

# Jaime Bautista:

The Renaissance Man, the Influencer, and the Visionary

By Mayenne Carmona



So much has been written about the history of Philippine Airlines since its conception in 1941, when five leading Philippine businessmen founded it. Its ownership changed hands many times - from private with government shares to full privatization, back to government, then back to private ownership to this day.

In 1995, Lucio C. Tan, who was the major shareholder of PR Holdings (the company that bought PAL in 1992 from the government) became the Chairman and CEO of Philippine Airlines.

The airline went through ups and downs especially during the Asian Crisis in 1998, when PAL had a complete shutdown on September 23, 1998, which lasted a couple of weeks. But PAL was able to survive the dark years and managed to rehabilitate itself with a revised business plan. In 2000, during its first year of rehabilitation, PAL finally returned to profitability, making PHP 44.2 million in profits, breaking some six years of heavy losses.

When Jimmy Bautista was appointed President and COO by PAL's El Kapitan aka Lucio Tan, he knew that he was appointing a man of integrity, who would lead his flagship company to greater heights. With Bautista at the helm of his flagship company, PAL's colors changed from red to black. Despite some big challenges, Bautista steered PAL to profitability.

Through its massive re-fleeting program and continuous overhaul of its fleet, flights to Las Vegas, Macau, Nagoya, Beijing, Ho Chi Minh, Brisbane, Riyadh, and other destinations were restored. In 2006 and 2007, PAL was named "Airline Turnaround of the Year" by the Centre for Asia Pacific Aviation for its "strategic contribution to the aviation industry through a significant transformation by successfully restructuring its operations through innovative cost-cutting measures resulting in operating profits."

For the Fiscal Year ending March 31, 2007, PAL reported a net income of US \$140.3 million, the largest profit in its 66-year history!

Between 2008 and 2010, there were hindrances in PAL's expansion program, notably the pilot's strike in July 2010 and the lay-off of 2,600 employees. Despite that, a surprising turn-around happened, the 3rd time in PAL's history in 2 decades. During the fiscal year 2009-2010-2011, PAL reduced its \$297.8 million loss to \$14.3 million loss then still earned a whopping \$72.5 million!

The airline industry was beginning to call Bautista the Renaissance Man. He rejuvenated an ailing airline, infused some life and vigor into it, resulting in big profits. Despite this turn-around, El Kapitan sold 49% stake in Philippine Airlines for US \$500 million to San Miguel, one of the Philippines' biggest conglomerates. Under the terms of the sale, Bautista had to step down to pave the way to Ramon Ang as President and COO of PAL. Lucio Tan stayed on as Chairman and CEO. SM said they would help modernize and strengthen PAL and restore its competitiveness in the Asian Aviation Industry.

But under the SM management, PAL experienced heavy losses. In 2012, it lost PHP 2.74 billion, and in 2013, it lost a staggering net amount of PHP 11.85 billion. Passenger volume declined dramatically.



L-R meeting with his team - Nelsie Fabella, David Lim, Lito Alvarez (standing), Angeliq Tinsay, Siegfred Mison (standing), JJB, Stewart Lim & Emilio Yu, (both standing) Maria Antonia Liamzon, Cielo Villaluna

During the two years under San Miguel (2012-2014), rumors flew that El Kapitan who was still PAL's Chairman allegedly noticed the low morale of the PAL employees. In September of 2014, he offered to buy back the 49% shares owned by San Miguel. The final transaction amounted to \$1.3 billion and on October 15, 2014, Ang officially stepped down as President and COO of PAL.

Enter Jaime J. Bautista, the Renaissance Man. From the time he stepped in as President and COO in October until December, PAL recorded a net profit of PHP 127.74 million. Under the renewed management of Bautista, there was a sharp increase in passenger and cargo revenues, which have improved with the launching of new routes such as Manila to NY. Primary drivers of improved performance are improved flying operations, passenger service, reservation, sales, aircraft, and traffic servicing.

In 2015 - 1st quarter recorded a net profit of PHP 3.8 billion (85\$ million) - up from \$20.7 million net loss in the same quarter of 2014, under SM management. 2015 saw profits soar exponentially as demand for air travel remained robust and as the fall in oil prices gave way to large savings. In a disclosure to the Philippine Stock Exchange, PAL Holdings said that the

airline's total Comprehensive income reached PHP 6.547 billion in the first nine months of the year. PAL attributes the growth mainly to higher passenger revenues as passenger traffic rose by 30% mainly in the USA, Australia, Japan, Middle East routes.

There will be increases and decreases in profits during the next years of J. Bautista's mandate but what is more important to him is the high morale of his team. His up-beat nature is very contagious because the man is an Influencer. There is a saying that the "most powerful influencer of beliefs is a direct experience," and that is exactly one of the secrets of Bautista's success in handling his team: his vast experience in the field of business when he started his career with LT Group of Companies and ten years in the airline industry.

This Renaissance man is an Influencer and a Visionary as well. His long-term goal is to guide PAL to being a World Class 5-Star full-service national airline. With his highly proficient and inspired team working with him to attain this Vision, PAL will one day be on the same roster as the 5-Star World Class Airlines. Jaime J Bautista will not stop at anything to "get that STAR!" because he himself is a Star, shining brightly for Philippine Airlines, the Heart of the Filipinos!

**Source: [PhilippineAirlines.Com](http://PhilippineAirlines.Com), [Rappler.Com](http://Rappler.Com), [Portscall.Com](http://Portscall.Com)**



Emilio Yu, JJB, David Lim; standing- Stewart Lim, Angelito Alvarez, Siegfred Mison

## PAL TEAM

**MU:** *We have seen all your accomplishments and dedication to PAL. During my last interview, you mentioned that you want to emphasize the **MISSION, VISION & VALUES** that you want to implement - can we discuss your plans further?*

**JJB:** We are serious in our efforts to achieve our new vision. Just to emphasize, our vision is – to be the five-star, full-service national carrier of the Philippines; to be the airline of choice in all markets we serve and to be a source of pride for Filipinos everywhere.

Our corporate mission is to deliver safe, reliable, efficient, and pleasant travel experience exceeding passenger expectations; to provide a satisfying career to our employees and adequate returns to stockholders, and to represent the best of the Philippines and the best of Filipinos to the world.

*The eight corporate objectives are:*

1. Offer superior product consistently, price our product to deliver superior value
2. Expand routes, network, and connectivity
3. Win back the Philippines
4. Redefine and build the PAL brand equity
5. Deliver the desired customer experience
6. Enhance organizational efficiency and effectiveness, employee engagement and empowerment
7. Expand distribution network and increase sales effectiveness

### 8. Improve operational performance

A top priority corporate-wide initiative, called **Get That Star (GTS)**, solicits the commitment of all employees to support the new goals. Throughout the company, the daily mantra is – Get That Star.

**MU:** *How will you make PAL a world class, 5-star full-service national carrier? What are the updates/developments that transpired since our last interview in June?*

**JJB:** We are working closely with Skytrax (a UK-based research organization that reviews and ranks airlines and airports from around the world) to assess our progress at achieving five-star rating through regular audits. We immediately work on those areas where the audits show low grades. We have multi-departmental task forces that coordinate the efforts at addressing weak areas of our operations. We also take passenger/customer complaints seriously, especially during flight disruptions, through a system of service recovery. This system empowers front liners to respond accordingly when operations veer out of normal.

Our GTS campaign is governed by a pilot (PAL President), and co-pilot (PAL Express President), who chair the GTS Council (composed of group heads and senior executives) that formulate policies and direction. Under the Council is the Core team (composed of representatives from key departments/offices) that oversees identified



Nelsie Fabella, Angeliqne Tinsay, Maria Antonia Llamzon

initiatives and monitors who need to do what. A network of GTS champions from every department or office monitors the implementation of all programs and projects.

The GTS concept is cascaded throughout the PAL organization including all domestic stations and foreign destinations. GTS road shows are conducted at different stations to explain the goal and secure the employees' individual commitments to do their share to achieve a five-star rating.

An annual recognition system was devised to honor and reward employees who did their best at their jobs – called **STAR (Shining Through Achievement Recognition) Awards**.

**MU:** *Now that you have a straight flight from LAX-CEBU, are there any new destinations?*

**JJB:** We recently opened a new route – Manila-Taipei-Osaka – exercising our 5th freedom air traffic right. We plan to use the same traffic right to open a route to Kuwait through any of our existing flights to the Middle East.

When our orders for the wide-body aircraft Airbus A350-900 start delivery in 2018, we can expand our European and North America network. Currently being studied are possible direct service to Rome, Paris, Hamburg in Europe, and Chicago, Miami, San Diego in the US.

With the ultra long-range capability of the A350-900, we can fly non-stop Manila to New York, passing over the Arctic region.

**MU:** *With your mission and vision, what do you expect from your team?*

**JJB:** Our Human Capital Department reintroduced the 'employee performance review system,' called **PRIDE (Performance Review of Individual Delivery of Excellence)**, which solicits specific work commitments from employees. These commitments, which should be aligned with the overall corporate goals, form the expected output from each team. Heads of department/offices monitor if their teams are delivering what is expected of them. We do quarterly internal review of our organizational performance to determine areas of improvement.

**MU:** *Who are on your team? What are the contributions of each of them in your plans and vision?*

**JJB:** The Group heads in PAL are:

**STEWART LIM - Executive Vice President /Treasurer & Chief Administrative Officer** – responsible (through the CFO) for providing the oversight, management and administration necessary to ensure that the proper fiduciary controls, processes, reporting procedures and systems are in place; also responsible for overall management,



*Nicky Joson, Ria Domingo, Marianne Raymundo, Dinah May Flores Photo by Ruel E. Bonghanoy*

responsibility, and control of the performance of Departments under him.

**EMILIO C. YU - Executive Vice President/Special Assistant to the Chairman and CEO** - provides guidance and recommends directions to the Chairman and his officers based on his technical expertise in business affairs. Created the Million Miler program in the mid-1990s and authored the “Get that Star” campaign in the late 2015.

“**The Million Miler Program** was my brain child, and the late Mr. Friedrich Jahns was recognized as the very first Million Miler. Now, PAL has 3,666,728 Mabuhay Miles Members of which 221 are Million Milers.”

“Get that Star is now an ongoing program. After we get the 4th Star, to get the 5th Star is the ultimate goal.”

**ANGELITO “Lito” ALVAREZ - Senior Vice President (SVP) for Planning** – responsible for the implementation of PAL’s planning process in order to define strategies and action plans to fulfill corporate objectives.

**ISMAEL “Nicky” GOZON - Senior Vice President-Airline Operations** – ensures proper delivery of services to the airline’s customers. Main targets are schedule reliability, on time performance and safety. This is achieved through properly managing personnel of flight operations, airport

operations, cabin services, catering operations, and aircraft engineering.

**ATTY. SIEGFRED “Fred” MISON - Senior Vice President-Legal** – handles the company’s legal issues; ensure that quality legal services are provided to PAL’s different operational units.

**DAVID “Dave” LIM - Senior Vice President-Commercial** – responsible for the overall management, responsibility and control of the performance of the Sales, Marketing, Revenue Management and External Affairs and Partnership departments, in support of revenue and profit objectives.

**MARIANNE RAYMUNDO - Senior Vice President - Finance (chief finance officer)** – responsible for the correct presentation of PAL’s financial information; management of records are consistent with the corporate philosophy, policies, and objectives; handles PAL’s investments; and forecasts significant economic conditions.

**MARIA ANTONIA “MEAN” LLAMZON - Vice President (VP) – Human Capital** – Leads the development and implementation of human resource management practices that are strategically aligned with organization direction and business goals, and supportive of a culture that promotes high productivity and performance, service



excellence, work commitment and job commitment and satisfaction and well-being of employees.

**ANGELIQUE “Angie” TINSAY - Vice President - Information Systems** – Responsible for planning and implementing enterprise information systems to support the business operations and to achieve more cost beneficial enterprise-wide IT operations.

**NELSIE FABILA - Vice President - Safety – Designs,** directs, administers and oversees the safety management system and environmental programs of the company to protect its human, physical and financial assets by identifying potential events that may affect the company’s operations and manage risks to most minimum levels as possible.

**DINA MAY FLORES - VP Revenue Management- Vice-President - Revenue Management**

Has overall responsibility for the Revenue Management function of Philippine Airlines’ system-wide operations.

The position leads a team of Revenue Managers towards achieving the department’s mission of maximizing the company’s passenger revenues through revenue budget formulation, pricing and seat allocation decisions and passengers/revenue/yield performance monitoring to deliver corporate revenue goals and support profit objectives, in close collaboration with the leadership of Sales & Distribution, Marketing, E-Commerce, Finance, & Operations.

**RIA CARRION-DOMINGO - Vice President – Marketing**

Philippine Airlines’ Marketing Department is a strategic driver of Philippine Airlines’ business towards achieving the Company’s vision of being the airline of choice in all markets we serve. We build PAL’s Brand Equity as “**The Heart of the Filipino,**” develop innovative ground and in-flight products, market new and exciting destinations and champion the desired customer experience.

“We also develop innovative ground and in-flight products that provide passengers with a more relaxing travel experience, such as our recent launch of PAL’s enhanced in-flight entertainment system. Aside from this, we also market Philippine Airlines’ new and exciting destinations as we bring Filipinos to the best of the world and as we bring the best of the Philippines to the world.

We have also recently launched Philippine Airlines desired customer experience model, which will guide the Company as we provide a heartwarming travel experience to our passengers. At PAL, we welcome you onboard and take care of you the best way we know how: with the warmth of our smile, our unique hospitality and a heart that is truly Filipino.”

**MU:** *What do you expect from them?*

**JJB:** I expect all Group heads to work as a team, crossing departmental boundaries to extend cooperation where needed so as to achieve company goals.

**MU:** *What is the highlight (or highlights) of this year - PAL’s 75th anniversary?*

**JJB:** Several activities marked PAL’s 75th anniversary that was celebrated last March 15, 2016. We had a special formal dinner for employees where we unveiled the company’s new brand equity, a major marketing initiative to propel PAL as a five-star airline. The following day, we re-staged the same program for VIP guests at a gala dinner. We had a historical memorabilia exhibit, the launch of a coffee table book, pocket celebrations at various outstations. Soon, we will launch a commemorative anniversary postage stamp.

**MU:** *How do you see PAL 5 years from now?*

**JJB:** By the year 2021, we hope PAL shall finally re-join the league of the world’s best airlines. We would be rated five-star by Skytrax based on an excellent assessment of various elements of our operations. We would be the pride of Filipinos anywhere in the world and a model company in the Philippines.

**MU:** *Most of my family and friends had shifted from European and Asian airlines (Air France, KLM, CX, Thai, Singapore Airlines) to the Middle East Airlines - Qatar, Etihad, Turkish, etc. because of low prices. How can PAL compete when the time comes that you will have other European destinations?*

**JJB:** We hope to strengthen our position with a highly respected brand so we can offer a distinctly Filipino service that other carriers cannot match. We hope that our cutting-edge customer service enhancements will keep passengers loyal. We have succeeded in maintaining a market niche – frequent flyers who go for quality service.

We are the only carrier that operates non-stop from the Philippines to long-haul destinations in the Middle East, Europe, and North America. This is the distinct advantage we have compared to foreign airlines.

We have in place several programs to control cost and maximize current asset utilization that result to the lowering of the cost of operations, which in turn will allow us to offer competitive fares while maintaining profitability.

**Photos by: Rey Veloira**  
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