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—DAVID NEELEMAN, FOUNDER AND FORMER CEO
OF JETBLUE AIRWAYS CORP., FOUNDER OF AZUL
LINHAS AÉREAS BRASILEIRAS

Chapter One

DAVID NEELEMAN

WHEN IT'S TIME TO MOVE ON

Every time David Neeleman has faced a career upset or disappointment, he has quickly responded by pursuing the next opportunity. His phoenix-like determination to rise from the proverbial ashes has led Neeleman, now fifty, to establish no less than three airlines thus far. His entrepreneurial drive has been fueled by a creative vision to establish organizations that are as good as, or even better than, their competitors, and in the process to help other people.

“From the time I sold my first company when I was thirty-three, it has always been about creating new things and helping people reach their potential. Money is a way to keep score at times I suppose, but it doesn’t bring happiness. Money is the means, but it’s not the be-all and end-all,” Neeleman said.

Neeleman’s fondest creation was JetBlue Airways Corp., which from its first flight in 2000 quickly captured both news headlines and customer loyalty for its superior service and commitment to do whatever possible not to cancel a flight. An ice storm in February 2007, however, delivered a black eye to JetBlue’s nearly unblemished record, an unfortunate event that Neeleman labeled “the worst operational week in JetBlue’s seven-year history.”¹

Although he may not have been personally at fault for the nightmare of flight cancellations that extended for days, as chairman and CEO, Neeleman took responsibility for the crisis. His public apologies were followed by an even greater commitment to

customer service to restore JetBlue's reputation. For Neeleman, however, another storm was brewing, as discussions ensued around who would be best to oversee the day-to-day operations of the airline, which had been his brainchild and fondest creation. Only three months later, in May 2007, Neeleman was asked to step down as CEO and a year later relinquished his chairman's title as well.

Neeleman may have been temporarily without an airline, but he was far from grounded. His latest venture was already taking shape in his mind, an opportunity in Brazil, which is his second home and a market in which he sees untapped potential. This new venture would allow Neeleman once again to build a business embracing the philosophy of servant leadership: putting the needs of others first to inspire them to give of themselves and reach a higher level of achievement.

Devoting himself to this new business in Brazil and focusing on the needs of his employees is how Neeleman copes with his departure from JetBlue, a loss over which he had little control. The man who has been called "a serial entrepreneur" relies on his philosophy of servant leadership and generates momentum through new ventures to carry him forward into the future, even though the pain of past setbacks remains.

Growing Up in Brazil

A seventh generation Mormon, David Neeleman and his family hail from Utah, but his personal roots are in Brazil. His father, Gary, had been a Mormon missionary to Brazil as a young man, spending two-and-a-half years in the southern part of the country and in Sao Paulo. Even after Gary returned to Utah and got married, Brazil was close to his heart and he longed to go back. He became a foreign correspondent for United Press International (UPI) and soon became the Sao Paulo bureau chief during his seven years there as a correspondent. (Several years later he became UPI's vice

president over Latin America and the Caribbean.) The second oldest of seven children, David Neeleman was born in Brazil and grew up speaking English and Portuguese. When Neeleman was five, his father moved the family back home.

Back in Utah, Neeleman faced a difficult transition to elementary school. Born in October, he was younger than many of his classmates, a situation that became compounded when he was moved ahead a grade because he had already attended kindergarten in Brazil. Later he was diagnosed with attention deficit disorder (ADD), which further explained why school was so challenging for him.

Neeleman benefited from another type of education: working at his grandfather's grocery store from about the age of nine until he was nineteen. Watching his grandfather interact with people who came into his store, Neeleman learned quite a bit about customer service. Then came his first real taste of success, which molded him as a leader. At the age of nineteen, Neeleman was sent to Brazil as a missionary, thanks to his dual citizenship and the fact that his father had previously served the church there. During his two-year mission, Neeleman rose through the ranks of district leadership and served as district president for the last seven months of his assignment. "For the first time in my life, I succeeded at something," he reflected.

His time in Brazil, spent mostly in the northern part of the country, also exposed Neeleman to a different side of life among people who were largely poor and very humble. The contrast between haves and have-nots created an indelible impression. On one hand were the wealthy who enjoyed a sense of entitlement; on the other were the poor who had next to nothing and yet were often happier and more willing to share what little they had. His experience in Brazil would later affect his leadership in the airline business in many powerful ways.

But as a young man returning to Utah from Brazil, airlines were not on his horizon. Soon, however, he would have his first

experience in the travel industry, which would quickly immerse him and, despite an early failure, would never get out of his blood.

Entering the Travel Business

After returning home from his mission to Brazil, Neeleman married his girlfriend, Vicki, and entered the University of Utah. While still a student, he started a travel business in the early 1980s, renting timeshares in Hawaii. “Because of the recession at the time, companies couldn’t sell time shares, so I said, ‘I’ll rent them for you.’ That’s how I got started,” Neeleman recalled.

When an airline agreed to sell him tickets wholesale, Neeleman was able to offer airfare and accommodation packages to his customers. By the time his company reached twenty employees and \$8 million in sales, Neeleman had to drop out of college as a junior to run the operation full-time. Then the airline that had sold him tickets went bankrupt, and Neeleman had to make restitution to his customers. It was a considerable financial loss that nearly wiped him out. “I was done with the travel business,” Neeleman remembered thinking at the time.

Married with two children, Neeleman had no choice but to join his in-law’s window-covering business and went back to work for his grandfather’s grocery store to make ends meet. It didn’t take long for the next opportunity to come along—and, once again, it was in the travel business. In 1984, June Morris, founder of corporate travel agency Morris Travel, whom Neeleman described as “a very wise lady,” invited the then twenty-four-year-old Neeleman to join her company and develop a leisure travel business. Neeleman accepted her offer and set up a charter air service which later became Morris Air, the first airline he helped to establish and of which he became a part owner. With Morris Air, Neeleman realized his destiny as an entrepreneur in one of the most difficult, cost-inefficient, and otherwise challenging industries. “This was my first airline—my first hit,” he recalled proudly.

Based in Salt Lake City, Morris Air was among several low-cost airlines that challenged larger carriers on shorter, regional routes. In 1992, while at Morris Air, Neeleman developed a ticketless technology that was a breakthrough innovation in the industry. (Although Southwest Airlines is often credited for having invented ticketless travel, Neeleman says it all started with Morris Air.)

The success of Morris Air attracted the attention of Southwest Airlines, which in December 1993 agreed to buy the smaller airline in a stock swap worth about \$129 million. Neeleman, then president of Morris Air, told the *New York Times* that a buyout by Southwest had not been a stated goal, but “was definitely something we had in the back of our mind.”²

Being acquired by Southwest was a victory for Morris Air, enabling it not only to become part of a larger airline, but also to join forces with a company that was revolutionizing air travel with affordable fares and an expanding system of routes. “Southwest was a beacon that was out there,” Neeleman observed in a speech he gave at Stanford University in 2003.³

The Southwest deal gave thirty-three-year-old Neeleman some \$25 million from the sale of Morris Air and a new boss and mentor: Southwest CEO Herb Kelleher. “When Herb came to town we hit it off,” Neeleman recalled. Both dyed-in-the-wool entrepreneurs with vision and charismatic personalities, Neeleman and Kelleher shared a deep passion for the business and a competitive spirit.

In our interview, Neeleman spoke with admiration for Kelleher, particularly the way he treated employees. “He could just sit and talk to someone. He didn’t care who you were; he just liked people,” he said. Neeleman was also influenced by Kelleher’s ability to focus “more on the people instead of the profits.” He recalled a comment Kelleher delivered at an analyst conference: “When I take care of them, they’ll take care of the customers.” Neeleman would go on to adopt this same attitude in the airlines he later founded.

After Morris Air was purchased, the plan was for it to be merged slowly into Southwest over two or three years, during which time

the Morris Air planes were to be repainted and most employees would be hired by Southwest. The pace of that integration, however, was too slow for Neeleman who had grown Morris Air at a rapid pace. Although he loved Southwest and greatly admired Kelleher, Neeleman was told in 1994—a year after the merger—that he would have to leave. “I saw them running my company [Morris Air] as they were integrating it. I was trying to get them to be more progressive. Herb said to me, ‘It’s not working out. It’s too disruptive for a big organization,’” he recalled.

It was a devastating blow for Neeleman who said he would have returned every penny of the \$25 million he made on the deal with Southwest “to take my company back.” That disappointment led to an important revelation regarding his ultimate motivation as an entrepreneur: It wasn’t about the money. “I don’t think the American dream is to start a company and sell it,” he reflected. “Sometimes you end up selling your dream. There are things that money can’t buy.”

Even before his departure was official, Neeleman was already weighing possibilities for his next venture. What he settled upon was helping to run a Canadian discount airline, based in Calgary, called WestJet. With a five-year U.S. non-compete agreement after he left Southwest, Neeleman decided Canada was “the closest place to Utah that was out of the country.” In early 1996, Neeleman became an investor and a board member of WestJet.

During this time, Neeleman also developed Open Skies, a reservation system that catered in particular to small and medium airlines, allowing them to issue electronic tickets. In 1998, he sold Open Skies to Hewlett-Packard, which, in turn, sold it in 2000 to a unit of consulting firm Accenture. Open Skies reflected Neeleman’s belief that technology can create efficiency in airline travel. However, technology alone would not be the solution to better air service. As Neeleman believes, “There is a human aspect of our business. We are in the service business. We call it . . . high tech, high touch. You need to be able to do both.”⁴

After WestJet and Open Skies, Neeleman had a strong desire to establish an airline that would be like no other. In 1999, as his five-year non-compete with Southwest was coming to an end, Neeleman looked around the U.S. market for what he could do next. His target: the Northeast, where airfares were particularly high. Going to New York on several occasions to speak with potential investors, Neeleman surveyed John F. Kennedy Airport, which he saw as wide open in terms of terminals and runway capacity. "So I decided to do it again," he said simply.

Starting his new airline, his second, Neeleman decided to learn from the mistakes of others, particularly when it came to poor customer service and the hassle of flying. He sought the advice of his longtime legal advisor Tom Kelly and financier Michael Lazarus of Weston Presidio as he explored the ways a new airline could use customer service as a competitive advantage. A case study by Harvard Business School summarized the brainstorming around Neeleman's new venture: "What if building a people-centric corporate culture could not only increase pride and creativity, but also avoid a unionized workforce that every major airline had, including Southwest? What if you could build a discount airline that had an entirely new fleet of planes? What if you could create an almost entirely paperless airline, with ticketless flying as the only option?"⁵

Neeleman answered all those questions with JetBlue. To fund it, he raised \$130 million mostly from the original investors in Morris Air, with one notable newcomer: billionaire investor George Soros and his Quantum Fund, who at one point would own about a third of the company. Other investors included Chase Capital and Weston Presidio, which backed what Neeleman called a "Southwest-Plus" business plan. With investors onboard, Neeleman made JetBlue the best-funded startup in airline history.⁶

In July 1999, JetBlue was unveiled as "New York's new low-fare, hometown airline," promising affordable airfares that would be, on average, 65 percent less than current fares on some routes. Called

the first “mega start-up” airline, JetBlue’s initial plans were for a fleet of up to 82 new Airbus A-320 aircraft. JetBlue promised wider seats, more legroom, and more overhead storage space than other airlines in its class. Another plus was twenty-four channels of live in-flight television for a first-class experience in every row of the aircraft. “I was looking for something we could offer for entertainment. I still remember finding this company that could put live television in the seat back. When I saw it, I knew that was it. We were the first ones to offer it,” Neeleman recalled, sounding very much like an entrepreneur who enjoys breaking ground and doing things, both large and small, before others do.

There were many firsts for JetBlue, which embodied Neeleman’s vision of offering something different—or as he called it “a new shade of blue”—in air travel. These differentiators were more than just window dressing and amenities; they reflected a commitment to establishing a culture that was vastly different and that would translate into satisfaction and success.

“The vision for JetBlue came from everything I learned at Morris Air and WestJet, all of my experiences rolled into one, with a goal of becoming better than all of them. A lot of things I took from Southwest, such as how they treated people and how efficient they were,” Neeleman said. His goal was not just to mimic but to significantly improve upon what he had experienced first-hand at other airlines. “My goal was to be a new and improved version of Southwest.”

Although JetBlue would be a major accomplishment for Neeleman, there would later be deep disappointment in store for him as well. Before that happened, however, it would be one incredible ride.

At the Controls of JetBlue

Reflecting on his entrepreneurial drive, Neeleman explained it as the desire to figure out how to do something “better, more

efficiently and at lower cost.” At JetBlue, he first attracted an all-star team of industry veterans, including Dave Barger from Continental Airlines, who became chief operating officer; Tom Kelly as general counsel; John Owen from Southwest as chief financial officer; and Ann Rhoades, the senior human resources person at Southwest who had helped fire him, as head of human resources. Others came from Virgin Atlantic and the U.S. Department of Transportation. The team embraced Neeleman’s core values of putting employees (whom Neeleman called “crewmembers”) first as they worked to deliver the lowest-cost and highest-quality service.

JetBlue’s first flights took off in 2000. By August of that year, which was only its sixth full month of operation, the airline posted a profit and boasted top-ranking on-time performance. “With JetBlue, we’re proving that a start-up airline can be successful, popular and profitable,” Neeleman said at the time.⁷

Looking back, Neeleman attributes JetBlue’s success to having all the right ingredients: “We had the best product, the lowest cost, and the best service. Usually there is a trade-off, but we had all three, and that was the lynchpin.”

During the economic downturn of 2001 and even after the tragic events of September 11—which took a brutal toll on the entire airline industry—JetBlue was able to grow. “While we initially reduced our flight schedule in the days following the attacks, we’re currently operating the same number of flights today as we were on September 10,” Neeleman stated at the time. “With an additional 18 daily flights planned, we will operate a total of 102 flights by the end of the year. Our growth plan remains intact and we are proud to say that we have not laid off a single employee, nor have we cancelled or deferred a single aircraft delivery.”

The airline was profitable in the third quarter of 2001, a time when “most of our industry is reporting unprecedented losses,” Neeleman added. He called the results a “great tribute to the

dedication and hard work of the entire JetBlue team.” He also credited the “resilience of our low fare, low cost business model.”⁸ For Neeleman, being able to announce positive news in the midst of an industry beleaguered with losses must have been immensely gratifying, an affirmation that his vision of offering higher service at a lower fare was possible—and profitable.

JetBlue was clearly flying high, and so was its hard-working CEO, who earned positive press and numerous accolades. A May 2003 feature in *Time* magazine described how Neeleman “obsesses over keeping employees happy,” which also allowed it to stay union-free, which observers saw as critical for a low-cost carrier. JetBlue’s turnaround times averaged 35 minutes, on par with Southwest, the industry leader. Innovative flight patterns and routes allowed it to avoid congestion and maintain its on-time record. Above and beyond these qualities, *Time* noted, “the best thing JetBlue may have going for it is Neeleman.”⁹

Neeleman’s Servant Leadership

With JetBlue, David Neeleman not only established an airline, he also created a culture that was truly different; where employees and customers alike would feel valued.

“This is something I say in talks that I give: Think of five successful companies that you love doing business with. Most people can’t think of five,” Neeleman said. His vision for JetBlue was to become one of those admired companies. Beyond his entrepreneurial drive and operational insight, Neeleman brought to JetBlue the lessons he learned back when he was a missionary to Brazil, where the divide between rich and poor never ceased to affect him. At JetBlue he sought to close distinctions among the ranks, including between top executives and the company’s other crewmembers. “I was in the field at least once a week: serving snacks, loading bags, talking to pilots,” Neeleman recalled. “I was totally comfortable doing that.”

What Neeleman learned in Brazil about winning the loyalty, respect, and trust of others he applied at JetBlue to employees and customers. This is the essence of servant leadership, a phrase that was coined by Robert K. Greenleaf, founder of The Greenleaf Center for Servant Leadership. Greenleaf once observed, in an essay written in 1970, "The servant-leader is servant first. . . . It begins with the natural feeling that one wants to serve, to serve *first*. Then conscious choice brings one to aspire to lead."¹⁰

James C. Hunter, principal of J.D. Hunter Associates, a leadership training and development firm, explained the difference between management, which he described as "what we do," and leadership, which is "who we are," our character—the person we are when nobody is looking. "Leadership is our personal ability to influence and inspire people to action," he added.

The "servant" part depends on how the leader establishes authority and influence with others. "Building authority with people comes from serving and sacrificing for them," Hunter explained. "Being a servant, however, is not about being a slave. It's not about doing what people want; it's about doing what they need. What employees want and need may be two different things. In business, it's about identifying and meeting the needs of employees, such as respect, appreciation, and encouragement, and also setting standards and holding people accountable."

Based on his thirty years working with leaders in business, including many entrepreneurs, Hunter sees servant leadership as a key to success. Rather than being ego-driven, servant leaders strive to succeed out of a genuine desire to create opportunities and inspire others to achieve their potential. "People who are servant leaders are humble, authentic, and real. It's not about them. What keeps the servant leader awake at night is not, 'When am I going to get the corner office?' or 'what are my perks [perquisites]?' but 'do my people have everything they need to win?'" Hunter added.

At JetBlue, Neeleman's servant leadership promoted an egalitarian spirit. Distinctions based on rank or salary level were wiped

out at the airline, such as no reserved parking for certain high-level employees and the same desks and chairs for the CEO as for others in the offices. Its planes, too, had only one class, and the most legroom was found in the back of the aircraft. No corporate plane for Neeleman either; when he had to fly, he sat in the jump seat with the crew. Neeleman's leadership extended to his treatment of the people onboard his planes, whom he refused to call "passengers." Instead, Neeleman referred to them as "customers," which conveyed the importance of selling a service that people want, rather than simply transporting them from place to place.

Neeleman's brand of leadership required a big commitment in terms of hours, many of which he spent in the air talking to customers and employees and gathering feedback and ideas that could make the airline even better. A 2004 *Inc.* magazine feature, which included Neeleman among "America's 25 Most Fascinating Entrepreneurs," noted that, two days before his interview, he "had been up at 4 A.M. to fly roundtrips from New York to Fort Lauderdale and then San Diego. He estimate[d] that he talked to 500 customers in the two days. . . ." ¹¹

Neeleman's habit of picking up trash after a flight landed or making notes as he met customers were not the only things that made him different among other CEOs. In his book, *The Mormon Way of Doing Business: How Eight Western Boys Reached the Top of Corporate America*, journalist Jeff Benedict called Neeleman's compensation package, which was also reflective of his servant leadership philosophy, an anomaly. "His annual salary is only \$200,000 per year, plus an average of between \$70,000 and \$90,000 per year in bonuses. He donates his entire salary to a fund for his employees. Financially independent from the success of his previous business ventures, Neeleman is able to operate this way," Benedict wrote. ¹²

Neeleman's adherence to servant leadership principles won him praise and respect—and it also produced results. In recognition of his innovation and achievement, Neeleman received the Tony

Jannus Award in 2005, given by the Tony Jannus Distinguished Aviation Society, which recognizes accomplishments in commercial aviation.

Everything Neeleman strived to do at JetBlue reflected the entrepreneurial advice he still gives to others today, from students to business leaders. "If you want to do something, make it the best," he said. "Make it the best model you can, and take care of your customers."

The sad irony, however, is that a colossal failure in customer service, the thing that JetBlue prided itself on above everything else, would become a major embarrassment and ultimately would contribute to the unraveling of Neeleman's career at the airline he founded.

An Ice Storm to Remember

It started with a cold rain on Valentine's Day, February 14, 2007, with no accumulating ice forecasted. Since it was the start of President's Day weekend with a busy travel schedule, JetBlue made the decision to allow multiple flights at Kennedy airport to depart their gates. But when the rain unexpectedly turned to ice, the planes were unable to take off. They were also unable to return to their gates since other planes had since occupied their slots at the gates. As a result, the customers whom JetBlue had vowed to treat better than anyone else were stranded on the tarmac for hours.

Although other airlines were hit by the ice storm, those carriers responded by cancelling more flights earlier. JetBlue, however, had apparently counted on the weather improving, which would enable it to keep flying, without disruptions to its customers—or its revenues. "On the contrary," the *New York Times* reported, "JetBlue's woes dragged on day after day. On Saturday night (February 17, 2007), for instance, the airline said that 23 percent of flights it had canceled on Saturday and Sunday would be canceled Monday."¹³

For JetBlue, which had been flying so high on accolades over its customer service, the incident was a nightmare. As the Harvard study noted, the day-to-day operations had been delegated to the chief operating officer, Dave Barger, who was in Florida when the storm hit and stayed there for several days. "Operating without his longtime COO at his side, Neeleman became all too aware of how ill-equipped JetBlue was to handle a crisis of this magnitude."¹⁴

Talking about the ice storm today, Neeleman expressed frustration and dismay over the logjam in JetBlue's operations, which resulted in the airline having to cancel flights for the next several days until crews and planes were finally in place to resume a normal schedule. In short, JetBlue had become completely overwhelmed, from reservation agents who couldn't handle the flood of calls from angry, displaced, and delayed customers to an inability to "reset" the airline quickly enough.

As horrific as the problems were, what was most notable about the February 2007 ice storm was Neeleman's immediate and public response. Suddenly he was everywhere, interviewed by the media and appearing on television to explain what happened and to offer apologies to customers. In a television interview with NBC's Matt Lauer, Neeleman acknowledged the weaknesses that the incident exposed in the JetBlue system, which resulted in flight cancellations extending for several days. He also pledged that the problems in reservations and crew assignments that had been exposed were already being addressed. "Accountability rests with the CEO, I think, even though I wasn't responsible for that particular part of the operation. That's why I spent three days and sleepless nights. I know exactly what failed and what can be fixed. And it will be fixed and is being fixed," Neeleman told Lauer.

Asked by Lauer if someone in JetBlue management would be fired over the incident, Neeleman firmly answered no.¹⁵ What he did not know at the time, however, was that he would be the one who ultimately would have to step down.

Neeleman's public campaign to win back customers did not end with explanations and apologies. He also unveiled a "customer bill of rights" stipulating such things as notification of delays and cancellations and offering vouchers in the event of delays due to "controllable irregularities."¹⁶ The customer bill of rights was unprecedented in the industry and remains unique today.

Although Neeleman won points with the public and praise from crisis communications experts, JetBlue's board disagreed with his decision to apologize for the crisis. Today, all Neeleman would say about the events that unfolded following his apologies is that the JetBlue board began to question whether he should take "more of a strategic role" while Barger ran the day-to-day operations. Neeleman opposed the plan, but in the end stepped aside at the board's request.

In May 10, 2007, JetBlue announced the appointment of Barger as CEO, while Neeleman would serve as nonexecutive chairman of the board. In a statement, Neeleman called the executive change a "natural evolution of our leadership structure."¹⁷ Looking back on that time, however, Neeleman acknowledged, "I was tortured" by the board's decision, which was completely unexpected, especially since six months before he had received high marks from the board on his evaluation as CEO.

"It was horrible—really shocking. I felt like I was sucker-punched," Neeleman said. It seemed incomprehensible to him that he was being asked to step down from the helm of the airline that was his "baby," which he had brought from concept to success. To Neeleman, JetBlue was more than a business; it was an emotional investment of himself, his energy, and his best ideas.

Although being removed as JetBlue's CEO was personally devastating, Neeleman eventually used the experience as a lesson to share with others. "This is what I tell people who have to fire someone. I say if the person is going to be surprised, give them another chance." For him, however, there was no second chance.

Neeleman spent a year as the nonexecutive chairman of the board of JetBlue, and then in May 2008 he relinquished that position as well, thus ending his association with the company. He summed up his feelings in a “Farewell and Thank You” e-mail message. In the e-mail, which was addressed to “fellow crewmembers and friends,” Neeleman admitted that this was a note “I never thought I would be writing.”

Neeleman’s words were emotionally powerful as he expressed his “considerable sadness” over the decision not to stand for reelection as chairman and acknowledged, “It has been difficult for me to be removed from the day to day management of a company that has been my life’s passion for the past ten years.” He also expressed his pride for JetBlue’s accomplishments and gratitude for his colleagues. “We created one of the true (and rare) success stories in aviation history by challenging ourselves to do better in everything we do. I’m proud of you for your hard work, your loyalty to JetBlue—and most importantly, your commitment to each other.”

Typical for Neeleman, as he was saying his final good-bye to JetBlue, he also announced the plans for his next venture: his third airline, Azul. As he noted in the farewell note, “. . . I have decided to dedicate the next phase of my professional life to building a world class airline in Brazil. . . . Brazilian culture, language, and spirit are in my blood and I’ve always wanted to return to the country of my birth and make a positive difference. I now have the unique opportunity to build an airline in Brazil with the same values, social responsibility, and crewmember culture that served as JetBlue’s key foundational ingredients.”

With that, Neeleman ended one venture with a note of regret, and moved on with hope to the next.

Working Through It

Although the transition after JetBlue has been difficult, Neeleman is working through it—literally. Being busy with Azul “has helped

me not to dwell on it," he said. JetBlue, however, is not yet behind him. Neeleman's lingering emotional ties to the airline were evident when he described being invited to the dedication of a new JetBlue terminal at Kennedy Airport in October 2008. Since he had left the company six months previously, Neeleman was reluctant to go but was persuaded. "When I walked into the place about 3,000 people all stood up and started to cheer. It was spontaneous," he said.

What has helped him move on, however, is his ability to accept reality: His time with JetBlue came to an end. Now it is time to find something else to which he can dedicate his time, energy, and ideas. "You have to find something else to focus on—charity work or church or a civic organization," he said. "Think about people other than yourself. No one is going to care for your self-pity after all. You might as well start doing things for other people."

Neeleman's commitment to do for others, which reflects his servant leadership, has helped him move beyond disappointment to a new chance for success with Azul. It is a lesson he has learned several times before: when his first travel business failed, when he was fired from Southwest, and more recently when he had to leave JetBlue. As Neeleman observed in his farewell message from JetBlue, "We all have and must face difficulties and challenges in our lives. I have always believed that it is not what happens to you in life but rather how you respond to it that matters."

For Neeleman, the response has surely not been to sit idle or to spend too much time wondering what to do next. Although other executives we interviewed for this book advocate taking time off, particularly after a career upset, in order to process what has occurred and to decide what the next move should be, Neeleman takes a different tactic: He gets busy right away, although he acknowledged, "I'm not over it still."

Taking Off in Brazil

With his latest venture, Neeleman has gone back to his roots in Brazil, where he sees opportunity as well as a place to serve others.

An August 2009 feature in the *Economist* spoke of the size of the opportunity that Neeleman could potentially tap: a swelling middle class in Brazil, with about 97 million people who are “rich enough to contemplate” traveling by air. The magazine further assessed, “Making air travel more accessible in a country the size of the continental United States, where infrastructure is rickety and many families have been scattered by internal migration, is a noble aim—and potentially a lucrative one.”¹⁸

Another positive factor is the plan to improve aviation infrastructure in Brazil before the country hosts the World Cup in 2014. Brazil will also host the 2016 Summer Olympics in Rio de Janeiro.

The Azul plan for the Brazilian market sounds very similar to what Neeleman accomplished at JetBlue: low fares and low costs on regional routes. Not only should this rack up profits for the airline, but it will also improve the quality of life for many people, as Neeleman sees it. Instead of taking a long and grueling bus ride, they will be able to fly Azul for about the same price.

Just as with JetBlue, profits are not his primary focus at Azul, which Neeleman is running along with a team that includes seven or eight people who came from JetBlue. That distinction belongs to the employees for whom Neeleman’s approach is a welcome surprise. “We created Azul with the same values we had at JetBlue,” Neeleman said. “The culture in Brazil is not necessarily a culture of servant leadership. Employees are often treated more like servants.” Azul’s approach of viewing employees as the most important part of the business is a “stark difference,” he added. As a result, Azul has “virtually no turnover” among its 1,500 employees. Neeleman believes that these employees who feel appreciated will pass along that good will to customers, who in turn will have a positive experience.

Whereas Azul’s operations benefit from Neeleman’s successes at JetBlue, the organizational structure of the new operation is the direct result of his still-painful departure from his previous airline. “With Azul, I retained all the voting shares, not because I want to

dictate, but so that I would not get sucker-punched again today," he said. "Today, I can't be fired."

At the same time, Neeleman is committed to keeping the Azul board of directors continuously updated on whatever is happening at the airline. These days, he must be telling a growth story for Azul, which launched in December 2008. From its hub at Campinas, outside Sao Paulo, Azul serves thirteen destinations in Brazil. By the end of its first year of operation, Azul flew its two millionth passenger, and became Brazil's third largest carrier. With an initial fleet of twelve 106- or 118-seat aircraft made by Brazil's Embraer, Azul has a total seventy-five planes on order, of which it will probably get another seven to twelve delivered in 2010.¹⁹ "And," Neeleman noted proudly in late 2009, "we're close to profitability."

For Neeleman, Azul is another chance to create a legacy. In his book, *Firing Back: How Great Leaders Rebound After Career Disasters*, co-written with Andrew Ward, Jeffrey Sonnenfeld, who is Associate Dean for Executive Programs at Yale University's School of Management, described the need for leaders who suddenly find themselves out of a job to redefine what he called a "heroic mission." This may involve "a sense of accomplishment in creating a legacy" or "effecting change in society through building and leading an organization."²⁰

By defining their mission and purpose, leaders create a strong foundation for the next opportunity, while also claiming the victories of what they have achieved in the past. "You don't let people write your history for you," advised Sonnenfeld, who is also the Lester Crown Professor of Management Practice as well as the founder and president of the Yale Chief Executive Leadership Institute. "You write it yourself."

By owning his past accomplishments, Neeleman is now the author of what he hopes to be his next tale of success at Azul. The only difficulty is that Neeleman, the father of nine children, including four who are still at home, spends four days a week in Brazil and then travels back to Connecticut to spend weekends

with his family. It makes for quite a commute, which may prompt the Neeleman family to spend the North American summer in Brazil. But Neeleman seems happy with a career that spans the northern and southern hemispheres, because it allows him to do what he does best—run an innovative airline and serve others in the process. “I talk to people about it all the time,” he said. “In Brazil, I talk to business leaders, to spread the Azul gospel, to get people to fly us and benefit from principles to have a better life.”

Since his first big career upset when he was fired from Southwest Airlines half his lifetime ago, Neeleman has been recapturing success on his terms. Although he still feels the hurt of losing JetBlue, Azul has helped him move on. Neeleman’s approach may not work for everyone; however, it is a formula for generating momentum that has carried him ahead into a promising future.

