

Tony Fernandes, CEO of Air Asia

- Story Highlights
- Tony Fernandes, CEO of Air Asia, talks to CNN's Andrew Stevens
- He turned Air Asia into the region's biggest budget airline
- Fernandes is known for joining in with staff at all levels

(CNN) -- He's been described as the Richard Branson of Asian airlines. And he certainly knows a thing or two about building a brand.

In just five years, Tony Fernandes has built Air Asia from a bankrupt local carrier to the region's biggest budget airline -- 18 million passengers will fly the airline this year.

CNN's Andrew Stevens talked to Fernandes in Macau to find out why, at the age of 37, he would leave a comfortable job in the music industry to start a new business in the cut-throat, not to mention high risk, aviation industry.

Fernandes: Well there's a fine line between brilliance and stupidity, so the second point in a statement that Richard Branson's made is how to become a millionaire, start with a billion and start an airline. Now I was the other way around, I didn't have a billion. So I think that was one of the things, that I didn't have a lot to lose.

And I thought I was young enough. I got tired of the corporate life, I got tired of corporate politics. And I saw a business opportunity. Everyone likes to fly. And I think the key number that got me going was only six percent of Malaysians flew. I started looking at the prices of tickets, and to travel from one part of Malaysia to another it was almost someone's one month salary. So that drove me.

But I didn't want to be there, you know, at 55, and say I should've done it. Life is about risks, life is about not being afraid to fail.

Stevens: But at the time, airlines were going into bankruptcy, oil prices were going through the roof, people were too scared to fly globally, didn't you think, "oh my god I've made the worse decision of my life?"

Fernandes: No, I knew Malaysians very well. You put a price low enough, they'd risk their lives.

I think also when you start a business the most important thing is does the market want it. And I knew the market wanted it. If that's there, everything is surmountable because people power is strong.

Stevens: You like to pluck people from all different walks of life, from all different professions. How do you meld them all together? What's the philosophy underlying this?

Fernandes: Well I think, first is that everyone plays a part. There is no hierarchy. Everyone is valuable. I make all my senior management carry bags and things so they appreciate that.

Stevens: Do they?

Fernandes: Oh yes, they do. Some try to shirk their duties, but it's very hard when they see the CEO doing it -- they have to do it. The second is that everyone's got ability, it's how you bring the best out of them. And that's a very motivating thing. If you see someone who's carrying a bag suddenly flying a plane. That's a very powerful motivator. You can do all the theory and books and promise people the world but when they see it in reality, boy that's a powerful thing to see.

Stevens: When Air Asia started, you were known to go down, roll up your sleeves, and really get in with your staff at all levels, do you still have time to do that?

Fernandes: I have less time, but I still do it. I think it's fundamental to running my company, because, unless you get down to the floor and see what's happening, you won't make effective decisions. I do it for two reasons. One is, to see what's going on, and to make sure if I'm making the right decisions. And the second thing is, I still want to discover these raw diamonds.

Stevens: What's the best piece of business advice you've ever been given?

Fernandes: Focus and discipline. Stay focused and disciplined. Stick to a plan, stick to a vision. You change but the vision's still the same. And that came from Conor McCarthy of RyanAir. He has taught me about discipline and focus and I think that's been a really good lesson for me.

www.stanleycham.com