

# DRIVING WITH NO BRAKES

*How a bunch of hooligans built  
the best travel company in the world*



by Alan and Harriet Lewis  
Co-Founders of Grand Circle Corporation

# DRIVING WITH NO BRAKES

BY ALAN & HARRIET LEWIS

In 1986, shortly after Alan and Harriet Lewis bought Grand Circle Travel, the CEO of Saga Holidays, a British tour operator, remarked that there was no way “a bunch of hooligans” from Boston could run a worldwide travel business. At the time, Grand Circle was losing more than \$2 million on \$27 million in sales a year. Twenty-five years later, Grand Circle is an award-winning company with annual sales in excess of \$600 million and profits of \$60 million. The company employs more than 2,300 associates worldwide, operates 80 trips in 100 countries, and owns or charters 60 ships.

Grand Circle is beloved by its customers, American travelers over 50, more than 119,000 of whom travel with Grand Circle Travel and its affiliate, Overseas Adventure Travel, each year. Grand Circle has served more than 1.5 million travelers over the years. In addition, Grand Circle’s Foundation has pledged or donated \$50 million and supports more than 100 schools in 60 villages worldwide.

It has been a wild ride, and there were times when Alan and Harriet were literally driving with no brakes. In honor of the company’s 25th anniversary, Alan and Harriet tell the story of Grand Circle and their dream to build a company that would allow active, older Americans to explore the world, meet interesting people, and help change people’s lives.

GRAND CIRCLE  CORPORATION

## Here's What Business Leaders and Travelers Say About This Book:

*“Driving With No Brakes is a fascinating, inspiring, and enlightening look at the interwoven development of Grand Circle and the lives of Alan and Harriet Lewis. The use of stories, and the review of learning from mistakes, keeps the book at a very human and personal level and allows the reader to draw learning and inspiration from the Lewises’ experience. Driving With No Brakes is not only worthwhile but a delight to read.”*

— Michael Brimm, Emeritus Professor of Organizational Behavior and Management, INSEAD

*“Alan and Harriet have made a significant contribution—to companies for how they engage their employees at levels unseen even among the Fortune 100, to the concept of ‘shared value,’ where they combined their travelers’ experience with social impact, and to the field for such a heartfelt rendering of their journey from big hearts to catalytic philanthropists.”*

— Kyle Peterson, Managing Director, FSG Social Impact Advisors

*“Grand Circle’s compassionate and sensible approach to philanthropy offers a wonderful model for other international organizations working to change the world. It’s inspiring to witness how a simple concept, to help improve lives, has evolved into a worldwide effort involving hundreds if not thousands of people.”*

— Nancy Dunnan, Publisher, TravelSmart

*“I like the humor, the full disclosure of mistakes, the playfulness, and the daring of this lively little volume. And I admire just how quickly Grand Circle’s leaders learn from experience and put that learning to use by moving in new directions.”*

— Roland S. Barth, Education Consultant, Author, and Founding Director of Harvard Principals’ Center

*“This is a travel story well worth sharing.”*

— Bob Weiss, Founder, *Travel New England*

*“As an addicted devotee of business books, I found Driving With No Brakes to be instructional and inspirational. The accounts of the great philanthropy of the Lewises are another reason why this special book should be required reading at educational entities granting master’s degrees in business administration.”*

— Armond Noble, Publisher, *International Travel News*

*“This brief history of Grand Circle is both good reading and inspiring. As a long-time journalist, I’ve come to know and write about hundreds of travel companies, but Grand Circle is unique. It not only offers up-close-and-personal international travel exclusively to peppy people over the age of 50, but it’s developed its own special philosophy of ‘giving back’ by contributing a substantial share of its profits and hard work to the people and cultures they visit.”*

— Joan Rattner Heilman, Author, *Unbelievably Good Deals and Great Adventures That You Absolutely Can’t Get Unless You’re Over 50*

*“The fascinating journey of two intrepid travelers who’ve helped bring the world together through their vision and generosity. Interesting reading for anyone, but a must-read for any GCT/OAT traveler.”*

— Charles Doherty, Editor, *Cruise Travel Magazine*

*“For customers, Grand Circle is committed to being the best travel company for older Americans who want to experience peoples and places all over the world in ways that will change their lives. For employees, the objective is to provide a workplace that is stimulating, fulfilling, and meaningful. For the world at large, Grand Circle is determined to be a global citizen—helping people in local, national, and global communities—to create a better world for everybody.”*

— Oivind Mathisen, Editor, *Cruise Industry News*

*“The authors speak to the reader as one would talk to friends sharing a glass of wine after a wonderful meal together. It is a story about the birth of a leading travel company, as well as a journal of unique travel experiences. The writing, though sprinkled with humor, is sincere, with special emphasis put on the importance of having a vision: of dreaming, of camaraderie, and of global philanthropy. Alan and Harriet Lewis have opened themselves in revealing every step of their journey, their successes as well as their failures, and the hard work it has taken to make their company ‘the best travel company in the world.’”*

— Susan M. Giaccotto, 5-time traveler, Farmington, Connecticut

*“Be prepared for a rip-roaring page turner. Alan and Harriet Lewis have written a book that will inspire and surprise the reader. It is full of funny and revealing stories about how and why they built this company into a world-class success. I have been traveling with the company for years and until now had little idea of the impact that they make in the lives of the people in the countries we visit.”*

— Mary Seal, 8-time traveler, Tucson, Arizona

*“This book explains it all. Now we know why OAT is a perfect fit for us. OAT is better than doing it yourself... and we know because we did it for years. Only four companies have earned our brand loyalty: Lexus, Apple, Olympus, and OAT!”*

— Diane & James Craig, 11-time travelers, Burnet, Texas

*“Don’t miss this opportunity to learn the difference between being a tourist and being a participant in other cultures. The Lewises share their amazing journey with Grand Circle and make you want to be part of their global trek and global awareness-building.”*

— Dan Jones, 23-time traveler, Greensboro, North Carolina

*“After well over a dozen wonderful trips with Grand Circle companies, we finally discovered the secrets that made them so meaningful and informative. The Lewises have the vision and ability to really listen and learn from their associates and travelers, and then change and improve the operation. Their many stories of successes and failures make this an interesting read.”*

— Jan Verville, 18-time traveler, Manchester, New Hampshire

*“Driving With No Brakes is somewhat of a misleading title, because Grand Circle is a very well thought-out company. The company’s unconventional attitude has served it very well, not just financially, but more importantly, in immersing its loyal travelers in different cultures and helping to change people’s lives. If more successful companies practiced giving back to the local and global communities, imagine the impact they could make on the health, education, and well-being of the world’s people. I’m sure they would also realize that they could do very well by doing good.”*

— Anne Marie Healey, 2-time traveler, Randolph, Massachusetts

*“This book tells the story of how one lone couple had a vision to not only transform a failing travel company into the most successful one in the world, but at the same time, create a charitable foundation that enriches people’s lives in so many countries around the world.”*

— Marion Gianino, 18-time traveler, Melrose, Massachusetts

*“Alan and Harriet Lewis prove that striving and succeeding have no parameters. Follow them on their incredible journey via some bumps on the road as they evolve their neonate company into the best traveling institution in the world!”*

— Edna M. Tobias, 28-time traveler, Hermosa Beach, California

*“Not just another self-serving, vainglorious book. There is a real message of interest to business people of every stripe, MBA students, travelers, and other travel companies. Sprinkled with personal anecdotes and humor throughout, this book is a good read.”*

— William Drake, 9-time traveler, Readfield, Maine

*“Things I never knew about why I was having such a good time with Grand Circle. Now I know why I had such a great trip!”*

— Christine Pava, 7-time traveler, Windsor, California



# Driving With No Brakes

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by Alan and Harriet Lewis  
Co-Founders of Grand Circle Corporation

GRAND CIRCLE  CORPORATION

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# Acknowledgments

*by Alan and Harriet Lewis*

Our lives are blessed by so many people who have coached, guided and helped us along the way. Our children Edward and Charlotte have taught us much—especially to laugh often and love unconditionally.

We are grateful for our associates who share our dream and show up every day all around the world to help change people's lives. We are inspired by our travelers who entrust us with their dreams. This is a privilege we accept and never take for granted. There are too many to thank individually for their help on our journey, but they are in our hearts.

Several people have worked to bring this book to life and to print. Jim Best, our friend and advisor for many years, sat with us and endured hours of stories and recollections and our hashing out what was important to say. He gave shape and structure to our thoughts and stories.

Nancy Zerbey edited the book with care and humor. During the course of the book writing she became a part of Grand Circle, always championing the reader, and gently scolding us when we became too close to the subject.

Mark Frevert and Martha Prybylo, longtime and trusted leaders in the company, read, reread, and edited the book. They added memories and stories to the pot that help make the book lively and complete. They also gathered feedback from our travelers early on, to help us tell a story our travelers would really like to read.

Diane Rooney was a zealot on the timeline and production schedule. She kept a bunch of mavericks in line and on schedule. Without her this book would continue to linger and never make it to print.

To each and every associate, traveler, coach, and friend we are humbled by your trust in us and grateful for your support. So, as we often ask our travelers, "Where to next?"



# Foreword

*by Lady June Hillary*

Ed and I have had a long and satisfying relationship with Grand Circle Foundation and with Alan and Harriet. They have become good friends and good supporters of Ed's Himalayan Trust. Ed was an original member of the board of advisors, and actively supported the Foundation all of his life, frequently acting as a spokesperson for the organization. I'm exceptionally proud that Overseas Adventure Travel has named its frequent traveler program the Sir Edmund Hillary Club.

I feel that the philosophy that Grand Circle Foundation follows is similar to my husband's. A philosophy of asking what is wanted, a wish list even, and working with local people to do it—build a school, fix a path, replace a roof, subsidize a teacher, or pay a doctor and most importantly, to follow up over the years with interest in the work. When the project is complete, then it belongs to the community. A very satisfying and effective way to go.

I remember one visit to Boston after a very pleasant day with very pleasant people. We walked toward the office and as we approached the door Harriet asked, "How much money would you need for your teacher training program?" As I went through I said "\$50,000," and when I arrived on the other side, I added, "Please" ... and our teacher training project was under way. The Himalayan Trust will celebrate its 50th birthday in May 2011 in Kathmandu and we'll always be grateful for the relaxed efficiency and continued support that Grand Circle Foundation has given us over nearly 20 years.

I hope you enjoy reading this story about a marvelous company. We've enjoyed working with it over the years and will be eternally grateful for Alan and Harriet's leadership and generosity.



# Introduction

*by Alan Lewis*

This book has been an eye-opener for me. It's brought back many memories, and made me think about things I had pushed to the back of my mind. In my 25 years with Grand Circle, I've experienced much joy, but also many moments of sadness. Harriet and I have built a great company, but the journey has occasionally been bumpy. When I look back, I realize that we've accomplished a great deal, but not without making some huge mistakes.

This is not a self-congratulatory book. We've tried to tell the Grand Circle story as it really happened—warts and all. We want to share what has worked for us, what hasn't, and show how philanthropy has helped to propel our success. We strongly believe good works and social entrepreneurship can benefit business. In fact, we've seen it work. Grand Circle has done very well by doing good, and we hope our company's story will influence others to take the same path.

Harriet and I bought Grand Circle Travel in 1985, when it had just 16,000 customers. Though it had \$27 million in sales, it was losing \$2 million a year. Today, Grand Circle is one of the most respected travel companies in the world and the leader in providing international travel, adventure, and discovery to Americans over 50. Grand Circle has taken more than 1.5 million travelers overseas, owns or charters more than 60 ships, and has been profitable every year since 1987. Though 2009 saw an international financial crisis and worldwide recession, it was the third-best year in company history, and 2010 is shaping up to be even better, with more than \$600 million in sales and \$60 million in profit. This is a remarkable achievement, hard-won by a great group of people. We're even prouder of the work of Grand Circle Foundation, which is now helping villages and schools in 90 countries and has donated or pledged \$50 million to help change people's lives all around the world.

Harriet and I have strived to build a different kind of company—a company that offers authentic travel experiences, builds philanthropy into everyday business, and creates a workplace where associates all over the world work with a sense of urgency, speak up and take risks, constantly improve our trips, and thrive in change. The company has a strong culture driven by these values and encourages leadership by every associate, no matter where they stand in the organization.

As Harriet and I wrote these stories and sorted through hundreds of photographs, I found the life lessons that really stuck with me had come from my mistakes—and from my father. My father was a successful man, an authority on life and, above all, people-smart. My parents divorced when I was a young child, and I saw my father only

on occasion, but each encounter left an indelible imprint. One of those occasions even changed my life.

Growing up, I moved constantly within inner-city Boston—12 times in seven years, in fact. I was rebellious and ran with some rough company, and I got into trouble at every turn. After high school, I tried college, but I completed only one year before growing too restless to sit at a desk any longer. I wanted new experiences, so I moved to Florida and got a job as a beach lifeguard. One day, I saved a man's life and the story made the newspapers. My father visited me shortly afterward, while I was still puffed up with my new hero status. We got into a huge argument over the direction of my life. Actually, it was over its *lack* of direction. Was I going to be a lifeguard for the rest of my life? Did I like being called a hero so much that I wouldn't return to college? What was I going to do? It was distressing: the proudest moment of my life, and my father came to criticize, not praise.

He also came with an offer. He was a principal of a small travel company called United Travel Service in Boston, and if I would return north with him, he would get me a job so I could learn about the travel industry. Anger kept me from making a decision for a few days, but I finally agreed, and it was back to Boston.

In my new job, I flew overseas to Majorca. The island brought my senses alive. I had never experienced a different people with an entirely different history than ours, people who ate differently, talked differently, and lived in houses that looked nothing like Boston's. I loved it, and I instantly knew that the world would become my classroom.

By 1970, I was working as a trip leader. I got to go on cruises, and I visited Switzerland, England, Mexico, and the Mediterranean. It was all pretty exciting for a 21-year-old, and my passion for travel has never abated, not even to this day. In 1973 I founded my own company, Trans National Travel (TNT) with a partner, offering group-travel vacations all over the world. My life had been changed by travel. It had given me purpose and direction, and a whole new perspective on the world. After ten years at TNT I was ready to move on, to build something truly great, a travel company that would change other people's lives, too. This book tells the rest of the story—the story of Grand Circle. Every day, I marvel at how many people's lives have been changed by traveling with Grand Circle, working for our dynamic company, or sharing in the work of Grand Circle Foundation.

Whenever we meet travelers, new associates, business people, and young leaders, they all want to know how we did it. How did the company grow so fast over the years? How did we overcome all the global challenges? How did our unique corporate culture get started and how did we become a model for global philanthropy? We hear these questions every day.

So Harriet and I decided to write this book to tell our story—to share some lessons we've learned over the years and some mistakes we've made along the way. We hope sharing our experiences will help business leaders, social entrepreneurs, and young people just starting out, and we hope our travelers enjoy taking a peek inside their travel company. We have shared so many wonderful experiences with people all over the world. Now we are pleased to share our story and our company with you.

Edward, Alan, Harriet and Charlotte  
at home in Boston, Christmas 1985.





## CHAPTER 1

# In Pursuit of a Dream

*It seems strange that this whole crazy adventure began on a quiet little beach in Florida. But that's what happened.*

*It was 1985. Alan and I had recently sold our interest in a Boston company called Trans National Travel, or TNT. The company had been very successful and we had multiplied our original investment many times over. After working like crazy for 15 years, we were looking forward to traveling, spending time with our two young children, and figuring out where life might take us next.*

*People ask how Alan and I first got together. We're asked so often, we must seem like an odd couple. I guess maybe we are. We both grew up around Boston, but there the similarity ends. I was raised in a traditional New England family with my eyes set on college. Alan was a street-savvy kid with big dreams and a colorful past. You can see the attraction. After a few rocky dates in high school, we went our separate ways, but after graduation, we met again, and this time we connected. Still an odd couple—I was a special education teacher and Alan was an entrepreneur—but we found that we shared a passion for world travel and a strong desire to help other people.*

*By 1985, we had been together for 13 years and married for six. In that time, we'd developed the habit of taking long walks together whenever we needed to make a big decision. We walk in the city, on the beach, through the woods, anywhere and everywhere. We're famous for it. And that's how we came to be walking on the beach on Captiva Island, watching the dolphins play, about to make the most momentous decision of our lives.*

*I was still savoring the prospect of a month-long seaside vacation when Alan broke the news. Grand Circle Travel was for up for sale, and he wanted to buy it. So much for our leisurely semi-retirement! But that's Alan—restless, driving, always looking for the next big challenge. It didn't even surprise me that we had to make a decision right away—another company was expected to sign a contract for Grand Circle the very next day.*

*I was torn, but the decision was actually easy. Travel has always been our passion. It has changed and enriched our lives in countless wonderful ways. We have seen astonishing things, made friends all over the world, and had great fun. We have found common cause with people of other cultures, and discovered that no matter where you*

*go in the world, people are pretty much alike. They cherish and provide for their families, seek better education for their children, socialize with friends and neighbors, celebrate joyous events, and long for a peaceful life.*

*As Alan and I walked that deserted beach, we talked about our dreams. We wanted to give other Americans the opportunity to experience travel the way we had experienced it: up-close, personal, and with a deep human connection. We also wanted to build a company where associates looked forward to coming to work, where they could grow into leadership roles and enrich their personal lives. The more we walked, the clearer the dream became. By the time we turned around to head home, we had our goal. We wanted nothing less than to help change people's lives in our company, in our community, and in the world.*

*Grand Circle was the path to our dream. With butterflies in our stomachs, we decided to go for it. Alan pulled on a polo shirt, some golf shorts and a pair of argyle socks, and caught the next plane to New York.*

—Harriet Lewis

In 1985, Grand Circle Travel was a small travel company that had fallen a bit on hard times. It had long operated profitably as the travel service for the American Association of Retired Persons (AARP) under the management of AARP's insurance provider, Colonial Penn. But recently it had run into trouble. Though it had sales of \$27 million and a good list of former AARP travelers, Grand Circle was losing more than \$2 million a year, and Colonial Penn was looking to unload it. They had a buyer all lined up—Saga Holidays, a big British travel company that had just opened operations on our home turf, Boston.

On the plane north from Florida, Alan figured he was in for a fight. When he got to New York, he literally barged into negotiations between Colonial Penn and Saga. Saga couldn't believe it. They were very eager to buy Grand Circle, hoping to turn that list of AARP travelers into brand-new Saga customers. They had fire in their bellies and dollar signs in their eyes. Then along comes this gatecrasher, brashly shaking hands and waving a checkbook.

Alan was maybe a little less confident than he looked, for he had to make an on-the-spot calculation. If we really wanted Grand Circle, we'd

need to bid higher than Saga. But how much higher? What was the company worth to us? We already had enough money to live comfortably and travel for the rest of our lives. Was it worth risking it all?

There was a legal risk, too. The sale of our interest in our old company, Trans National Travel (TNT), included a non-compete agreement that barred us from certain travel ventures. Was Grand Circle one of them? We didn't know. Risking our life's savings gave us pause, but spending months penned up with lawyers wasn't something we wanted to do *at all*. Above all, we valued our freedom to get up and go whenever and wherever we wanted.

These are things we had talked about on the beach, and we had come to some conclusions. We knew our dream was ambitious. We wanted to offer people wonderful travel experiences, build a really great company, and change people's lives at home, work, and abroad. We also wanted to have some fun while we were at it. This was no idle daydream, but a dream worth fighting for. There were obstacles, of course, but they weren't insurmountable. So long as we could keep our family whole and tight, we thought we'd be alright. We felt our dream was worth the risk.

People say, "Don't sweat the small stuff." We believe that. But we believe this even more: Never compromise on the dream stuff. The dream is what makes life worthwhile.

## Alan Makes His Move

In that split-second moment of decision, Alan wagered big. He offered Colonial Penn \$9 million for Grand Circle, several million more than the company was worth on paper. Why? Because we saw the company's potential. It had a recognized brand, global reach, and loyal travelers in the retired American market. We had become acquainted with many of the people at Grand Circle over the years and knew they were capable and experienced. We were confident we could move the company forward quickly and profitably.

We also saw what *wasn't* on paper. Every mergers-and-acquisitions team knows that the value of a company includes more than its assets and bottom line. Value also lies in the opportunity the company offers to the buyer, the opportunity to achieve its own goals. All Saga wanted was



*Twenty years from now you will be more disappointed by the things you didn't do than by the ones you did do. So throw off the bowlines. Sail away from safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover.*

—Mark Twain

We have to have dreams  
to make dreams come true.

—Kay Stewart,  
6-time traveler  
San Francisco, California

Grand Circle's list of travelers, but *we* wanted to make Grand Circle the leading travel company for retired Americans. Our dream was bigger, and this made Grand Circle more valuable to us than to Saga. Nine million dollars was the down payment on our dream, and we were ready to foot the bill.

Of course, Colonial Penn wondered if they could trust us to come up with \$9 million. We were strangers to them, and solo venturers; Saga was a major European company with an official corporate presence in Boston. Saga looked like a safe bet; Alan looked like—God knows what. Dressed in their Armani suits and silk ties, these buttoned-up New Yorkers looked across the table and saw a cheeky, sunburned guy in an ill-pressed suit (at least he'd changed out of the shorts). Our unsolicited offer disquieted them. Sensing reluctance, Alan upped the ante. He wrote a \$1 million check as a gesture of good faith and pushed it across the table. The offer was too good for Colonial Penn to pass up. Grand Circle was ours.

Except for that pesky non-compete agreement with TNT. We thought it didn't apply to our purchase of Grand Circle, but TNT thought differently, and we spent a little time debating the point in our lawyers' offices. We could have fought it in court, but we had bigger fish to fry. We needed to focus on getting Grand Circle profitable, so we negotiated a settlement, wrote another big check, and closed the door on the old days.

### Postscript: How We Got Our Reputation

About a year later, we ran into some Saga executives in London. They drew us aside and tried to buy Grand Circle back from us. In fact, they offered us a fast million-dollar profit if we would sell the company then and there. But we had made good progress over the last year and we knew the company was on the verge of turning profitable, so we declined.

The Saga guys became even more insistent. Evidently they still smarted from losing the bidding contest the year before. When they wouldn't relent and let us get on with our business, Alan responded in typical Alan style: He offered to buy Saga, instead. We really didn't have enough money to make good on the offer, but Alan was riled

that Saga wouldn't take "no" for an answer. The audaciousness of our response enraged them. In fact, one of the Saga executives said that there was no way "a bunch of hooligans from Boston" could run a worldwide travel business. We eventually escaped the room, but our reputation was made, and many years of intense competition between the two companies ensued.

## Trouble from the Get-Go

We had big dreams for Grand Circle in that first year, but we weren't wearing rose-colored glasses. We knew that problems—even crises—are the norm for the travel industry. You can't just design some itineraries, pick some hotels, book some passengers, and then sit back and relax. That's not how it works, because in the travel business something is always going wrong. Airline workers go on strike, travelers get sick, hotel reservations mysteriously disappear. Beyond these difficulties, real calamities are always happening in some part of the world.

In fact, things started getting dicey for us very quickly. We signed the purchase agreement with Colonial Penn on March 31, 1985. Almost before the ink was dry on the contract, terrorists fired a rocket at a Jordanian airliner in Athens. Two months later, a TWA flight was hijacked en route to Rome and an Air India flight was blown up in Irish airspace, killing 329 people. In October, the cruise ship *Achille Lauro* was hijacked in the Mediterranean and an American was murdered on deck. In December, Arab terrorists attacked airports in Rome and Vienna.

These developments constituted a real threat to the business. In fact, we could have walked away from the deal with Colonial Penn early on, invoking the material damages clause of the purchase agreement. But we didn't. We believed we could move forward with Grand Circle and do well, so we stayed the course—and negotiated a lower price for the company.

But things didn't get any better with the new year. On April 26, 1986, the United States launched an airstrike against Libya; suddenly Americans were unwelcome in many parts of the world. Eleven days

After my mother passed away 17 years ago, I cleaned out the desk I had used as a child. Tucked away in a drawer were stacks of old travel brochures that I'd been collecting since I was 9 years old. I remembered how I used to fantasize about going to Africa to see the see the lions and elephants, or to London to see the bridges falling down. There I was, 45 years old, realizing I'd been interested in travel from a very young age.

—Harriet Lewis

later, a nuclear reactor melted down in Chernobyl, and travel bookings fell all over Europe. These were serious developments for us because Europe and the Mediterranean were Grand Circle's bread-and-butter destinations. Our travelers were nervous, and we were, too.

### Driving With No Brakes

On an offsite in Costa Rica with our board of directors in 1994, Alan and I were driving in a van that had seen better days. The trip had gone badly. The group had been raucous and quarrelsome. We got lost. The roads were steep, hard-scrabble, and dusty. As we made our way down a hill, Alan leaned over from the driver's seat and whispered, "We've lost the brakes."

I thought he was speaking metaphorically, referring to our inability to control the offsite. As our speed picked up, I realized he meant the van's brakes had literally failed. It got pretty dicey, but Alan managed to drive the van up an incline on the side of the road, banging against the curb along the way, until the vehicle finally stopped.

We got out and stood ashen-faced looking under the hood. I congratulated Alan on his driving skills. He said, "I have experience driving with no brakes. I feel like I've been doing it for years with Grand Circle."

—Jim O'Brien, Vice Chair  
Chairman, Kensington Investment Company

Grand Circle has seen countless world crises, and over the years we've become very adept at dealing with them. Today we have a protocol for responding to any world crisis, and we have a set of what we call "Extreme Competitive Advantages" that propel us through difficulties and position us to come out ahead. But in those early days, we flew a lot by the seat of our pants, relying on guts, instinct, and the advice of the good people we gathered around us.

## Alan's Promise to Charlie

In our early years in the travel business, we had become friends or professionally associated with some of the best talent in the travel industry. Soon after we acquired Grand Circle, we gathered together an exceptional board of advisors and engaged leading industry consultants. We also brought in people from Trans National Travel, including Charlie Ritter, an old friend who'd been around the travel business for a while.

Charlie knew the score: The travel business was exciting, but it was also difficult and often a pain in the neck. Back in the 1980s, the industry was split between independent travel agents—22,000 of them—and a handful of large, direct-marketing companies like Saga and Olsen Travel World, based in Los Angeles. The big companies were hierarchical in organization and highly corporate in management style, filled with drones at the bottom of the ladder and “yes men” at the top. Leadership in those companies was largely a matter of issuing orders and not taking no for an answer. Backstabbing and office politicking were common, making the workplace unpleasant and unproductive. So when Alan asked Charlie to come work at Grand Circle, Charlie was dubious.

“Why should I come to work for you?” he asked.

“Because I'm going to build a different kind of company,” Alan told him.

Charlie shook his head. “I'm tired of all this corporate B.S.,” he said. “How do I know Grand Circle will be different?”

Alan explained our dream to build a company where leadership opportunities would be available to everyone who worked there. We wanted our associates to become as great as they could be—to lead from wherever they were, take risks, and always speak the truth without fear of reprisal. We wanted to create excellent trips and an empowering company culture.

“We can do this,” Alan said. “I promise.”

That was enough for Charlie. He jumped ship and soon got to work setting up the company's innovative computer system, fondly called GERT (Grand Circle Enters Revolutionary Technology). Other new hires came aboard at the same time: Bruce Epstein, Jan Hobbs-Bailey, Bruce Washburn, and Mark Frevert—mavericks all. Like Charlie, they came with years of experience and lots of big ideas, attracted by the opportunity to take leadership roles every day.

There were some tough times those first few months—times when I questioned whether the company was going to make it. I was in the lobby of our New York office on a cold winter day when an elderly couple approached holding an empty Grand Circle gift bag. They had come in from Long Island on the train to return it. The couple planned to go on one of our trips but the gentleman had to have major surgery, so they'd had to cancel. They had made the long trek into the city because they felt they shouldn't keep the bag after their money had been refunded. The gentleman's parting words were, “That's OK, I'll get another one.”

At that point, I knew that our travelers would help us through hard times.

—Charlie Ritter,  
*Longtime Grand Circle associate*



*It is not because things are difficult that we do not dare; it is because we do not dare that they are difficult.*

—Seneca, 1st-century Roman philosopher

## How We Became Addicted to Speed

We needed those big ideas right away. Besides facing worldwide crises, Grand Circle was losing money—more than \$5,000 a day. We wanted to build a different kind of company, but first we needed to stop the red ink. We had already committed our life’s savings to the company, so speed was of the essence. We had to work fast before the money ran out.

We were ruthless. Our first action was to get rid of the worst-performing trips—more than 300 of them—so we could focus on Grand Circle’s best products. We continued marketing directly to the list of former AARP travelers, bypassing the travel agents, and made sure we stayed focused on our prime market: Americans over 50.

These actions increased our profit margin, but we never lost sight of our main goal: to build a company that would attract travelers, not tourists. We stopped hustling our customers from place to place, slowing the trips down so the travelers could better appreciate the people and cultures in our destinations. We also gave our customers more value for their money by cutting prices, eliminating middlemen overseas, and adding new features to the best trips.

Over the course of 12 months, we completely reinvented Grand Circle Travel. It was a wild ride, and we made mistakes. For instance, we closed the company’s office in Long Beach, California, as a cost-cutting measure. Unfortunately, the associates who worked there were the ones with knowledge of the Far East and the American market west of the Rockies—knowledge we would need later, when the European theater was rattled by terrorist attacks and growing unrest in the Middle East. We couldn’t have predicted those developments, of course, but had we moved more slowly, we would not have faced that predicament.

But moving slowly isn’t something we do at Grand Circle. In fact, people often joke that we are “addicted to speed.” The compulsion to keep moving is partly personal, partly strategic. Alan is restless and hard-charging by nature, and Harriet likes to see practical results right away. We hated banks in those days and weren’t interested in bank financing, so we needed a fast return on our investment. But the prime reason for our addiction to speed is the fast-changing nature of the group travel industry. Subject to international crises, fluctuating currencies, and intense competition, travel companies have to be fast and nimble. Speed may not be important to every new venture. Other businesses can maybe take the long view and slow course, but travel is a race run by rabbits.

## A Moment of Truth

Worst was the commuting. Every Monday morning for six months, Alan and his Boston-based crew would catch the 5 a.m. commuter flight to New York, not returning until the end of the week. Harriet stayed at home in Boston.

This wasn't getting us closer to realizing our dream. We had two small children who deserved the attention of both parents. We knew what it was like to grow up in broken families. Harriet's father died when she was 13; Alan's parents divorced when he was young. We had always insisted that our children, Edward and Charlotte, would enjoy a close family life. Besides, we wanted to be together, to work as a couple. Ours was a shared dream, and we knew that our strengths and weaknesses balanced each other's. We felt that the business would benefit from the commitment and resolve of both of us. The decision was obvious: Either we had to move the family to New York City, or we had to move the company to Boston.

### Harriet's First Trip

The first time I traveled out of the country was in 1970, when I was 21, just after I graduated from Kent State. I went to Europe with three girlfriends. We were truly footloose and fancy-free. I bought a backpack from the Army Navy store and packed two rolls of toilet paper and a copy of *Europe on \$5 a Day*. We rented a VW Beetle, sang Judy Collins songs, and slept in hostels. Once, in Copenhagen, we slept in a bar. It was crazy.

Looking back, what strikes me is that everything seemed so brand-new. Travel was so freeing and so much fun. I talked politics with a bunch of Jordanian Communists in Bulgaria, and listened to a *muezzin* calling the faithful to prayer in Turkey. Alan sent me a letter and I picked it up at the American Express office. There were chickens in my train compartment. I was just constantly surprised. I knew right then that travel was going to be a big part of my life.

—Harriet Lewis

I've visited more than 100 countries over the years, and I still fantasize about so many others. For me, travel is addictive; I get a physical thrill when I add pages to my passport. And as my passport grows, so do I—both emotionally and spiritually. By meeting new people and seeing how they live their lives, I see how alike we all are, and I'm reminded that this truly is one world. Alan says that I come alive when I travel—that my whole body smiles and my eyes shine.

—Harriet Lewis

It was the week we moved in to Congress Street. As I stepped off the elevator into the wall-less sea of mismatched desks, I saw two men trying to rotate a desk. A woman was sitting on top of it, laughing her head off. People were rushing around like they had a plane to catch—and some of them did, as they were commuting between Boston and New York. Through the skylights, hordes of seagulls squawked and fought and did the nasty thing—all day and all night. Phones were constantly ringing, there were boxes everywhere, unusual characters coming and going. It was your basic madhouse.

—Karen Hansen,  
25-year associate  
Director, Corporate Marketing

Every advisor—business, legal, and personal—told us to leave the company in New York for at least a year. Business schools teach the same thing: After a corporate takeover, stay put and go slow; let the dust settle before making any big changes. But Boston was a vital part of our lives. We grew up in and around the city, our friends and family were there, and we were both ardent Red Sox fans. Could we live in the land of the hated Yankees? We hadn't gotten this far by doing things the way people told us to do them. We reminded ourselves: Never compromise on the dream stuff. Besides, we knew we'd be lost in New York. And so the decision was made. Grand Circle Travel would move to Boston.

### From Madison Avenue to South Boston

Shortly before our first anniversary, we moved Grand Circle Travel from a skyscraper on New York's Madison Avenue to a crumbling warehouse in a deserted part of South Boston. Although it is a robust and picturesque district today, at the time, the neighborhood was separated from downtown by a polluted canal and piles of construction rubble. Nevertheless, our new home at 347 Congress Street had advantages. It was big, cheap, and had a genuine Boston feel. Easy access to South Station made it convenient for commuting associates, and street parking was plentiful (not so today!). It was also close by our house in Boston. Now we could both work on building a great company and be home for Charlotte and Edward when they got home from school.

The commuting wasn't over, of course, it just went the other way. After the move, our New York associates had to commute to Boston until they could relocate. It was hectic few months and few of us would have guessed that we'd come to call these the *good ol' days*.

In fact, our new South Boston home was a great fit for the “different kind of company” we were building. We wanted to promote open minds and open communication, to create a space where everyone saw themselves as a leader and contributor. Traditional corporate architecture—big offices, fancy conference rooms, closed doors, and cubicles—is designed to do the opposite, to keep people in their place.

Our six-story building was nothing like that. Furnished with castoff furniture and covered in century-old brick dust, it wouldn't let us take ourselves too seriously. Our open plan encouraged people to speak up and feel safe in challenging others, including us. Our casual new digs in this funky part of town helped us create a freewheeling culture committed to doing something great.

## A Big Mistake

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When we decided to move the office from New York to Boston, we selected the 28 top-performing people in New York and planned to offer them a great package if they would transfer to Boston. We knew that New Yorkers are not always fond of Boston, and were worried about how they would take the news. So we delayed telling them. It didn't occur to us that New Yorkers might read the *Sunday Boston Globe*. When we arrived in New York Monday morning, we were greeted by associates wearing pig snouts.

This was our first big mistake, but it taught us a crucial lesson. If we wanted a different kind of company, we had to be forthright and honest with associates. It's sometimes painful, and we've stumbled occasionally, but since that day, we've delivered bad news as quickly and directly as possible. For example, when the terrorist attacks of 9/11 brought travel to a standstill, we had to lay off 250 associates. We informed everyone several days in advance of the impending layoffs, and told them exactly how it would be done. It was awful, but at least it was open and above board.

—Alan Lewis

## Off to the White Mountains

We also established an important Grand Circle practice in those early days: offsite problem-solving. In the summer of 1986, at the height of the international terrorist attacks, when our European trips were floundering, Alan took his new leadership team to the White Mountains in New Hampshire to figure out what to do. Alan has always been a hands-on, experiential learner. He has served as a board member for the Hurricane Island Chapter of Outward Bound, and has long seen the value of taking difficult company issues outdoors, to offsites in unusual locations where participants could resolve top business issues and develop leadership skills. Offsites had been exceptionally successful at Trans National Travel and we wanted to instill them into the culture of our new company.

Lots of companies were doing offsites in those days, but they weren't getting much in the way of results. Too often, the staff would get out of

**GRAND CIRCLE TODAY****Brands**

- Grand Circle Travel
- Overseas Adventure Travel
- Grand Circle Small Ship Cruises
- Overseas Adventure Travel Small Ship Cruises

**Company Profile**

- Privately held company owned by Alan and Harriet Lewis
- Headquartered in Boston; 38 offices in 31 countries; 2,300 employees worldwide
- Offering more than 80 trips in more than 100 countries
- 119,000 travelers a year, primarily Americans over 50
- More than \$600 million in sales in 2010
- 60 owned and leased ships

the office, do a few icebreakers, maybe conduct a trust exercise and share a picnic at a hotel—only to find that the spirit of collaboration, invention, and motivation evaporated on the way home in the car. We couldn't afford that kind of offsite. We had a crisis on our hands. The phones were ringing off the hook in Boston, but they weren't travelers making reservations. They were travelers canceling trips.

What we needed was an action plan that could be executed the moment we returned to the office. As we hiked the steep, rocky trails and shivered in Greenleaf Hut, our primitive cabin, we agreed we needed to cut prices and run new promotions to generate sales down the road. But we needed sales now. Where would we get them?

Someone got the bright idea to re-book all the cancelled travelers to new destinations. After all, those customers had already told us they were eager to travel. All we needed to do was persuade them to go somewhere else. We put together a list of our best sales associates so we could form a SWAT team on Monday morning. We also designed a contest for the team, developed a script for the calls, set sales incentives, and decided on prizes for the associates who rebooked the most travelers. Ever since that hike into the White Mountains, our associates know to expect immediate action on Monday morning after an offsite.

When we came down from the mountains we had a plan, a newfound camaraderie, tired legs, and aching muscles. In fact, the vice president of sales had to be carried down the trail by his teammates. We were exhausted, but we knew we had turned a corner. Grand Circle would make it to the end of its first year.

## The Dream Unfolds

In 1985 and 1986 we didn't have a two-inch-thick strategy book for Grand Circle; we were pretty much flying by the seat of our pants. But we did have a dream. We were determined to build a different kind of travel company. Initially, this meant four things to us. First, the new company had to fulfill us personally, reflecting our values and providing a foundation for our family. Second, it had to make money; without profits, all of our good intentions would come to naught. Third, we wanted to give our customers a genuine travel experience at an incredible value. Finally, we wanted to create a company culture that truly honored and empowered our hard-working associates.

By the end of that first year, we had made a lot of progress. We had purchased the company, moved it to Boston, hired new associates, eliminated the worst trips, improved the others, instituted offsites, and stared down a series of international crises. Grand Circle was still losing money, but not as much.

We were pleased with how far we had come, but we knew we weren't there yet. There was a fifth piece of our dream—to give back to our local and overseas communities through philanthropy—but that goal would have to wait until we had our feet more firmly beneath us. We weren't worried. We'd get there.

And, indeed we have. Since that fateful walk on a Florida beach, sales have grown to more than \$600 million a year. The company has taken more than 1.5 million travelers overseas, and we've expanded our offerings to include small group adventures with Overseas Adventure Travel (OAT) as well as our own line of River Cruises. Today, our worldwide organization spans the globe with 38 offices, and we operate 60 ships.

In 1993, we formalized our commitment to philanthropy by launching Grand Circle Foundation. Since its founding, Grand Circle Foundation has donated or pledged more than \$50 million to 163 projects worldwide. At the same time, our associates have engaged in countless hours of community service and given more than \$750,000 to charities from their own pockets. The company has won many industry awards for social responsibility, and our travelers have honored us by donating more than \$1 million through the Foundation to help people all over the world.

Life constantly tries to prick our dreams. If you have a dream that you want to make happen, you have to hold it tight and persevere. At times, we were lucky, but, in truth, we were mostly just stubborn. We refused to let go. We decided to write this book because we wanted to share the Grand Circle story with our travelers. We also wanted to give other entrepreneurs with big dreams a glimpse of what has worked for us. We consider this a midterm report card because we're definitely not done building our dream.

In 1985 Alan promised Charlie Ritter that Grand Circle was going to be a different kind of company. Charlie passed away some years back and we miss him. We're glad to have been able to keep that promise.

Grand Circle is different ... and we're proud to say so.

It's been really exciting, and really fast. I remember running a marathon once and thinking, "This is like life." That's what Grand Circle's been like, too. There are great ups and great downs and lots of in-betweens, great joys and great heartbreaks and crisis. It turned out to be a great decision. We've never looked back.

—Harriet Lewis

### **Alan E. Lewis**

Alan Lewis is owner and chairman of Grand Circle Corporation, the largest U.S. direct market tour operator of international vacations for older Americans. An entrepreneur, self-described maverick, and philanthropist, Lewis has a proven track record of creating both corporate profitability and growth and innovative philanthropic programs despite the challenges presented by a highly competitive industry operating in a chaotic world.



### **Harriet R. Lewis**

Harriet Lewis is owner and vice chair of Grand Circle Corporation and helps drive the company's mission to enhance the lives of its travelers, its global workforce, and the communities to which it travels. A former teacher, Harriet serves as chairman of Grand Circle Foundation, the organization's charitable arm, which is dedicated to supporting more than 100 schools, and the communities in which they operate, worldwide.

“Alan and Harriet Lewis and Grand Circle Corporation demonstrate that emerging company owners are true corporate heroes. Men and women like these represent the leading edge of a new approach to philanthropy and competitiveness.”

—*Professor Michael E. Porter, AllWorld Network Chairman and Harvard Business School Professor*

“Grand Circle offers an excellent model of social entrepreneurship for U.S. companies operating overseas and at home. Decades before corporate social responsibility became a driving factor in good business, the company incorporated its values into its mission and operations. Business leaders will be inspired by this account of a company that has done so well in a highly competitive industry by never losing sight of all the people whose lives it touches.”

—*Andrew Bennett, CEO of Arnold Worldwide and author of Good for Business and Consumed: Rethinking Business in the Era of Mindful Spending*

“This is an essential book for anyone interested in how a company can succeed by focusing on values that honor people and social purpose.”

—*Jim Champy, Author of Reengineering the Corporation*

“This stylish book tells the story of a remarkable company. Grand Circle is one of few successful businesses in the travel industry. Find out what a values-based culture can do when applied correctly and with love.”

—*Jack Covert, President and Founder, 800-CEO-READ*

“*Driving with No Brakes* offers a remarkable example of the power of a tacit knowledge-based organization. By adhering to its set of six core values for 25 years, Grand Circle has found great success in a highly competitive industry. This is a must-read for any business leader who wants to do the same.”

—*Hiroataka Takeuchi, Professor and Dean of Hitotsubashi University Graduate School of International Corporate Strategy*

“Grand Circle is a remarkable example of how a company’s values-based culture can help a business overcome great obstacles and achieve corporate growth and success. Every entrepreneur looking to create a dynamic, philanthropic and successful organization should read this book.”

—*Len Schlesinger, President, Babson College*

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