

Lifting Off

As the fastest-growing airport for both international and domestic travel, Adelaide Airport is flying high on the back of strong strategies and innovative initiatives.

Images courtesy of Adelaide Airport

The transformation that Adelaide Airport has seen in the past two years has been meteoric. With positive shifts in culture, operations, and processes, and the status as the fastest-growing capital city airport for international and domestic travel, Adelaide Airport is set to take off and conquer new horizons as the company continues to evolve.

As the fifth-largest airport in Australia, Adelaide Airport is ready to tackle new challenges and attract vital visitors to the state of South Australia. Since Adelaide Airport Limited purchased 90-year operating leases for Adelaide and Parafield airports in May 1998, the company has safeguarded and nurtured its responsibility as the aviation gateway to South Australia.

With the airport processing nearly eight million passengers annually, it's a task and responsibility that Managing Director Mark Young and his team take very

seriously. Since taking over from former leader Phil Baker in 2011, Mark states that he's worked hard to cultivate the company and collaborate cohesively across the organisation.

"Prior to this role, I spent nearly 20 years in a contract mining, ASX-listed company, which was involved in open-pit and underground mining. We were a building construction and civil engineering group operating throughout the Asia-Pacific. I was in that company for nearly 20 years and a large part of that was as finance director."

This financial background has served Mark well in the past three years as he has overcome crucial challenges in his role as managing director of Adelaide Airport. However, Mark argues that he doesn't like to be pigeonholed as a finance executive. "I always find this notion of being boxed into one discipline strange. You're finance or you're legal or you're engineering. I don't look at it that way. I think the issues facing CEOs

and managing directors are pretty consistent irrespective of whatever pathway they took to the role.

"I think those issues really centre around having a vision, looking to define and develop the right culture, setting your strategy in conjunction with your management team and board, and then getting alignment around your major stakeholders. Whether you're publicly listed or privately listed, I think the principles remain the same.

"You need to define your culture and develop your strategy with an understanding of the key drivers for your industry and for your stakeholders. Then, you've got to make sure that your strategy and your business plan is well aligned, and that requires a lot of communication. I think those are the key things for CEOs."

These universal challenges have been the key focus for Mark as he and his senior team transform Adelaide Airport and its crucial culture. "Culture cuts across the >



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organisation. It defines your staff and it defines how you're seen externally and how you operate internally. Employee engagement starts with having a strategy and vision. It has to be real, your team has to believe it, and you have to walk the walk and talk the talk. You have to believe it for it to be effective.

"How you do that is really defined by your company culture. A good culture that I like, and one that we aspire to and strive for, is a learning and listening culture. We do a variety of things. We have a number of staff surveys that concentrate on engagement levels, among other things. We develop cross-functional groups within the company to look at specific projects and we'll form those teams for periods of time. They'll be scoped, resourced, and various people are asked to collaborate and contribute. I think through all of those different avenues you build a solid and strong level of engagement."

These cross-functional teams have become increasingly popular among Australia's leading companies as they recognise the benefits of cross-functional collaboration. Mark notes, "Everybody likes to be given the opportunity to have some input. Given the licence, authority, resource, and time, people can think across the business and come up with some amazing ideas."

"Just because you work in one area doesn't mean that you park your

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brain and all you have to think about is that one area. Everybody appreciates being valued and having their opinion valued and you can get some pretty good outcomes as a result."

These outcomes are clearly evident, with Adelaide Airport undergoing a raft of changes since Mark assumed leadership. "If we look on the business development front, Adelaide Airport has been the fastest-growing capital city airport for international traffic over the past three years. In the past few months, it's also been the fastest-growing capital city domestic airport in Australia."

"The international growth has come about as a result of many years of targeted strategic business development. We saw a real game-changer—I don't like using the word but this was a game-changer—with Emirates commencing services to Adelaide in November 2012.

"We've seen AirAsia X come to Adelaide, and our existing airlines Malaysia Airlines, Singapore Airlines, Virgin Australia, Qantas Group, and Air New Zealand are all increasing capacity. We've seen something in the order of an 80-per-cent lift in international capacity in and out of Adelaide in the past two years. We've more than doubled the number of destinations that people can fly to from Adelaide. It's very important for South Australia in terms of our visitor economy, and recently published international visitor statistics have shown that South Australia is one of the fastest growing states for international visitation."

This shift has been substantial for Adelaide Airport but Mark says the foundations were already in place. "It takes a long time to do this. It appears to be an overnight success that has happened inside the past two years but that's not really the case. It's something that has taken years. Again, that's one >



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of the ways in which CEOs and MDs should be remembered. It should be about the legacy that the CEO leaves and the health and success of the organisation once the baton has been handed on. There's no question that Phil [Baker] left a very robust and well-operating organisation."

The importance placed on the organisation and its vital vision and values leaves no room for egos at Adelaide Airport. "Our vision is to be a top-tier airport business centre in the Asia-Pacific. We want to be recognised for delivering exceptional outcomes for customers, shareholders, and the community. Our values really centre on being accountable and operating and conducting ourselves with integrity. We want to be responsive and respectable to our customers and our stakeholder base. We really strive to offer a good customer experience and deliver high-quality facilities and services that can be regarded as best-in-class.

"If we look at some of the things that have happened on my watch, apart from the business development, we've seen the establishment of a unique airport forecourt and a plaza area combined with a multi-deck connected car-parking facility. As a result, the whole front door of our airport terminal has changed. We now have a seamless and all-weather connection from car to plane, which 10 years ago wasn't the case.

"The various stages of the car park and those facilities were developed and constructed over the past few years but we've only just put the finishing touches on them with some additional retail, water features, and attractions in the plaza forecourt, so that's really just been finished off recently."

These new facilities also allow Mark and his team to promote the state that they're so proud of. "The airport is the gateway to South Australia," says Mark. "We



do focus on and are very mindful of our part in the tourism and visitor chain. We really do strive to showcase the best in the state. We use the terminal and new plaza space to promote the very best of South Australian culture, art, food, and events. Through our connections with state government and the South Australian Tourism Commission we're quite plugged in and able to contribute to promoting the state in the way we all want it to be seen."



"Innovative, imaginative, and market-leading are three words that immediately come to mind when working with Adelaide Airport. We feel that Aerosure's relationship with Adelaide Airport reinforces our vision of what a partnership is all about—trust and integrity." - Greg Rector, Managing Director, Aerosure

It's this passion and pride that really sets Adelaide Airport and its team apart from other industry players. Mark states, "Every airport is different. I think what's great about Adelaide Airport and the state of South Australia is that it's very easy to use and it offers a seamless experience from the airport to the city. For the business traveller or the leisure traveller, the proximity of the fantastic regions around Adelaide is ideal.

"From the wine regions like the Barossa or Clare valleys to areas of high cultural and environmental significance like the Flinders Ranges, or wildlife experiences on the Fleurieu Peninsula, they're very close to the city of Adelaide. I think people who come and experience that for the first time are generally blown away by how easy, close, and connected everything is. That's a strategic advantage for our state—the ease and connectivity of everything. You can have some wonderful

experiences just an hour's drive outside the city."

While these advantages have been a major benefit for Adelaide Airport, Mark says that it's the company's key partnerships and relationships with suppliers that have made a big difference to its success. "We deal with suppliers in much the same way that we deal with our own internal vision and culture. We like to see a cultural fit. We will then look to embed some of those things into service-level agreements that we have with the various suppliers.

"I think a wonderful, recent example of this is the arrangement that we have with our security screening provider ISS. While I can't talk about the commercial terms and conditions, it is a multi-year, multimillion-dollar contract that we have with them. ISS worked with us through the contract and tendering process to redefine their own culture here at the airport and to refocus on what



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were the things that we were looking for from a customer service perspective.

“When you’re a user of the airport and you go through that screening process, it can be a challenging and daunting experience. Getting the right staff who can provide safety with a smile and make it as convenient and easy as it can be is essential. We also get feedback from people on the spot so we can get real-time information and flow that back to the staff at those security points. They work closely with us to identify and align with our cultural values, and we do the same with theirs. Together we’ve produced quite a good model and some very nice things have happened as a result. They’re only little things but those little things can make a big difference. Developing common staff rooms that are brighter and nicer has been a significant change. The fact that they’re common is important as well, as all our staff now mix together.”

This collaborative approach has been a key fixture in Adelaide Airport’s partnerships with major suppliers, from the Royal Flying Doctor Service to Rider Levett Bucknall, Thomson Geer, Aerosure, RBC, and Hughes PR. Mark says these partners are constantly collaborating and communicating with his team.

“We look at ways to create shared value. We can partner with ‘inner circle’ stakeholders to create



mutually beneficial outcomes that can go beyond normal customer/supplier relationships. This concept applies equally with our customers, stakeholders, and communities.

“It involves a shared vision and values and deeper information sharing. Ideally, the relationship delivers more than increased profitability to the entities; it also adds strategic benefit. This may take the form of improved reputation, branding, industry influence, or organisational sustainability.”

Organisational sustainability is definitely on the minds of Mark and his team as they look towards the horizon for Adelaide Airport. “A little later on this year we will be putting out for public consumption our long-term vision for the airport,” announces Mark. “This will come in a variety of different ways but our master plan will be out for public consultation.

“It will outline what our intentions are over the next 20 years, in terms of the expansion of the airport, particularly the aeronautical facilities, but also our transport networks and property vision. It will detail how we see the non-aeronautical aspects of the airport campus and precinct being developed over those 20 years.”

While Mark is setting his sights on the next two decades, he reflects on how the Adelaide Airport team has thrived in the tough Australian market. “I think it’s all about defining your brand in your market and promoting the benefits of just how important it is to have an airport in your state and city that is vibrant, growing, and developing in tune and alignment with the strategic context that your city and state is developing in, so that each is adding to the other rather than constraining.

“This comes about with the right sort of transport networks and allowing the airport traffic to grow. Our airport precinct employs around 9,000 people and generates about a further 6,000 indirect full-time jobs off-airport. It contributes \$1.9 billion, which equates to 2.1 per cent of the state’s gross state product, so it is a significant economic driver for the state. It’s also a significant part of the growth of the state.”

As South Australia and Adelaide Airport continue to grow in tandem, Mark and his dedicated team will consistently strengthen and support the airport and its brand, facilities, and operations. With more and more international and domestic visitors choosing South Australia, Adelaide Airport will keep its eye on consumer behaviours and market trends to deliver a streamlined, seamless, and ever-evolving customer experience. ●

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