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The CEO Magazine
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THE World OF Travel

Flight Centre Travel Group is making thorough progress on its journey to become a world-class travel retailer for the leisure and corporate customer—by instilling a newly outlined Noble Selling Purpose.

Images by Fullframe Photographics

Melanie Waters-Ryan is the quintessential Flight Centre recruit. She started with the company in 1987 as an agent on the floor and worked her way through various positions to become the current chief operating officer and managing director of the travel group’s Australian operations. From sales to consultancy, human resources to training, Melanie has just about had a taste of it all.

“I had finished an arts degree in psychology at Queensland University, worked in the UK, and travelled for about a year, came back around my twenty-first birthday and did the classic ‘What will I do now?’” Melanie recalls. “I

looked in the paper and saw an ad for a Flight Centre consultant which, at the time, I thought I would just do for a little while. I got the job and here I am today, 27 years later. Over that time, I have done just about everything. I have had about seven careers in the one company.”

Melanie has seen the business grow and change considerably over that time. When she initially joined, there were just 20 stores with a small number of staff. Today, the Flight Centre Travel Group is present in 11 countries around the world with approximately 18,500 employees. It has 30 brands in the categories of leisure, corporate, and wholesale including Travel Money Oz, 99 Bikes, My Adventure Store, Escape

Travel, Student Flights, and Cruiseabout. Its corporate travel management network extends even further with FCm Travel Solutions present in more than 75 countries, through strategic licensing agreements with independent local operators.

Flight Centre is currently in a period of reinvention—no longer simply a travel agent, it is branding itself as a world-class retailer. Its newly outlined Noble Selling Purpose (NSP) is at the heart of this transformation. Based on a concept explored by American business leader Lisa McLeod in her book *Selling with Noble Purpose: How to Drive Revenue and Do Work That Makes You Proud*, Melanie says the idea is to capture what Flight Centre has been doing for the past >



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30 years and then use that to create a sense of purpose within the team.

“Our slogan is: ‘We care about delivering amazing travel experiences,’” she says. “What we have realised is that we sell travel primarily through people. We’re not an online travel agency (OTA). I’m not saying we don’t have websites, because we do, but the why behind the NSP was to give our people a mission.

“There are three key words in that statement: ‘care’, ‘deliver’, and ‘amazing’. The reason we chose those very carefully is that we felt the thing which differentiates us from others in the market is our people. They care about what they’re doing, whereas computers don’t care. Yes, computers are efficient and they make things easy, but they don’t necessarily care.

“The other thing is that we deliver an amazing product. We feel very lucky, and there’s no doubt we’re in the golden era of travel. The breadth and width of the amazing travel products we have available to customers and the affordability is incredible. So to us, the NSP was about trying to come up with a line or a statement which really embodied what we think we do and give our people something to feel proud of. We wanted to make them feel special about their jobs.

“I think it’s quite interesting when you come up with a line or statement like that. Now, as a leadership team, whether it’s Australian or globally, we often ask ourselves a question when we’re thinking of doing something: Will this deliver our ‘caring about delivering amazing experiences’ vision? We even ask the individuals to think about that when they’re making decisions. That’s kind of our test—to make decisions on, prioritise what we do, and to hold ourselves accountable.”

Melanie says Flight Centre is conscious of not getting ‘big

company syndrome’. Instead, it sees itself as a series of small businesses working in unison. This model has ultimately enabled it to expand and become extremely successful over the years. When people ask Melanie what makes the business unique, she always responds that it is the culture of ownership which then results in a greater level of care for the customer.

Some years ago, author Mandy Johnson wrote a book called *Family Village Tribe* about the evolution of Flight Centre. It became a national business bestseller and was republished last year with a foreword from Flight Centre co-founder and global CEO Graham ‘Skroo’ Turner. It falls under the genre of social psychology and looks at how human beings are hardwired to behave.

“It’s a really interesting book,” Melanie says. “It has got a lot of stories in there to illustrate our way of thinking. In each of our stores, there are around five or six members—that is our nucleus family. The most important >

“P&O Cruises has always valued its working relationship with Melanie Waters-Ryan and Flight Centre. In the past 10 years, Australia has become the world’s fastest growing cruise market and Melanie has worked closely with us to make our business partnership mutually beneficial.” - Ryan Taibel, Director of Sales, P&O Cruises



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business unit for us is the family, because if you feel nurtured and cared for in your family, you in turn nurture and care for your customers.

“Around 10 to 15 families form a village, and they support each other in terms of knowledge and people. Then above all you’re part of a bigger group, which is the tribe. The more and more you go up in size, the more it becomes about celebration, whereas the family is the one there for you when you are most in need. So the Flight Centre team leaders are almost like your parents, making sure you get tough love as well as care and concern. The village is that next group whom you see a little bit less of, and then the tribe is the overriding umbrella. The

premise is that every individual matters and that if every individual cares, then the sum of that caring is quite enormous.”

Despite advances in technology and systemic changes over the past few decades, Melanie believes the *Family Village Tribe* mentality, philosophy, and approach still ring true. “I think it will last us for another 30 years too,” she says. “The physical nature of how we look and how we operate will absolutely change—it has to—but what makes us tick fundamentally I don’t think will.”

Flight Centre has an extensive training program to instil the NSP and *Family Village Tribe* mindset in staff. Its ‘Welcome aboard’ course runs for the first 120 days of

employment and is followed by ‘bronze’, ‘silver’, ‘gold’, and then further leadership development opportunities. The business makes it a priority to identify talent in the early days and then to encourage individuals to go through the various emerging leader programs it has in place.

Much of the training, particularly at the higher levels, is centred on ownership; everyone works within a set model but owns the outcome. “Systems run the business and people run the system,” Melanie explains. “We have an approach which allows for people’s entrepreneurial spirit to come out while working within a set model. That’s what makes us different. We sell travel. A lot of companies sell travel, and we do some other things as well, but I think it’s the way we go about running the business and our culture that does make us a bit unique, a bit quirky, and a bit odd at times.

“A lot of our training and development is built on that notion. Teach the model but keep business entrepreneurialism alive. That’s one of the reasons why I’m still here 27 years later. I say that as a leader in Flight Centre you have two responsibilities: one is to inspire through the telling of stories and the dissemination of culture; the other is to be an engineer—tinkering with the car, if you like, to make it go better. I think we’re good at that. We work on the belief that if you can lead one area, then you can also lead another. The leadership you need to actually build a business is able to be learned.”

Flight Centre’s wage system also reflects the emphasis it places on ownership. Physical ownership is used to produce emotional ownership through incentive-based sharing. Team leaders get a percentage of their store’s profit, area leaders can buy into the business, and significant commission payments can also be achieved.

While Flight Centre has embraced technological advances and the >



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online realm, it is still committed to making sure that people always come first. “It’s a very different world from what it used to be,” Melanie notes. “I’ve been involved in a lot of marketing presentations recently, and it used to be a lot about gut feeling to drive the market. Now with the digital world, it’s all very measurable. It’s a mixture of gut and science.”

“Online is an interesting one for us. In the very early years—the late 90s and early 2000s—we waited to see how it would work for a little bit. I believe we have a winning strategy by having a blended model. We don’t see ourselves as an OTA; we still see ourselves as very much a people-led business. However, we do have to be available for the customer in whatever way they want to deal with us. So we certainly have an online booking engine in most of our brands, and it delivers a reasonable amount of business.”

“Flight Centre’s websites are used as both a booking portal

and an inquiry driver. It allows customers to access the brand whenever and however they want. There are two key pathways that we see: there’s the ‘Book it, I know what I want’ and the ‘I think I want to go on holiday; let’s just browse and explore.’ We’re working on both fronts. We are making our booking engine work better in terms of those wanting to book a flight, and now we’re offering the ability to book a hotel and have insurance and all those sorts of things as well. Having said this, we also want to allow our customers to explore, so we’re putting a lot more effort into providing information.”

The travel group is continuously investing in the development of better content to engage its customers browsing the websites. It wants to share the things that a good consultant would divulge to someone going into a store and capture that for the online medium. With so many brands

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- Melanie Waters-Ryan

within the group, Flight Centre is taking a collective approach across the globe to coordinate its systems and behind-the-scenes platforms. “We’re trying to leverage that, sharing but allowing each brand then to deliver different content,” Melanie says.

Another focus is on mobile phones. Currently, more than half of email-generated inquiries are being sent from smartphone or tablet devices. In response to this, Flight Centre has released a responsive booking engine on its branded website, and is also keen to continue to pursue more live chat components, something which it already uses successfully on its Student Flights and Flight Centre web pages.

“It’s a good way to go, I think, because it kind of marries with our people-led business strategy,” Melanie explains. “It allows us to be in the online world and it works. We get very good conversion in the chat.”

“Online is a very important space for us because it is essentially our most visited shop window. I think the Flight Centre brand has something like two million viewers every month. We can’t have one shop and have that many people walk past us, I don’t think. So we view it as being very much our best shop window. It therefore promotes the brand, the products we have, and the services we give.”

Melanie adds that the organisation won’t forget that face-to-face interaction is always going to be at the core of its operations. “I think we need to be careful because I suspect the internet is dumbing down customers. The internet is convenient, and there’s no doubt we’re embracing it because it does allow for efficiency and speed, but I think we’re getting limited choices because of that. In the world of airfares, there are complex combinations that the computer might not always be able to decipher; there are options out there that aren’t easily made available online. >



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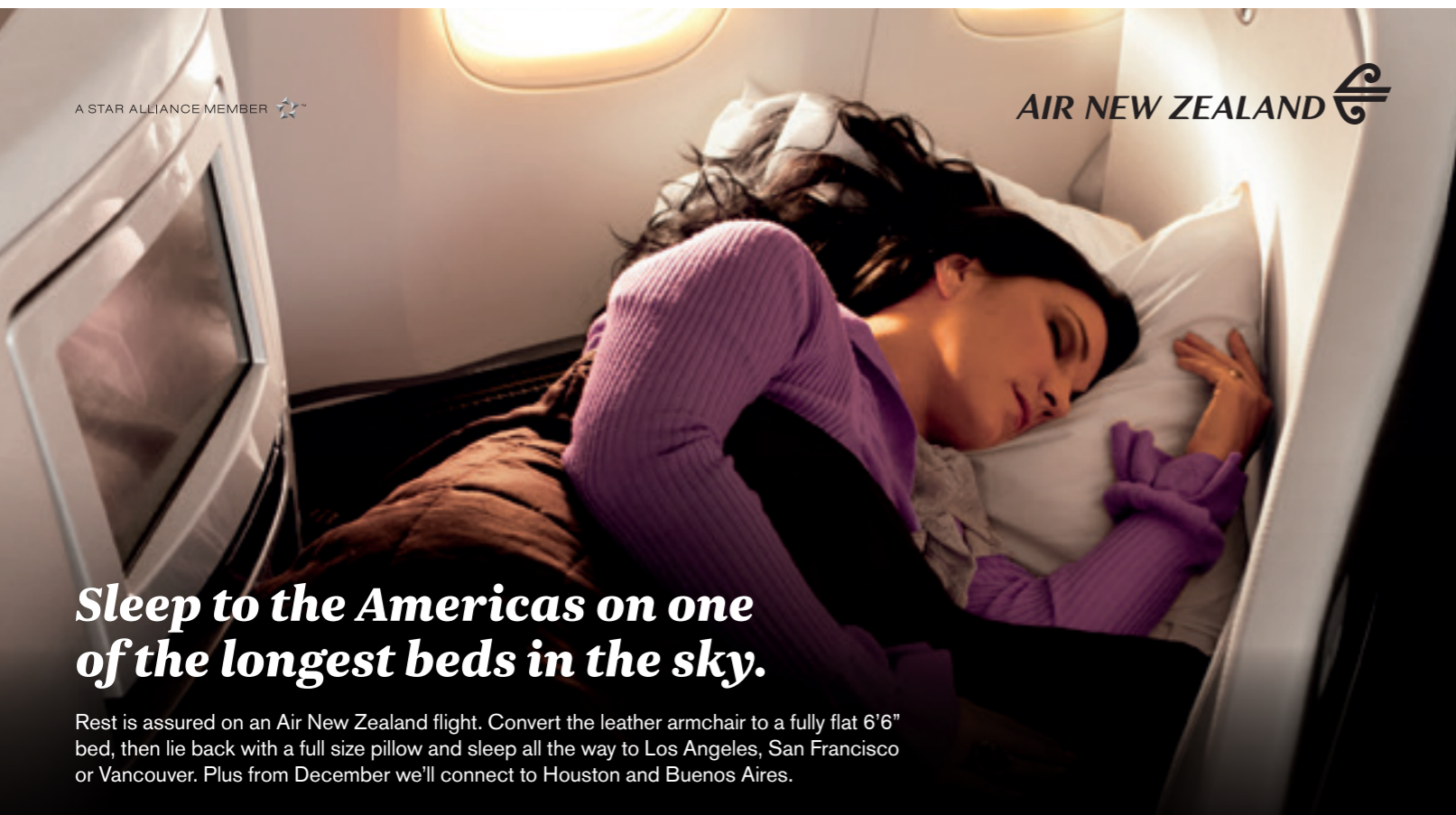
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“I think that’s one of the travel industry’s greatest challenges at the moment: to open up the customer’s eyes to how much more there is available when you deal with someone who knows. There’s nothing that beats talking to someone who has insider information and advice. I mean, you can go to all of those trip adviser websites where you get that social group interaction, but you just want to know if they’re people like you. In the end, you trust the opinions of people who are like you. For example, if you’re a mother, you’ll trust mothers with young children on where the right place to stay is.

“I think we want to use our website to open up our customers’ eyes, not just force them down a very efficient booking process. I know that with some booking engines, you can get to something and book it in a click. Don’t get me wrong; I think those websites are great, and we are embracing that, but we’re also trying to use online to show our customers what else is out there.

“We ignored it in the very early days, but now we see it as being a great window into the brand, into what Flight Centre, Cruiseabout, or any one of our other corporate brands can offer. Yes, we want to have that easy online transaction for the customer, but we are also investing in content or interesting information that helps to open up a world of travel to them.”

Looking forward, Flight Centre is committed to finishing its journey



in becoming a world-class retailer, rather than being just another travel agent. “We’ve had that kind of wording for about a year now,” Melanie says. “We’re not a middle man. The word ‘agent’ connotes that there’s a supply chain, which there is—we are very friendly with them and we love selling their products to our customers, but we don’t want that to be all we are. We want to be the business and the brand that people automatically go to when they want a particular product or service.

“In the past couple of years, we’ve looked to learn more from the retail space than we have from the travel space. I had some great experiences with some retail companies all over the world. There were so many things out there, and we see that as being a big part of our future. Furthermore, beneath that, we don’t want to just be a seller or a

retailer of those products, but we actually want to be managing the entire end chain and really developing fantastic travel experiences for everyone.

“Lastly, we want to continue to diversify what we do into related fields where we think our model would work. I think we have nearly the largest foreign exchange business in Australia from a retail perspective, which is called Travel Money Oz, and that’s a related travel field to our core business.

“That’s where we see ourselves growing and evolving, becoming bigger and better—moving into those vertical and horizontal businesses within that travel space, while also looking for diversity and places where our model of business has the potential to really operate well. That’s certainly where we are heading in the next five or 10 years, but you never know what will come up.” •