

Fresh with the Times



An Interview with Dave Barger,
Chief Executive Officer, President, and Director, JetBlue Airways

EDITORS' NOTE *Dave Barger, a JetBlue founder and board member, was appointed Chief Executive Officer and President in 2007 after serving as President between 1998 and 2007. From 1988 to 1998, Barger served in various management positions with Continental Airlines, including Vice President, Newark Hub. From 1982 to 1988, Barger served in various positions with New York Air, including Director of Stations. He attended the University of Michigan.*



Dave Barger

COMPANY BRIEF *JetBlue (www.JetBlue.com) is New York's Hometown Airline™ with other focus cities including Boston, Fort Lauderdale, Los Angeles, Orlando, and San Juan. Known for its award-winning service and free TV, JetBlue offers the most legroom in coach of any U.S. airline (based on average fleet-wide seat pitch) as well as super-spacious Even More Space seats. JetBlue is also America's first and only airline to offer its own Customer Bill of Rights. JetBlue serves 71 cities with 800 daily flights. For eight years in a row, JetBlue has been recognized by J.D. Power and Associates for customer satisfaction.*

Despite challenges in the airline industry, JetBlue continues to perform as an industry leader. What makes it so special?

We're now into our 13th year as an operation, but having a clean sheet of paper to start with allowed us to create a framework that is fresh with the times.

We like to say we have two significant focus areas: one is offerings, which means product and includes new aircraft, comfortable seating, space between seats, assigned seats, in-flight entertainment, and where you want to fly without being gouged.

That offering side is balanced by the second significant attribute, which is the cultural side of the equation. This is the 14,000-plus crew members – employees – close to 6,000 of them in the State of New York and 1,000 of them in Long Island City, plus the crew members who deliver the product on the front lines.

I think our crew members have allowed us to differentiate JetBlue. You need enough cash to start a company and you have to be profitable, and you have to have a strong balance sheet to continue to invest in the company, but

offerings, culture, and a strong focus on financials have put us in a good position.

How do you guard against losing that culture as you grow?

It's challenging, but it goes back to the operating side of the equation. Talented people want to work for a company that is forward-leaning and not afraid to make fun of itself in a serious business. When we were deciding between keeping our support center in New York or moving it to Florida, Mayor Bloomberg pointed

out how much talent there is in New York.

Obviously, you need the right comp and benefits model, and quality of life model. It's not easy with the economy but there are opportunities around the world for talented people, and we have kept this company feeling small and jazz our crew members – we will have 100,000 applications this year for 2,500 jobs.

Where will your growth come from?

Every new flight or destination must earn its way into the system. This business is almost 100 years old from the standpoint of flying customers from A to B and trying to make a profit, but it hasn't been profitable on an aggregate basis over the years.

We'll add 11 airplanes this year to our fleet of 169 aircraft. We are always looking to grow our home base in New York, where we're in five airports; Kennedy is our home base but we have LaGuardia and Newark, as well as White Plains and Stewart in Newburgh. We're also the largest airline serving Boston; plus, we're growing the Caribbean and Latin America markets. We have a nice presence across the country as well.

Has the customer service part of the business truly been lost?

Flying doesn't have to be a horrible experience. The hard product of the airplane – the seats, the Web site, the terminals – have to be strong because it's what brings this airline alive every day. But people wonder how in a lousy business, we can have such a positive customer service bent – it comes from keeping the culture feeling small as we're scaling it.

Is there truth to the thought that you can't be profitable in this industry?

You have to build the company for the tough times. The tide will raise all ships in a strong environment or when oil prices are low, but we built the company so it's profitable

when the economy is weaker, when oil is high, and when the competitive landscape is tough.

We were challenged during the recent recession, but the critics are wrong – you can run a profitable airline for the long run.

How is your partnership with Turkish Airlines evolving and have the alliances worked well for JetBlue?

Alliances have been successful because it's an opportunity for a customer to be loyal to American, Delta, United, or US Airways – you will gain your miles and amenities as a result of flying with the alliance airline.

We have an open architecture environment where we have a great footprint – the largest domestic airline at JFK – that not only allows someone to come to or from New York but to transit through New York.

We sell JetBlue on six continents through our 20 international airline partnerships. If passengers are going to Istanbul on Turkish Airlines, it's great that we can allow our JetBlue customers to connect onto a global carrier that will also provide benefit to us. Turkish is a Star Alliance airline but they're also partnering with us.

Are you surprised by the cohesion of an organization like the Partnership for New York City and how critical is that to addressing the business needs of today?

It does surprise me. But it's a result of the breadth of New York and the number of large and small firms here, and the Mayor's office, as well as leadership by Kathy Wylde – she's the secret sauce. She does a tremendous job weaving the Partnership together.

We're not a large company based on revenues and we box way above our weight class when it comes to the brand. But we are welcomed at the table by companies such as American Express and J.P. Morgan, firms known across the globe for their presence.

In the early days, could you have imagined that JetBlue would grow into what it has become and do you take time to appreciate it?

Our success has exceeded my expectations. But we still don't take enough victory laps when we open a new route or take on more aircraft – and we should not let that become an expectation. We have to celebrate it because otherwise, it's like an entitlement mentality. Companies lose from within when they no longer take the victory laps. ●