



EAGLE TRAVEL CASE STUDY

ÜLYSSES

DIGITAL STUDENT COMPETITION ON FAMILY BUSINESS



Erasmus+



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SLOGAN/TAKE AWAY MESSAGE:

In addition to the many negative effects of it, the COVID-19 pandemic can also be an opportunity for family business succession since managing businesses during COVID-19 requires new skills that can be brought by the involvement of the new generation. In other words, when it comes to generational shifts, it's always a problem when we do certain things differently in a company than before. However, COVID-19 made it obvious that we have to do things differently

KEYWORDS:

Succession, COVID-19, innovation, travel agency

Eagle Travel is a family-owned travel agency operating in Hungary since 1993. As establishing private business was not allowed in Hungary before 1989 (there were almost only state-owned companies), this is claimed to be a first-generation enterprise. The company is engaged with organizing group trips to popular European attractions. The founding father (Jule) works as a company manager and a tour guide, while the co-owner mother (Ilde) only works as a tour guide. The younger of their two sons (Ben) will take over the management of the company. This case study is about how the extreme situation caused by COVID-19 has helped Ben to take over the leading position without the generational change creating a conflict within the company or the family. However, it remains a dilemma how much, in addition to the innovative solutions Ben introduced, the old methods are still needed.



INTRODUCTION TO SITUATION (STORYTELLING)

"No, ma'am, you don't have to worry about that... we are prepared for this situation. Speak to you soon." – Ben ended the phone call. *"We are prepared for ... this one, too ... we're prepared for ... everything..."* he continued thinking, sitting in the empty office by himself. Ben wondered how they got here so quickly. Two years ago, everything was normal, group trips were organized for Hungarian tourists. Buses and planes were booked, partner hotels were continuously booked, tour guides were prepared. Everything was running smoothly. Then, in March 2020, everything changed. The COVID-19 virus shook the world order without even allowing time for players in the tourism industry to realize what was happening. In a single month, tourism around the world stopped. The unpopulated streets of Paris, the empty Venetian canals and the closed museums and restaurants were an incredible sight. It's been almost three years... But the order of the world has not yet been restored. Since then, tourism has not been characterized by the old reckless recreation – but instead, there is a system of rules, vaccinations, and certain announcements. Travel management has become more complicated than it had been in recent decades. New COVID-19 variants kept coming, confusing and complex state regulations were aired out about where to wear masks, where not to wear masks, where to have a vaccination certificate and where not. *"We are prepared for...everything..."* – Ben continued saying.

That's when his phone rang (again), but now it wasn't another troubled passenger, but his father, Jule who called. *"Is everything all right, Son? Are you still in the office? Have you reviewed the materials of the group going to Spain tomorrow?"* – asked Jule. *"Dad, I don't go through these anymore, there's an online system built for that, which automatically signals if something's missing"* – Ben replied. *"That's fine. But go through them yourself. I never trusted anyone else with that. Good night!"* – Jule said. *"I'm going*



to go through them ... of course, I'm going to go through them... maybe I'm going to be smarter than the machine." – Ben mumbled to himself. Since the beginning of COVID-19, Ben built a number of online systems, which has made the administration of the office more efficient. In the past, his father built the company using traditional organizational methods, but COVID-19 made it impossible to have new administrative tasks by using previous methods (registering vaccinations and testing, constantly monitoring the regulation of different countries, constantly reorganizing travel arrangements, etc.). These challenges required new solutions, new impetus, and a new manager. Ben had been working for the family company for years, but he became a real leader during the COVID-19 period. Because of the home office, the company's previous processes were disrupted – previously Jule personally managed the employees every day, he started all the processes and he personally checked the most important things. All this worked when everyone was working in the office next to each other. COVID-19 forced everyone to work from home, and the organization of travel has been transformed. In the second half of the year, group trips could already start, but each country had different regulations for vaccinations and testing. Passengers also became more insecure, often cancelling trips and asking thousands of questions from the office before departure. Ben had the task given: in this chaos, he had to build a new system. He finally had the space for it, space to show what he has learned during his university years and previous work abroad. He worked around the clock to enable Eagle Travel to serve passengers under these conditions. Instead of traditional workflows, he has built a digital system with cloud-based data storage and online communication. Each colleague became part of a single digital system. Meanwhile, Jule was preparing for the next year (2021), planning the new trips as he has always been for nearly 30 years. That is, Jule continued the well-established planning process for the following year, while Ben managed the chaos of 2020. The result was a success. Eagle Travel was able to carry



more passengers than any of its competitors. *"We are prepared for ... everything,"* Ben mused in 2020. Then his phone rang again. *"I bet Dad's calling to check if I've done what he asked me to do"* – he thought. But he was surprised: he got a call from his mother, who was a tour guide in Innsbruck with a group of buses. *"Hi, Mom, is there anything wrong?"* – he answered the phone. *"Yes, we have a small problem. One of the passengers can't find the COVID-19 vaccination certification that we need tomorrow..."* – she said hastily. *"Don't worry, Mom, wait a moment ... one more moment... Well, it's already on your phone. Just open the email you just received."* – Ben said calmly. *"How did you do that?"* – his mother asked. *"Well, that's what I'm talking about, Mom. We're storing everything in the cloud, I just asked for it and sent it to you right away. That's what I'm trying to tell Dad. It's better than any traditional method."* – Ben insisted. *"Son, this is brilliant. On the other hand, remember that your father built a successful company of 30 people with his own method. Do not think that those methods should be thrown out at all costs. Thanks, I have to go now, because the passenger is here."* – his mother ended the call. *"We are prepared for everything... I can present a vaccination certificate in the middle of the night in 1 minute."* – Ben thought. *"Well, all right, almost everything: we are not prepared for how to convince Dad that change is a good thing..."* – with this thought, Ben closed his laptop and pulled out a dossier, in which the documents of the Spanish trip, which departed the day after, were printed, and began to go through them... Just like his father had asked.

DESCRIPTION OF CHARACTERS AND FAMILY BACKGROUND



Jule Eagle:

Jule considers Eagle Travel to be the main work of his life. From scratch, he alone – later together with his wife – built one of Hungary's largest tour operators. He was told many times by his wife *that "... this company is more important to you than anything else."* He usually only replied to this as, *"No, my family is more important to me than anything else – but the future of our family depends on the company."* It has always been crucial for Jule to train his successor, so he supported Ben from the start. The difficulty for Jule in handing over a leadership position is not that he has to take a back seat – but that he wants to make sure that Ben is really running the company in the best way. He believes in Ben's new solutions, but he's more cautious about innovation. Usually, there's a conflict about the fact that Ben would like to innovate everything, while Jule would only innovate things that didn't work well. Ilde Eagle: Jule's wife, who left her teaching career when the local government closed her school. She never prepared for a career in tourism, but she soon realized that guided tours and teaching were very similar things. As a German speaker, she became a tour guide on trips to Austria, Switzerland, and Germany. She is the "face" of the company, she has a huge frequent flyer base, she is adored by his passengers, most of whom come back year after year, looking for trips where she is the tour guide. She rarely interferes with the management of the company. *"I'm the one who's fighting with everyone in the family so that at least Sunday lunch isn't just about Eagle Travel."*

Ben Eagle: Ben graduated as an economist with a degree in management. He has leadership in his blood, and since he was very young, he was preparing to become the head of Eagle Travel one day. As soon as he got the chance, he tried to prove himself. Since he was not part of the first 20 years of Eagle Travel, there were no ingrained processes for him. He tried to look at everything with fresh eyes and change it with the intention of improving it. "For me, it is not an acceptable reason that 'we're doing this



because that's how we usually do it.' Examine the processes! Are you sure that's the best way to do it? Can we do better? Times are changing, and we need to change, too." COVID-19 gave him a great opportunity, as he was able to adapt to the new situation with new solutions, and he was given the green light by Jule. Looking back on 2022, we can say that he managed to do quite well. But he himself admits that *"at critical points, Dad's advice has always come in handy. It's like he has a seventh sense of where the right direction is. In the most important decisions, it was always his instincts that took us in the right direction."*

Sam Eagle: Sam grew up with the company. As an older brother, he was the one who watched the initial struggles. *"I spent my teenage years on tour buses. I slept in the drivers' sleeping quarters, I learned to play billiards with them... and have sangrias, too."* In the end, however, he chose a different career and nowadays only helps with company decisions as a marketing consultant. He often tries to smooth over conflicts between Jule and Ben as a mediator

INFORMATION ABOUT FAMILY BUSINESS

Eagle Travel is a Hungarian tour operator whose main activity is the organization of cultural roundtrips for groups. These are bus and plane trips, accompanied by professional guides. These guides introduce the countries, the cities and sights, and help to solve any problems that may arise. The main target group for such cultural tours is the generation over 60, who – at least in Hungary – are insecure abroad because they speak less English and are less flexible than younger people. For these reasons, they need the help of a professional guide and prefer to travel in a group rather than alone. Eagle Travel organizes more than 200 types of travel programmes a year: from European sightseeing tours to group trips all over America and Asia. Over the past 30 years they have gained a strong reputation in the Hungarian tourism market, ranking among the



top 3 agencies in their category, helping nearly 10,000 people travel a year. Eagle Travel was founded by Jule, whose father also worked in tourism, as a deputy manager and tour guide at a state tourism company. Jule graduated as a teacher and married Ilde, with whom he went to university. They both left the teaching profession. Jule first ran a rural branch of the country's largest travel agency, then founded his own business in 1993. Ilde joined the company as a tour guide in 1995 and has been Eagle Travel's most popular tour guide ever since, introducing nearly 1,000 passengers a year to the wonderful countryside of the Alpine countries. Their eldest son Sam took up a job as a Marketing Specialist at a university, supporting the company as an outsider with marketing advice. Their second son, Ben, very early on (in kindergarten) said that he wanted to take over his father's company. He studied economics, gained experience in foreign hotels, and joined the company at the age of 23, first as a tour guide and then as a manager responsible for organizational development. Jule handed over the CEO position to Ben in 2020 – a few months before the COVID-19 pandemic. Regardless, Jule remained a professional leader, but decided jointly with Ben on the most important issues affecting the company.

PROBLEM TO SOLVE

Eagle Travel, like almost all tourism companies, is trying to recover from COVID-19. Everyone should see that tourism will never be the same as it was before COVID-19. The new situation requires new solutions. Ben has this desire and ability to innovate, so his role is key. But it should also be noted that one person cannot change a company of this size alone. What's more, it can be dangerous if the entire organizational transformation rests on the shoulders of one person. Jule's experience is needed, and some of the methods that have already been well established must be kept – because colleagues know them too, and they are familiar with them. However, it is important to



introduce innovation gradually. The question is how this can be done and what role the members of the family play in this – and finally, how this will ultimately affect succession

QUESTIONS

1. How would you set-up an internal structure of Eagle Travel – what roles would you dedicate to Ben and to Jule in order to provide innovation but also keep the previous know-how on board?
2. How can Eagle Travel renew its processes without forgetting the old and gold solutions?
3. What role does Ben and Jule play in this renewal?
4. How can leadership roles be assigned so that conflict is minimized?

INSTRUCTIONS FOR STUDENTS

The student must identify him/herself with the decision maker of Eagle Travel and try to suggest solutions for the problems highlighted. Assessment is based on the ability to understand the challenge that Eagle Travel faces and provide a well-reasoned solutions how the company can adapt to the new environment and how the power structure shall be set up.

- Please read the case carefully and make yourself familiar with the company Greg's Tea and the theoretical background of generation change.
- Students should answer the questions posed above.
- Handing in: Written solution (5-6 pages)

Video presentation -> can be video of team, animation, etc. pitch 3 min



EVALUATION

- Aims and Process: the team was able to identify the problem/crisis/issue, defines clear and comprehensible aims on how to solve it and describes its approach and the reasoning behind it.
- Structure & Form: the form and structure of the final output and its presentation is creative (editing, tools used, design, attractiveness), comprehensible (red line), follows academic standards (citations), and uses adequate language.
- Research (literature and theory): the approach and processes to solve the problem are based on relevant literature and theory.
- Content / Solution / Outcome: the team's solution provides an added value for the family business and its members. Relevant criteria:
 - Level of Creativity
 - Level of Innovativeness
- Level of Feasibility / Possibility of real-life implementation



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