't going to be just any Monday morning. Jason was about to learn the future of his flight department. He was walking into his first meeting with his new boss, Elaine. Jason's boss for the last fifteen years, Dave, had been tapped to take over a newly acquired subsidiary, leaving Jason and his team on very short notice. In the ripple-effect-changes that followed, Elaine was promoted to Dave's former position as senior vice president of corporate services.

The research Jason had done on Elaine indicated she had an MBA from Brown and a BS in math from Stanford. She also had a no-nonsense reputation. She could be a very big change from Dave's easy going style. Jason just hoped that the strong academic credentials meant that Elaine would be a quick study on the unique aspects of aviation.

After working his way through the cube farm leading to the outer corporate offices on the 25th floor, Jason was warmly greeted by Elaine's assistant, Mary Ann, "Hi Jason. She's ready for you. Go right in."

As Jason entered Elaine rose walked around from behind her desk and met him, hand extended. "Jason, it's nice to meet you. I've heard a lot of good things about you and your department. I'm looking forward to learning a lot more about what you all do. Let's sit and talk for a bit." She offered Jason a seat at the small conference table in the corner of her office.

In keeping with her reputation, Elaine came right to the point, "Jason, tell me about yourself and your department."

Jason dove right in, "I'd be glad to. I graduated from Purdue with an engineering degree and learned to fly in the Air Force. When I got out in 1985 I got my first job in corporate aviation as a co-pilot. Within a few years I had moved up to captain and had the chance to fly several different mid-sized and large corporate jets both domestically and internationally. That company merged with this one in 1992 and I was asked to stay on."

"As much as I enjoy flying, I also enjoy working with people and the responsibilities of leadership. So, when the assistant chief pilot position was open in 1994, I raised my hand and was selected. Two years later, in 1996, Tom retired and I succeeded him. It's been a wild and fun ride ever since," he concluded.

"How would you describe what your department does?" she asked.

"I guess the easiest way to do that is to tell you our Mission Statement," Jason replied.



“We support the success of the company by providing time-place flexibility for people as they conduct their crucial business efforts. In doing this, we have three priorities:

1. We perform to the highest standards of Safety and Security.
2. Our Services are reliable, flexible and in keeping with the company’s style and culture.
3. We do all of this while managing the resulting costs with aggressive Efficiency.”

“Jason, I’m impressed. That is a very clear, concise mission statement. Do you all live by it?”

“Thank you. I’d like to believe we do.”

“Let’s shift gears for a few minutes,” Elaine suggested. “What are the one or two toughest parts of your job?”

“External to the department, I’d say the hardest thing is being able to have the benefits we create appreciated by our detractors. Each time the company has gone through any kind of financial pressure we have had to sweat through extreme economic scrutiny. Although we’ve survived, I can’t help but feel that we could have made our case better. It seems so obvious to us and our key passengers but the value we create is not universally apparent.”

Elaine surprised Jason with her response, “I can understand that because years ago I was one of the managers who argued aggressively that the flight department was a very expensive perk that served only a handful of our top people. I will also say that as I have gained responsibility within the company I have been able to see more clearly the impact flight services creates. What is your greatest internal challenge?”

“Internal to the department, we have a very diverse group of professionals out at the airport. Don’t get me wrong, I wouldn’t trade any of them. But, they are so different and have so many divergent ideas about how things could and should be done that it often feels like I’m trying to herd a bunch of cats,” Jason concluded.

“Are your department’s goals and objectives clearly understood by everyone?” she asked.

“I think the goals and objectives are pretty hard not to understand. We will be the safest and highest service flight department we can be,” Jason replied.

Elaine leaned forward and prodded, “Specifically, what does that mean?”

Jason didn’t hesitate, “First of all, it means that we will do everything we can to never have an accident. Knock on wood; we have succeeded, so far. Second, we will tell you and the other officers of the company who have trip requesting authority ‘No’ as rarely as possible,” he concluded.



Elaine's response stunned Jason, "That's not good enough. I may sound harsh, but if you are going to be a valued part of this company you must express your impact in positive terms the rest of the company's leaders can use and understand. For instance, our company has three operational tenets;

1. We will focus our business on those things that create the greatest impact for the business and its customers,
2. We will perform to 'Best Practices' standards or higher, and
3. We will clearly identify and define in measurable terms those performance elements that create those greatest impacts."

"Elaine, I'm aware of all that but how does that apply out at the airport?"

"It might be easiest if we talk through the standards and then work from there. Several years ago, when we decided to become a 'Best Practices or higher' company we realized we had to make that goal clearly understandable, achievable and measurable. So, we came up with a set of practical definitions. We decided on a five scale for ease of reference and comparison. Here is a copy of an internal set of definitions we created when we began the Best Practices process." She pulled a sheet from a file she had in front of her and handed it to Jason. He read the page along with Elaine:

A Working Definition of "Practices"

- A 'Five' is World Class Practices. It is anticipatory in nature. In other words, it preempts very high risks and assures the most valued outcomes. It is leading edge, and as such, it is generally very expensive and often has a short life cycle. We rarely choose to pursue World Class performance because of its high cost to added benefit ratio in comparison to 'Best Practices' options.
- A 'Four' is Best Practices. It is proactive in nature. It addresses known high impact risks and rewards. It has a relatively long shelf life. Even so, Best Practices are perpetually evolving and improving.
- A 'Three' is Standard Practices. It prevents failure or causes minimum acceptable performance. Most laws, regulations, and manufacturers' guidelines are Standard Practices. They don't tell you how to succeed, they tell you how not to fail. They are the bedrock 'Thou Shalts' and 'Thou Shalt Nots'.
- A 'Two' is Substandard Practices. It is temporary or calculated risk taking. It usually happens as a compromise of a 'Standard Practice' to achieve a desired outcome or to offset a shortage of resources. If the risk leads to failure, the short cut was not worth it.
- A 'One' is an Unacceptable Practice. It is deliberate risk taking with a very high downside cost and very low rates of return, even when the risk is avoided. People who deliberately pursue Unacceptable Practices are often seen as outlaws who disregard the damage they are willing to do for gains that are of little value."



When he had finished reading, Jason commented, “That all seems pretty rational but how does it apply in the real world, especially for us out at the airport?”

“You tell me. You can start by describing the scope of your business. When do your services start and when do they end?” she asked.

“It’s interesting that you ask that, because we faced that very question about six years ago while Jeff, my predecessor, was still here. He felt strongly that our job begins when a passenger initially thinks he or she wants to go on a trip. And the trip ends when the last bill is paid. This is in marked contrast to our old definition that said we were in the transportation business and we were to concentrate on airport to airport activities.”

“That’s a great definition of your business’ scope. It is customer oriented rather than focused on the core functions of your department. Keeping that scope in mind, I want you to tackle the Best Practices process in bite-sized chunks. What functions at the department report to you?” she asked.

“The chief pilot is responsible for the pilots and flight activities, the maintenance manager is responsible for the technicians and the care of the aircraft and the facility, and the dispatcher is responsible for the schedule and flow of trip information. So there are three,” he replied.

“That leaves you responsible for the running of the business of the flight department, right?” she prodded.

“Yes, it does. So, by your definition, that means we have four functions within the department:

1. Business,
2. Flight,
3. Maintenance, and
4. Scheduling.”

“Okay, Jason, as my first assignment for you, I want you and your leadership team to list the most important three areas of either risk or benefit that can be created within each of the functions or sub-business units within your flight department. Start by referring to your Mission Statement and the hierarchy of priorities you have already created; Safety and Security, Service, and Efficiency. I think you are right on target and I want you to stay focused on those objectives.”

“Once you’ve identified those twelve high impact performance elements, I want you to clearly define each of the acceptable practices that create that performance: Standard, Best and World Class.”

“Then I want you all to report how you currently stand in comparison to those practices. If you are below Best Practices levels in any of them, be prepared to



describe what it will take to rise to Best Practices standards or higher. If you are at World Class in any of them, be prepared to explain the costs and benefits we gain from that versus reverting to Best Practices. When do you think you can have that done?" she asked.

"I think a week should be enough," Jason replied.

"Good. Let's kill two birds with one stone. Why don't I come out to the department for a tour and a report on your findings next week? Let's include your management team in the meeting. Either Monday afternoon or Tuesday morning would be good for me. What suites you?"

"Mondays are usually pretty hectic. Let's meet Tuesday morning," Jason responded.

As Elaine walked Jason to her office door she shook his hand and said, "Jason, I think we're off to a good start. I'll see you and your team at 9AM next Tuesday morning. Feel free to call me if you have any questions."

"Thank you. I will. And in the meanwhile, we'll look forward to seeing you next week," Jason responded diplomatically.

As he walked toward the bank of elevators his mind was already racing around the challenge ahead him and his department. When he got to his car he called the hangar and told Angela, his dispatcher, to alert his chief pilot and maintenance manager to meet as soon as he got there.

When Jason arrived at the hangar he gathered his team together in the training room. In addition to Angela, his chief pilot, George, and his manager of maintenance, Scott, were there. Jason started by saying, "Elaine is as advertised. She is sharp, to the point and very business-like. She has given us a task and she wants us to report our results next Tuesday morning. So, let's get started right now." Jason went on to describe the entire meeting and sharing copies of the Practices document that Elaine had given him.

They talked back and forth for over an hour without making much progress. Finally, Angela asked if she could make a suggestion. "As you know, before I came out here five years ago I was Mr. Williams' executive assistant. He was the Senior VP of Marketing before he retired and Jim Jones took over. Mr. Williams had to take the marketing department through this same process and I remember that he started it by having his managers identify where the greatest risks and rewards were within each of the various areas of their responsibilities. Why don't we try that as a starting point?"

And so it began. Over the next few days they thrashed through clearly identifying the largest risks and rewards to Safety and Security, Service and Efficiency and how each of their areas of responsibility (Business, Scheduling, Flight and Maintenance) could make the greatest impact through its performance. They also defined each of those performance opportunities three ways; Standard Practices, Best Practices and World



Class Practices. They went through several iterations before they were satisfied. Each effort was a refinement of the last. By the end of the week they were satisfied and a bit amazed with their results.

On Tuesday morning they were ready for Elaine's arrival. First they took her around the facility and introduced her to many of the department's members. Then they adjourned to the training room and settled in with fresh cups of coffee.

Elaine commented, "As you all know, I've been through here a number of times in the past. This morning's tour has given me some new perspectives on you all and what you do. I suspect your homework assignment will go a long way to take me much further down the road to the familiarity I want to have. With that in mind, how did you do?"

Jason smiled and said, "Considering the twinkle in your eye when you asked that, I'd guess that you expected us to find some surprises. And you are right. We took a great deal of time to identify the greatest risks and opportunities and then we defined the performance that influenced them. I'll start with the Business side of it and ask each of the others to follow in with their areas."

Jason turned on the computer projector and began their PowerPoint presentation. It read as follows:

- Our 3 greatest Business 'Safety and Security' opportunities are
 - People,
 - Technology and
 - Information.
- As a business, our People Practice intent is to
 - Hire and keep the best and brightest People,
 - Acquire the most effective Safety technologies, and
 - Use the latest Safety and Security information and practices.
- People Practices
 - Standard Practice is to pay market price for technically qualified people.
 - Best Practice is to attract technically qualified people who care passionately about their profession and their team mates.
 - World Class is to have technical and organizational experts who are so good that they can act as mentors in lesser organizations.
- Our Assessment of our People Practices
 - We have hired for technical competence and personal fit rather than organizational fit.
 - We have done okay, but we have some developing to do.
 - We will adjust our approach to hiring for the future.
 - Overall, we are a 3.5 out of a 5. Our future goal is a 4.0.



- Technology Practices
 - Standard Practice is to use cost effective technologies that are often a hand-me-down from the company.
 - Best Practice is to use technologies that are the same as those within the company unless higher performance is required.
 - World Class is to have the latest technologies regardless of cost.

- Our Assessment of our Technology Practices
 - We have the Enhanced Ground Proximity Warning System in the Gulfstream only. We should add it to the Hawker.
 - We do not have weather uplink on either aircraft.
 - We have Securaplane only on the Gulfstream. We lock and use 3M security tape on both of them when we are away from home base.
 - We have only an outmoded security system on the hangar.
 - We will adjust or reassess our needs and approaches immediately.
 - Overall, we are a 2.5 out of a 5. Our future goal is a 4.0.

- Information Practices
 - Standard Practice is to use cost passive means to gather and disseminate information.
 - Best Practice is to use active means to gather and disseminate information.
 - World Class is to aggressively seek the latest information and its analysis and then to employ it in the most effective manner possible.

- Our Assessment of our Information Practices
 - We rely predominately on passive means of information gathering and its dissemination.
 - Our sources are of moderate quality (magazines, casual networking, etc.).
 - We will dramatically improve our information gathering and sharing processes to include recognized expert-sources and related industry forums for both safety and security.
 - Overall, we are a 2.7 out of a 5. Our future goal is a 4.3.

And so it went.

Jason and his team covered all the high impact bases for Business, Scheduling, Flight and Maintenance. They each addressed their observations about Safety and Security, Service, and Efficiency. Some of their more interesting discussions included:

- Redefinition of the scope of a trip (door-to-door),
- An intent to improve the entire trip experience for the passengers,
- Technicians will use fall protection whenever they are more than four feet off the floor,
- Full team (flight, scheduling and maintenance) briefings will occur before every trip, followed by a full team debriefing after every trip,



- Cabin safety will be assured. All frequent passengers will be fully trained and a flight attendant will be required on the large aircraft,
- Adding ground transportation as an arena to influence (maps, traffic reports, preferred vendors, double-check by Scheduling that drivers were in place, etc.),
- Develop a stronger working relationship with the executive assistants,
- Develop a partnership with corporate travel,
- Develop a partnership with corporate security,
- Take a proactive role in aircraft capital asset planning (acquisition, refurbishment and disposition),
- Assure the retention of our best and brightest people (quality of life initiatives, rewards and compensation review, personal and professional development assessments and plans, etc.),
- Improve our fuel purchasing practices systematically and individually (a 5% savings on \$2.50/gallon, or \$0.125/gallon equals \$40,000 per year on a \$800,000 annual fuel budget),
- Et cetera, et cetera, et cetera.

The final list far exceeded twelve items per each of their operational units. They selected the 48 most important ones and agreed to use the next 90 days to make substantial progress. Then they would meet again at the end of the quarter to assess their results and begin with the next 48.

Their scoring assessment startled them. Before they began the assessment process Jason had asked them to give him an estimate of how they would come out. The answers ranged from 3.5 to 4.0 on the five scale. Their end assessment was a 3.1. They were all stunned. But when they began to examine the reason for the low score they realized they had become comfortable with some of their shortfalls and, in other cases, they had been accepting of some compromises and accommodations that had drawn them below Best Practices.

When they got into a discussion about the need for “flexibility and compromise” as tools to assure service George, the chief pilot, drove the counter point home, “if flexibility and compromise are so benign why is the accident rate for relocation legs at least five times that of passenger legs? I think it is because the crews are tempted to take shortcuts. They compromise their standards. The risks go up for no appreciable gain. It is not worth it.”

And so it went. One flight department’s journey into Best Practices had begun. Most companies and passengers expect their aviation services to perform at Best Practices levels, or better. How do you measure up?