To All Employees from A. L. Feldman

As your new president, I welcome this opportunity to give you an insight into my basic principles for management of our company. The operating methods will involve each of you in making a specific contribution to assure the stable and profitable future of Frontier Airlines. Four of these basic principles of operation are in the categories of:

- 1. Dealing with people
- 2. The meaning and importance of commitments
- 3. Organizing to do the work
- 4. The use of operating controls

This message treats only the first two subjects and the others will be discussed in the future.

Complete honesty in dealing with people at all levels is an absolute essential. (This includes our customers and government personnel, as well). Tenure with Frontier will be based solely on performance and measurement of that performance will be against your own commitments. Promotion will, of course, be based on how well the work was accomplished. There will be no "heir apparents" or political appointments; we intend to fill each position with the best person qualified for that job. Employees will be able to compete across the organization for promotional opportunities. There will be an emphasis on training, both for the current job and the next one. The basis for our score keeping on performance is our Profit and Loss statement. I believe in plus pay for plus performance and we will therefore make extensive use of incentives wherever appropriate.

Commitments are simply the promises each of us make of what we will do. Each person's commitment must be his own and must come true. Don't overpromise. Don't force over-commitments on others. I like to use the term "be comfortable" in your commitments. This means that you should know what you can do, commit to it and do it. There is a simple yardstick for measuring a commitment. It was either made or it was not.

All the judgment to be applied is "on the way in" when the commitment is established. No judgment is applied after the fact. I have been warned that people will "under-promise" in this system and assign themselves easy commitments. My principles depend on the belief in the honesty and integrity of the individual. My experience has proven that people are honest, do not take the easy way out, and when permitted, will give honest commitments and will meet them. The insignificant fraction of dishonest people simply don't last in this environment. Commitments are contracts between the people involved. Supervisors have an obligation to set goals for their organizations, involving their subordinates and receiving their commitments. The supervisors' commitments to their bosses must not be greater than the sum of commitments made to them. The rule is simple, know what you can do, obligate yourself to do it, and do it. Trying hard or "doing your best" doesn't count.

I believe it is imperative that each individual within Frontier take on the challenge of understanding and adopting "Management by Commitment." It's simple, it is honest and it works. Dedication of all of us to this concept will result in a strengthened and profitable company and will enhance the future of all participants who can meet this challenge.

A. L. Feldman

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Feldman's first message to the employees