**26**

CHAPTER I

UNDERSTANDING THE MANAGER'S JOB

business'; we are in the 'Customer Service business,' and we just happen to fly airplanes."

The prevailing, optimistic view is pithily summed up by Michael O'Leary, CEO of Ryanair, a European-based carrier following Southwest's no-frills model. Evaluating the traditional carriers, O'Leary asserts, "They're basket cases. They're incredibly high-cost, very ineffective .... These are stupid businesses for the amount of capital tied up in them. They never make any money .... I think they'll limp along from crisis to crisis .... [Air fares will continue tol decline for another 20,30,40 years." When O'Leary is asked, "What about Southwest?" he replies, "If I were Southwest, I wouldn't be worried."

Case **References**

Andy Serwer, "Southwest Airlines: The Hottest Thing in the Sky," *Fortune,* March 8, 2004, pp. 86--88; Amy Tsao, "Can Airlines Bring Costs Down to Earth?" *BusinessWeek,* October 23, 2002, www .businessweek.com on November 22,2002; AmyTsao, "Pull­Service Airlines Are 'Basket Cases," *Business Week,* September 12, 2002, www.businessweekcom on November 22, 2002; Amy Tsao, "The Wrong Time to Jump on Southwest?" *BusinessWeek,* August 22, 2002, [www.businessweek.com](http://www.businessweek.com) on November 22, 2002; "About Southwest Airlines," "The Southwest Difference," Southwest Airlines website, [www.iflyswa.com](http://www.iflyswa.com) on December 20, 2005 (quote); Peter Coy, "The Airlines: Caught Between a Hub and a Hard Place," *BusinessWeek,* August 5,2002, www .businessweek.com on November 22, 2002; Sally B. Donnelly, "One Airline's Magic," *Time,* pp. 45-47; Wendy Zellner, "It's Showtime for the Airlines," *BusinessWeek,* September 2,2002, pp.36-37.