Five Steps to Transform Your Business and Enrich Your Life

• **Step One**
  – **Have a Plan and Track Your Progress**
    Identify the three to five actions that, if executed, will fundamentally improve your business. Write them in a one-page plan, communicate them to your organization in an understandable way, and relentlessly measure your progress.

  – **Stay Focused with Some Simple Life Rules**
    Develop a plan for your life around the things you consider most important so you avoid getting sidetracked by less important activities. Make key decisions using a consistent framework.

• **Step Two**
  – **Build a Fortress Balance Sheet**
    Make sure you have adequate time to execute your plan by having plenty of liquidity (cash) as well as debt covenants and maturity that match your company’s needs.

  – **Choose Freedom**
    Manage your personal lifestyle and financial resources so that money becomes your faithful servant and not your relentless master, thus freeing you to focus on your life goals.

• **Step Three**
  – **Think Money In, Not Money Out**
    Profitably grow your business to optimize returns for your shareholders and increase employment opportunities for your coworkers.

  – **Think Money Out, Not Money In**
    Provide for those in need. Generosity is the key to happiness and fulfillment and the only antidote to materialism.

• **Step Four**
  – **Build A Team (Clean House if Necessary)**
    Build a board and organization capable of executing your plan and properly motivate everyone involved.

  – **Build Your Life Team: Align and Prune**
    Build a support structure of family, friends, and coworkers who give you support and energy. Don’t get bogged down by those who take lots of time but add limited value.

• **Step Five**
  – **Let the Inmates Run the Asylum**
    Empower, motivate, and encourage your coworkers to make decisions consistent with your plan.

  – **Invest in Family and Friends**
    Build eulogy virtues, not résumé virtues.
# Continental Airlines

*Right Away and All At Once: How We Saved Continental*

## Go Forward Plan

### Fly to Win
- Focus on core assets:
  - Stop scheduling flights that lose money.
  - Take out cost as we take out capacity.
  - Eliminate CALite.
  - Build up Houston, Newark, and Cleveland hubs.
- Expand customer mix from backpacks and flip-flops to suits and briefcases.
- Revise marketing policies to enhance relationships with travel agents, corporations and frequent fliers.

**Goal:** *Increase revenues and deliver a profit.*

### Fund the Future
- Restructure the fleet:
  - Reduce the number of fleet types from 13 to 4.
  - Match airplane size with market size.
  - Eliminate above-market leases on airplanes.
  - Restructure the balance sheet.
  - Track cash.
  - Sell nonstrategic assets.

**Goal:** *Secure liquidity.*

### Make Reliability a Reality
- Perform in the top 50% of the industry on key DOT metrics:
  - On-time performance.
  - Baggage mishandles.
  - Customer complaints.
  - Involuntary denied boardings.
- Improve the image of the fleet:
  - Paint interiors and exteriors.
  - Add phones.
  - Offer first-class seats.
- Improve aircraft cleanliness.
- Improve food service.

**Goal:** *Improve the product to become an airline of preference.*

### Working Together
- Restore employee confidence in management:
  - Offer on-time incentives.
  - Establish a consistent and reliable flight schedule.
  - Improve communication.
  - Deliver a profit and introduce profit sharing.
- Maintain peace among the work groups
- Establish a results-oriented culture:
  - Let people do their jobs without interference.
  - Treat one another with dignity and respect.

**Goal:** *Build a new corporate culture.*

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**One Take Away:**

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