

Business Coach means business

A new service demanded by passengers and developed by line employees will become an overnight reality on the last day of this month.

Business Coach—a special section for business travelers who want to work or relax while they fly—will be installed by maintenance employees in all 39 DC-9s in the nine cities where the aircraft overnight.

They'll be ready for their first business travelers by morning, Oct. 1.

The new section will feature wider seats and more leg-room in four rows of two-abreast seating in a front partitioned portion of the aircraft.

It's the result of years of market research that indicated that our important business travelers need more room and quiet if they are to make productive use of their flying time.

"Even though our capacity will be slightly reduced, the improvement in our image and competitive capabilities will more than make up for the loss," said Kip Wharton, sales and service vice president.

"Business travelers have felt left out," he continued. "They see the airlines offering more and more inducement to leisure travelers through discounts. They said 'give us a quiet, comfortable place to work or rest on our business trips and we'll pay a little more.' That's what we're giving them."

Business Coach will cost 25 per cent more than coach.

Almost half of our revenue comes from frequent travelers (those who fly us 12 or more times a year, mostly business travelers) even though they represent less than 10 per cent of our individual customers.

Business Coach will include regular meal service. Business travelers have said they don't want or need elaborate meals or other frills associated with first class.

But Business Coach is more than a section on an airplane. It will include amenities



You might recognize a few fellow employees who got a taste of Business Coach's spaciousness and comfort. They posed with professional models for publicity photos in this recent mock-up of the new section.

from reservations through baggage claim which will make the passengers' business trip less hectic and smoother. These features, developed by a task force of employees from throughout the system, include:

- A special reservations telephone number for prompt, full service. (This service, for Frequent Flyer program members, will be tested in the Los Angeles office and expanded systemwide early next year.)

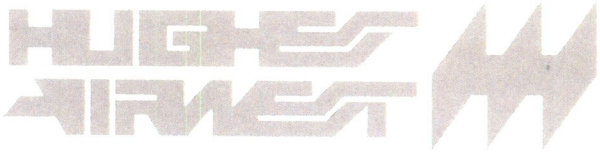
- Special priority-handling tags for checked baggage. These will allow us to unload Business Coach baggage first so that these travelers can be quickly on their way to appointments.

- First off the flight since the section is in front. (Business Coach passengers will be boarded after coach on seat assignment flights. This also will allow them to board

(Continued inside)



'Because of you' ... the neglected business traveler



Vol. 10, No. 8 Hughes Air Corp. September 1978

Heap, Maloney, Murphy are named staff v.p.'s

Three senior directors in three divisions have been promoted to staff vice president. They are:

Bradley J. Heap, management information services (MIS); William A. Maloney, sales; and Michael M. Murphy, public affairs.

Heap oversees data processing, based in Phoenix, and office systems and services (including word processing and printing services), ground communications and schedule productivity. He is based at international headquarters and reports to the corporate planning vice president.

He joined us in 1971 as market research systems director. He was named research and development director in 1974 and MIS acting director in 1975. He has been senior director since 1976.

Heap, 35, was graduated from California State University at Long Beach with a bachelor's degree in mathematics and began his aviation career in 1966 with Douglas Aircraft Co. there.

In 1969, he earned a master's degree in business administration at CSULB, specializing in operations research and statistics.



Heap

Maloney directs domestic and international sales, cargo and military sales, dining and cabin services, charter sales, market development, interline and group sales and advertising and sales promotion. He reports to the sales and service vice president.

He joined us in 1972 as an internal auditor and was promoted to market development manager in 1973, field sales director in 1974 and sales senior director last year.

Maloney, 32, worked previously for American Airlines as a market research senior analyst and cargo accounting systems supervisor.

He earned a bachelor's degree in finance from St. Bonaventure University in New York in 1967.



Maloney

(Continued on back page)



Murphy

Top Banana counter appeal



Lush and colorful carpeting is bedecking the back walls of our ticket counters in ten cities and is expected to be up in all stations by the end of the year. They'll also go into city ticket offices and in some gate areas. But it's not just for looks. The coverings also are more durable and easier and cheaper to maintain than the painted walls. They're already installed in Chico, Des Moines, Eugene, Eureka, Milwaukee, Portland, San Francisco (pictured), San Jose, Santa Barbara and Seattle. The material is 100 percent nylon pile.

SERVICE ANNIVERSARIES

THIRTY YEARS

PHOENIX—George Borton, check captain. Stanley Timmons, lead hangar maintenance technician. SAN MATEO—Ken Laurin, financial services director.

TWENTY-FIVE YEARS

PHOENIX—Joseph Zupko, quality control supervisor. SEATTLE—James Hofmeister, maintenance technician.

TWENTY YEARS

SAN FRANCISCO—Donald Hall and Ralph Zanette, captains. Allen Ng, lead maintenance technician. Cornelius Schuddeboom, chief station agent. PHOENIX—Ronald Heath, ground equipment technician. Don Singleton, captain. Joan Vrahas, flight attendant. SAN JOSE—Walter Kupper, ticket agent.

FIFTEEN YEARS

LAS VEGAS—Edsel Eskola, first officer. Donald Andrews, Paul Lefebvre, Albert Cross, Raymond Novak and Dale Meyers, captains. William Schultz, maintenance technician. PHOENIX—Calvin Blackledge, Robert Deford and David Hausmann, captains. Ken Hobby, base overhaul manager. Gary Johnson, quality control technician. SAN MATEO—Norm Hansen, interline & leisure market development director. Lawrence Ulrich, telephone sales agent. Al Erickson, refunds, agency & government audit manager. MAURITANIA—George Miller, maintenance inspector. PORTLAND—Vernon Young, avionics technician. SPOKANE—Paul Hanly, maintenance technician. LOS ANGELES—William Greenwood, maintenance technician. SEATTLE—Shirley Lockwood, CTO agent.

TEN YEARS

SAN MATEO—Elinor Keating, flight attendant administration coordinator. Luisa Llanos, intermediate accounting clerk, planning. Tillie Panattieri, transcription operator. Ana Mas, intermediate accounting clerk, treasury. Robert Bauter, security & safety senior director. Marlene Hulst, Marcia Thompson and Vicki Gawthrop, telephone sales agents. Karen Hart, Angela Jurgensen, Barbara Stetner, Jessie Vadenais and Angelina Rubi, intermediate revenue accounting clerks. PHOENIX—David Knutsen, systems design & programming director. Sally Esparza, transcription operator. Jerry Patterson, avionics technician. Gary Farr, supply expeditor. Shirley Rhead, lead cleaner. Donald McCrea, Forrest Waymack and Thomas King, hangar maintenance technicians. James Ray, ground serviceman. Francis Kasper, hangar maintenance supervisor. Adolphus Hall, Robert Harrison, Michael Close, Jack Buckner and Daniel Moss, stock clerks. Duane Wood, cleaner. Terry Ziegler and Adolphus Lee, lead component overhaul technicians. James Leach, maintenance instructor. Linda Crawford, junior clerk, reliability control. Lonny Mercer, ticket agent. Eiren Leyva, station agent. Jean Bast, telephone sales agent. SEATTLE—Douglas Dansereau and Sebastian Brown, cleaners. Patrick Pomeroy, station agent. LAS VEGAS—McKinley Cunningham, stock clerk. Lenora Burney, cleaner. Robert Edwards, lead maintenance technician. Franklin Pegram, ground serviceman. Richard Dana, Ronald Farrar, Robert Montoya, Steven Graupensperger and David Bruce, station agents. Byron Bowden, ticket agent. John Otero and Robert McKinley, chief sta-



Members of the Air Line Employees Association master executive council prepare to cut the cake observing 10 years of representation with the company (from left): Paul Longden, Seattle telephone sales agent; Rick Van Koevring, Orange County station agent; Jan Buford, Phoenix telephone sales agent; Dick Schroeder, Phoenix station agent; Dave Peterson, Eugene station agent; Mac McCray, Phoenix station agent and ALEA regional representative; Dennis Homer, San Francisco station agent; Bob Haskin, Boise chief station agent; Larry Dau, Las Vegas station agent; and Pat Smith, intermediate general accounting clerk, San Mateo. Haskin and McCray were members of the negotiating committee which signed the first agreement with Air West on July 26, 1968. The cake was presented at a labor-management meeting by Russell V. Stephenson, president, Kip Wharton, sales and service vice president, and Ron Carlson, industrial relations staff vice president. ALEA represents more than 1700 telephone sales and station agents and clerical employees.

tion agents. SAN FRANCISCO—Willie Booth, cleaner. Helen Mayer, intermediate clerk, flight. Michael Phinney, ground host. Carmen Sita, clerk typist, office services. SAUDI ARABIA—Ray Files, maintenance representative. LOS ANGELES—Antonio Diaz, maintenance technician. Theodore Jessen, stock clerk. Manuel Vasquez, cleaner. Susan Luce and Stephen Greenwood, telephone sales agents. Robert Yaquinto, station agent. ORANGE COUNTY—Sabino Fernandez, maintenance technician. Donald Kiernan, chief station agent. PASCO—Antone Martin, maintenance technician. SAN JOSE—Wayne Young, station agent. ONTARIO—Leland Cantrell, station agent. SALT LAKE CITY—Bonnie Cass, ticket agent. BOISE—Vernon Ware, station agent. RENO—George Smith, station agent.

FIVE YEARS

PHOENIX—Tyrone Meier, Orin Royer, Dwight Perry, Charles Gardner, Gary Steinmann and Christophe Vorderkuz, component overhaul technicians. Joseph Andryshak, Bernard Audet, Vincent Dipietro, Paul Farr, John Mountain, Robert Moss, Michael Smith, Mark Thomas and Norman Whinery, hangar maintenance technicians. Rex Myers and Gary Wedding, avionics technicians. SAN FRANCISCO—Gerald Smythe, avionics technician. SANTA ANA—Richard Vaux, maintenance technician. Charles Presley, station agent. LOS ANGELES—John Swope, maintenance technician. SAN MATEO—Rosemary Candelaria, secretary, sales & service. Patricia Garrett, telephone sales agent. Donna Tanfani, clerk typist, flight attendant training.

Heir Fare

To Peggy and Larry Love, draftsman, Phoenix; a girl, Kelley Ann, 7 lbs, 1 oz.; Aug. 1.

To the Valentines, Mary Ann, flight attendant, and Fred, captain, Las Vegas; twin boys, Michael, 4 lbs, 12 oz., and Anthony, 4 lbs, 6½ oz.; July 29.

Young, Rettig advance

Kenneth H. Young has been promoted to crew scheduling administration manager, based in San Mateo.

He has been chief crew scheduler in Phoenix since 1969. He joined the company (Bonanza) in 1962 and worked in reservations in Las Vegas and Los Angeles. He was a crew scheduler in Las Vegas and Phoenix in 1965-69.

Young, 37, attended Ohio University and graduated from National School of Aeronautics in Kansas City.

Chester M. Rettig has been promoted to F-27 training manager. He was a flight instructor.

He joined the company in 1968 as an F-27 first officer and became a DC-9 first officer in 1975 and an F-27 captain in 1976.

Rettig, 35, attended Seattle University.

In Memoriam

Eldon Lewnau, retired aircraft service planning manager, Phoenix; Aug. 17. He joined the company (West Coast) in Seattle in 1965 as production control & planning superintendent and retired in 1976. He also worked for Northwest Airlines for 19 years.

Shirley Peterson, mother of Marcia Peterson, telephone sales agent, Phoenix; Aug. 14.

July: half-million passenger mark topped again

We boarded a record 519,284 passengers in July.

It was the second consecutive month we have set new passenger records

TRANSITION WELCOME ABOARD

Joseph Azzarito, accountant, general accounting, San Mateo. John Deaki, maintenance representative. Iran. Jesus Pelayo, senior buyer, San Mateo. Jordan Tolchin, corporate insurance administrator, San Mateo. Dale Funk, Vaughan Wells and Johnny Ward, ground flight instructors, Phoenix. Ronald Wahl, cargo accounting supervisor, San Mateo. Simon Wheaton-Smith, software programmer, Phoenix. Susan Seltzer, Betty Kundrot, Melodie Moffet and Nancy Burns, junior revenue accounting clerks, San Mateo. Jenifer Porter, junior general accounting clerk, San Mateo. Alicia Kennedy-Hubbard and Linda Alderson, telephone sales agents, San Mateo. Grace Wilber, Lynn Stanley, Ida Bacon, Diane Mapes, William McCarty, Thomas Daley, Shanes Isaacson, Cynthia McAllister-Hall, Varita Patillo, Alexandria Danforth, Dale Backlund, Judith Lachner, Rita Hoskins, Carol Geyer, Alan Forbes, Beverly Dunbar, Patti Stone, Amanda Miller, Clayton Templin, Carol Thompson, Pamela Vollenhans, Janice Walker, Carroll Woodward, Gretchen Wallace, Do-reen Zimmer and Robert Ames, telephone sales trainees, Los Angeles. Michael Van Wie, telephone sales agent, Los Angeles. Jan Jerry, secretary, flight, Seattle. Robert Montes, station agent, Burbank. Lucian Hatfield and Robert Tarinelli, hangar maintenance technicians, Phoenix. James Hiestand, component overhaul technician, Phoenix. Paul Smith, avionics technician, Las Vegas. Paula Muller, cleaner, Salt Lake City. Mathew Cenicola, cleaner, Las Vegas. Henry Welzmilller, maintenance technician, Orange County. Robert Baird, stock clerk, Phoenix. Scott Agenbrood, Randall Drake, Vincent Milosevich, James Shea, Stephen Wilkinson and Kim Stanley, second officers, Phoenix. Don Arnold, Ronald Thompson, Craig Friday, Larry Knechtel, David O'Keefe, Bruce Millenbach, Stephen Johnson, Danny Huey, William Becraft, David Welch, Richard Russo, Brian Bradley, Sheldon Otto, Fred Carver and Wayne Wagner, first officers, Phoenix. David Kraft, William Richardson and Douglas Malin, second officers, Las Vegas. Rickey Martel, Gary Bentley and Brian Killmer, first officers, Las Vegas. Gail Lauterbach, clerk typist, sales, Milwaukie. Miguel Rodriguez, mail clerk, San Mateo. Kay Meade, crew scheduler, Las Vegas. David Waggoner, station agent, Los Angeles.

PROMOTIONS

Charla Meyer to purchasing administration supervisor, San Mateo. Billi Goforth to assistant station manager, Salt Lake City. Teddy Wilson to hangar maintenance supervisor, Phoenix. Larry Rice to senior analyst, inventory control, Phoenix. Carlo Ventitelli to analyst, inventory control, Phoenix. Constance Suzuki to sales representative, San Francisco. Mary Scarbrough to flight attendant assistant manager, Las Vegas. Celia Orlovski to TSR supervisor, revenue accounting, San Mateo. Deborah Hackett, Mary Ellen Geiger, Mary Hansen to staffing & telephone systems analysts. (Continued on back page)

TRAFFIC SCOREBOARD

FINANCIAL RESULTS

| | July '78* | July '77* | % Change |
|-------------------------------|-----------|-----------|----------|
| Operating revenue—passenger | \$ 23,092 | \$ 19,173 | + 20.4 |
| —cargo | 1,118 | 691 | + 61.8 |
| —charter | 1,211 | 493 | +145.6 |
| —other | 1,319 | 1,416 | - 6.9 |
| Total | 26,740 | 21,773 | + 22.8 |
| Operating expense | 25,096 | 20,201 | + 24.2 |
| Operating earnings | 1,644 | 1,572 | |
| Non-operating earnings (loss) | (629) | 657 | |
| Provision for taxes | 447 | 716 | |
| Net earnings | 568 | 1,513 | |
| Year-to-date* | | | |
| Operating revenue—passenger | \$156,550 | \$123,213 | + 27.1 |
| —cargo | 6,510 | 4,773 | + 36.4 |
| —charter | 5,887 | 3,602 | + 63.4 |
| —other | 10,301 | 9,626 | + 7.0 |
| Total | 179,248 | 141,214 | + 26.9 |
| Operating expense | 167,503 | 135,583 | + 23.5 |
| Operating earnings | 11,745 | 5,631 | |
| Non-operating earnings (loss) | (1,654) | (1,435) | |
| Provision for taxes | 4,245 | 836 | |
| Net earnings | 5,846 | 3,360 | |

*All data in thousands (add 000).

| | July '78 | July '77 | % Change |
|-------------------------|------------|------------|----------|
| Passengers | 519,284 | 427,045 | + 21.6 |
| Revenue passenger miles | 212.2 mil. | 177.2 mil. | + 19.7 |
| Available seat miles | 355.8 mil. | 324.8 mil. | + 9.5 |
| Load factor | 59.6% | 54.6% | |
| Passenger density | 57.3 | 51.3 | + 11.7 |
| Average trip miles | 508.6 | 415.0 | - 1.5 |
| Cargo ton miles | 985,596 | 798,198 | + 23.5 |
| Cargo tons boarded | 2,399 | 1,812 | + 32.4 |
| On-time performance | 88.8% | 83.7% | |
| Charter passengers | 16,562 | 8,147 | +103.3 |
| Charter miles flown | 190,134 | 82,492 | +130.5 |
| Employs | 4,818 | 4,243 | + 13.6 |
| Year-to-date | | | |
| Passengers | 3,357,783 | 2,687,603 | + 24.9 |
| Revenue passenger miles | 1,421 bil. | 1,134 bil. | + 25.3 |
| Available seat miles | 2,365 bil. | 2,130 bil. | + 11.0 |
| Load factor | 60.1% | 53.2% | |
| Passenger density | 57.4 | 49.6 | + 15.7 |
| Average trip miles | 423.2 | 422.1 | + 0.3 |
| Cargo ton miles | 6,895 mil. | 5,640 mil. | + 18.7 |
| Cargo tons boarded | 15,957 | 12,941 | + 23.3 |
| On-time performance | 85.4% | 83.3% | |
| Charter passengers | 91,409 | 81,316 | + 12.4 |
| Charter miles flown | 1,011,595 | 594,040 | + 70.3 |

and only the third month in our history—all in 1978—that boardings have exceeded the half-million mark. (We boarded 507,938 in June and 500,730 in March.)

Passengers flew 212,172,351 miles—the second farthest in our history—exceeded only by March of this year.

Charters

Charter revenue hit an all-time high of \$1.2 million in July—the first month it has exceeded the million dollar mark. Aircraft and revenue passenger miles also set all-time records.

(For more performance statistics, see Traffic Scoreboard and Financial Results on this page.)

JULY YEAR-TO-DATE 727 PERFORMANCE

| | 1978 | 1977 |
|-------------------------------------|---------|---------|
| Scheduled service* | | |
| Passenger boardings | 156,522 | 113,939 |
| Load factor | 56.0% | 51.3% |
| Density | 86.8 | 78.7 |
| Average trip miles | 682 | 847 |
| * Presently PHX-LAS-YYC/YEG/SJC/OAK | | |
| Charter service | | |
| Passenger boardings | 59,385 | 27,727 |
| Charter miles flown | 647,738 | 278,309 |
| Average trip miles | 1,485 | 1,163 |

meal service worth the premium often charged. They do not like the luxurious tone of the name "first class".

All they want is a space that is quiet, separated from frequently excited leisure passengers and children—a place where they can get some work done or relax. Since many of them resent first class, we chose the "Business Coach" name in order to imply a quiet "office in the sky".

In summary, we are—for the first time—differentiating our product and designing it for the different market groups we serve. The price sensitive infrequent pleasure traveler will get his lower fare in a part of the plane with higher load factors and a bit more crowding—but he tells us he's not sensitive to that crowding. The service sensitive frequent traveler will pay more for more space and better services in Business Coach.

Q. Why are we going to fewer seats when our load factors are consistently increasing?

A. Introduction of Business Coach requires elimination of only one seat in each of the first four rows plus a row on the DC-9-30s to provide more leg room in the new section. The DC-9-30s will be reduced from 103 seats to 94—16 of which will be Business Coach. The DC-9-10s will be reduced from 75 to 71 seats—16 of which will be Business Coach.

The number of seats available on an airplane is not in itself a key consideration. The key issue is the amount of revenue those seats will generate.

Practically the only time there would be any actual loss of revenue because of fewer seats is when the flight would have gone out full. On an average, up to 90 percent of our flights will not go out full even with the new configuration. Even on a full flight, we will receive 25 percent more revenue—or the equivalent of 20 full-fare coach passengers—from the 16 Business Coach seats. Therefore in revenue terms, even with a rare full flight, the loss is only the equiva-

peting with our configuration because we will be able to provide better service and generate a better reputation and larger preference for Hughes Airwest by offering the comfort and service to passengers who want it up front and low prices to those who want them in the back.

Our loads will undoubtedly be growing heavier and heavier over the next three or four years. Load factors in coach might well approach 65 to 70 percent on a year-round basis. This should not concern us, however. Other carriers—Texas International, Southwest, PSA and Air California, for example—operate at this level all the time. The trunk carriers also hit this level during peak seasons and count on these levels to exceed a financial break-even point.

Q. What will be the non-revenue policy for Business Coach?

A. All employees will receive details on Business Coach service charge and reduced rate travel this month.

John Kozma, Nancy Simpson, Gene Pepper lead Milwaukee, Des Moines sales & service

Three young managers with 35 years combined service with the company are heading our team in the Midwest. They are:

- John M. Kozma, district sales manager, Milwaukee;
- Nancy K. Simpson, station manager, Milwaukee; and
- R. E. "Gene" Pepper, station manager, Des Moines.

* * *

Kozma joined the company in 1965 as a station agent in Portland. He went into sales in Seattle in 1967 and had been district sales manager in Phoenix since 1968.

He served as chairman of the Arizona Visitors Promotion Council and various promotional civic committees. He now is a member of the Milwaukee SKAL travel industry club.

Kozma, 36, was educated in New Jersey and Kansas and served as an air traffic controller in the Navy in 1959-64.

* * *

Simpson worked in reservations for United and as a travel agent in Boise before joining us there as a ticket agent in 1967. She also assisted with the marketing department's volunteer sales program.

She was promoted to assistant station manager in Salt Lake City in 1976.

Simpson, 32, studied business administration at Boise State University and at Westminster College in Salt Lake City. She is a member of the National Defense Transportation Association.

* * *

Pepper joined the company in 1968 as a station agent in Ontario. He later was an agent in Eureka and Salt Lake City and a chief station agent in Las Vegas and Grand Canyon.

He was named El Centro station manager in May 1977.

Pepper, 30, studied transportation management at Utah Technical College and served in the Army in Vietnam.



Kozma (above), Simpson (above right) and Pepper



TRAVEL BARGAINS

Avion Club has "Interline Deals" in Athens: 6 nights hotel, sightseeing, cruise, \$155 per person/double with all meals thru 10/31. \$99 with daily breakfast only 11/1-12/31. Single & triple rates avail. Details: Ms. J. E. Alvarez, Convenco of Spain, Edificio El Cisne, Suite 11, Calvario 6, Marbella, Malaga, Spain.

The Orange County station has discount cards for Disneyland and Knott's Berry Farm. Send employee's name, department, base and home address. One card good for family. No phone calls, please.

Spokane-Reno nonstop rights OKed by CAB

The CAB has granted us authority to fly nonstop between Spokane and Reno. We were required to make one stop between the two cities and have been serving them via Seattle.

The new links also will enable us to offer more direct service between cities beyond Spokane and Reno.

We applied to have the one-stop restriction removed a year ago. United has not used its nonstop authority between Spokane and Reno in the 10 years it has had it nor offered single-plane service since 1969.

The nonstops will cut flying time between the two cities nearly in half. Start-up date will be announced.

R. W. Henderson new financial analysis manager

Robert W. Henderson has joined the company as manager of financial analysis, based in San Mateo. He reports to the assistant treasurer.

He has worked for the U.S. department of defense in the San Francisco Bay Area since 1972.

Henderson, 33, studied business management at Northern Arizona University and University of Santa Clara. He served in the U.S. Army in Vietnam.

Sundancer magazine advertisement

Next time you fly on business, rent a little office space from us.

Business Coach.

It's a completely separate section up front. Designed by business people for business people.



BIGGER SEATS. They're first class size, and only 2 abreast. So there's elbow room to spare.

EXTRA LEG ROOM. You won't have to sit with your knees up to your chin in Business Coach. There's a generous amount of space to stretch out.

MORE ROOM TO WORK. In front of you, a wider, longer tray table can take an open briefcase with ease.



It's devoted to helping you get more working time out of your flying time.

Simply, Business Coach is a place where you can think. A quieter, calmer atmosphere without interruptions.

Not even the flight attendants will disturb you, unless, of course, you ask.

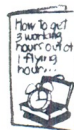
FRINGE BENEFITS. Cocktails are complimentary. As well as pads of paper, pens and envelopes. Also, you and your luggage will be first off the plane.

Naturally, the tab for Business Coach is more than regular coach fare.



FREE BOOKLET: How to get 3 working hours out of every flying hour. A manual for traveling executives, by

Dr. R. Alec MacKenzie, Time Management Expert. Send for your copy by filling out the postcard in this magazine, or write: Hughes Airwest, San Francisco International Airport, San Francisco, California. 94128.



But when you add up all the work you can get done during one flight, you'll be the one to come out ahead.

Business Coach. Room to work. Room to think.

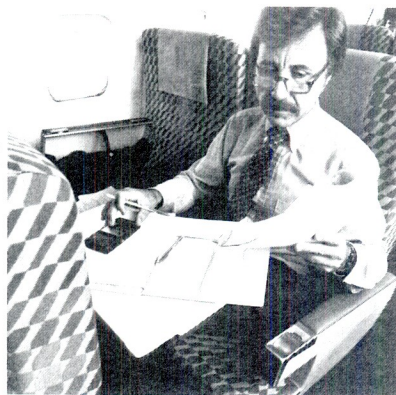


(Continued from front page)

and deplane in less congestion.)

- On-board coffee before take off on morning flights, if time permits.
- Writing materials (tablets, pens, envelopes) for inflight work and an offer to mail correspondence at the destination.
- Local newspapers on early-morning departures.
- Complimentary cocktails and roasted almonds served on individual trays so they can be easily moved while working.
- A booklet entitled *Business Coach: How To Get Three Working Hours Out of Every Flying Hour* with helpful inflight hints.
- Sauna towels (on meal flights) or moist towelettes to freshen up at the end of a flight. Meal service, if desired, will be when the passenger requests it.
- A domestic OAG (Official Airline Guide)

Something for the business traveler to look forward to . . . to prepare or rest before a busy business schedule or to work or unwind on the return.



on each aircraft for passengers who want to check flights or connections.

Business Coach passengers will be encouraged by telephone sales to use two other services to speed their journey—write-your-own time-saver tickets (a feature of the Frequent Flyer program) and curbside check-in, where available. Free coffee will be available in departure areas for morning flights at airports where this is allowed.

"The whole idea behind Business Coach is just that—business," said Jan Soderstrom, advertising director and Business Coach coordinator. "Flying, by its very nature, can be the least productive and least pleasant part of a business traveler's day.

"That's what we hope to change. We want the business traveler to look forward to the trip as time to prepare or rest before a busy business schedule or to review work or unwind on the return."

How it all came about: line employees determine standards

Extensive market research told us that our frequent business travelers wanted something that we weren't offering them.

Lengthy corporate deliberations determined that we could meet these demands with something called "Business Coach".

And volunteer representatives of line employees came up with the amenities and standards of service that will sell the new product.

The task force met six times starting in May. In the group are:

- Captains Dick Francisco, Phoenix, and Duane Pulsifer, Seattle;
- Flight attendants Dave Butterfield and Connie Canaday, Phoenix;
- Larry Nettles, station agent, Phoenix, and Wendy Thomann, ticket agent, San Francisco;
- Larry Bessette, avionics maintenance supervisor, Phoenix, and Floyd Long, quality control technician, San Francisco;
- John Dwight, assistant telephone sales manager, and Pat Tucker, telephone sales agent, Los Angeles, and Phyllis Sherrer, chief telephone sales agent, Phoenix; and
- Dave Buskirk, district sales manager, Phoenix, and Joe Cadenhead, district sales manager, Los Angeles.

A 12-member steering committee, representing various departments, has developed implementation and promotion plans for Business Coach. This group is headed by Jan Soderstrom, advertising director.

Promotion includes mailings to nearly half-a-million people in the West, including travel agents, our Frequent Flyer members, OAG pocket guide subscribers, members of the Airline Passenger Association and Hertz #1 Club, and American Express cardholders.

Other promotion plans include posters, counter cards, sales brochures and "Ask me about Business Coach" buttons at all stations; press releases; and special presentations by field sales employees to travel agents, corporate travel arrangers and others who influence business travel decisions.

Training of public contact employees—flight, stations and telephone sales—is being conducted this month.

A working environment for Freddy

Following are excerpts from an editorial in *Air Transport World*, a leading airline industry publication, which mentions our new Business Coach.

... The persons showing indications of displeasure now are those who are still paying full fare for a flight—Ol' Freddy Full-Fare. . . . We have what you might call a hunch that the industry is in for a lot of problems from this portion of its market. . . .

What he's getting now, in his view, is charter-class cabin service at a price higher than he used to pay for first class. . . .

Who knows how many business travelers are just avoiding the trip altogether? They are using the telephone instead, or hopping on the company airplane (50 million did just that last year, said *Business Week*).

The important thought in all this is that the airlines have always relied heavily on Ol' Freddy. Few carriers in the U.S. carry more pleasure than business traffic. And the business traveler is still way out ahead as a revenue generator. It would be serious if Ol' Freddy should slip away while everybody was enraptured with wooing Super Saver traffic. . . .

Some airlines are already doing something about the problem. Hughes Airwest, in fact, is devoting considerable effort to looking after Freddy. The carrier conducted a survey that showed Freddy is indeed becoming irritated and—most im-

portant—that there are some definite things he wants fixed, even if he has to pay extra.

The survey showed that the thing frequent flyers would most like to have is more space. In fact, 80 percent of those responding to the survey said they would be willing to pay more for more spaciousness. . . .

So Hughes Airwest plans to introduce a "business coach" service at a fare of about 25 percent over coach. It will install two-abreast seating in a special section of its DC-9s to provide what it calls a "working environment." Hughes Airwest officials say that a good part of the reason for the new service is "antagonism toward coach service." . . .

It would be a good idea for other carriers to look at such programs. One of the last things the industry needs right now is to make Ol' Freddy Full-Fare feel like Freddy Fool-Fare.



Bags will get priority-handling tags so that business travelers can be quickly on their way.

Scientific studies prove the potential of Business Coach

The value of Business Coach to the working traveler is based on a time study-proven fact—

One hour of uninterrupted time is equivalent, in terms of productivity, to three hours of time punctuated by interruptions.

This is the central message in a booklet which will be offered to Business Coach passengers. It was specially prepared for our use by Dr. R. Alec Mackenzie, recognized as one of the world's top experts in the science of time management.

Its title is *Business Coach: How To Get Three Working Hours Out Of Every Flying Hour*.

The booklet identifies the time-wasting factors of business travel, analyzes the reasons why they are tolerated, and proposes solutions to this uni-

versal problem.

Mackenzie points out that "numerous time studies conclude that the modern business manager is interrupted, on the average, every eight minutes a day at the office. . . . The answer: rise above interruptions. The method: your next business flight.

" . . . If you want to get the most work out of your time, my suggestion is to fly 'business class.' Take Hughes Airwest's new Business Coach for example . . .

"You say your controller is a real miser about air travel costs? I say show him the facts and figures of Business Coach travel with his own calculator. . . . If you're prepared, you'll do six hours of work in two hours of flying time due to absence of interruptions . . . clear profit for your company. . . ."

Mackenzie then details six steps to increased productivity during travel.

He concludes that "even if you're aloft for 20 minutes, it can mean an hour of productivity. . . ."

Fewer seats and a higher fare?

The Business Coach volunteer employe task force said you had a lot of questions about the new service. Following are answers to four it said you asked most frequently.

Q. What is Business Coach?

A. It's a service "invented" through market research by our frequent flyers. It provides them with the work space, carry-on bag space, comfort and quiet atmosphere they find

essential to getting work done in flight.

Business Coach will not have the expensive and unnecessary frills and luxuries associated with first class travel. Our frequent flyers tell us those are of little, if any, value even on long transcontinental flights, and particularly of no use on our relatively short-haul flights.

Business Coach fare will be 25 percent more than regular coach.

Q. Why are we going to Business Coach when passengers and other airlines are stressing lower fares?

A. Lower fares and Business Coach were not mutually exclusive choices. We have been almost as aggressive with respect to lower fares as all the other U.S. airlines in the last six months.

Other carriers are not eliminating first class service just because they are implementing discount fares. In fact, they have been crying the woes of constantly declining first class volume and recently lowered first class fares to 30 percent above coach in order to increase volumes back to reasonable levels.

Our simultaneous decisions to implement lower fares and

to introduce Business Coach at higher fares was a response to what different groups of passengers told us they want.

One large group which is price sensitive said they could be attracted to fly, or to fly more often, if we had discount fares. This is being proven by our 30 percent leisure and commuter discounts.

At the same time, there is a group which is relatively price insensitive but very service sensitive. This group, dominated by frequent business travelers, is comparatively small in numbers of individuals, but is responsible for almost half of our revenues.

They want improvements in service. They fly on the airline they prefer and our research shows that they do not prefer Hughes Airwest over most of our competitors. When they have a choice, they choose other airlines if schedules are similar.

Through our research, they defined certain service elements which we could not install on an entire airplane, but could install on part of it. These include wider seats, more leg room, carry-on bag space, free cocktails, and a less hurried atmosphere.

They told us they would be willing to pay an added amount to have these amenities. They said they do not like first class and do not consider its frills, quality and presentation of

(Continued on next page)



Agents will attach Business Coach stickers and add passengers' names to boarding passes so that flight attendants can greet them personally.

Administrative law judge (ALJ) hearings and briefs are complete. We have asked for rights to compete with Western linking Minneapolis/St. Paul nonstop with Las Vegas and Phoenix—two of the largest monopoly markets in the U.S. The bid includes the first direct service between the Twin Cities and several other cities on our system. We also asked for permissive Twin Cities-San Diego authority, also a Western monopoly.

Sacramento-Seattle/Phoenix & Portland-Fresno

An ALJ has recommended that we get all of these nonstop rights and that Western also get Sacramento-Seattle authority. A final decision was expected by the end of August but not received by presstime.

California-Nevada

This case is before an ALJ. We have asked for nonstop rights to link San Francisco with Las Vegas, and Reno with Los Angeles, San Francisco, Oakland, Burbank, Ontario, Palm Springs and San Diego.

West Coast-Alaska

An initial decision was expected in August but not received by presstime. We have asked for nonstop Portland/San Francisco-Anchorage authority.

Boise-Denver

Hearings were held in July in Boise. We have proposed direct service via Boise from Portland, Eugene, Pasco and Yakima.

Spokane-Vancouver

Hearings are being held this month. We have been seeking this route since it was established under bilateral agreements in 1974. Frontier, Northwest and Western also are applicants.

Reno/Las Vegas-Denver-St. Louis

We have applied to extend our system to Denver and St. Louis from the two Nevada cities. Denver-St. Louis authority also is part of the case. Hearings are scheduled for January 1979.

Las Vegas-Texas

The CAB has expanded this case to include San Antonio and El Paso in addition to Houston. We have applied for all of the authority involved. ALJ hearings are scheduled for Nov. 8.

Salt Lake City-Albuquerque/San Antonio

We applied on Aug. 14 for nonstop rights linking the Utah capital with Albuquerque and San Antonio. We have joined with the Utah parties in asking for an early hearing on this bid.

Phoenix/Tucson-Houston

We applied for these nonstop rights in July. A hearing will be held in early 1979.

Tucson-Dallas/Ft. Worth

Hearings were held late last month in Tucson. We proposed two daily round-trips which would also serve Orange County. Four other airlines also applied for this American monopoly.

San Francisco-Reno-Albuquerque-Texas

This investigation was instituted by the board in June. It consolidates our previous application for Reno-Dallas/Houston, amended to also include San Francisco/Oakland-Reno and Reno-Albuquerque. Hearings will be held in Reno and Washington, D.C. late this year.

Mexico

Two cases are pending involving new routes established by the U.S.-Mexico bilaterals earlier this year. Hearings are set for Oct. 10 on our request for authority to link Los Angeles with Mazatlan, Puerto Vallarta, Manzanillo and Zihuatanejo, and Los Angeles and San Diego with La Paz, Cabo San Lucas and Loreto. In addition, we have applied for the necessary amendments to our existing routes for authority to serve the new points in Mexico, which also include Mexico City and Acapulco.

Men's golf

Hughes Airwest will have international representation at this year's World Airline Golf Tournament.

Capt. Phil Michelson of Las Vegas and Randy Anderson, Edmonton station agent, will compete in the meet Oct. 6-9 in New Guinea.

They qualified by winning a system-wide tournament in July, played by employees who won local company meets. World tournament alternates are Uel Carter, Los Angeles station

Golf, softball, tennis, hams and flying

agent, and Chuck Ward, Las Vegas assistant station manager.

Scores in the systemwide meet were: Michelson, 154; Anderson, 158; and Carter and Ward, both 159.

Our team has won the Guinness Peat Aviation trophy for the best handicap results in the worldwide meet for the past two years. Last year, it also placed fourth overall among the 38 airlines.



procedures

Ruth Cowan demonstrates a CPR technique to fellow flight attendants in Seattle during a series of systemwide classes during July and August. Looking on are (from left) Alichia Bergsma, Casino Bruno, Sue Korbet and Gary Whitsett. CPR (cardiopulmonary resuscitation) is a life-saving method of reviving the heart and lungs in emergencies. Other instructors included Jacob Golan, Linda Giles, Pam Littleton and Annette Williams. Station employees were invited to also take the one-day course when space permitted.

Company to apply to halt service at two cities

We will ask the CAB this month for permission to end service at North Bend/Coos Bay and Crescent City.

The North Bend suspension request follows almost four years of effort by civic parties and the company to extend the airport's runway. After many lengthy legal battles, environmentalists won an injunction prohibiting the construction.

We had said it was not viable for us to continue serving the city with F-27s and that we would continue flights with DC-9s if the runway were extended to accommodate them.

Suspension would allow us to "review the market and consider reentering North Bend" if and when the runway is extended, according to Mike Murphy, public affairs staff vice president.

North Bend and Crescent City are the only remaining cities in the north receiving F-27 service. Service is to Portland and Eureka—three flights a day at North Bend and two at Crescent City.

The Crescent City application asks that it be deleted from our system. We suspended service there in June 1975 but were forced to resume in July 1976 when a commuter failed in its effort to serve the city.

We began service to North Bend in 1947 and to Crescent City in 1948. Boardings are averaging fewer than 12 a day at Crescent City and about 50 at North Bend.

CAB approval is not expected before the end of this year.

Walt Steckline new Reno station manager



Steckline

Walter C. Steckline has been named station manager in Reno.

He has been district sales manager in Portland since 1976.

Steckline, 37, joined the company in 1964 as a station

agent in Portland and was a reservations agent there in 1965-67.

He was Portland CTO manager and sales representative in 1967-68 and Tucson sales manager in 1968-76.

He received a degree from Columbia Basin College in Pasco in 1964 and served in the Navy aviation branch in 1959-63.

like to hear from any employees who are amateur radio operators. If there's enough interest, he hopes to form a net or club. His address is 1454 So. East Camano Dr., Camano Island, Wash. 98292.

Air Race hostess

Kathy Vegher, Seattle flight attendant and private pilot student, will be the official hostess for the 15th annual Reno National Championship Air Races, Sept. 15-17.

The event features pylon racing and air shows. Vegher also was a hostess for the Hughes Airwest Air Race Classic in June.

QST, hams

Retired employe Hal Wallis would

Forty years in age separate the first two Flying Club members to obtain their private pilot certificate entirely through the club. They are John Miner, 20-year-old aeronautics student at the College of San Mateo, and Tony DeLoura, mail and distribution supervisor, South San Francisco. Miner is the son of Sandy Miner, telephone sales agent, and Nova Miner, audit sales supervisor, San Mateo. The club offers special rates on instruction through Blue Aviation in San Carlos, Calif., where it has use of five Piper Warriors and other aircraft.



Our headquarters-based women's softball team won the McDonnell Douglas All-Girls Slo-Pitch Softball Tournament in Long Beach recently. They first won over McDonnell Douglas and then, in the championship round, defeated Air California, which earlier had beat PSA. Presenting the trophy to the company are (from left): Jan Ellison, personnel records manager; Edwin N. Altman, operations vice president; Julie Holtry, inflight services senior director; Tom Hall, personnel director; Rhonda Miller, aircraft crew management services director; Russell V. Stephenson, president; Carol Gagnard, inflight services administration manager and team manager; Cille DePrimo, secretary, consumer affairs; Stevie Oakley, executive secretary, operations; Gloria Evans, flight attendant manager, San Francisco; and Marilyn Luster, secretary, personnel. (Not pictured: Kathy Stewart, flight attendant, and Rosanne Cano, clerk typist, consumer affairs.) The team plays in the San Mateo city ladies softball league.

lent of five seats on a DC-9-30, not nine, and no seats on a DC-9-10.

Many other airlines are adding seats in their DC-9s and

name in order to imply a quiet "office in the sky".

In summary, we are—for the first time—differentiating our product and designing it for the different market groups we serve. The price sensitive infrequent pleasure traveler will get his lower fare in a part of the plane with higher load factors and a bit more crowding—but he tells us he's not sensitive to that crowding. The service sensitive frequent traveler will pay more for more space and better services in Business Coach.

Q. Why are we going to fewer seats when our load factors are consistently increasing?

The number of seats available on an airplane is not in itself a key consideration. The key issue is the amount of revenue those seats will generate.

Practically the only time there would be any actual loss of revenue because of fewer seats is when the flight would have gone out full. On an average, up to 90 percent of our flights will not go out full even with the new configuration. Even on a full flight, we will receive 25 percent more revenue—or the equivalent of 20 full-fare coach passengers—from the 16 Business Coach seats. Therefore in revenue terms, even with a rare full flight, the loss is only the equivalent

of the next three or four years. Load factors in coach might well approach 65 to 70 percent on a year-round basis. This should not concern us, however. Other carriers—Texas International, Southwest, PSA and Air California, for example—operate at this level all the time. The trunk carriers also hit this level during peak seasons and count on these levels to exceed a financial break-even point.

Q. What will be the non-revenue policy for Business Coach?

A. All employees will receive details on Business Coach service charge and reduced rate travel this month.

John Kozma, Nancy Simpson, Gene Pepper lead Milwaukee, Des Moines sales & service

Three young managers with 35 years combined service with the company are heading our team in the Midwest. They are:

- John M. Kozma, district sales manager, Milwaukee;
- Nancy K. Simpson, station manager, Milwaukee; and
- R. E. "Gene" Pepper, station manager, Des Moines.

* * *

Kozma joined the company in 1965 as a station agent in Portland. He went into sales in Seattle in 1967 and had been district sales manager in Phoenix since 1968.

He served as chairman of the Arizona Visitors Promotion Council and various promotional civic committees. He now is a member of the Milwaukee SKAL travel industry club.

Kozma, 36, was educated in New Jersey and Kansas and served as an air traffic controller in the Navy in 1959-64.

* * *

Simpson worked in reservations for United and as a travel agent in Boise before joining us there as a ticket agent in 1967. She also assisted with the marketing department's volunteer sales program.

She was promoted to assistant station manager in Salt Lake City in 1976.

Simpson, 32, studied business administration at Boise State University and at Westminster College in Salt Lake City. She is a member of the National Defense Transportation Association.

* * *

Pepper joined the company in 1968 as a station agent in Ontario. He later was an agent in Eureka and Salt Lake City and a chief station agent in Las Vegas and Grand Canyon.

He was named El Centro station manager in May 1977.

Pepper, 30, studied transportation management at Utah Technical College and served in the Army in Vietnam.



Kozma (above), Simpson (above right) and Pepper



TRAVEL BARGAINS

Avion Club has "Interline Deals" in Athens: 6 nights hotel, sightseeing, cruise. \$155 per person/double with all meals thru 10/31. \$99 with daily breakfast only 11/1-12/31. Single & triple rates avail. Details: Ms. J. E. Alvarez, Convenco of Spain, Edificio El Cisne, Suite 11, Calvario 6, Marbella, Malaga, Spain.

The Orange County station has discount cards for **Disneyland** and **Knott's Berry Farm**. Send employee's name, department, base and home address. One card good for family. No phone calls, please.

Spokane-Reno nonstop rights OKed by CAB

The CAB has granted us authority to fly nonstop between Spokane and Reno. We were required to make one stop between the two cities and have been serving them via Seattle.

The new links also will enable us to offer more direct service between cities beyond Spokane and Reno.

We applied to have the one-stop restriction removed a year ago. United has not used its nonstop authority between Spokane and Reno in the 10 years it has had it nor offered single-plane service since 1969.

The nonstops will cut flying time between the two cities nearly in half.

Start-up date will be announced.

R. W. Henderson new financial analysis manager

Robert W. Henderson has joined the company as manager of financial analysis, based in San Mateo. He reports to the assistant treasurer.

He has worked for the U.S. department of defense in the San Francisco Bay Area since 1972.

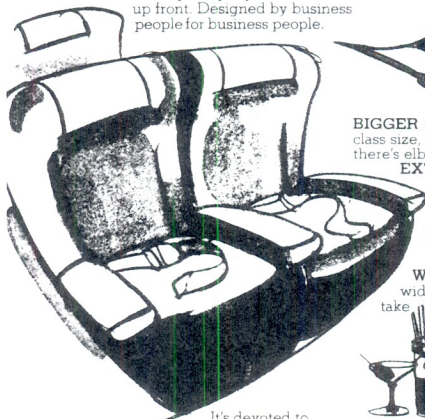
Henderson, 33, studied business management at Northern Arizona University and University of Santa Clara. He served in the U.S. Army in Vietnam.

Sundancer magazine advertisement

Next time you fly on business, rent a little office space from us.

Business Coach.

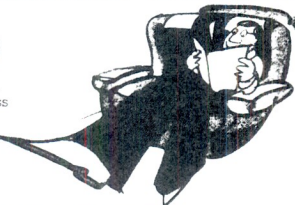
It's a completely separate section up front. Designed by business people for business people.



It's devoted to helping you get more working time out of your flying time.

Simply, Business Coach is a place where you can think. A quieter, calmer atmosphere without interruptions.

Not even the flight attendants will disturb you, unless, of course, you ask.



BIGGER SEATS. They're first class size, and only 2 abreast. So there's elbow room to spare.

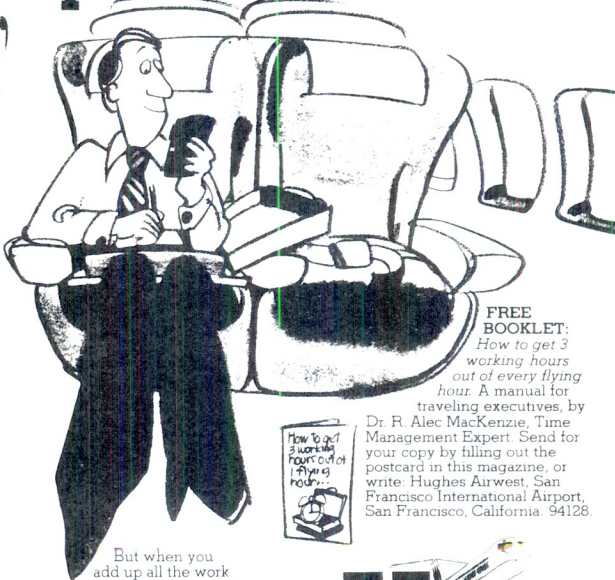
EXTRA LEG ROOM. You won't have to sit with your knees up to your chin in Business Coach. There's a generous amount of space to stretch out.

MORE ROOM TO WORK. In front of you, a wider, longer tray table can take an open briefcase with ease.

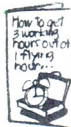


FRINGE BENEFITS. Cocktails are complimentary. As well as pads of paper, pens and envelopes. Also, you and your luggage will be first off the plane.

Naturally, the tab for Business Coach is more than regular coach fare.



FREE BOOKLET: How to get 3 working hours out of every flying hour. A manual for traveling executives, by Dr. R. Alec MacKenzie, Time Management Expert. Send for your copy by filling out the postcard in this magazine, or write: Hughes Airwest, San Francisco International Airport, San Francisco, California 94128.



But when you add up all the work you can get done during one flight, you'll be the one to come out ahead.



Business Coach. Room to work. Room to think.