

EXECUTIVE LEADERSHIP

MICHAEL O'LEARY



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“100 million passengers is a huge business developed over a small number of years”

Panel judge

Few chief executives have been quite as identifiable with their airline as Ryanair boss Michael O'Leary.

His “take it or leave it” attitude embodied the Irish budget carrier’s carrot and stick approach to customer service – a heady mix of attractive low fares and punitive charges which fuelled the profitable transformation of a small Irish regional carrier into a pan-European airline handling over 100 million passengers a year.

“He’s done a great job – 100 million passengers a year is a huge business developed over a small number of years,” a panel judge said.

In the process, O'Leary created one of the most recognisable and effective – if relatively unloved – brands, whose commitment to its low-cost model was known well beyond the airline industry.

So when Ryanair first started talking about customer service – albeit softly around punctuality rather than luxury lounges and haute cuisine – few would have anticipated either the direction or speed of change.

Or course Ryanair is hardly blaz-

ing a trail in moving upmarket. In the USA, Southwest Airlines, the model on which Ryanair was built, has passed the low-cost mantle to the likes of Spirit Airlines and Allegiant Airlines. Closer to Ryanair’s home, EasyJet – with a presence at more primary airports from the outset – has enjoyed success in moving upmarket and shedding some early trappings of budget travel.

What sets Ryanair and O'Leary apart is not the strategy it is following but the ways it has embraced it – and that it has been achieved with O'Leary in the driving seat. EasyJet’s repositioning has been a long game of subtle changes, achieved during a journey in which successive chief executives have been travelling. Ryanair’s success has been driven by following O'Leary’s low-cost doctrine, so the change in strategy marked more of an about-turn for the carrier.

And while it’s clear O'Leary always knew this was a journey the carrier would one day need to make, it was perhaps less clear he would be the one to lead it.

“I think that at a certain point, once you’ve got those last big conquests – Dublin, Stansted, aircraft – it’s the right time for me to go,” he told *Flight Airline Business* in 2009, “because Ryanair needs to change from being a cost-aggressive, confrontational airline into being a more ‘corporate’, caring, sharing company by getting rid of the hated chief executive.”

But remain he has. O'Leary signalled his intent by signing up for another five years and installing a new management team – which while retaining much of the bel-

ligerence of old-school Ryanair, also talked about the customer and softened the rough edges of the carrier’s public profile.

Co-operation with previously off-limits parts of the industry – GDSs, mainstream airports, interlining with network carriers – has moved on to the agenda. The punitive charges have slowly been stripped away, to the point where it is even scaling back the bag fees it helped make an industry standard in Europe.

But most impressive has been the result. While the oil price has played its part, the airline – fuelled by delivery of its new batch of Boeing 737s and customer friendly image – has over the past two years added 25 million passengers to become the first European airline to pass the 100 million market; lifted passenger load factor 10 points to over 90%; and more than doubled net profits to a record high of almost €1.5 billion (\$1.7 billion).

While O'Leary will stay true to his ways, including refusing to collect industry honours, the change he has overseen at Ryanair is such that he is the first non-network carrier boss to be recognised in The Airline Strategy Awards executive leadership category.

Graham Dunn



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Load factors are over 90%

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