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## **Has British Airways Fallen into a Rabbit Hole or Embarked on an Adventure of Change?**

*IdeaWorks reviews the wonderland of changes wrought by BA and Willie Walsh.*

December 15, 2009, Shorewood, Wisconsin -- Willie Walsh, the CEO of British Airways, may sometimes feel his role is based on the children's novel *Alice's Adventures in Wonderland*. Alice encounters an array of absurd circumstances and the story culminates in the court scene with the Queen of Hearts. Confusion reigns and the Queen quickly renders judgment on Alice with four words, "Off with her head." Mr. Walsh, too, has encountered extraordinary events during his tenure at British Airways, such as astronomical fuel prices, a collapse of premium traffic, and the opening of a new terminal gone wrong.

British Airways sought to boost revenues through innovation and reduce costs through product cutbacks. The carrier developed products that broke new ground in the industry and has committed what many consider to be acts of desperation by implementing a la carte fees and stimulating traffic through hugely generous bonus offers. IdeaWorks has reviewed why these are confusing times for a carrier seeking to be the "World's leading global premium airline." The following is a sampling of observations from the analysis:

- Even for "free" travel, British Airways benefits from surcharges and fees, which can add up to a very significant \$490 for roundtrip travel between Chicago and Paris, or €156 for roundtrip travel between Paris and London.
- New transatlantic flights from London City Airport are a true innovation, but the timing could not have been more problematic due to the global recession.
- It became the first major airline on 7 October 2009 to add a la carte fees for business class travel by charging for seat assignments.
- BA's transatlantic OpenSkies service planned to operate 6 aircraft by the end of 2009, but now only operates two roundtrips per day between New York and Paris.

**Curiouser and Curiouser: the Wonderland of Changes Wrought by BA** was released today as a 12-page industry analysis. The full report is available at the IdeaWorks web site: [www.IdeaworksCompany.com/news](http://www.IdeaworksCompany.com/news).

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