

# **To the Tony Jannus Distinguished Aviation Society For receiving their 2010 Award**

Jaan Albrecht,  
Chief Executive Star Alliance,  
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Chairmen Dahl and Snyder,  
Officers and members of the  
Tony Jannus Distinguished Aviation Society,  
Distinguished guests,  
Ladies and Gentlemen,

- Thank you for the exceptional honor bestowed on me tonight.
- I should, however, say ...that I do not normally attend award ceremonies of this ...or any kind.
- For one, simple reason: I myself rarely get an award!...
- The last one I received was for athletics at school. I get an award – on average – once in my lifetime...
- ...Unlike the milky way of aviation stars who have received this outstanding mark of distinction before me!
- They probably got one at every awards ceremony they attended. And quite rightly so. What an impressive list of personalities and great characters they make

- But there is another good reason why I avoid award ceremonies. It's because deserving and well respected people turn shy ...the moment they take the stage.
- They stutter and mutter about not really deserving the award ...and that credit is due to other people.
- ...You probably waited for that moment already, didn't you?
- Well, let me frankly confess – I'm absolutely delighted and very proud to belong to that select group of people ...that the Tony Jannus Distinguished Aviation Society has welcomed to their Hall of Fame so far.
- And so are many of my friends in the Star Alliance with me ...around the globe! Our industry certainly deserves a bit more glamour -- and less of the matter-of-fact attitude with which it is regarded today!
- This is why I'm so impressed by the aims and objectives of your distinguished society...
  - It reminds people of the pioneering role that early aviators have played...
  - the example they've set...
  - and the ground-breaking progress that is still being made in our industry.
  - Yes: Ours is a great industry and it gives all of us who work for it immense pleasure ...despite the occasional headaches we experience due to the ups and downs of the economy!

- You and your sponsors support your aims with panache!
- You give prizes, promote and support leaders and honor them publicly ...and kindle the fire of enthusiasm for the world of airlines in bright and aspiring students.
- I take my hat off to you!

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- Civil aviation, Ladies and Gentlemen, is indeed a linchpin industry.... that has enabled the world to become what it is today:
- Nations busily trading with each other and – as a result – always doing better than before. I can't really think of an exception to this rule.
- Countries that are well disposed towards air transport and nurture the industry.... get on in this world. Those who do not ...don't.
- Political closed-shop mentalities ...eventually result in closed shops in the high street. That is my experience.
- Active nations, on the other hand, communicate with each other. People visit each other, do business with each other, co-operate on projects and settle any occasional differences they might have peacefully.
- And the vehicle they do this with ...is the airplane -- which simply adds value to whatever they are doing.

- This, I suppose, is the utilitarian approach to flying that Tony Jannus must have had in mind 96 years ago when he made Tampa and St. Petersburg the places on earth to benefit from the first scheduled airline services.
- What a logical step! After all, why accept a stretch of water as a barrier ...if you can cross it much faster by air?
- Cut travel time, enhance efficiency, do away with unnecessary expenditure and offer a regular and reliable service ...that's become the essence of viable air transport ever since.
- Tony Jannus, I guess, didn't make a big fuss about his innovation ...or say: "Hey, I created the world's first airline".
- He simply found a solution to an obvious need and put it into action. The novelty effect was great ...and caught on in history. It's as simple as that.

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- The creation of the Star Alliance was not much different. And like Tony Jannus, I also have no reason to make a song and dance about it.
- Forming an airline alliance was obviously a very logical thing to do in the mid-nineties.
- However, it first required the far-sightedness of five airline presidents – not me – to respond to a number of limitations that were curbing the drive of the industry as well as that of its customers.

- What were these limitations?
- Well, in 1996 the world had just begun to adapt to a giant paradigm shift. And civil aviation and its regulators weren't quite ready to cope with it.
- The fall of the Berlin Wall and the demise of the cold-war blocks had pushed globalization to new and unprecedented heights. Borders disappeared. People were treading unknown territory ... and were eager to discover new spheres.
- Also ...the Internet was beginning to spread around the world like wild-fire. Any small or medium-sized company that promoted its goods and services on the web instantly became a global player.
- This kind of new business environment triggered a great need for travel.
- The world as we knew it, has changed ...and has fundamentally changed travel demand and travel patterns.
- People no longer just want to get from capital city A to capital city B. They want a short-cut between places like Tampa/St. Petersburg and Hamburg or Nizhniy Novgorod and Brisbane.
- But the world of aviation wasn't prepared for the changes in its very own marketplace:
  - Individual airline networks did not have global reach;
  - the regulatory framework was fragmented and complex because of lots of strict bilateral regimes;

- And, quite frankly, hardly any carrier had the resources to mount truly global operations that would penetrate deep into many of the world's regions.
- Most of these obstacles still exist. And I can't see them going away that quickly.
- But, how do you get round all these deficiencies... how do you achieve unrestricted travel in a world that is full of restrictions?
- The answer is: Combine and unite, compete and co-operate.
- That is the essence of it all. It is like combining telephone networks. The more extensions you connect ...the more useful the network becomes to the individual user.
- The five founding members of the Star Alliance had to change their typical airline mindset: But co-operating as a competitor, is that really possible?
- After all: Isn't the airline business considered to be a "sporty game" involving high risks and sinking returns?
- The cardinal reason why the Star Alliance has developed into the world's leading airline alliance today ...is probably its spirit of freedom....
  - and the existence of simultaneous "loose-tight properties", which management gurus like Tom Peters and Robert Waterman once identified as an important feature of excellent companies

- ...These properties are highly evident in the members of our alliance.
- “Loose-tight” means the co-existence of central direction on the one hand ...and maximum individual autonomy on the other. Both elements give us strength.
- It is also the essence of my function as CEO of the Alliance. My job is to conduct an orchestra whose players are fully entitled to play loudly or be silent, to participate or opt out whenever they wish.
- Now: Bring all that into harmony! ...It sounds unlikely but it works.
- The secret lies in the choice of airlines that we have invited to become members:
- They are skillful; they have values and match their peers in many respects. Mind you: Two weak partners never make a strong alliance.
- Star has always had rival alliances. As I said ...it was a perfectly logical thing to form alliances in the nineties.
- But why did our rivals have such a hard time adapting to that spirit of freedom? And why did they only gradually follow in our footsteps?
- The underlying perception amongst many of them was ...that if you want to co-operate ...you had better engage in cross ownership.....or seek dominance.

- So, ...whilst our rivals were jealously debating status, levels of stock-ownership and control and all the politics involved in that ...the charter we proclaimed was very simple:
  - 1: mutual trust, no dominance
  - 2: mutual benefits ...for our customers and ourselves
  - 3: ensure the cultural fit of the participating carriers while retaining their individuality and
  - 4: economic independence.
- We never aspired to become the United Nations of the air.
- It is the spirit that counts. So many airlines were impressed by this that our alliance now comprises 27 airlines linking 1160 destinations around the globe.
- And we will continue to grow our network with quality partners, particularly in those parts of the world, where customers tell us, that they want more connections. Stay tuned for such announcements in the not very distant future.
- The key to success does not necessarily lie in the structure of an alliance – as the experts found out.
- “It lies in the relationship forged between the partners and the degree of trust in each other,
- ...it is their mutual commitment and the strength of the bonds that develop between them and the flexibility of attitude they bring to their relationship.” There you have the core of a good alliance.

- An alliance will never be successful if you don't learn to trust your partner.
- Fortunately, that spirit of partnership can still be awakened in excellent air carriers.
- The old values of the early aviators are still alive
  - camaraderie, the intention to build bridges and overcome obstacles
  - ...be they physical – such as the forces of nature
  - ...be they technical – such as reducing pollution, saving energy ...
  - or be they commercial – such as economic viability and securing the highest possible level of services.
- Our successful partnership may also explain why consolidation in the airline industry can work. We see consolidation happening due to mounting economic pressures almost everywhere.
- Old rivals such as the Dutch and the French, the Germans and the Swiss have teamed up and set examples that are truly remarkable.
- And on this side of the Atlantic: United and Continental form an incredible team, combining the values of two true aviation leaders into what will become – and here I am convinced – a strong and winning competitor on the global scene

- And why: Again because of the co-operative nature of genuine airline people.
- Of course, every party coming to the negotiating table has its own pride.
- But they also bring with them a sincere resolve to maintain their commitment to the traveling public who are just as eager to fly as the men and women in cockpits and cabins or at the airport or in the board rooms.
- Flying is a fine business ...but it has always been a costly one ...because of the sophisticated skills, the hardware and the safety networks required.
- Alliances – on the other hand – have demonstrated that there are solutions to very complex challenges. Competing and partnering do not rule each other out.
- And Alliances have already proven their worth in several crises.
- Nothing is farther from my mind than boasting. But I can claim that the spirit of co-operation that evolved in the Star Alliance has set an example throughout the airline industry. It has encouraged others to follow a similar pattern.
- It makes me very happy that my team and I at the Star Alliance Services Company have succeeded in keeping alive the old virtues of the early aviators like Tony Jannus.
- Namely vision, innovation and courage.

- And I am impressed to see in which way your “Distinguished Society” is fostering this spirit, bringing it closer to the next generations.
- So I would be proud if you allow me to support your restless and so important engagement for this industry with a small contribution to this years award winning student, Mr. Kyle Rademaker
- Kyle,
- I’ve been in the aviation business for - god knows - how many years now.
- Although having studied architecture, there was not a single day, in which I have longed to be in another industry. Building highrises or selling washing powder simply does not thrill me halve as much.
- I want to give you a hands-on opportunity to sense the reason for my compassion, by coming over to our Frankfurt headquarter next year and work with me and my multinational team for two weeks.
- This, I am sure, will give you a little impression about the day-to-day challenges of keeping good partnerships alive and valuable.

Kyle please come and join me on stage for a second,

Ladies and Gentlemen,

- I started by saying that being honored with this award today is a “once in a lifetime” experience for me.
- And so I better finish my remarks before I start to enjoy receiving awards and more importantly before I overburden your patience.
- Our exciting industry - I’m convinced - will continue to have a bright future ...irrespective of some towering cumulonimbus around us or clear air turbulence shaking our ride from time to time.
- Honestly, without some turbulence once in a while - I hope that fellow pilots in the room agree - flying tends to become quite boring.
- So, in an all but boring future this industry will have to continue relying on partnerships between open minded, positive thinking, passionate people, who trust each other and combine their skills in the best interest of the society
- Just like in this pleasant circle here tonight ...among so many friends.
- Let me salute aviation and its aviators, and –  
I hope you allow me - to the future of our Star Alliance in which far more than 400.000 people take such pride in serving all of you on your next flight and therefore deserve this award as much as I do.
- Wholeheartedly, thank you.