

# DENIS ADAMS

## AVIATION EXECUTIVE

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IN THE Australian aviation industry it would be difficult for anyone to emulate the depth and breadth of the career of Denis Adams, who has died of liver cancer, aged 67.

Adams began his career in 1964 as a management trainee with TAA and over the next 25 years held positions within the airline ranging from marketing and sales to strategic planning and management.

In 1986 at the request of the chief executive, James Strong, who had recently been appointed, he managed and oversaw the implementation of all aspects of one of the biggest changes in corporate identity in Australian history, TAA's rebranding as Australian Airlines. He left nothing to chance, even taking home a set of on-board cutlery to make sure it looked and worked perfectly. In 1987 he was appointed marketing director of the newly transformed airline.

He also served during this time as director and chairman of a company jointly owned by the three major Australian airlines, TIAS, whose automated bookings systems serviced the aviation industry. It was a position where he had much need of his skills at defusing difficult situations, which he often did with a wry quip. Even before the industry was deregulated, the airlines were competing fiercely for every fraction of a point of market share.

In 1989 Adams was headhunted to Jetset Tours as general manager of corporate planning, to make its overseas operations profitable - which he did inside a year. In 1995 he became the CEO of its worldwide travel business. He saw this time as an opportunity to broaden his experience in managing the whole of a complex business. While there, he also served for several years on the board of the Australian Federation of Travel Agents.

In 1996 Strong, by now CEO of the merged Qantas/Australian Airlines, enticed him back to become group general manager of commercial business, in charge of international and domestic sales. This was a time of extreme difficulty for Qantas' domestic operations. Four airlines, Qantas, Ansett, Virgin Blue and Impulse, were operating in a market considered big enough for only two. Adams conceived and implemented two crucial plans. The first was Cityflyer, with flights between Melbourne and Sydney on a fixed hourly schedule. It was a simple but effective approach that proved a resounding success with passengers, and Qantas has extended it to its major business routes.

The second was an ambitious project of fare rationalisation after the new Qantas CEO, Geoff Dixon, made Adams group general manager of marketing in 2001. Adams proposed and implemented a reduction of the numerous fare types to eight core fares, introducing to the southern hemisphere a system for managing yield that enabled value-based decisions to be made about discount fares and aircraft-capacity allocation. It was

acknowledged as contributing more than half the domestic business's then record annual profit of more than \$100 million.

It is also acknowledged by industry insiders as the major contributing factor to the collapse of Ansett. From a people perspective, this devastated Adams, who was characterised above all else by his empathy with and consideration for others, whether they be his colleagues, staff or employees of a competitor.

In 2001 Adams was appointed founding CEO of Australian Airlines mark 2, with the brief to build an international full-service, long-haul, leisure airline from the ground up, the first time this had been attempted anywhere. Qantas made the task more challenging by stipulating that it had to be 25 to 30 per cent more cost-efficient than Qantas and not fly on any routes that Qantas already serviced.

It was a daunting task, and Adams took it on with his usual enthusiasm and ingenuity. He inherited strategic plans for a traditional two-cabin airline, but soon realised that a full-service, economy-only airline made better sense. After convincing the Qantas board of the new airline's livery (design and colour scheme) by pouring onto the boardroom table a bottle of red dust he had collected from the roadside outside Alice Springs, he assembled a small, close-knit team.

Whether they were leasing planes, building facilities, negotiating with governments, regulators, unions, travel agents or suppliers, in Australia, Japan or elsewhere, they would do it together. On many occasions he allowed the responsible executive to take the spotlight in presenting to the Qantas board, Australian government or Asian companies and organisations, much to the surprise of overseas executives used to traditional hierarchies.

He based the airline in Cairns. Often he would be there to greet an aircraft on its arrival at 4am, much to the consternation of the flight and cabin crew - until they realised that all their CEO wanted was to say "g'day" and "thank you" and find out how everything was going.

The airline operated profitably until the Bali bombing, the SARS epidemic and the Asian economic downturn of 2002. Although Adams acted swiftly to rationalise its services, the spectre of terrorism took its toll and in 2006 Qantas wound up Australian Airlines, absorbing its staff back into the main airline.

However, the venture had proven to the Qantas board that a second brand that fulfilled customer expectations with lowered costs could be established without damaging the parent brand. It served as the blueprint for the establishment of the Qantas budget offshoot, Jetstar. There are many who still think fondly of their connection with the culture of excellence at Australian Airlines and believe its Aboriginal-style motif kangaroo on the red earth of central Australia remains one of the best airline liveries in the world.

In 2003, with Qantas' focus on cost savings and the creation of independent business units, Adams was brought back into the main airline, to put the "Sustainable Futures" program back on track. He conducted a "know your competitor" investigation of all Virgin operations and flew on Virgin many times. He noticed that if a Qantas and a Virgin flight pushed back from the terminal at the same time, Virgin would get takeoff clearance first because its inflight safety announcement was shorter. He had that fixed immediately.

When there was a serious obstacle, Adams would reduce the "elephant" to bite-size "elephant burgers", enabling his team to think through to a solution, often with the aid of a small football he would throw from hand to hand while walking around the office.

Adams faced a further challenge with his appointment as executive general manager of associated businesses and freight. If Qantas Freight was to operate on an autonomous basis, he needed to create an acceptable cost-revenue relationship between it and the passenger airlines in the Qantas group for the use of their available cargo space. Adams devised an innovative formula that was acceptable to both business units, based on revenue rather than cost-allocation methods, which in the aviation industry had proved unsatisfactory. His approach has been adopted by airlines around the world.

Adams had a disarmingly dry sense of humour, which he used to good effect in many inspirational public speeches, and spoke without notes. He kept a log of every kilometre he had ever flown in his life and would note that his average ground speed throughout his life was some seven kilometres an hour. His maxim that there is no substitute for personal contact meant he always worked in the same building or on same floor as his department, and avoided what he thought of as the "head office" mentality. He elicited staunch loyalty from all who worked with him. It was not unusual in Qantas for staff to apply for positions just because they would be working in Adams' team. His staff knew that the best way to put a proposal to him was to reduce it to three sentences and, if it was a written submission, to seriously consider putting the last sentence first.

For a man who was always on the go, retirement in 2005 meant only a slight change in direction. He remained a member of the boards of the Qantas joint-venture companies Star Track Express and Australian Air Express through to 2010. He also joined the boards of Perth Airport and Queensland Airports and stayed on those boards,

participating fully, until ill health forced him to resign in June. True to type, Adams had not told anyone outside his family of his illness until it was absolutely necessary.

In whatever he did with his colleagues, family and friends, he treated everybody as he wished to be treated. He made it his business to know everybody with whom he came into contact, to say hello, to remember what got them out of bed each day, to respect them and to encourage them. It did not matter if you worked in the cargo floor, the cockpit or the boardroom. With a kind word or a supportive comment at an opportune time, he would make a person's day and maybe make a marked improvement to his or her life. The only criticism of him was that "he was far too nice to be in the cutthroat aviation business".

He is survived by his wife Margaret, his children, Julia, Matthew and Harry, his grandchildren Jack and Isla and his brothers, John and Michael.

Article by Margaret Rush ex TAA Legal Department, and as published in the Melbourne Age, 31<sup>st</sup> October 2012 with Andrea Staines, Terry Murphy and Greg Robinson and the Sydney Morning Herald 31<sup>st</sup> October 2012