

High-Flying Service

With stores across the Nordic/Baltic area, Inflight Service is delivering exceptional products and service to travellers exploring by air and sea.

Images by Johan Jeppsson

Inflight Service enhances the travel experience of millions of consumers every year through its range of stores and products located in airlines, ferries, and airports across the Nordic and Baltic regions. As the force behind the Holiday Taxfree pre-order brand for airlines, the EUROSHOP airport shops chain, Inflight operates stores in Sweden, Estonia, and Poland in addition to locations on ferries that are operated by Fjord Line and Unity Line.

The CEO Magazine Europe sat down with CEO of Inflight Service Björn Ulfberg to discuss the company's success, its commitment to the environment, and its place in the rapidly expanding travel community.

The CEO Magazine Europe:
What led you to your current position as CEO of Inflight Service?

Björn: My background is in fast-moving consumer goods and I've worked for very consumer-centric organisations like Procter & Gamble, Gillette, and Nokia. If you get into the reason why someone like me got the job, travel retail as an industry is very similar to grocery products. It is very much focusing around the consumer and catering to the specific needs that consumers have when they travel. On the other hand, it's about channelling advertising and brand awareness and recognition. Working for strong brands like

Procter & Gamble and Gillette has helped me understand this.

It's a very interesting situation to be in because we frequently deal with consumers when they're the happiest they've ever been—when they're on holiday—so it's a sweet spot in terms of engaging with consumers.

How have you consistently doubled your turnover every 10 years?

As a company, we've inherently seen organic growth each year. However, for the first time, we're seeing it slow down over the past year as a reflection of the economic climate. There's always been organic growth, new product categories have come in, and more and more exclusive products are being added to the mix.

For us, growth stems from adding new customers. Fundamentally, our business is focused on serving as the retailer of choice to an airline or travel service provider who either does it themselves or outsources it to someone else. Of course, the more customers that travel, the more customers you'll get to serve. We've seen a positive trend in the number of people travelling each year. It's through organic growth and customer acquisition, coupled with a trend that consumers are buying more exclusive products over time, that we expect to continue if not accelerate the growth trajectory.

What are your greatest achievements since becoming CEO?

This is where it's difficult to be Swedish, because from a young age, you're told not to brag! I have created clarity as to what the future holds for the business so that we are crystal clear on how we see value being created for the company and our owners. It's about strong shareholder returns through fostering prosperity for the organisation.

The business was run on the plan developed when the company was purchased, which is always a combination of the old management team and the new team. However, since I joined, we have completely overhauled the strategy. We are making significant investments that are required to transform a company that has been extremely entrepreneurial and successful for 19 years, but whose entrepreneurial spirit led to a plethora of various systems that were doing very disparate things. It needed to be consolidated.

We're also embarking on an international journey, purely in the airline sector of our business. We will continue to seek to grow in the ferry and airport sectors, but we will do it in markets where we have existing operations, such as in Poland, and the Nordic and Baltic states. In terms of airlines, the world is our oyster. >

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You need to have a very solid operational background, so the back office can be injected into any type of business with any type of customer in the future. It's a challenge to take a big-number system and get it into one, but it's also anticipating the various standards people have.

How do you engage and encourage employees?

In various ways. First of all, it's a very small organisation. We have

around 100 people at our headquarters and we have around 100 to 160 people at our production facility, depending on the season. We work intensively, and we always state that our greatest asset is our people.

Since I started, we've implemented personal development discussions, as in what skills would you require to do a better job and how can we give you those skills and what are your strengths and weaknesses? We conduct performance reviews on an annual basis. We want to make sure that we engage with people and provide the necessary training. Some training is done in house and some training is undertaken by an external company.

We're part of the Great Place to Work program where you measure how people feel about their workplace, company, colleagues, and boss. We're aiming to be among the top-10 companies in our size segment in Sweden by

2015. It's a very tough challenge, but the organisation does recognise that we do have a lot of good things and we have some key areas of opportunity that we're working on.

How have you shaped the culture at Inflight Service?

When I entered the business, the challenge was how do you take a very entrepreneurial business and make it more of a process-orientated, value-based, and action-driven organisation. I say challenge because there are many things that I wanted to retain here as we shifted into a more process-orientated system. There was quite a lot of dialogue between the senior- and middle-management teams to ensure we got it right.

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If you're trying to sell someone a 2,500-euro cognac, it doesn't work well without a crystal bottle. But if you're a doing a half-litre version of a non-premium brand or a travel retail special, then it can be done.

This entire area is one where our unique pre-order model can help drive cost out of the system while simultaneously increasing passenger satisfaction. From the consumer end, we can increase choice significantly, both for what you eat and drink on your journey and what you can buy when travelling. Simultaneously, we can literally terminate waste and make sure that what you fly is already sold and in many cases also already paid for. It's a win for customers and for the environment, not to mention that we also may stand to gain from our efforts too.

What does the future hold for Inflight Service?

In terms of the industry sectors, flying will continue to grow globally, more so as affluence increases in Asia and Latin America. But I also foresee a shifting passenger behaviour that must be catered to that requires the industry to shift quite a bit, and I think Inflight Service has a very important role to play. Not only in terms of products you can sell, but I think we can expand our offering to include services.

If you think of a tour operator, they will sell a package that includes food on the airplane, transport to and from the airport, excursions, and rental cars. If you look at that role, the airline could potentially do that, but for many of them, their reach doesn't operate very well overseas.

For us, we could actually provide those services to customers, independent of where they come from. I think there is a great opportunity for a white-label service provider to integrate with major airline brands across the globe, and I see that as a path of additional growth that builds on the core activities of our business going forward. •

the strategy was create a vision that everybody felt they bought into. We spent quite a bit of time explaining it and what our world would look like once we'd reached that vision. The passion for the business was already there with our employees, so the last piece of the puzzle was to link everyone's job to the strategies. It is much easier to establish accountability (e.g. 'action') throughout the organisation when people can relate what they do to the overall plan, and that is what we have delivered through cascading strategies by function and department.

One of the phrases that I heard a lot when I joined the company was 'can-do mentality'. No matter what the problem was, we would fix it.

It was very customer-centric. We explored how we could keep the can-do mentality with customers while still making sure that when we execute that mentality, we don't uproot the whole company, which was often the case.

One important industry aspect that we are pushing as far as we can is a consideration for the environment. We are constantly working to reduce all waste, or anything that adds extra weight to the plane. If you can reduce weight, then that helps the airline in terms of fuel consumption. In terms of eating on board, we've introduced plastic cutlery, plastic cups, and we've introduced plastic bottles where possible on alcoholic beverages. From a brand perspective, that is a touchy topic.

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