

Jetblue essay sample



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1. What is the most important problem facing Jet Blue?

The most important problem JetBlue is facing is the lack of a basic operational system. The Valentine's Day problem wasn't huge to start out with but quickly snowballed into one of the biggest airline disasters, because of the company's failure to tackle the problem in the earlier stages. Many analysts and travelers do not consider the initial problem as a major disaster, though it was a major problem, the company's inability to manage the next five days properly. There was no disaster recovery or contingency plan dealing with the situation, and so it took a long time for the company to recover from the aftermaths both financially as well as reputation-wise.

In addition, to this the company's repeated apologies did not help the situation too much; the focus should instead have been on revamping the organizational system in tandem with the disaster recovery process. Also, many of the shareholders share a deep unease with the company's aggressive plane purchases, since the company's inability to deal with the situation had cast an uncertainty over the long-term presence of the airline (Isidore, 2007).

As soon as a company begins to be counted into the country's top most contender in any area, the time is ripe for planning and passing on assurances to the customers and share holders, that the company is in for a long-haul, and outlining various programs for crisis management. In case of JetBlue, these things were not in place, which is probably the major problem of the airline even in the present time (Salter, 2007). While citizen's charter was a good idea as a crisis management scheme, the company needs to

show a whole lot of good measures, which the company intends to employ for running the organization efficiently,

2. What recommendation(s) would you make to Jet Blue, and in what order of priorities?

The major current problems of JetBlue have been highlighted in the previous section. Probably one of the major decisions JetBlue management has to take now is to make their expansion plans more efficient. The reason for this is not the uncertain future of the airline, but the organization-wide changes that are required for efficient operation are more crucial at this stage. As is well-known, JetBlue took almost a week to even get back to normal after the February-crisis, the company should come up with effective alternative arrangements and emergency-crisis management systems, on the chance that such problems might recur (Overby, 2007). The plans should not be merely qualitative, but quantitative showing the worst times and the best times of recovery in case of crisis, which in turn should be passed on to the customers and shareholder to increase their confidence.

As is mentioned in many articles, one of the chief reasons of the slow recovery of the JetBlue from the losses is due to the rising fuel costs. There must be adequate measure or at least a short and long term analysis highlighting the time the company expects to come back on its feet in spite of all the factors against it. One factor which JetBlue is already taking care of is increasing or at least maintaining the quality of flying available to its passengers.

In summary, the company should balance its growth with increased and quantifiable efficiency and make use of its PR to relay this message to its customers and shareholders.

3. How do you balance between your commitment to shareholders and your commitment to the community?

Commitment to shareholders is the primary motivation of any business, since profitability is the main goal for commercial organizations. The organization and the people within are however, a part of the community towards which they have some unspoken responsibilities and commitments. Companies need to spend money to fulfill such commitments, which speaking from a purely economic point of view is expenditure to be chalked up as deductible from the profits. This in turn directly affects the shareholders of the company whose motives are purely financial. Companies looking for a long-term future need to balance both these commitments.

While the shareholders usually look for high rate of short term profits, the company needs to have a citizen's charter to remind the shareholders that they are also a part of the community, towards which they have certain responsibilities. Yet another way to ensure shareholder acceptance, is to highlight the importance of the particular commitment the company is making, its present situation, how the situation is expected to deteriorate without assistance, and how the company intends to spend money on the issue. Companies should also display long term plans highlighting the company's presence in years to come which would give a positive signal to the shareholders regarding the company's long term standing.

The company can also involve its share holders in the community activities, by either inviting them to participate in various community-related events, nominating them for specific tasks, inviting suggestions or opinions from the shareholders with regards to a particular community situation etc. The idea is to integrate the commitments towards community and the shareholders, such that the shareholders feel that being a part of the company means that they are a respectable and responsible member of the community, and as the company plans to stay on for a long time, the long-term profits would blot out the lesser rates of short-term profits.