

## Freiberg, Kevin & Freiberg, Jackie – Nuts!

Broadway Books, 1996 [Business] Grade ★★☆☆

Warren Buffett's and Tom Gayner's advice for investors is to avoid airlines. Buffett jokes about being an "airoholic" as he has invested in airlines with dismal results. Gayner says investors can beat the index simply by investing in all companies except the airlines. After a few recent good years, 2020 has proven to be one of the worst for the industry. Southwest Airlines is the exception to all this. The curious person wonders why. In "Nuts!", the authors and management consultants Kevin and Jackie Freiberg (assigned at Southwest at the time) explain the success of the company.

Why the name "Nuts!"? One reason is that the company only serves nuts to passengers during short flights, but the deeper and more explanatory reason is that their employees breaks all kinds of norms in the industry. The pilots joke with passengers, the CEO travels in coach with the rest and flight attendants use funny costumes. More importantly, the staff do everything they can to satisfy their customers. Pilots offload luggage when needed, customer service representatives let customers stay over in their own homes having missed a flight and employees work extra time without getting paid. In short, they do everything to stand up for the strategy of Southwest Airlines: low costs and great customer service – and they do it out of free will.

Herb Kelleher, the founder and long-time CEO, who is also depicted in the book Intelligent Fanatics for his outstanding management skills and value creation, has created a cult more than a traditional company. Kelleher's take on company culture: *"Culture is not about magic formulas and secret plans; it is a combination of thousand things"*.

There are four parts to the book - the first tells the story about the beginnings of the airline when they struggled for years in court due to the bullying tactics of larger airlines. The second part covers six main pillars of the culture at Southwest and should

be read by anyone interested in organizational aspects of businesses, especially those who want to learn about the agile way of working widely adapted across companies today. The third part deals with the all the unique quirks of Southwest such as having a relentless employee focus, unconventional advertising and celebration of milestones. The last part summarizes what the authors have learned from Southwest with specific focus on leadership.

24 years later, the main points are still relevant as the lessons from are widely adopted in companies today. It's about building an organization which is lean and able to tackle new challenges as quickly as possible. Many large companies use the terms associated with agility but don't put them into practice. Southwest does. Other airlines have used the Southwest way as a blueprint, but few have succeeded. Some have successfully adopted the low-cost strategy using less dense airports and manage to limit the airplanes' time on the ground, but few have achieved a similar culture and results. Myself, I wonder if it's possible for a bureaucratic company to become entrepreneurial or if it's more like seasoning a meal, too much salt and you have to start from scratch? The key point made by the authors is that Southwest is an example of an employer who motivates the employees which are proud and feel a sense of meaning working there. I think that point is more important than ever today where many employees don't identify themselves with the company they work for.

The book had been better with less repetition and it lacks the genuine feeling of a biography as when written by the founder himself. It's best read "textbook style" by those wanting to understand the agile project development method or by a founder who wants to get things right from the start. If you want a good story, books such as Phil Knight's *Shoe Dog* or Brad Stone's, *The Everything Store* are better but Nuts! is still worth the effort for some readers.

Niklas Sävås, October 4, 2020