

JONATHAN PATRICK ADAIR ADNAMS OBE (S65-73)

The following extensive interview with him appeared in *The Times* on 14 November 2009 – see http://business.timesonline.co.uk/tol/business/movers_and_shakers/article6916086.ece



At leisure: Born into a family of brewers? Ok, I'll play the banjo



"Beer from the coast" runs the no-nonsense slogan of Adnams, the Suffolk brewer.

So here I am at the coast, in Suffolk, to spend the day with Jonathan Adnams, the company's executive chairman. Sadly I'm not here for the beer. Instead, we've met at the Levington marina on the Orwell estuary – one-hour's drive south of Adnams's Southwold brewery – and we're about to set sail on Mr Adnams's yacht: Sole Bay Blue, an elegant 43-footer that sits sea-ready at one of the best berths in the marina.

But to get a feel for this unconventional scion of a 137-year old brewing dynasty – Mr Adnams is the great-grandson of the company's cofounder – the scruffier eastern edge of the harbour is a better place to start. There you will find another blue-hulled boat. Not a sleek Italian-designed cruiser but a 23-foot Colvic Watson: a double-ended motor-sailer that, with its pill-box wheelhouse and stub mast, looks somewhat out of keeping with its smarter neighbours.

"I built it myself. I bought the hull and fitted it out as a fishing boat", says Mr Adnams, who spent a year in his teens catching cod and herring in the North Sea. Not all of his family were convinced he would make it to sea. "My mother said 'You've been building the thing for two years. I thought you'd never finish it. You'd better call it Tenacity'. So I did".

That early working life explains why, standing in the cockpit of his yacht, clad in jeans, boots and a canvas top, Mr Adnams comes across more Jack Tar than corporate day sailor. Not that we are going too far – or even out to the open sea. Today's trip is no more testing than a foray to the mouth of the Orwell at Felixstowe, and then a stretch up the Stour. It should be plain sailing. It's a beautifully clear autumn morning and there's a steady seven-knot breeze blowing from the west.

We pull away neatly from the end of the jetty and, once clear of the harbour wall, hoist both sails.

"As a boy I would go out dinghy sailing or inshore fishing with my father," he reflects. "I didn't really get into sailing until my early 30s."

But it is the variety of Mr Adnams's exploits afloat that marks him out from most amateur skippers. In his school holidays — he attended nearby Framlingham College — he worked on a gravel dredger based in Southwold. "It was all run on a shoestring. It was like Fred Karno's army. We were always running aground, getting a hole in the side, or halfway to port, finding we didn't have the right chart, and having to turn round. It was a great experience."

Then there was the spell on the fishing boat. "The season was short but the hours were irregular. Out at six in the evening, back at three in the morning. I had a smokehouse and sold the fish at Lowestoft market."

Not the usual first step after a private education — and certainly not from someone who might otherwise be expected to follow the family line. "It might seem unusual but when you grow up in a small town on the North Sea it's not such an odd thing to do," he counters.

When he did make the move towards his father's business — he agreed to study estate management at Southampton Technical College — another seafaring passion got in the way. From the age of 18 until 45 (when the statutory age limit forced his retirement), Mr Adnams crewed the local Southwold lifeboat. That attachment extended through college, during which he delivered lifeboats around the British coast from the RNLI's depot at Cowes in the Isle of Wight. Eight years since stepping down as senior helmsman — he turns 53 this month — it's a job he still misses. He talks enthusiastically of his time on duty, whether rescuing downed RAF pilots, stranded fishing boats or careless holidaymakers blown out to sea. "I did more than 200 service calls. It was a big part of my life."

The bonds forged in those days persist. His regular second mate on Sole Bay Blue is another former lifeboat hand from Southwold, John Palmer, who is also crewing today.

The navigational hazards on this trip should be minor. No more troubling than the few other yachts — mostly smaller and slower — that are also out on the estuary, the falling tide (Mr Adnams admits to having glanced the mudflats before) and the vast slab-sided container ships that line Felixstowe docks. As we draw level with the port, the combination of office-block sized vessels and the convergence of two river valleys means the wind becomes erratic — or "flukey". It seems a good time to talk business.

After a tough 2008, Adnams is now on a more even keel. A strong brand, a broad range of ales and consumers' increasing concern with provenance has enabled it to outperform both the on-trade and the cask beer market as a whole. Adnams's sales through pubs rose a creditable 2 per cent in the six months to June 30.

It has also been able to take advantage of the disposal programmes forced on the larger chains by their mountains of debt. This year, in its first acquisition in eight years, Adnams picked up three long-coveted Suffolk pubs from Punch. "This is not a numbers game for us but where there are pubs that fit our portfolio we will clearly take part," he explains.

Less assured has been the performance of Cellar & Kitchen, Adnams's foray into retail through a chain of nine upmarket wine and kitchenware shops. "The timing was not great," Mr Adnams concedes. "We launched in 2007 just as the world started to turn down." A weak pound has also proved a drag for the start-up division, which sources its products in euros.

A change in shoreside scenery provides the cue for a change of subject. As we enter the mouth of the Stour we pass the docks at Harwich, where massive wind turbine blades lie on a barge, awaiting delivery to the newly commissioned Gunfleet Sands wind farm off the coast of Essex.

Unsurprisingly for someone whose hobby harnesses the power of the wind, Mr Adnams has been in the vanguard of his industry's efforts to source renewable energy — a move that has brought the brewer countless environmental awards. The initiatives include a £6 million distribution centre, which uses solar

panels to heat water, rainwater to flush toilets and wash vehicles and is insulated by a "living roof" of sedum plants.

"It cost about 20 per cent more than a standard tin shed but it's a question of doing the right thing and looking to the long term," he explains.

The company has also undertaken an £8 million modernisation of its brewery, incorporating an energy recovery system that captures the steam produced by the brewing process as a source of heat. Those modifications prompted Tesco to approach Adnams to produce Britain's first "carbon-neutral" bottled beer: East Green, made from local Suffolk barley.

Other renewable projects are being explored, including plans to generate energy from waste and to replace Adnams's diesel-powered delivery fleet with electric vehicles.

But if Mr Adnams is an atypical brewer, he is also an atypical sailor in the seas he seeks out. For a start, he sails all year round, only taking Sole Bay Blue out of the water for a week in the spring and summer for essential maintenance.

"I love the North Sea in the winter. It's fantastic. You've got it all to yourself," he says. That all-weather approach explains how in just six seasons he has notched up than 11,000 nautical miles.

Mr Adnams also eschews the more obvious sailing destinations. His favoured longer trip is across to the Netherlands, taking in the ship canal that links Amsterdam to IJmuiden on the Dutch coast, as well as the most westerly chain of the Friesian islands.

"Sailing in the North Sea can be quite a challenge. The shipping lanes around Rotterdam are obviously very busy. Then there's the wind farms, gas rigs and laid-up ships on their moorings".

But perhaps most atypically — at least for the alpha male world of company chairmen that he inhabits — Mr Adnams does not race.

In earlier days he has participated in the annual Inter-Brewery regatta on the Solent, but the attraction has waned. "Sailors that race are a slightly different breed. I can't be doing with all that shouting and running around, and the worrying about how much weight is on the boat. We like to sail well. I'd rather do a good passage — getting the plot, the chartwork and the tidal gates right. It's the pilotage aspect that really appeals."

So where next? He has no desire to cross the Atlantic or potter round the Mediterranean. Instead, when time permits, he plans to test less temperate climes: namely Scandinavia — southern Norway and Denmark — and the Baltic coast.

Which naturally leads on to another of Mr Adnams's quirks: his attempt to learn Lithuanian — a language spoken by fewer than four million people.

"When I gave up the lifeboat I told myself I'd learn a language and a musical instrument." The latter has led to a self-taught assault on the bluegrass banjo. The former has been fulfilled through lessons in Lithuanian. "I have an old friend who has married a Lithuanian woman, and I wanted to be able to speak to her and her family in their own language," he explains. He has also become a regular visitor to Vilnius — not just as a tourist, but also on business to source brewery equipment.

"I've passed three exams in Lithuanian so far, and I've got the certificates. But for some reason my Lithuanian friends find that hard to believe."

We are soon back on the Orwell. The sky darkens, the water becomes choppier and the pace on deck picks up: we are heading into the wind and have to make constant short tacks — a task made more frequent by the estuary's low ebb.

The tide has also put paid to our plans for lunch. The original itinerary was to put ashore at the Butt & Oyster at Pin Mill, one of Adnams's newly bought pubs. However, the coincidence of lunch hour, low water and the yacht's two-metre draught has put the jetty out of reach. We make do with soup and sandwiches instead.

It seems in no time at all we are approaching the marina, where we tie up with the minimum of fuss. Mr Adnams strikes me as one of the better skippers with whom I've sailed: unflappable, down to earth, clear in his instructions and finely attuned to subtle shifts in the elements. Not bad traits to bring to a boardroom.

I leave him filling in his log book. Such paperwork is a requirement of maritime law but for the meticulous Mr Adnams, who takes such pleasure in plotting courses and consulting charts, I sense it is not a chore.

But as I step on to the jetty and lilt up the pontoon with the yacht's motion still in my legs, I can't suppress a slight feeling of disappointment — not to say unsatisfied thirst. I had rather been looking forward to the rare opportunity of supping an Adnams in an Adnams with an Adnams.

Another time, perhaps.

Brewing brothers who bypassed Newbury for the Suffolk coast

If St Helens is synonymous with Pilkington and Bournville with Cadbury, Southwold in Suffolk has come to mean Adnams.

The company's distribution centre at outlying Reydon is the first thing you see as you approach the town from the A12. Adnams's brewery is Southwold's biggest building, the company runs the town's two hotels and, with 320 staff, it is by far its biggest employer. Since 1990, an Adnams charity has distributed a percentage of the company's annual profits to causes within a 25-mile radius of Southwold's parish church.

Beer has been brewed here since the 14th century. But the Adnams name did not arrive until 1872, when George and Ernest, two brothers from Newbury, bought the Sole Bay Brewery. Eight years later, George emigrated to South Africa — where he was eaten by a crocodile. Ernest stayed to develop the company, which, unusually for a small regional brewer — its equity is valued at just £35 million — has retained its independence to this day.

But that autonomy is now being challenged. Adnams's shares are traded on Plus Markets, enabling Guinness Peat Group (GPG), the activist investor, to build a 5 per cent stake. GPG has called for the company to dismantle the "anachronistic dual share structure" that gives the Adnams family and other long-standing backers effective control — an echo of the ultimately successful campaign it waged against Young's, the London brewer.

Jonathan Adnams, the executive chairman, remains sanguine — as well he might given that GPG has just 2.5 per cent of the voting stock, against about 50 per cent in the hands of the family and associated parties. "I don't see the structure as an issue — and it is not something that other shareholders have raised with me. If there is one shareholder that keeps advancing the same argument, but the majority are happy, there is not much that I as chairman can do about it."

The following is taken from the BBC website announcing Jonathan's OBE in the 2009 New Year's Honours List :-

A chairman of a leading brewery, based in Suffolk, has become an OBE in the Queen's New Year Honours list.

Jonathan Adnams, executive chairman of Southwold-based Adnams brewery, has been given the honour for corporate social responsibility.

Mr Adnams, who was also a member of Southwold's lifeboat crew for 28 years, has promoted energy-efficient buildings at the brewery.

He became Chairman in 2006 after becoming a member of the board in 1988.

Mr Adnams said: "I am delighted to accept this honour as a public acknowledgement of what Adnams has achieved over the years.

"Wherever possible, our aim is to make long-term decisions that are good for our business, employees, our community and the environment.

"Adnams has been brewing beer in Southwold since 1872 and I firmly believe that our approach to sustainable business and commitment to doing the right thing will keep us here for many years to come."

The newly-installed Adnams brewhouse features an energy recovery system which captures the steam from each brew to heat the next.

The achievements made in reducing environmental impact were celebrated earlier this year with the launch of Adnams East Green, the UK's first carbon neutral beer.

Recently Adnams have linked up with the Marine Conservation Society's Adopt-a-beach scheme and organises regular beach cleans on a stretch of Southwold's beach.

<http://news.bbc.co.uk/1/hi/england/suffolk/7804946.stm>