



Power of Participation

20th
ANNIVERSARY

BOXES AND SACKS PILE UP AT KANSAS CITY'S ARC THRIFT STORE ALL WEEKEND—clothes, books, cookware, household goods, the discarded materials of life. David Parker arrives at 9 every Tuesday morning, along with his mom, and they start going through the accumulated donations, opening the bags, sorting the contents, designating them for sale (or disposal), pricing items. • "It's like a great big garage sale," Parker explains. "You can't imagine how much fun it is to go through all that stuff. If something can sell, we tag it. If not, out it goes. I do the suits and jeans. There are some amazing items that wind up in that store—Bill Blass for \$3. I think the fanciest thing we ever tagged was a prom dress for \$20," he recalls. The store supports developmentally disabled Kansas City-area residents, using proceeds from the store and offering clients deep discounts on sale items.



The Milwaukee Symphony, Habitat for Humanity, Alterra Coffee, Kansas City Friends of Alvin Ailey—and those legendary chocolate chip cookies baked onboard the plane—are all part of the Midwest Airlines 20-year story of service to and within the communities on its route system.

On its 20th birthday, Midwest Airlines celebrates the communities it serves

BY ERIC LUCAS

Parker is a Midwest Airlines customer service representative at its Kansas City station, an enthusiastic advocate for the airline and its customers. He's a dynamic representative of a philosophy that the airline, its employees and shareholders hold dear: A company is an integral part of the communities in which it operates.

Born 20 years ago as an offshoot of Kimberly-Clark Corporation, Midwest reaches its 20th anniversary on June 11. From modest beginnings with two aircraft and routes joining four cities, it has reached national stature and is proud to have grown through some of the most challenging times any industry has ever faced. Because that growth has depended on the goodwill of

the people it serves, Midwest celebrates both what it gains from its communities, and what it contributes. Just as individual human well-being depends on what we give and receive, for companies the two are inextricably linked.

Some of the facets of this are obvious. Economic impact, for instance: Employees such as Parker are paid salaries they use to buy housing, food and other economic goods in their communities—and the recipients of those expenditures in turn spend their receipts. Economists generally figure that each dollar paid a corporate worker is "rolled over" several times; a 1999 study of Midwest's effect on the economy of Wisconsin, its home base,

20 Years of “The Best Care in the Air”

1948

Appleton, Wisconsin-based Kimberly-Clark Corporation begins corporate air service with Twin-Beech aircraft.

1969

K-C Aviation is formed as a transport and aircraft maintenance subsidiary.



1982

K-C Aviation begins operating corporate shuttle flights.

1984

Midwest Express Airlines is formed from K-C Aviation, offering scheduled service from Milwaukee to Appleton, Boston and Dallas. First flight: Appleton to Milwaukee, June 11, 1984.

1986

Midwest Express begins frequent flyer program. “The best care in the air” is the airline’s new slogan, and baked-onboard chocolate chip cookies appear on some flights.

1989

Maintenance facility opens in Milwaukee, Skyway Airlines inaugurates commuter/feeder service, and together the airlines surpass 650,000 passengers.

1990

Midwest Express named “#1 Domestic Airline” by the *Zagat Airline Survey*, the first of four times.

I interviewed with Midwest Express in the K-C Aviation hangar in Appleton, where one of the DC-9s was being prepared to be put into service in a month. I was amazed by the entire process of stripping this aircraft down to its skin and then putting it back together. The biggest surprise was how clean, neat and organized the hangar was. You could literally eat off the hangar floor!

—JACK RENSHAW, STATION MANAGER, OMAHA

pegged the overall impact at \$265 million in personal income, \$459 million in business revenue and more than 10,000 jobs. And corporate site locators frequently cite good nonstop air service as a key advantage a city can offer prospective corporate citizens.

Traditional business statistics help paint a company portrait, too. Midwest Airlines is a publicly traded corporation, headquartered in Milwaukee, with 3,000 employees, \$384 million in annual revenue, flying more than 2.5 million passengers a year to and from 50 cities across North America.

But that doesn't tell the whole story, any more than it would to say David Parker is paid a certain number of dollars a year to issue a certain number of boarding passes. He's also a volunteer deputy sheriff in Wyandotte County, Kansas, where he lives; he participates in a community safety patrol in the housing co-op in which he owns a home; and he's an active member of the Kansas City Pioneers, a social club that raises money for AIDS research. He's

I was working at a rental car counter in Appleton when, on my second day, a fellow from Kimberly-Clark came over and asked if I'd like to be a flight attendant. K-C was the biggest thing in Appleton—startup or not, I figured, this airline would fly.'

—BETSY OLSON, FLIGHT ATTENDANT, MILWAUKEE

studying for a degree in business management through an online college. He once “adopted” a hospice resident who was a zealous Trekkie—she and Parker watched old Star Trek videos once a week. And this year on Mardi Gras Tuesday he passed out beads to fellow workers and passengers throughout the day at Kansas City International Airport.

Likewise, Midwest Airlines is an employer and a service provider; it's a buyer of goods and services; it's an active booster of economic development in the communities it serves; and it's a dedicated supporter of nonprofit community organizations. And at 20, it's now been around long enough to have established a significant heritage in all these areas.

David Parker has been with Midwest two years. By contrast,

Ken Krueger is one of the airline's original employees—in fact, he was initially hired as a corporate pilot by Kimberly-Clark, the consumer products company from which Midwest evolved. He has captained something like 5,000 flights over the past 20 years, shepherding about 250,000 passengers through the sky. He's been chief pilot and director of operations for the airline; now he captains Midwest's brand-new 717s. “I originally thought I was just going to have a career flying company planes,” Krueger recalls. “Instead I wound up having a wonderful depth and breadth of experiences.”

Among those experiences is a volunteer avocation that, for Krueger, has sometimes approached a second career, his work for



COURTESY HEARTLOVE PLACE

HeartLove Place provides day care—and love—to Milwaukee children.

Milwaukee Habitat for Humanity. Habitat is also celebrating its 20th anniversary in Milwaukee, and Krueger has been working on Habitat homes since 1991. He began as one worker in a church group that dedicated its time to Habitat, then adopted a more active role as a “house leader” (in essence, crew boss on an individual house), then became an orientation leader. He remains a house leader one Saturday a month, and is a crew leader during Habitat’s annual “blitz week,” when a small army of workers erects a group of homes.

“That’s something to see, I’ll tell you, those blitz weeks. On Monday morning there are four lots with foundation stakes and stacks of lumber. Friday afternoon there are four framed houses standing there,” Krueger marvels. “The crews compete to see who can get the roof on first.”

Over the years, Krueger guesses he has had a hand in 15 homes. In that same period, Milwaukee Habitat has built 250 homes in the city’s Walnut Hill and Midtown neighborhoods. Habitat homes are built for low-income families which usually contribute a down payment in the form of 500 hours of work on the house; they then pay off the rest of the cost with no-interest loans. “One of my greatest satisfactions is being able to see the transformation in a neighborhood,” Krueger says.



Midwest Airlines chairman, president and CEO Tim Hoeksema calls that “the power of participation.” Taking a hand in the community, he says, is good for everyone involved—both altruistically and pragmatically.

“Our employees live here, so we want this to be a better community for our workers. The heartland is a place with good values and a good work ethic,” Hoeksema observes. “Our most important job is to provide good quality air service, and maintain this company as a viable business.

Midwest’s employees are key to the airline’s success.

‘We had Wally Schirra (a K-C board member) in the cockpit with us on our inaugural flight to San Francisco. He was impressed by all the nifty equipment, but he did say: I only had two navigational computers to get to the moon, and here you guys need two just to find California.’

—KEN KRUEGER, PILOT, MILWAUKEE

1992

Midwest Express inaugurates Miracle Miles program for frequent flyers to donate miles for philanthropic travel. To date, loyal travelers have contributed more than 28 million miles.

1993

First issue of *Midwest Express Magazine*. Passenger total surpasses 1 million mark.

1995

Kimberly-Clark spins off Midwest Express as an independent publicly traded corporation, Midwest Express Holdings. NYSE ticker symbol: MEH. Midwest Express named “No. 1 U.S. Airline” by *Condé Nast Traveler* readers, first of seven times.

1997

Kansas City operations base opens; Midwest chosen “Best Domestic Airline” by *Travel + Leisure* readers, first of four times.



1998

Electronic era begins with www.midwestexpress.com and electronic ticketing.

2002

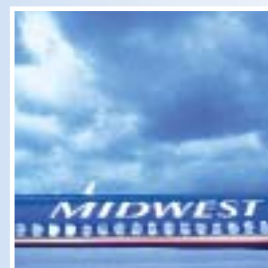
Midwest Express becomes official airline of the Milwaukee Brewers and Kansas City Royals. Named “Airline of the Year” by OAG (*Official Airline Guide*), first of two times.

2003

Name changes to Midwest Airlines, and first new Boeing 717 enters service. Low-fare Saver Service on leisure travel routes augments existing Signature Service.

2004

Midwest Airlines celebrates 20 years of “The best care in the air.”



"Beyond that, Milwaukee is a place with top-notch corporate citizens. When I moved here I was told this is a community that expects a lot of its corporations and their executives, and that's a good thing," Hoeksema says. "A community is strongly influenced by its companies, and the reverse is true too. When our employees go out in public, they get a lot of positive feedback. That's a great boost to morale to know your community likes you. We've managed to achieve a good reputation."

That reputation is what appealed to Milwaukee entrepreneurs Ward and Lincoln Fowler and Paul Miller. They founded Alterra Coffee in the early '90s, when virtually no one else was roasting specialty coffee in the city. When Midwest sought a sole-source coffee supplier for its flights, Alterra was enticed not only by the opportunity to achieve greater visibility (and sell some coffee) but also by the airline's focus on quality and care.

"It's no simple thing extracting a good cup of coffee at 30,000 feet," Lincoln Fowler explains. "It's like trying to do it atop Pike's Peak—as altitudes go up, boiling points go down, and coffee wants to be extracted at high temperatures. We focus great attention on the quality of the brewing process, and that's why we believe we fit the Midwest Airlines philosophy."

Alterra won the contract in 1998; the Guatemalan estate coffee used on Midwest flights is roasted exactly at the company's plant in Milwaukee. The water used on the plane is heated under pressure, so the proper temperature (200 degrees F) can be reached. Lincoln Fowler himself logged thousands of air miles training flight crews in brewing techniques.

Just 5 percent of Alterra's annual production of 1 million pounds of coffee goes to Midwest, but the visibility and cachet the company gains is priceless. It's only part of the reason Alterra's business has been growing 20 percent a year, but it's a conspicuous part. "We have people come in our stores to buy coffee just because they liked it so well on the plane," says Ward Fowler. "That means the airline is delivering a consistently good cup."

Like Midwest, Alterra takes an active role in the community. Alterra supplies coffee for a local running event, Al's Run, that supports Children's Hospital, and for Milwaukee's Race for the Cure; it supports the city's Urban Ecology Center, which exposes inner-city kids to the natural world;

and it is a sponsor of Pabst Theater and the Milwaukee Symphony.

"Midwest Airlines and Alterra Coffee have a very strong convergence in our quality and community focus," says Ward Fowler. "We feel good about being part of such a high-quality operation."

That convergence describes Milwaukee as well. It is a diverse metropolitan area containing many different ethnic and geographic communities—Hispanic, German, Serbian, Jewish, Italian; downtown, East Side, Third Ward. All have their own heritage and character. All have common elements, such as the need to care for children. And the need for children to play.

And so, in a classroom in Milwaukee's inner city, the 2-year-old boys tottering around light up when Jan Hoeksema enters. Jan pitches a wiffleball to the toddlers—boys love balls. These youngsters can't quite catch balls yet, but Jan praises them nonetheless. "You guys are GOOD ballplayers." In return, one youngster brings her his new red fire helmet, trading it to her in exchange for a hug.

These kids are in day care at HeartLove Place, a three-year-old facility run by an organization that Jan and Tim Hoeksema and several other community leaders founded. It has its roots as an outreach ministry which began 10 years ago. HeartLove Place offers day care to 84 inner-city kids and after-school care to another 80. It also serves as a neighborhood center, offering parenting classes to those in need, as well as an entry-level training program in culinary arts, complete with kitchen and banquet hall. The biggest emphasis, however, is on social entrepreneurship. (Jan continues to give many hours as a volunteer and as a board member.)

The rewards of this emphasis came back to HeartLove Place in the form of a \$200 contribution from two sixth-grade brothers. These two boys had been nurtured by HeartLove Place since they were in first grade. The boys started their own lawn-mowing business and one day, stopped by HeartLove's old facility to offer their earnings toward the new building.

"That was the biggest gift we got," says Jan, referring to its spiritual heft, rather than fiscal.

On a stage in Kansas City, an equally lovely but entirely different spiritual gift mesmerizes audiences at a dance concert. Parasol-bearing church ladies in flowing yellow dresses whisk back and forth amid

their lithe, whirling menfolk, while a choir belts out *Rocka My Soul in the Bosom of Abraham*, the finale of a legendary dance piece called *Revelations*. This is the masterwork by famed African-American choreographer Alvin Ailey, a piece that has been performed thousands of times on every continent over the past four decades, American culture at its richest.

The Alvin Ailey American Dance Theater is headquartered in New York, and travels the world 32 weeks a year. But it has a permanent second home on the Great Plains, the Kansas City Friends of Alvin Ailey, a nonprofit agency that sponsors dance camps for black youths, and one week a year brings in the main troupe for a week of concerts. (This year it's November 14-21.) *Revelations* is a centerpiece for the residency week performances, and the guest artists that lead these come to Kansas City on Midwest planes.

"Midwest Airlines has done an incredible job helping us bring in great artists," says Tyrone Aiken, KCFAA director of artistic and educational programs. "It adds huge value to our operations."

"Being able to give tickets to worthy organizations works well for both sides," says Tim Hoeksema. Over the past five years, Midwest has donated 6,500 roundtrips, worth \$3.2 million, to charitable organizations in the communities it serves. Over the same period, cash contributions totaled about \$234,000.

The Milwaukee Symphony Orchestra uses Midwest tickets to fly its guest artists in from either coast—Doc Severinsen hops a plane in Los Angeles for his pops concert appearances with the MSO. When a famed young violinist flies in from Boston, she's on Midwest. All told, the airline donated 35 roundtrips to the MSO last year; it's now the symphony's "official airline."

"We love being able to bring people in from around the world and show them how great Milwaukee is—and start off by showing them how great our airline is," says Patrick Rath, the symphony's vice president of development.

Midwest tickets do more than fly music stars to Milwaukee. The symphony league auctions off roundtrips to raise money for its music education program, which reaches 70,000 Milwaukee-area school students every year.

Dozens of other Wisconsin organizations receive tickets for similar purposes, ranging from highly visible (the



Milwaukee Art Museum, whose Calatrava-designed new wing soars above the Lake Michigan shore) to Camp Heartland and the Milwaukee Women's Center. In Orange County, the Boy Scouts. In Atlanta, the Heart Association and Metro Atlanta Recovery Residences. Midwest supports the Kansas City Ballet and Boys & Girls Clubs; Omaha's Juvenile Diabetes Foundation and American Lung Association; and Milwaukee's Florentine Opera and Marcus Center for the Performing Arts.

"We're committed to doing the best job we can with ticket donations," says Hoeksema.

Among the happiest beneficiaries of travel are the children served by the Make-A-Wish Foundation of Wisconsin. When Midwest started service to Orlando in the mid-'90s—and added Anaheim this year—it was an instant hit for the group.

"Half our kids choose a wish that involves Disney, so our partnership with Midwest really took off with the Orlando flights," recalls Patti Gorsky, president of the foundation. "Between the airline itself, and the Miracle Miles program, hundreds of our kids have flown on Midwest." Midwest is the group's official airline.

The past three years have been challenging for the airline industry. Even so, reaching a 20th birthday is more than just a nice round number. The most important aspect is the ability to aid the well-being of the communities the airline serves, and to enjoy the support that engenders.

"We started with two airplanes and 83 employees," Hoeksema says. "All 20 years have been a great ride. And the support we got from our community last year (when the airline overcame a financial crisis) was beyond belief. We'll never forget it."

One measure of that support came when Midwest invited frequent fliers to join focus groups to discuss adapting the airline's service philosophy to the industry's new economic realities. Far more people responded

than there was room for, recalls Mary Blundell, director of service excellence.

"Our customers want to help us be successful. It's wonderful," says Blundell.

One of the things those customers pointed out was that, whether you are flying planes across country, loading luggage—or working in the inner city—it's important to have fun. "If you can't say this is fun, you won't be able to do it right," Blundell explains.

Thus the very first item in Midwest's "Universal Service Standards," a set of principles that guide daily work at the airline. "Have fun," says that first standard. "Enjoy what you do. Be involved."

It may not seem all that significant, just



COURTESY MIDWEST AIRLINES

Midwest's new Boeing 717s are comfortable, efficient planes aiding the airline's growth.

as donating two roundtrip tickets to a youth club for auction may seem modest, and hiring a young man as a baggage handler, and flying a family to Disneyland—all these may seem modest events, until you reflect on the role a conscientious, dynamic company plays in its communities.

"A community is only as strong as the people within it," says David Parker, quoting his father, a lifelong airline employee. A company can only be strong if the communities it serves are healthy. At 20, Midwest Airlines is proud to have grown into maturity by serving, improving and enjoying the support of great communities. **M**

Eric Lucas is the managing editor of Midwest Airlines Magazine. Copyright ©2004 Reprinted with permission of Paradigm Communications Group, Seattle.