



## Anything is Possible

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In the aftermath of the September 11 attacks on the US, the UK's largest air traffic organization was deep in the red, under intense media scrutiny for financial mismanagement, and plagued by regular system outages. A new CEO was appointed in the midst of the chaos.



# Anything is Possible

The largest air traffic services organization in the United Kingdom was effectively bankrupt in the wake of the September 11 attacks on the United States. In addition to transatlantic flights temporarily coming to a halt, the formerly public company had never found its footing after being partially privatized in a private-public partnership in 1999. The company was refinanced and geared (the rate of debt to company value) at a devastating 112%.

## The Challenge

The organization had also received a great deal of negative media coverage, with well-publicized over-expenditures, failure to make a profit or return a dividend, and regular IT system outages at a new control center. A decision was made to hire a new CEO in order to deliver a change in work culture, as well as a return on investment for shareholders.

Paul Barron was appointed CEO and he immediately launched an ambitious series of road shows that would take place over the course of 12 weeks. He had engaged JMW in prior leadership roles, and now in his new role, asked JMW to work with his senior management team to help create, in his words, “clear ways of working to generate a greater sense of camaraderie and purpose.” Among other things, it was critical that the collective mindset within the organization shift from one of “civil service” and “business as usual” to one of possibility and new levels of breakthrough performance.

## The Work

In a series of sessions, JMW worked with the company’s senior leadership team to introduce them to high-performance tools and techniques, with an eye toward building a team aligned around a future that far exceeded any previous expectations or experience at the company. In the process of embracing new ways of approaching their work, delivering on their commitments and leading their teams, the group created what they decided to call a “21 Destinations” vision and plan of action, developing a set of three-year stretch targets that would have previously been viewed as impossible.

The next step of the effort involved programs designed to introduce the 21 Destinations vision to the top 60 senior managers and key supervisors in the business. The purpose of these programs was to engage these key players in the vision, and also to help equip them to cascade the vision and galvanize the organization around a high-performance

culture and delivery. Over time, a total of 180 senior managers and supervisors throughout the organization completed the program and became integral ambassadors in the turnaround effort.

An important part of the work also involved enrolling the organization’s board of directors in the new vision and plan. Through a program designed to provide background on the new vision developed and embraced by the company’s senior team and management, the board gained new perspective in advance of a critical senior team presentation. When the next board meeting took place and the 21 Destinations vision was presented, board members’ reaction was, in the CEO’s words, “overwhelmingly enthusiastic.”

In addition, leaders were equipped to powerfully intervene when inevitable problems and difficulties arose. There was forward momentum almost immediately, but to maintain that momentum, they worked with JMW coaches on being leaders who fostered an environment where people were encouraged and rewarded for initiative, responsibility, accountability, and ownership.

## The Results: A Collective Vision

As executives took on roles of facilitators and coaches for extraordinary achievement, a strong collective vision was rolled out across the company. Annual road shows became a part of the organization’s best practice, engaging the “hearts and minds” of all staff at all levels. Employees began to set and achieve targets that previously would have seemed unattainable. Board members demonstrated repeatedly that they were fully aligned with the effort. The culture of the company was transformed, with even skeptics allowing their resistance to give way to the momentum of tremendous opportunity.

Within three years, the organization had delivered on 16 of the 20 destinations, and in another year’s time, they had completed 20. Key advances included delivering a new control center, reducing the total number of centers from four to two, and reducing delay per flight rates by 90%. Management was de-layered and staff was reduced where there were inefficiencies or redundancies. The company made the decision to stop offering a high-cost pension salary program to new employees, resulting in savings of hundreds of millions of dollars over the next 10 years, and reduced total debt by £114 million.



## Key Firsts

There were also key “firsts.” At the end of the first year of the initiative, the company turned its first-ever profit. And in a stunning financial recovery, company shareholders received the first-ever return on their investment, and would see a 700% increase in share price over the course of five years.

In the five-year period of JMW’s engagement, the organization delivered 340 projects worth £1 billion on time and on budget. The business had succeeded in dramatically and sustainably improving on every aspect of its performance. The same troubled organization that had been the subject of public criticism was now the recipient of well-publicized praise, receiving accolades both as an employer and as the world’s leading navigation provider.

## Unprecedented Turnaround

In addition and more specifically, five years after beginning the work with JMW, the organization:

- Was voted the Best Air Navigation Provider in the world by an independent panel of peers
- Delivered profit before tax of £530 million
- Paid dividends of £202 million
- Dramatically decreased delay per flight, from 40 seconds to four seconds
- Reduced gearing from 112% to 57%
- Increased working capital turnover by 30%
- Increased working capital turnover of unregulated business by 100%
- Reduced the number of work centers from four to two, realizing unprecedented efficiencies
- Reduced manpower by 500 staff
- Was voted one of 100 Best Companies to Work For by *The Sunday Times* magazine



“There are very few occasions in one’s career that you can look back and reflect on a simply amazing team, but this was one. JMW had us believe that anything was possible, and we had our managers inspiring their employees to get the bar as high as possible, and then clearing it time after time.”

– reflection from the company’s CEO

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