



Director
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Next Generation Directors

BoardInsights



Anne Sherry • Layne Beachley • John Irving • Ilana Atlas • Mike Utsler
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Ann Sherry

Ann Sherry AO is the Executive Chairman of Carnival Australia, the largest cruise ship operator in Australasia and a division of Carnival Corporation & Plc. In 2007 Ann joined the organisation as CEO and since then has transformed the industry and seen the organisation grow at double digit rates each year. This month we were honoured to be able to speak with Ann about her executive and board career, and hear her advice about what people need to consider when beginning their board career.

You were named the most influential woman by AFR Westpac in 2015 – which was quite an honour.

Honestly I was surprised, partly because I didn't know it was coming, and of course pleased because it was recognition from somebody else, which always feels more meaningful. But ultimately, I thought – great, what can I do with this.

I've found a few interesting things to do with it over the last 12 months.

Did you always know you wanted to be a Chief Executive?

No I didn't. When I was growing up, women didn't do those things. I've always had a burning passion to do things differently. I guess you would have described me as being a contrary or a difficult child!

If you don't like the status quo then I always had the view that you have to change it. I didn't really think that being a CEO was the only way to do it though. When I was a young woman, there were virtually no role models. Women were other men's wives.

My mother always worked however, so I did grow up with a view that education was important for girls, and that you needed to have your own things in life. So I guess there was a piece of me that had a slightly different experience to other girls my age. My desire to be a CEO came much much later.

You stepped into the Carnival role in 2007 at quite a tricky time in the history of the business. Did you have any concerns about taking on the role?

I did a lot of due diligence and I certainly went in with my eyes wide open. I think there are very few times in your life where you get the chance to work with what is at its core, a great business. And to get it when it needs re-building re-imagining, revitalising provided a great opportunity.

So I saw the opportunity rather than I saw the problems. Most people thought I was mad, and they said so. Why would you leave banking and go to 'tourism' and why could you take on this business?

Everyone else could see the downside but I could see the upside.

That probably reflects a bit about who I am. I looked at the business in the US and looked at how good they were, and how big they were, and then looked at our market and thought, we all live by the sea with all these incredible ports! We've got all these amazing destinations that you can get to on ships!

There is just such a great opportunity here for an organisation like Carnival Australia. Why wouldn't you have a crack at it?

You don't often get the opportunity to jump industry – particularly when you've been a CEO for a few years. Organisations are largely conservative with regard to who they bring on as the CEO. Even when they bring people in from the outside, they usually bring them from the same industry. So the opportunity to jump into a completely new industry and learn a whole lot of new stuff was an enormous opportunity.

What type of challenges did you face in the early days?

There were difficult times and challenges at the beginning. The first month in the job, the NSW Coroner had just concluded an inquest into the tragic death of Mrs Dianne Brimble and it had been on the front page of the newspapers for some time.



CARNIVAL
AUSTRALIA

And, in that same month we had a ship hit by a freak wave off New Zealand. We had to fly passengers home from Port Vila in Vanuatu and had to take the ship to an unscheduled dry-dock, something of course I knew nothing about. It was an interesting week, and I probably learnt more about the organisation in that single week than what I'd have normally learnt in months.

Operationally I learnt that we are a machine. If you need to get 2000 people from A to B, we find a way of doing it. We do it smoothly and everyone felt that they'd been treated well. When we needed to get the ship into dry-dock, the technical guys knew exactly what to do.

The operational underbelly and core of the business was and is incredibly strong. That gave me great confidence. The platform we were building on was fantastic.

The customer service people were amazing. They were on the phone to customers, talking to people on the next cruise. Logistically when you're dealing with those numbers of people, the complexity is huge. The customer service people were outstanding and it made me think that I was working in a pretty good business.

"Your ability to succeed in a board role really depends on the other people on the board."

Then of course I had the mad experience of engaging with all the technical people on the dry-dock. I'd never been to a dry-dock before and I turned up in my high-heels. You could see people thinking - either it's her or she's lost!

I had to put my overalls on with my steel capped boots to get into the ship and have a good look at it all. It was a real trial by fire, but I met lots of people as a result, many of whom I would have otherwise taken months to meet. I watched the business and its response at its most stressed, and was amazed at how it performed.

I guess that really was a good experience... even though it was a terrible time for the business. It also brought all of my international colleagues out, most of whom I hadn't met up until that point. It was interesting that many of them

said that they'd been in the business nine years before anything like that happened to them. So culturally I was able to get a really great feel for what the rest of the organisation was like. It was a big learning week.

"There's a real myth that people jump straight into listed boards.... You're not a bank teller one day, and then the bank CEO the next."

You've recently gone through another interesting transition from being Chief Executive to Executive Chair. How are you finding that, and what do you want your legacy to be in this new role?

For the first few weeks in my new role I had to be really disciplined about not doing what I'd been doing for the last nine and a half years – which was telling people what to do, or making suggestions.

The shift is actually a shift for me as much as it for the organisation. Of course I've pulled people up behind me, and I had to consciously push people out to them to get issues solved rather than letting them still come to me. One of the changes I've made is to limit the time that I'm actually in the office to only three days per week. That way I'm not overly visible, looking like I need things to do! I don't want to disenfranchise people who are now responsible for the brands of the organisation.

I'm getting into the swing of it now, and I'm focussed on the market itself. We still haven't got access to Garden Island for cruise ships during the height of the summer cruise season sorted but plans are advancing for a new cruise terminal in Brisbane to accommodate larger cruise ships. My role is now much more about the outward facing pieces, about how do we make sure that the market is optimised.

In terms of a legacy, I guess this phase of my time with Carnival Australia should be about ensuring that the market is ready for our next phase of growth. In 2020, a new, big P&O ship is coming – the first ever designed and built specifically for year round cruising in this market. We need to have the entire infrastructure ready both here and in the Pacific.



You've had a board career now for a number of years, and you are now taking on an international board appointment. Can you tell me a little bit about your experience and how these opportunities come about, and what thoughts do you apply when deciding to take on an opportunity?

I began my board career with un-listed boards, as I didn't want it to take up too much time while I was still a full time CEO. I've worked in the not-for-profit space, and on sports boards. In fact, I've tried a wide spectrum of boards.

What I've learnt is that sometimes the small or unlisted boards (depending on their sector, and how well they're performing) actually take more time than bigger boards and bigger organisations.

I've also learnt the lesson that it doesn't matter how good the board looks from the outside, your ability to succeed in a board role really depends on the other people on the board. It's like any organisation. The people you work with are critical to your capacity to have influence and be effective. So that has made me far more discriminating now than I once was.

I'm also conscious of boards that are interested in appointing you just because they see you as an answer to their diversity issue. Sometimes I'm inclined to say yes if I'm the first female on the board, because I like the idea of breaking down the barriers. But I've also learnt that sometimes that's not the place to be because sometimes you're just crashing into the wall of a hundred years of history.

That varies however. I went into the Australian Rugby board – and I was the first woman ever there, and that was a good experience. There was cultural change happening across the entire organisation at the time – not just in the boardroom. That board was made up of a really strong group of men who saw real value in diversity, and in change itself.

"I watched the business and its response at its most stressed, and was amazed at how it performed."

I've been the first woman and sometimes the only woman on a couple of other boards and have felt as though my inclusion has simply enabled them to tick a box, as the rest of it just hasn't been happening.

I've now learnt to look more closely at the board itself, rather than focus just on the organisation. The people dynamic on a

board is crucial – and is now a critical part of my decision making process. You come together for short and infrequent periods of time and unless the interaction between board members is good, you can get to the end of the meeting and feel as though you've made no progress.

You've been an advisor to Prime Minister level around diversity and how we get more women into the boardroom. What are your views about why we haven't had the correction that we've talked about for so long?

"First time directors should consider starting their board career working for a not-for-profit organisation"



In my view there are three things that still stand in the way.

People don't give up power easily and – you know, they're great gigs.

Secondly, because of all the dynamics that I've previously described, board members look for people they already know – so the clubiness on a board is real. Board members tend to look to people that they've worked with either in an executive role, or on another board, so you do end up with the same group of people going round and round.

And finally, there really hasn't been a requirement. The thing that has actually created change in the last few years has been the ASX guidelines. No amount of government policy or general conversation about diversity creates change. You need a regulator to say that it's got to be done and if you don't do it we're going to name and shame you. That has now got every board talking about their succession plan and where they need to go to find new board directors. At least there is now a conversation about it.

What advice would you give to people who want to pursue a board career?

Understand what it is you bring to a board.

I have a number of people who come to me and pronounce that they want to



be a director. That's most people's start point, and I'd say that that's probably not the best start point. The better place to begin is to ask yourself what you've got that would be of value to a board.

It's also important that you understand why you want a board career. Are you really after flexibility or want a part-time role, or is it because you really want to sit at the governance level of an organisation.

You carry a lot of risk as a board director and need to fully understand your role and governance responsibilities.

My first piece of advice is to work out what you really have to offer, and then package yourself up to present to the market.

Be clear that you understand what it really means to be a director.

You carry a lot of risk as a board director and it's important that you fully understand your role and governance responsibilities. You also need to ensure that you have at least the most basic training to become a director. You can't just fling yourself at the market hoping that a bit of you sticks.

I believe that first time directors should consider starting their board career working for a not-for-profit organisation. There is a learning piece that people need to consider. Without experience, how else do you understand what is actually involved in being on a board, or know how to run a risk committee for instance.

It's also important that people understand that they're not running the organisation. I often hear people say that they don't want to work in a not for profit as it's unlikely to be a paid role. Well, we all start somewhere and NFP's need great people, so in my view, you should first demonstrate what you can really deliver in that environment. Use that environment to test what you know and what you don't know – and make a positive difference while you're doing it.

"No amount of government policy or general conversation about diversity creates change. You need a regulator to say that it's got to be done..."

There's a real myth that people jump straight into listed boards. Certainly everyone I speak to who are on listed boards have all done significant work in the NFP sector. You're not a bank teller one day, and then the bank CEO the next.

Being a director is no different from being an executive. Find a way to learn the trade and then decide exactly what you want, and build a strategy to get there.

Work your networks.

That's what all directors do. Nobody knows that you want to be a director unless you talk about it – and nobody knows you're capable of being a director unless you demonstrate it.





Layne Beachley

Layne Beachley AO is widely regarded as the most successful female surfer in history. She is the only surfer, male or female, to claim six consecutive world titles, winning a 7th one in 2006, before retiring from the ASP World Tour in 2008. In 2015 Layne was awarded with an Officer of the Order of Australia for her distinguished service to the community through support for a wide range of charitable organizations, as a mentor for women in sport and as a world champion surfer.

Layne has achieved yet another first by becoming Surfing Australia's new Chairperson. She is the first former female World Champion of any sport to take on the role in a National Sporting organisation. Layne also sits on the board of the Sport Australia Hall Of Fame, is an ISA Vice President and is the Director of her own charity, the Layne Beachley Foundation, Aim For The Stars.



Layne you've achieved an enormous amount in your life to date but what qualities or personal attributes do you think have been the most important to your success?

1. Build Resilience

The first thing that comes to mind is my ability to adapt to change, bouncing back from adversity, my resilience.

I certainly haven't had the most normal of upbringings. When I reflect on it, I was conceived through date rape, born six weeks premature, lived in a humidicrib for six weeks, put up for adoption – and was never held, breastfed or even touched by my natural birth mother. All of this bred a lot of trust issues in me as a youngster.

At four years old I started surfing. I lost my mother when I was six, and Dad told me I was adopted when I was eight. There was so much to deal with – especially in those early years of life when I was most impressionable.

I have learnt that resilience is engendered over time. I'm also very fortunate that I grew up at a time when it was safe to fail. There wasn't the same level of scrutiny as there is today – especially in light of the pressure that social media places on young people to be perfect.

2. Have a clear vision

As an athlete it's relatively easy to be able to clearly articulate your objective. As an eight year old I set the goal to be a world champion. I didn't really know that my desire related to surfing specifically, I just wanted to become a world champion at everything I was good at. Until I narrowed my focus down to surfing I was too easily distracted by plenty of other things going on in my life.

As a Gemini, I am easily distracted by every day life. I can be intensely focused when I need to be and suddenly a bright shiny new thing will distract my attention.

3. Surround yourself with good quality people

Growing up in Manly I had a lot of dream thieves and life vampires who wanted to suck the life out of me, people who didn't want to see me succeed. I derived a lot of strength in wanting to prove them wrong. Surfing as a young

woman in Manly was threatening and hostile and intimidating at the best of times. Knowing that there was always a pillar of support around me was so vital to achieve success.

Research has shown that resilience in children is cultivated through having a strong stable relationship with one reliable adult – that doesn't have to be a parent. I'm very fortunate that I had those individuals throughout my whole life whether it was an employer, a mentor, a girlfriend, partner, my brother or my dad - having that pillar of support was crucial. I refer to those people as my honesty barometers as they elevate me and bring the best out in me.

How important have mentors been in your own career? How have they assisted you to achieve your goals?

Mentors have been incredibly important. The classic cliché that we've all stood on the shoulders of others to be where we are today rings very true for me. I think about all the people who I have relied upon – especially in times of darkness, unhappiness and despair, but also in more joyful times of success and celebration.

Having the right people surrounding me who genuinely want to see me succeed and authentically share in that success has been rewarding and satisfying. You become the sum of the five people you spend the most time with so choose them wisely.

You have a long list of 'firsts' in your career including being the most successful female surfer in history winning seven World Titles six consecutively) along with 29 World Tour victories.

And, from a board perspective, you've been a member of the Surfing Australia board since 2010, and a board member of the Sport Australia Hall of Fame, and last year you were appointed the first former female World Champion of any sport to take on the role of Chair in a National Sporting Organisation.

What was it like stepping into the Chair role at Surfing Australia that Norm Innis had held for eight years?

It was very challenging. But I love challenging the status quo – I love stepping out of my own comfort zone and taking people outside of their comfort zone because that builds resilience in all of us.

I became dissatisfied with the way the board was being led and felt it was time for a new chairperson. Norm had done an incredible job in driving the organisation forward, displaying great leadership and sharing his business acumen from his experience as a director of Quiksilver. His guidance helped turn Surfing Australia around, along with the employment of our CEO who has produced amazing results and continues to drive tremendous success for the organisation.

It was suggested by a board colleague that I stand for Chairperson. I had never considered it because I knew that a man was being groomed for the role – that was the succession plan. When it was suggested that I consider



the role, I instantly thought – no way, I'm a woman, there's no way I can do that.

Why do you think you had reservations?

It's the imposter syndrome. Even I was surprised with my own unconscious negative response. I put my hands down under the table in a physical state of silent defiance when the opportunity was presented to me.



The benefit in the decision-making process comes from the space you create between the stimuli and the response.

I walked away from the table and gave myself some time and space to seriously ask myself why do I want to do this. Through self-awareness I began to question my own doubts and fears and all of those excuses I created and decided to challenge their validity. Through that questioning I realised that I had the confidence of my board, significant depth and variety of skillset around the table, and I had a tremendous network of chair people who I could reach out to and ask for guidance and support. Those three things gave me the confidence to put my hand back up and go for the role.

We are extremely close to Olympic inclusion and that really excites me. I've recently returned home from my Layne Beachley high performance talent identification camp, mentoring and coaching the nations top under 16 year old girls, and I see the Olympics as a whole new aspirational opportunity other than the World Tour and something that can ultimately become part of my legacy. I want Australia to be the first gold medallists in Tokyo in 2020!

Do you feel fear, and is it a motivator for you?

I'm a fear confronter. I feel fear and it's normal – it's a natural response based on how you 'think' and feel, and this will ultimately determine how you act. Your actions will determine the results you produce in your life. If you feel fear and choose a state of denial, you will become immobilised which sabotages your future actions. But if you feel fear and ask yourself why you are afraid, and get honest with it – and as Brenè Brown says in *Rising Strong*, rumble with it a little bit, it's amazing how you can take back control, overcome your fears and create a life by design and not by default.



Fear appears in a variety of ways and not all fears need to be overcome. Some keep you sane to ensure you don't become reckless or arrogant, which is very useful when riding 50-foot waves. I was afraid the first board meeting I chaired and channelled that fear into deeper listening, questioning and learning.

Understanding what your fears are, and the fact that they're instinctive impulses is very important. Your ego fuels your fear because it's job is to keep you safe. I'm not fuelled by fear and I'm not driven by ego, but I'm very conscious of how fear will stop me in my tracks every now and again.

I'm fuelled by my value of improvement and willingness to embrace challenges so my desire to succeed is much stronger than my fear of failure. Remember, what you focus on expands.



You've faced head-on issues about gender equality in your career – I watched an interview between you and Mike Munroe where you spoke about experiencing first hand the draconian chauvinistic attitude of the surfing industry when you first sat on the board of directors of the ASP. While some say that attitudes are changing – there is still a lot of discussion about the under-representation of women on Australian boards.

What do you think it will take to get more women onto Australian boards, and what are your thoughts on the idea of introducing quotas?

I'm all for merit, however, if we don't set targets then the same conversations are had and nothing ever changes. One of the biggest challenges we currently face is the prevalence of the old boys club and the belief that the way that it's been done in the past is the way it must always be done. That lack of flexibility and adaptability is holding us back. As long as we remain stuck in this pattern we won't be able to break the behavioural cycle. The second point is the attitude of other women, especially senior leaders. There are a lot of women who are in influential and powerful places who don't make it easy for other women to follow in their footsteps. It's almost like 'I had to pay my dues, I had to blast through the ceiling, I had to struggle and I had to endure all the pain and suffering – so you have to endure it to'.

The one thing I'm not buying into is this propensity to celebrate male

champions of change. Why are we championing something that is just common sense? It's all about identifying talent in individuals, irrespective of gender. The statistics are there; they clearly show that there is an increase in productivity and profitability when boards and organisations embrace diversity. Considering the lack of gender equality in senior leadership roles within the majority of corporations, male leaders must challenge their own unconscious bias and lead the way by embracing gender diversity.

How do you change things then?

Patience, Passion and Perseverance.

When it comes to some of the boys' club behaviour in the boardroom - sometimes people just can't see the error in their ways due to "getting away with it" for so long. You set the standards by what you walk past and allow, and unfortunately we allow unacceptable behaviour to occur and occasionally it shocks us into submission. Sometimes we're so shocked by the fact that something just got said, that we lose the opportunity to respond.

As a lone woman on an all male board, I felt the need to be on my toes, and call people on any behaviour I considered to be unacceptable. You need to listen, think and choose a rational response that is free of judgement and emotion.

You have to establish clear boundaries in the boardroom and remain consistent.

Your foundation "Aim for the Stars" assists young women to achieve their dreams. Can you explain how the foundation operates, and how it delivers on its mission to assist young women?

I believe young women need emotional support, reassurance and positive role models to succeed in life. I value improvement, in my own life and those I work with so I want to ensure the girls who are coming through the ranks can pursue their dreams without the same level of hardship, challenge, and sexism I experienced throughout my surfing career.

Our mission is to empower young girls and women to invest in their future so they can fulfil their potential. We achieve this through providing financial and moral support.

Each applicant has articulated what her goal is, how the grant will assist her to achieve her goal and details about specific challenges she has overcome. There are some very inspiring women in our communities becoming future leaders and all they need is the reassurance that someone believes in them.

The benefits are much greater than just receiving financial support. In addition to the \$4000 grant, we provide a full wrap-around ecosystem for the girls. Each year we bring the winners to Sydney for our annual gala, which this year is on the 16th September, and we celebrate their success.

Upon arrival I teach them how to surf which provides them with a dose of humility, then we put them through a range of workshops that cover topics such as personal brand building, goal orientation, value alignment,

discovering self-limiting beliefs and how to turn them into positive extended beliefs. This is also supported with our Stars2Leaders program; a nine-month online personal development program specifically designed for our scholarship holders.

We also provide 12 months of individualised mentoring for each girl from a pool of wonderful female mentors who have voluntarily expressed avidity to support us.

How can individuals and corporates support AFTS?

There are a variety of ways that people can support Aim For The Stars. Individuals or businesses can become regular donors, they can hold an 'Inspired Morning Tea', donate to our events or attend our events – buy a table, or come as individuals, or they can volunteer to become a mentor.

What support do you need right now?

Right now we are looking for individuals or organisations that can assist us with our communications. Specifically we need someone who can provide storytelling skills pro bono. We've got a lot of success stories, and telling the stories of the girls is what will help sell the foundation and assist it's continued growth.

We know why we exist, but we haven't demonstrated the impact that we make and we'd really love help to do that. We are also seeking financial support from people who want to partner with us.

You've been a motivational speaker for many years, can you tell me a bit about that?

My surfing career taught me the value of story telling as a way to generate publicity and ultimately sponsorship because there were limited opportunities for female surfers back then. Now, as the most successful female surfer in history, I travel the world sharing my knowledge on topics such as sustained success, overcoming challenges, adapting to change and maintaining motivation.

I've also developed a workshop program called the ART of success (Attitude, Resilience and Truth), which I deliver to organisations and corporates to assist them in creating a more efficient, productive and profitable workplace.

It's a fun, introspective and sometimes challenging experience, as I facilitate participants to identify and acknowledge their self limiting beliefs, teach them how to cultivate a more positive attitude, build resilience in their decision making and learn to live authentically.

Many of us have subscribed to an illusion of a life that others have projected on to us. My objective through the ART of success program is to ignite human potential by creating a higher level of consciousness so people no longer respond to an old historical version of the self, shattering the inner glass ceiling and empowering people to live a life by design, not by default.



Who is the program best suited to?

Everyone can benefit from this program, however I think that it is of particular value to middle management as the purpose is to increase staff retention, personal accountability, productivity and efficiency. Recently, one organisation I was working with described a problem they referred to as the 'Pink Cliff' - right when women are about to make the leap up in their careers they step off the cliff. The question was why are women stepping out when they need to step in? What can we do to address this? That is where the ART of success can help.

Common beliefs such as the lack of opportunity, the imposter syndrome or a lack of confidence in knowledge and experience can become a major roadblock to career advancement and personal success. Through increased self-awareness it's possible to create an understanding of your own internal drivers and values, generating happiness and satisfaction through a sense of achievement.

The ART program focuses on personal accountability, eliminating unnecessary distractions or blame on external circumstances, ensuring people have set goals that are aligned with their values, increasing their personal success, which positively impacts productivity and profitability within the organisation.

It's about taking the onus off the organisation and putting it back on the individual, giving them the clarity of vision, the consistency of thought and the conviction to take ownership of the choices they make.

If you are interested in supporting the Aim for the Stars Foundation, or finding out more about Layne Beachley's ART program please contact Kylie Hammond at info@directorinstitute.com.au.

John Irving

This month we were thrilled to speak with John Irving, Chair of the AMPAG and State Theatre Company of South Australia's boards as well as Director of the South Australian Tourism Commission.

Along with these directorship roles, John is also a Business Advisor to a number of South Australian based companies, and shared with us his views on the role of a director, and the challenges facing the arts sector in Australia.



John – could you tell me a bit about your business background, and what led you to start your board career?

Originally I trained as an accountant and did four years of audit as most of us did back in those days, then had an opportunity to move into the corporate recovery area – liquidation, receivership and so forth. I really enjoyed the work and I've always gravitated towards a problem-solving situation no matter what I have ended up doing. I always try to solve and grapple with problems, and insolvency provided me with a great opportunity to do that.

In 1980 I began working for an organisation called Allert Heard and Co, and Rick Allert, who is a very well known public company board director these days, and John Heard were the ones who triggered my interest originally in board roles. At that time John Heard was the president, or the chairman of what was then the Australian Institute of Company Directors, and for some time I worked as John Heard's minutes secretary for those directors meetings. In those days I did a lot of running around, and that was probably what got me interested in the board side of things - just listening to those discussions. I especially like working in teams to achieve things and a board position gave me the opportunity to do that.

When did your board career begin?

The first external board I ever joined was the Royal South Australian Deaf Society, who were at the time looking for an accountant to join their board. I thought that was the perfect opportunity to get involved in something – both in an NFP sense, but also to be able to use the skills I had. I was on that board for about five or six years.

That experience provided a great introduction to boards generally. Apart from anything else it wasn't an easy board to be on. I'm not saying that in a negative sense, but there were a lot of issues to grapple with relating specifically to the deaf community, as well as the usual funding and financial issues that NFP's often have to content with.

The very nature of the organisation was challenging. Half of the board were

actually deaf which introduced a more complex communication scenario to work through to ensure we had all the appropriate discussions we needed to have. This provided me with a great learning opportunity. It taught me a lot of lessons about patience – which my wife tells me I don't have a lot of. I had to learn to give people the time and opportunity to communicate. Business people sometimes tend to go into the NFP sector with a view that perhaps they know more, and can have a tendency to preach a little. I think that was a great introduction for me because it taught me very quickly that I didn't know much at all and that I shouldn't be preaching to anybody.

What do you see as the biggest differences between an NFP board and a commercial board? Does this impact the way in which the board operates?

I don't believe there are any differences. I think if you treat an NFP board any differently from a commercial board then you'd be doing the board and organisation a real disservice. They are all there for the same reasons – they have all got a wide range of challenges. Certainly they will both always have a financial focus as well as a responsibility for overall governance and succession planning amongst other things. Making sure you've got the right senior team in place and the right CEO is vital, and succession planning for the CEO and for the board itself is an ongoing priority and focus.

In an NFP is there a pressure to deliver philanthropic or artistic benefit vs profit?

I see it differently – I think it's about driving the performance of the organisation. Whatever the outcome is that you're seeking, the board is obviously there to put in place systems and processes that will drive the achievement of that outcome.

That may include an artistic outcome, but it also involves the commercial outcome. The term not-for-profit is very misleading. We love making a profit - absolutely - the more profit or surplus that we make, the more we can plough back into what we're doing.

The risk profiles of NFP's and commercial organisations are also very similar. You see these risks play out almost every day. You can do an awful lot of reputational damage very quickly, regardless of whether you're in the NFP or the commercial space. Protecting the reputation of the brand is one of the key roles of the board.

You bring a strong mediation capability to your role, what have been some of your biggest challenges from a leadership perspective - either in your commercial or board career?

I gravitate towards problem solving type situations. I love teasing out issues and I love questioning people's perspectives. My wife is getting very adept at kicking me under the table at dinner parties where I tend to start doing that in say political conversations - she accuses me of leading people on!

For me it's about communication. It's about making sure that you're clearly understood in relation to what you want to achieve - but are also listening to what others are saying. None of us are 100% perfect, some of us are far from perfect, and we need to listen all the time to other people's perspectives - listening to the feedback we're getting so that we can continually re-calibrate what we're doing, and how we're seeing the world.

It's a trite thing to say, but the world is changing very quickly - and that is the same in the NFP space. You only have to look at what has been happening in the arts funding space over the last few months with the changes that Minister Brandis has imposed. Those changes caused a huge amount of effort, cost and focus having to be diverted from other core issues within the arts community. I mention it because it's a good example of what happens and why boards need to be continually looking out beyond the horizon, beyond their immediate day-to-day issues. They need to be actively asking 'What's out there today that's going to be impacting on us in the future?'

I'm in a very fortunate position in that I'm also chairing AMPAC, which is the Australian Major Performing Arts Group that is a representative company of the larger arts companies, and we were heavily involved in all of the discussions that stemmed from the changes to government funding. It was also very interesting for me personally as I was able to hear feedback coming from all sides and benefited from the variety of different perspectives that people had on the impact of the changes in Government spending.

But back to your original question - what is the biggest challenge? I think it's about communication and understanding. I think the biggest problems that I've ever had in my career have been when that communication broke down and there was a misunderstanding about what it was that we wanted to achieve, or how it was going to be achieved.

What skills or personal traits do you think makes a great Board Director and does this change depending on whether the director is on an NFP, or Commercial Board?

I think whatever board you join, you've got to be enthusiastic about what it is the organisation is doing. I've seen people join a board because they wanted to be on a board, rather than having an interest or passion about what that organisation was in fact doing.

Obviously you need to have the particular skills that the board is requiring. However, in addition to your functional expertise, individuals have to have another level of engagement in what is going on around them. You've got to be focused but you've also got to have a broader perspective on life because there are so many things that will influence the success or otherwise of an organisation.

You've got to be passionate about the organisation, you've got to have an enquiring mind, and you have to be asking questions continuously. You need to be testing all the time, and asking questions of your fellow directors, of yourself, and of the CEO.

I learnt that skill most likely from Rick Allert initially who always asked the



same question in different ways over and over again. You might get 10 different answers, but in those 10 different answers you'll be able to distil what's actually going on.

Have the skills required by the board changed over time?

I think there has always been a need for a diverse range of interests and skill sets on any board. However, these days there is much more of a focus that you've got a good process in place to ensure you are always checking that you have the right mix. In the boards that I'm involved with, we go through a regular process of reviewing the boards skills using a check-list to re-evaluate what skills we absolutely need, what we have at that point in time, identify the gaps, and address how we're going to fill that gap.

We go through that process every time we need to replace a director. When someone has to move on, we challenge ourselves by questioning whether we need to find a candidate with the same skill set, or whether we have another director on the board with a similar skill set, allowing us the opportunity to introduce some new capability to the board. It's a non-stop process of renewal. We need to ensure that the board is as relevant as it possibly can be for the time that it's in, and the job that it's got.



"Whatever the outcome is that you're seeking, the board is obviously there to put in place systems and processes that will drive the achievement of that outcome."

How much time do people need to invest in a directorship. What's involved?

I don't think there's a single answer to that. It depends. At a very minimum you are going to have board papers to review before each meeting and you must be on top of those board papers. That can sometimes be difficult when you receive a 2-inch thick pack of papers, at a time when you might have a thousand other things going on. I will admit that there have been occasions when I've turned up to meetings without being fully across the papers because of circumstances - and I hate it. I hate sitting there knowing that I'm not across all the information, and that really drives me then to make sure that I better prepare the next time.

You've got to be across the papers to start with but over and above that you need to be enquiring about the industry that your organisation is in. You have to be scanning the media to ensure you know what's going on more broadly. I'm involved with the arts, so I'm constantly looking for information about what's going on. Whether it's on a twitter feed, or a news story,

it's all-important. It all provides context and helps you to understand the environment within which your organisation is playing.

In terms of time, as much as it needs and that will vary - sometimes it's a lot - particularly if you get yourself involved in committees. Because of my background I often end up on the audit and risk committee - which I love. Again it's what I like to do, but often that's a committee that gets a lot of work to do.

What are the biggest issues or challenges facing the Arts NFP community right now?

Funding tends to be the thing that comes out on top of the list most of the time, but it would be simplistic to say that all of the issues for an arts company are funding related. There's a lot of other things that you have to get right. My view about any sort of business is that if you focus on the bottom line you're going to make bad short-term decisions. I'm happy to say that in my time, for example as Chair of the State Theatre Company, while there was some focus on the bottom line originally (which led to some bad short-term decisions), we quickly realised what we were doing, pulled back and changed the strategy.

My view is that in a general sense you have to work out what is best for business - what is your objective, what is your vision, determine how you'll get there - then do it. You need to find the right people for the right roles and you need to let them go and do their job - but you do need to monitor it and get feedback. Focusing just on the money is the wrong approach, but at the same time though you can't do much unless you have the funding. So, funding tends to be a limiting factor - particularly in the arts.

The bigger arts organisations are fortunate in that we have three-year funding arrangements in place that provide us with a planning horizon that we can work within. But for the smaller organisations, or individual NFPs things can be extremely short term. Government funding tends to be project based, rather than supporting the operational aspects of the organisation. You might receive some funding to do a whole project, but you'll need to have in place the entire infrastructure in order to deliver that project, and the funding generally doesn't come to support the infrastructure itself.

We had a good discussion in our boardroom just the other day. There is a strongly held view that our funding pool is shrinking - as the government are spending less. There is some truth in that and governments everywhere are in a cycle where they're pulling back. Other people have said, that the funding pool is not shrinking arguing that funding opportunities are actually greater than they've ever been - just in different places.

What has changed is that we probably have to work harder to persuade the person with the money that they should part with it. Corporate sponsorship is probably the most obvious opportunity, but again that's going through a down phase at the moment. Most corporates at the moment seem to be reducing rather than increasing the amount they're putting into philanthropy. We understand that and we have to work with that.

Personal philanthropy however is actually increasing in Australia, off a relatively low base of course – but increasing never the less. Personal philanthropy is no where near as strong as it is say in the US, however we are by no means the worst in the world. We often hear about the US situation, where personal philanthropy plays a much bigger role in the funding of arts organisations. It's not necessarily a better way of doing things; it's just a different process.

Again, I'll talk about the State Theatre Company – in our case – we had not been historically very good at either corporate sponsorship, or at personal philanthropy. We had part of our organisation dedicated to it, but if you looked at it critically we came to the conclusion that we hadn't been doing it well enough, so we reviewed that situation and changed our focus.

We've been very fortunate to recruit some great people in that area over the last few years - each person incrementally adding to our success. We've just had to go through a process of review again. Our development manager recently had the opportunity of a lifetime to move into a role that he was very keen on, and fortunately we've managed to find a replacement who will take us forward again.

Boards are very important from a fundraising, philanthropic aspect. While it's great when individual board members can put their hands in their own pockets – unfortunately they're not always in a position to do that. But the board certainly has to have a focus on how the organisation is going to fund the things that we want it to be doing. That could involve encouraging friends with deep pockets to become more involved, or it could be in encouraging companies to become corporate sponsors, or simply introducing new personal networks to the company – broadening the reach of the organisation.

In selecting new board members that is absolutely part of what we need to look for – and is a part of the review process. You don't want a board that has been built purely on the basis of the networks that they have – you need to

be able to walk and talk at the same time – have the essential skills and the valuable personal networks.

What are your thoughts when it comes to remuneration for NFP board directors?

Every dollar you take out of your budget and pay your directors is a dollar that is taken out of the budget for the core purpose of the organisation. The reason people like myself get involved in a board like the State Theatre Company is because as a director we're interested in pursuing the organisations objectives. It's a bit counter productive to be on the one hand giving board members a salary for being on the board, while at the same time asking for it back in terms of philanthropy. So, I don't think it's a problem that we don't remunerate our board members – I think it's entirely appropriate.

The other issue is that of course, if you become a director of an arts organisation, or any commercial company, you take on risks as a director and if it all goes pear shaped, then you potentially have the same risks as you would in a commercial business. So, you obviously need to take that into account when you agree to join a board - but I think that's good. There's nothing like a bit of personal risk to focus the attention.

Board and Advisory Roles

- Chair of the AMPAG
- Director of Martindale Holdings Pty Ltd, (the company manages rural properties for the University of Adelaide)
- SA Chair and National Board member of the Australia Business Arts Foundation (AbaF)
- Chair of State Theatre Company of South Australia
- Director of The Big Book Club Inc
- National Director of AMPAG (Australian Major Performing Arts Group)
- Director of Yarra River Administration P/L and Yarra River Holdings P/L (Rural Property)
- Chair of 45 Park Pty Ltd (Property Development)
- Director of the South Australian Tourism Commission
- Advisor to the Boards and Owners of a number of Adelaide businesses across different industries.





Ilana Atlas

Ilana Atlas is Chair of the Bell Shakespeare Company, and a non-executive director on a number of boards that include ANZ Banking Group Limited, Coca-Cola Amatil Limited, Westfield Corporation Limited and Treasury Corporation of New South Wales. She is also on the boards of the Human Rights Law Centre and Jawun Pty Limited and is a Fellow of the Senate of Sydney University.



Ilana, thank you for taking the time to share your insights and experiences. You've had an incredible career to date, and currently hold a number of very prominent board positions across a range of industries and sectors. Can you give us an idea of the journey you've taken to get where you are today?

I started my career as a lawyer with Mallesons Stephen Jaques (now known as King & Wood Mallesons) and throughout my career there held a number of management roles that included Executive Partner, People and Information, and Managing Partner. Management was clearly an interest for me, and I also gravitated to roles that involved both recruitment and the people side of the practice – which has always been a passion of mine.

After about 17 years as a partner in the firm, I was fortunate enough to be offered the role of Group Secretary and General Counsel at Westpac, which was a great opportunity and offered me the chance to jump into the corporate sector. As an M&A lawyer you regularly work alongside the board, and then as the General Counsel I worked quite regularly with the Westpac Board.

Westpac was, and is a very progressive company – particularly in the area of governance, so was a very good place to be General Counsel. David Morgan who was the CEO at the time and Phil Chronican (CFO) suggested that I might be interested in leading HR. This was quite a different area to step into, but the importance of people to the success of a business had been something that I was very interested in at Mallesons, and I felt it was an opportunity I couldn't miss. Having said that, I didn't really have any formal training in the area – but went about doing that, and moved into the Group HR role for the next 7 years, which was an extraordinary opportunity. It was the best career move I made.

After that time it felt the right time to do something different – and the non-executive director world was of great interest to me. I'd been on a number of boards through my career. At the time I was on the board of Bell Shakespeare, the council of ANU, and on the board of a business education organisation. So it felt like a natural transition to make.

BELL SHAKESPEARE

How do you choose the board roles that you take on?

There are a couple of things that I consider. First it's important to play to your natural game. The driver for any director is that you want to add value to the company that you are part of and this is far easier to demonstrate when you can contribute to areas in which you have specific expertise, and that you know well.

I have financial services experience so when I was offered a job on the board of Suncorp it was a great opportunity. Patrick Snowball had just started as CEO, and it was a time of enormous change for the Company.

I also think it's very important to have confidence in the capability of both the CEO and the Chairman of any organisation you choose to work with.

I'm always interested in learning – so while I hope that I can contribute a lot to the organisation, I'm also very conscious that I can learn a lot as well. That's been the case for me in every organisation that I've been involved with.

"it's important to play to your natural game."

The diversity of roles is interesting. To be involved in a broad range of organisations across many different sectors, with the opportunity to work with interesting people and be able to see what others can achieve. That's inspiring.

How important have mentors been throughout your career?

I've had mentors right through my career. In retrospect, it's quite interesting in that, at the time, I would not have described those people as mentors.



OTHELLO
production 2016

Starring Ray Chong Nee
and Yalin Ozucelik

There have been many people who have been supportive of me in many different ways throughout my career.

“one person can't usually be 'all things' from a mentoring perspective.”

Mentoring relationships can take a number of different dimensions and provide different things to you. I think it's important for people to understand that one person can't usually be 'all things' from a mentoring perspective.

You need to understand how people can support you. In some instances a mentor might simply be the person who gives you the chance you need at a given moment, or it might be the person who is your advocate and your sponsor, in other cases, its someone who is able to provide advice on how to navigate a situation or organisation.

What have been some of your greatest achievements, or highlights from your career?

You do tend to remember the most recent things. I think that a lot of what is happening at Bell Shakespeare makes me very proud because it's been very much a team effort.

The company has gone through significant transition as a result of John Bell stepping back from the Company. We're an eponymous company so it was always going to be a challenge when John Bell stepped away from Bell Shakespeare. I think it has been a very successful transition to our new Artistic Director Peter Evans, in no small part due to John Bell himself and his continued commitment to the Company.

Last December we had a party for everyone in the Company celebrating everything we had achieved in our 25th year, and it was particularly rewarding – being able to look at every person in that room who had personally contributed in some way to what had been an extraordinarily successful year for Bell Shakespeare. That made me very proud.

What do you think are the key issues and challenges for commercial or NFP boards?

From an Australian perspective, the big challenge facing boards is low growth. Notwithstanding that all the financial indicators look reasonably positive and balance sheets are strong, there hasn't been a huge amount of consumer spending.

Boards are also confronted by the constant challenge related to cost containment, when everyone would much prefer to be focused on revenue and growth.

Over the last couple of years we've seen a transition from the mining sector to the service sector. While a lot of the data and metrics that are coming out show that it has been a relatively successful transition, in that there has been significant job growth in the service sector, those jobs are lower paid jobs. Wages have not grown, and that continues to create an environment where people do not feel confident in spending. I think that's something that we are going to have to get used to, and I think as a nation we need to focus on understanding what it's going to take, what amount of innovation and creativity we'll need to kick start that growth.

The priorities for not-for-profit boards are different from commercial boards in some respects. The success or failure of the NFP is all about securing its future - its financial wellbeing. That's the board's main focus – in a very direct way. Obviously if you're involved in a publicly listed company, there are a range of issues you're talking about – it isn't as direct and as much of a focus as in an NFP.

I think it's very challenging for not-for-profit organisations for a number of reasons. For a start I think there are far too many of us. NFP's are facing less government support, less support from the corporate sector – and we're all increasingly focused on philanthropy, from the same people, which makes things extremely challenging.

There's been a lot of talk about whether it's appropriate that it be a precondition that board members have to 'give or get off'. It is not a term I like but I think the sentiment is absolutely appropriate. Obviously it's dependent on people's means, but we all need to understand that the financial well being of the organisation is the number one priority.

I think it is important that people who join NFP boards are passionate about the cause.

Often I hear people say that they want to start their board career – and consider joining a not-for-profit board as a good starting point. I believe that you should only join if you absolutely believe in the cause and are prepared to get in, and roll you sleeves up. Every seat on an NFP board is precious so all members need to have that passion and dedication.

In the case of Bell Shakespeare, directors agree to contribute to the Company in a number of ways; financially, attend as many of the Company events as possible, open up their networks to the company and be advocates as well as provide their expertise in many different areas - finance, legal, HR, marketing.



Romeo & Juliet
production 2016

Starring
Alex Williams and
Kelly Paterniti

The Board is very active and committed.

How do you think the National Innovation and Science Agenda will impact the economy?

I think it's very positive – the language is very useful and helps to create a different environment. It changes emphasis in the business community so that people feel that it's important.

One of the biggest challenges I see is that while there is a lot of digital innovation, it's still quite difficult to go from idea to building a reasonable business. In Australia, there isn't a culture of doing that and that's one of the challenges we have to grapple with. We're going to have to work out how to sift through the thousands of business ideas, and funnel investment into the best, most viable opportunities.

One of the exciting changes that I see now is that people in my age group, including a lot of people that I know, are starting to get involved, and are looking to invest in emerging technologies, and disruptive business solutions. These same people might not have previously been open to these types of opportunities but are now prepared to take those risks.

In your opinion, what are the most important qualities that a Director brings to the boardroom?

At the end of the day I think good judgment is so important. Being a good decision maker and being able to look at all the facts while understanding the consequences and drawing on relevant experience is invaluable.

“you should only join if you absolutely believe in the cause and are prepared to get in, and roll your sleeves up.”

I think it's also important to know your role as a director. Management run the business, and as a director - you don't, and you need to be very clear about what that means, and very clear about where you can tread, and where you can't.

You need to understand the business and the industry that you're in. Without the knowledge, it's impossible to make wise decisions.

What tips or advice would you offer someone thinking of starting their board career?

Be patient. I know what it's like to be in a very busy 24/7 executive career. A non-executive director career has a very different pace and a very different type of life, and the change requires an adjustment.

When starting your board career, I think it's important to treat it a bit like a project. You need to be very clear about what it is you bring to the table. You need to consider all you've achieved, all the experience you've had, the skills you've gained, your attributes – and determine what the package is that you can offer. It's really important to be very clear about what value you bring – and your resume needs to clearly reflect that.

It's also very important to be clear about the types of organisations that are of interest to you. That will then help you to shape what it is you offer those organisations. You need to be targeted in your thinking, and your approach. If you treat it like a project – and ask yourself questions like - What's your objective? What does success look like? How are you going to get there? What do you have, and what are you going to learn along the way, or what gaps are you filling? If you treat it in that way, it becomes a much more manageable exercise.

How important is Networking?

I think it is really important, although I must admit, I'm not one who really likes set piece networking at all. However, I have met and worked with a lot of people along the way and have developed good friendships and relationships – as have most people. Those people have grown with me and so I now know a lot of people who are involved in all sorts of organisations everywhere. It's important to think about that – to think about where the people you know are, and connect with them.



The Literati
production 2016

Starring
Kate Mulvaney

Michael Utsler

Michael Utsler is a non-executive director on the board of the WA Symphony Orchestra and is the Chief Operations Officer of Woodside following 35 years of global experience in the upstream oil and gas industry. Prior to joining Woodside, Michael held the position of President for the BP Gulf Coast restoration organisation. We were thrilled to speak with Michael about his role at WASO, and his thoughts on the role of a Director.



Michael you have had a long and distinguished global career within the Oil and Gas industry - how did you come to be living in Perth Australia?

I've been incredibly fortunate that a career as an oil and gas engineer has given me the opportunity to work all over the world on many different projects - finding, developing and producing oil and gas. I started my oil and gas career and worked for over 30 years with first Amoco and then became BP. I have had the opportunity to work globally in places such as Egypt, the Middle East, Aberdeen, the US (onshore US, Alaska and the Gulf of Mexico) and international new ventures. In December 2013, I chose to retire from BP and accepted the opportunity to work with Woodside in Perth, Australia. The decision was based on a long held desire to live in Australia and the attraction of Woodside as an oil and gas company. I have been in Perth for two years and I love it!

How did you become involved with the Western Australia Symphony Orchestra (WASO)?

The executive recruiter (who helped facilitate my transition from BP to Woodside) and I had many conversations during the transition and I also got to know her husband who was a long standing board member at WASO. During our conversations I mentioned one of my goals in coming to Perth was to get involved in the community as a great way to get to know people and give something back. When I arrived in Western Australia they invited me to dinner, and Bill having decided to retire, mentioned that I would be valuable to the board and should consider joining.

WASO has a very longstanding, stable board, and at the time I was approached only two new board members had been recruited in the previous five years.



I'm not a classical music aficionado and have never been a board member within the fine arts arena previously, but have had lots of board experience with a number of non-profits in the United States and in Aberdeen, Scotland

Did you ever feel that you might not have the arts background or specific musical experience required to assist an organisation like WASO?

I certainly did have reservations at first. However, while I'm not a fine arts expert - I do really love music. And while I do not have any personal musical talent I think it means I have even more respect and appreciation for those who have the talent and commit themselves to their craft.

Like any organisation, an orchestra is made up of talented individuals who have to work together to enable an outstanding performance. I know a bit about the ways you build organisational effectiveness to support and drive great team performance so I was keen to use that knowledge to support WASO.

What was the interview process like when you were meeting with the board?

Compared with an executive interview, board interviews tend to follow more of an informal structure. I was interviewed by a subset of the board, including Janet Holmes a Court, who is the Chairman.

The board members had already done their homework on me and had recognised my technical skills and capabilities, but wanted to know more about me as a person, to see how I might fit the dynamics and culture of the board, and to see firsthand my interest and passion for the role. They wanted to know whether I'd be active, or passive –and they left knowing that I'd be someone who would bring energy and a passion and commitment to the role.

What key skills do you bring to the WASO board?

I bring strong commercial and financial expertise as well as governance, strategic planning and big picture strategy development – and importantly

a focus on performance management. As an organisation, we want to be recognised as one of the great orchestras - but needed to define that in real terms. With my skill set I have been able to assist the organisation to define a performance management process that measured not only our performance from a financial perspective, but also from the perspective of our actual stage performance and our community impact - as well as provide a benchmark for how we perform on the global stage.

How have the economic changes in WA impacted on the Symphony Orchestra?

The economy has certainly shifted. When I first joined the board, the mining, oil and gas industries were booming – but as an organisation, WASO was still competing with a wide variety of programs that were chasing the same corporate dollar. The challenges we faced were very much centred on our need to differentiate and expand our services to the community, and deliver a world-class product, not only on stage, but also via our talented musicians who work throughout Western Australia.

Before I joined WASO I hadn't appreciated how significantly the musicians contributed to the community – it goes far beyond the performance they provide on stage. They deliver music right into the heart of the community - teaching small children right through to university students. All of this is included in their role as a member of the orchestra on behalf of Western Australians.

What are some of the big issues that you've had to deal with in your time at WASO?

Up until quite recently our funding sources were considered relatively stable. Traditionally we've received donations from corporate and philanthropic giving, ticket sales and programs as well as from individual small-scale donors – or patron offerings. The downturn in our economic environment has impacted on corporate giving, and individual patron donations have certainly changed as people have had to tighten their belts. There is also limited government funding now. We've had to re-examine our product, and ensure that it's the product that people want and that it is both "fresh" and "familiar"!

We constantly focus on the need to ensure we have a quality product that is differentiated from our competitors and that is of value to the private donors, the corporate donors, our members, concert goers and the government. We are challenging ourselves to consider new and innovative ways of generating revenue and looking at other best practice organisations. We are testing fresh thinking and ideas. It's caused us to challenge ourselves and rethink how for instance we use social media to target and market our product to concert goers. How are we using differing methodologies to reach potential donors or supporters, and how are we reaching new industry sectors to partner with. We've had to really rethink our expectations. In the past we would not have had the resources to work with and manage the interest of smaller corporate donations – but now, ten x \$5,000 donations look very attractive to us, and we need to restructure and change our business models to ensure we can service this opportunity.



What do you think are the qualities of a successful board?

I think good boards are made up of people who bring pragmatism mixed with idealism and passion. They have high aspirations but they're disciplined in understanding that to achieve this, you must be pragmatic and stepwise in your approach. You can't sustain 'world-class' status without a strong foundation based on sound principals and practices.

How does being a board director add value to your executive role?

Working with WASO continues to be an incredibly valuable experience. It has caused me to think about how I challenge each organisations existing paradox, and how I think about sustainability both in the corporate sense and NFP.

What tips would you give people who are interested in working with boards.

Take the initiative to be involved; don't let inexperience in a given area, or a given field deter you from getting involved. The importance of the arts in our community is well documented and well recognised. A thriving community needs the depth and spirit that is provided by an active arts culture – and it's important that we in the corporate world understand that it's more than just the cheque that we write that enables that spirit to flourish. It's about the time and energy and skill that we individually can bring that is just as important.

There is a place for philanthropic giving, but also an important role for those of us who can participate as skilled volunteers helping to strengthen and grow these arts organisations which are so critical to our sense of place, identity and future. As a corporate executive it's often easier to write the cheque, but the equally important aspect is in contributing the knowledge, time and support. For all of us who are in the fortunate position to give time or funds – it's really important to get involved and take a part.

Naomi Simson

This month I spoke with Naomi Simson, founding director of RedBalloon and Redii.com, published author, entrepreneur, role-model and a 'Shark' on Network TEN's Shark Tank Australia, about her incredible career to date, and her passion for leadership, entrepreneurship and building better workplaces.

Interviewed by Kylie Hammond



Thank you for joining us today. You've had an incredible career to date. Who have been the greatest influencers or mentors in your life?

I've had many great mentors over the years - even right back at the beginning of my career at IBM. At that time I was writing all of the department reports and was fortunate to have a mentor in my Belgian boss. He was a non-English speaker and valued my ability to write. He told me that having the ability to write well and be able to communicate was a real gift. Up until that point in time I had never really considered that the ability to communicate well didn't come naturally to everyone.

More recently when I was asked to do Shark Tank, Carole Schwartz offered some great advice. My immediate response to the opportunity had been 'oh I don't think so' and Carole challenged that and said 'why would you not take to a broader stage your passion for building great workplaces, entrepreneurship and being a role model for balance and leadership?'

That's just two examples but there have been many.

It can take time to build a business – but at what point did you know that your business 'RedBalloon' was going to be a big success?

It depends on how you define big. At what point was I comfortable that I wasn't going to lose my house? That's one way of looking at success – and that was about 15 months into the project and was really at around the time of our second Christmas. That first Christmas I think we had sold something like seven experiences in total and by the following year we'd sold about 300.

That was an exciting time. At the same time I also became acutely aware that I needed to have some really great people around me to make my dream come true.

Have you ever been afraid of failure?

I think I fear embarrassment more than failure. I remember years ago, when I was just a young woman, Poppy King had grown her lipstick business quickly and had achieved quite a lot of success in a relatively short space of time. Her business demise was just as quick and left its mark on me. Certainly being embarrassed by business failure is something I'm more acutely aware of. But that fear doesn't stop me, I think it would drive me more than it would stop me. It drives me to take the extra phone call, to do the extra speaking engagement, to continue to push forward.

What was the biggest challenge you faced when you stepped down from being the Chief Executive of RedBalloon in 2013, to become non-executive director of the organisation?

I was the CEO of RedBalloon for 10 years and at about that time I did the AICD course and realised that we needed to bring in a different skill set to the organisation, people who had led big enterprises before. I hadn't done that – I'd certainly worked within big enterprises previously, but had never run one. What I did have was a deep passion for what the organisation was trying to do, and there's a role in the business for that - to make sure that passion and a clear sense of purpose doesn't disappear. That became my role as a director, or brand ambassador, and now I'm completely a non-executive director. I



don't work within the business at all. Once a week I walk with the CEO as his kind of coach and mentor, but it's his meeting, not mine. I just answer the questions that he asks and it's not an operational meeting in any way.

You've had an incredibly successful and varied career to date but what role have you enjoyed the most so far? Entrepreneur, Media Personality, Mentor or Writer?

The most rewarding thing I experience is when people come up to me and say 'I heard you speak and I started my business', or 'I read this blog post and realised that I was going to be ok'. Or, a young person who comes up to me and says to me that they've got no idea what to do with their life and then write to me a year later and say that they love the course that they've chosen to do. That is the most rewarding part of what I do – it's about making a contribution to people's lives.

It's very rewarding to even see the success of past employees of RedBalloon who have gone off to start their own businesses, or moved into very senior level roles in other businesses – it's fantastic. In a number of instances I've been a role model for people who have been told previously that they can't run a business and go off and have children. I've said to them, of course you can. Just do it – it's just going to be busy.

There is a lot of talk about the need for gender quotas in the boardroom – but what strategies do you think we should be adopting to better balance the voices we have at the table?

I'm delighted to see what Malcolm Turnbull has done with his cabinet. If we look at that as a boardroom he's got Wyatt Roy who is 25, who is speaking for our future generation, we've got Kelly O'Dwyer who is a brand new mum. How great is it that Olivia was there at the photo shoot! Let's not pretend we're not parents and don't have other jobs and responsibilities. Those people put their hands up and said that they'd do that role, and we elected those diverse people to represent us.

The challenge we have inside corporations is that way too often we don't have enough people from diverse backgrounds who are putting their hand up and saying that they'll do that job. When you look up the statistics, almost 30 percent of our population weren't born here. Our boardrooms and organisations at the most senior levels certainly aren't reflecting that kind of representation. There are so many ways that we can look at diversity, and I don't want women to hijack the debate.

"it's a clever company that has a board that represents its market, its customers and stakeholders"

I just think it's a clever company that has a board that represents its market, its customers and stakeholders. The way that our governance system works and its strong onus on compliance means that boards tend to default to accounting and legal backgrounds versus people who've done incredibly different things and have contributed to our community in so many different ways.

The economy is becoming more and more reliant on technology, how do you think this will impact our education system?

When I was growing up education was all about rote learning, but really what the system was doing was training us. And then education became more about focusing on knowledge - but with so much information on the planet, that has changed. Education isn't about either of those things now. It's really about understanding, enquiry and curiosity, and without our ability to be able to fundamentally flip how education appears, those things will be difficult to teach.

I'm so excited that there is talk about introducing coding into our primary schools – it's exciting to see, and is really going to be a key part of educating the next generation.

We will also see our educators become coaches. They will need to teach children how we discern between what's true and what's not true. We will still need the fundamentals taught which includes the ability to read, write, add up and code. But now education or the institutions of school need to focus on teaching socialisation. A child's success will rely on their ability to go out and get along with people.

What traits or capabilities do you look for in a board director?

I look for people who are going to do some work! I'm looking for a director who is going to be interested and curious and bring relationships and networks to the organisation.

What do you think the big challenges will be for our next generation of leaders?

It's all about alignment. Workplaces are about to change forever, and while some people might have some idea, most have no idea of the impact it will have on them. Big organisations that have stood for decades will need to fundamentally change. As an example, there are approximately 25,000 fintech start-ups in the UK. These small, nimble start-up organisations are going to completely turn the finance and banking system on its head. The notion of unskilled jobs is almost disappearing and that will have an incredible impact on the work force itself.

On the one-hand, we've got a lot of people who are demanding flexibility. Like - 'stop it, I'm a parent, I've got aging parents, I've got other responsibilities'. Organisations can no longer behave like they 'own' the employee. Demand for flexibility will increase and effectively what we'll see is that people will have more than one employer at any time. In other words people will have their talents, and then through a range of intermediaries such as 99designs, Airtasker, Freelancer etc, they will connect with employers who want to utilise those skills.

The great challenge for leaders will be how to align people to their business or cause when people are feeling completely disassociated. An example of how I see big business missing the point is with the new 'hot desk' phenomena. There are so many of these large organisations that are moving

to hot-desks and I see this becoming a major area of discontentment for staff. I have a friend who has recently moved to a fabulous new building with her organisation. She has been employed by this company for 15 years and has recently been told that she no longer has a desk. People now need to get into the office very early to secure the desk space that they're after, and – from the other side, if they don't like their boss, they don't have to see them. The new environment allows them to 'hide'!

The greatest challenge for leaders now is how to align and unify people. They need to unify individuals to the brand, and to the cause. That's what we're doing at Redii. It's all about unifying people, and providing leaders with the tools they need to create alignment and unification at every level within their organisations.

Your book *Live What You Love* really resonated with me – what is your career advice for executives who are struggling to find passion and purpose in their lives?

"That is the most rewarding part of what I do – it's about making a contribution to people's lives."

People do ask me about that. I often hear from people who say, "I just can't get passionate about the work that I do". I'm very careful when I refer to 'work-life balance'. It's a label that we put on everyone that often makes us feel bad - because we don't have it. I also know that some people fundamentally don't do the work that they need to. This is an active book.

It's not a book where you can sit back, read, and hope for change. As humans we were all born with passion – most of us just hide it with fear or lack of self-belief. People do have passion – but it might not be reflected in their work - and that's ok. I know someone who works in the alcohol industry, but his passion is woodwork. He does that as a hobby, he sells it and loves it. That passion balances his world because he's got an outlet and a way of demonstrating that passion.

What next for Naomi Simson? What is your focus in 2016?

Definitely it's the next book. The first book was written for my younger self, but this next book will follow on from there. I've also committed to another season of Shark Tank which I love doing. I really do have the best life.

When I was in the early days of RedBalloon one of the big issues for us as an internet based organisation was in building trust with consumers. One of the things that I did was to go out speaking – which had the impact of building trust with my audience. One of my greatest rewards as a role model is when people say to me that they saw me and thought 'if she can do it, then I can do it'. Passion and purpose is important to me – as is my passion for people to have good times together – which is the fundamental reason RedBalloon is in business. I also want people to live a life of passion and purpose.

I know the next challenge that we have in our economy is going to be all about innovation and leadership and that's why I'm working on Redii because the old way of doing business is not the way to thrive. I believe that big organisations are going to become much smaller and we're going to have a rise of innovation,

and smaller businesses connecting to create an absolute force.

Can you tell me how Redii came about?

During the early days of RedBalloon, I was so driven and focused. I was literally exhausting to work with. In 2006 I learned my lesson the hard way, when confronted with the statistic that RedBalloon had 65 per cent employee turnover. This had to change.

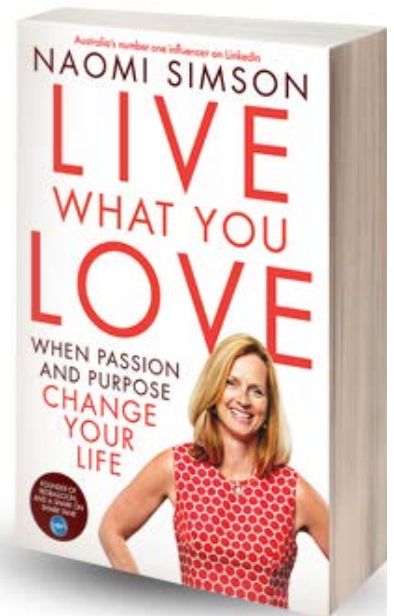
While I had the intention of creating a great workplace, I didn't have the tools or the skills. Things turned around quickly with the hiring of Megan Bromley our award-winning HR leader to the team. Our focus changed to our people, and as you may know we have been acknowledged as one of the "BRW Top 50 Great Places to Work" five years in a row.

"The greatest challenge for leaders now is how to align and unify people"

I don't believe I was alone in missing the fact that my people weren't happy. I believe that management, supervisors and leaders generally do not know what their people are doing, and they don't know whether they are working hard or whether they like their work. A lot has been written about the importance of 'engagement' – but it's not about that. As a result of my personal experience I realised the importance of people, and the importance of building organisational culture.

Redii is all about providing leaders with the tools to share and celebrate employee achievement – which brings your organisational culture to life. Redii is about fuelling the power of people.

No business can grow without people: employees, customers, suppliers, distribution partners and so on. As leaders, it's crucial that we get along with people; that we lead them, include them and inspire them – this is critical to leadership success.



Current Board Roles:

- RedBalloon
- Redii
- Governor of the Cerebral Palsy Research Foundation
- Advisor to Voiceless Foundation - Amplifying Female Leadership

Julie Elliott

CEO of the Bank of Sydney, is one of only a handful of women who have risen to the top of Australian banking, and is currently the only female CEO of a bank in Australia. This month Julie kindly agreed to share her thoughts on the experiences and challenges that have driven that success, and provides advice to senior executives and aspiring directors.

Julie, you've been in banking for many years now, can you give us an idea of the journey you've taken to become the CEO of the Bank of Sydney?

Even from the time I was very young, I've been thrust into leadership roles. This ability must have been something that others recognised in me very early on because even as a young girl I was appointed the 'sixer' or pack leader with the girl guides, and a Patrol Leader with the Brownies. I was someone at school that others looked to for leadership. When I was born my mother and grandmother looked at me and said 'she's an old soul, she's been here before'. I always had that sense from an early age.

While I'm very proud of my career, the one regret I have is that I wish I'd been a planner – and had a clear vision or dream to get to where I have. I really admire people who have a strong level of ambition and drive, who have a five year plan, who set out to achieve their objectives. I've got here because when opportunity knocked, I said yes.

I think that as a woman, that's quite unique. For many women, and some men, when opportunity knocks they look at the things that they can't do, rather than the things that they can. Whenever I've found myself doing that I've sat back and said – 'well if someone else sees the ability in you, there must be something in that – trust it and go for it'. There have been many times in my career where I've dived in the deep end and fortunately it's never been long before I've been up and swimming.

How much does luck play a role in career success?

While I think you create luck, there is also an element of luck in all success. For example - being presented with the right opportunity at the right time. But I do believe that you have to put yourself into places where opportunities can happen – and ensure you take advantage of those opportunities when they present themselves.



"For many women, and some men, when opportunity knocks they look at the things that they can't do, rather than the things that they can."



Bank of Sydney

What was it like being female in a very male-dominated environment like banking?

It was at university when I had my first light bulb moment about being a woman in a male dominated environment. When I looked across my group of university friends and colleagues I realised for the first time that only 20 percent or so of the group were female.

Following on from this I went into chartered accounting and there were no other females in our graduate year. All of my chartered accounting cohort progressed in their careers, and as a group of accountants we worked really well together as we had different strengths.

Following university I was offered the opportunity to join NAB – and took the big jump into banking. There were very few women in commercial banking at that time so it was quite a big deal. Because I was a female, and because I hadn't come up through the ranks as a banker (I came in at a mid-level) there was some questioning about what I was doing there. That was tough.

“Even if you're not of a particular cultural background, if you show respect, understanding and a willingness to learn and receive feedback you can be successful in an organisation.”

As I was successful in what I was doing, I was soon offered the opportunity to run a banking centre, and was the first woman to do so. The centre in Waterloo was very successful however I still encountered real opposition from some of the male bankers. As I was female, had a qualification and wasn't a banker from birth, some individuals did everything they could to make my life as difficult as it could be – excluding me wherever possible. I learnt early on not to waste energy on that stuff. Bias like that may momentarily come to my attention, but I just keep pushing through.

From a young age my mother said that I had enormous independence, resilience and tenacity, which I believe has really helped me with my career. One of the greatest compliments I ever received was from one of the chaps who had given me a particularly hard time at NAB. He was a 30 year seasoned banker and didn't think that a person who hadn't 'mixed the ink' for their manager, or done the accounts manually by hand, could possibly come in and know anything about banking. When I was living in Melbourne he tracked me down and took me to lunch and said that he was extremely sorry for the hard time he'd given me. He told me that I hadn't deserved it, had done really well, and said he was proud of what I'd achieved. That acknowledgement meant more to me than the promotions, and financial accolades I'd received up to that point in time.

What are some of the challenges you've encountered in your CEO role?

The Bank of Sydney started life as a Greek Cypriot bank before becoming a Lebanese bank, so there is a huge cultural piece that is a vital component of managing the bank successfully. I'm the fourth CEO of the bank, and the first person of Australian birth, and the first female to hold the position. Being female and running a Middle Eastern bank has been an interesting journey.

Managing the cultural piece takes care and consideration. Even if you're not of a particular cultural background, if you show respect, understanding and have a willingness to learn and receive feedback you can be successful in an organisation. Certainly that has been my experience here. I may not do something quite right – but by listening and taking feedback on board, I have been embraced, which has been wonderful. I think it also helps that I grew up in Parramatta, which was a very culturally diverse area. A lot of ethnic communities were based there, and I got exposed to those differences from a very young age.

What do you think are the key issues and challenges for boards?

1. Diversity in the boardroom

I think that all boards struggle with ensuring that there is diversity of thinking around the table. I'm not just talking about gender-based diversity; I'm talking about there being a truly diverse group of people from different backgrounds, with different experiences represented on the board.

I think Australian boards have matured over the last few years and now recognise that they need a range of skills and functional backgrounds represented on the board, but I don't believe they think enough about diversity from a broader cultural perspective. This has an impact on the range of thinking styles of board members. I think 'group think' can be very critical problem for boards.

A few years ago I chaired the State Trustees, and one thing the government boards do very well is that they have a set time-frame for board member tenure that you just don't go beyond, which forces renewal. After spending several years with the same board members, there were times when reviewing an agenda for an upcoming meeting, where I could almost predict who around the board table was going to talk, and on what topics they would be interested in. For me, that shows that it's probably time for the board to change. You need diversity and renewal to ensure that the board as a whole reviews the information through a variety of lenses – asks the right questions, and challenges the status quo.

2. Preparation for Board Meetings

Another area that I think organisations need to work on is in the preparation of the board papers. This is a real challenge for management, and an issue that I know I still don't have the magic bullet for. Putting together meaningful information for the board that is presented in the right way – that provides enough information to enable a good overview of the operation is important.

Too often, as managers, we provide detailed reports that are cluttered with information making it difficult for board members to provide meaningful insights in a short space of time. As I said, I'm not completely sure of the answer, but do know that a renewed focus by the management team to reflect and be aware of the board's role has helped us prepare more effectively for board meetings.

Gail Kelly was someone I greatly admired. I remember hearing about how she prepared for board meetings. She would make sure that she had the time blocked out prior to a meeting to enable her to mentally prepare for the board - to work out what she was going to say. I think it's very easy to get so caught up in the day to day, and to let your diary fill to the brim with meetings that you don't give yourself permission to make the time to do that. But – it's a really valid and necessary part of a CEOs job. Gail was very structured in the way that she planned her day and I really admire her for that. I never got the chance to sit in on one of her board meetings, but I'm sure that her board meetings were better because of it.

Control of your diary and your time, and an awareness of where it's going to drive the most value is an important thing to do as a leader. It enables you to drive the business, rather than the business driving you.

What do you think are the most important qualities of a director?

No matter how management may put together the information pack for a board meeting, having the ability to use your background experience to see what is being presented, to get to the crux of the problem is crucial. Often I see that some directors might deal with a surface issue - but don't go beyond that.

Raising an issue when others are quiet is also very important. I think that's the role of a good chair. When I was chairing boards, I was often very conscious of the body language around the table. I'd get a sense from someone that there might be something that they wanted to say. So, drawing that out was important. I'd also try to make sure that all board members were drawn into the discussion – to avoid having conversations overtaken by the noisy few. It's important to get value from every voice around the table.



“I think quotas drive consciousness and that's probably the only way that change will happen.”

The Chair and CEO – how does this relationship work best?

I believe you've got to have a relationship where you feel some rapport, but there needs to be boundaries. At the end of the day you need to be able to have important discussions with each other and you don't want that blurred by friendship. I find that to be the case even between the CEO and senior management in an organisation. There has to be boundaries around those relationships to ensure that you can have open, frank and sometimes difficult conversations.

I think it's important that a CEO and Chair share a common vision and are aware of where the company can go. While the Chair isn't driving the operation, it's important that they understand where you want to take the business. The Chair can also be a very good mentor and guide – and is often the only person a CEO can go to discuss ideas, and act as a sounding board.

The structure of the role that I'm in is quite different from my predecessor who was both the MD and the CEO of the bank. When I came into the role I requested that the role be CEO only. At State Trustees we had the joint position, which I think from a governance perspective becomes quite blurred. On the one hand you are the CEO and servant of the board, but on the other

you're an equal member around the table. I think this leads to an unclear governance structure. My preference is certainly to separate the roles.

At State Trustees, there were times that as a board we wanted to discuss issues we felt needed to be done without management in the room. On a couple of occasions we asked that the CEO (who was also the managing director) to leave the room but as he was officially part of the board he challenged that request.

When a person sits on both sides of the responsibility fence, then governance problems can arise.

How do you believe we can bring about more diversity in the boardroom?

Diversity in my view should not just be about gender but about bringing broader diversity generally into our boardrooms. That being said, I do think gender diversity is an important step forward to ensure we have the best outcomes for Australian organisations.

It's interesting that while women are still under-represented on boards in Australia, ASX boards are doing much better than ASX companies as far as gender diversity is concerned. That's probably because we've got a big conversation happening around boards.

I've never been an advocate of quotas as such, but it gets to the point where you question if there really is any other way. I think quotas drive consciousness and that's probably the only way that change will happen.

I think the other part of the debate is that there is only quite a small core group of women being asked to join boards. I often hear these women say that they are regularly approached, as organisations don't know where else to go. In my view I think that there's only so many boards that any individual should be on – say four or five at the most. Beyond that, I don't believe you can give the role the attention required.

While organisations are starting to appoint more women to their boards, we need to make a concerted effort to broaden the talent pool. There are some very talented women out there who should be considered for board opportunities. I'm a case in point; while I've chaired two substantial government boards I've found it difficult to make the transition from government boards to organisational boards. For some reason government boards aren't valued as much by the private sector.

What are the benefits of being a board director?

Boards provide me with valuable exposure to different business issues, problems and processes. It's a learning opportunity. I enjoy finding out what the key drivers for different organisations are and finding out what makes

“You need diversity and renewal to ensure that the board as a whole reviews the information through a variety of lenses”



them successful. Thankfully I've had the opportunity to be involved in very diverse organisations that have included mining, tobacco and supermarkets and they all have different drivers. All of that really challenges your mind.

Earlier on in my non-executive career I was appointed to the Metropolitan Fire Brigade in Melbourne and became the first woman to chair that organisation. That organisation was made up of 2000 predominantly male fire fighters, some of them fourth and fifth generation. When I was appointed it's fair to say that some of them thought the world was going to end. The culture within the organisation was so entrenched; it was almost handed down around the breakfast table. Some of them would even proudly say to you that their families at one point actually lived on site. One very proud fire fighter told me that he was conceived at the fire station. Trying to understand and change that culture was a real challenge. I didn't feel threatened by that though. I feel confident in myself, and know that I'm going to do the best that I can. As part of my commitment to the organisation, I wanted to really understand the culture of the organisation. I went and visited the fire stations and learnt as much as I could and when I left that position, those same fire fighters who weren't so sure about my appointment asked to come to my farewell and asked to make speeches. One of them said 'Girly you've got spunk and you did a good job'.

"Even if an organisation (board) isn't directly related to what you do in another business, every learning and experience is valuable and you take that with you into your future roles."

My experience of chairing that board enabled me to learn about the dangers that members of our emergency services face every day, and the skill with which they do their job. The technical expertise that they have is extraordinary. These days a fire fighter might be called to a fire but won't know what they're going into. The risk assessment that they

need to make is enormous, and the risk framework that we needed to put in place at a board level was very important. It was incredibly fascinating

to see and learn that first-hand. I brought to the board strong professional expertise with clear governance principals. They learnt a lot from me, and I from them. Even if an organisation isn't directly related to what you do in another business, every learning and experience is valuable and you take that with you into your future roles.

What tips would you offer senior executives interested in starting their board career?

1. It's no beauty pageant - I regularly hear senior executives talk about being on a board as being their dream. It's almost like wanting to be in a beauty pageant. I think there's a perception that it's quite easy and glamorous but the reality is quite different.
2. Skills and qualifications are important. You've got to invest in and back yourself and I'd recommend undertaking the AICD director's course to ensure you learn about the frameworks under which boards operate.
3. Be Prepared. Your success as a board member will rely on how well you prepare for meetings. Ensure you read your pack well in advance of the meeting and be ready to engage.
4. Understand your obligations. It's important to know what you're getting yourself involved with. Ensure you understand your obligations, and the potential liability of being a board member.
5. Choose the board carefully. Choose the boards that you want to work with carefully. You also need to think about what it is that you bring to the board – why they would choose you.
6. Network with people who can help you achieve your objectives.





Alex Malley

Alex Malley believes that effective leaders possess the courage to fail in order to meet a vision. From a celebrated academic, to CEO of one of the world's largest accounting bodies and author of the bestseller *The Naked CEO*, his career success proves that he has the requisite motivation and courage to lead. This month I was fortunate enough to interview Alex to ask him about his many achievements, and to find out what drives his leadership, his thoughts on the role of the Director, the board, and leadership in general.

Interviewed by Kylie Hammond

Alex, thanks very much for your time. You've had many achievements in your life to date, however what were the key steps you made that led to the creation of your role as *The Naked CEO*?

Let me preface my answer with, I have probably made more mistakes than I've had achievements. I believe it's important to celebrate one's mistakes as much as one's success. Mistakes are great teachers. I'm a free spirit and it took a long time to figure that out while working to become a leader.

The journey towards *The Naked CEO* stemmed from my experience as a teacher. I taught at universities, learnt to engage young people, and have applied those principles to the beginnings of what is now *The Naked CEO*.

When I became a CEO, in many ways I came to realize that I missed teaching. I looked at the way our business was engaging students and I thought it could be more personal, more passionate. I said to my staff, 'let's go online and talk to students, let me, the CEO, talk to them – that's the only thing that I can probably do well'.

From there, we've now got three million people visiting thenakedceo.com and the book is still at number one in the business category after 38 weeks. People are engaging with our brand because it's honest. It's open. It's accessible.



Did you always want to run a company? If you did, what was the vision for that company?

My dad was a small businessman and he always had business magazines around the house. Every now and then I'd lift them up and try to read them, but I found them the most boring documents on Earth.

My natural flair was to teach. However, I always had a sense that I would want to run or lead something. I felt that that was my place, too. As I got more involved in education, built my own relationships and networks, I then began an organic interest in business.

I made an interesting transition from the university sector, to business through the urological society of Australia and NZ, which is where I cut my teeth in business. Everything was there: there was business; there was politics, all of which provided a great experience that helped with my transition from the education sector.

You discuss the importance of allowing yourself to fail, or in your words possessing the courage to fail. Can you explain why you think this is so important for a leader?

Possessing the courage to fail is everything for leaders. It's everything in life.

I'll take you to an example. I might be negotiating with another business, or a supplier who is larger than us, and know that we have to achieve particular outcomes. I need to push hard; be willing to go to the wire to help meet the vision my colleagues and I have set ourselves. You can only do that if you are personally willing to lose your job in that quest. When you've got that in your eyes during a negotiation, or in a communication, that you're willing to lose your job to get your desired outcome, there's very little compromise.

Most people don't make that conscious decision.

You see it in politics, where people are flat out trying to hold their seat – they're not willing to lose their job. I am. When people know that, you're a much harder target.

What fuels your passion for mentoring the next generation of business leaders?

I think the most virtuous occupation in the world is teaching, and I think the best leaders in business are those that basically become teachers. I'm a teacher that is camouflaged as a CEO.

I try to nurture staff and empower people; go out into the market with policy positions that are provocative, that are informative and that act in the public interest. The Naked CEO, which is about providing people with the best mature knowledge and insight from my experience, particularly my failures, is an extension of all of this. Essentially, I'm someone with an informative background who isn't afraid of sharing it to help others on their own journeys.

Some of the opinion pieces that I've published are really out there, but they're

out there based on facts and on what we think is in the interest of the public. I deal with politics and other elements of society and am equally offensive as I am polite, depending on the substance of what's being said. I do this without fear or favour, a concept of having the courage to fail, being willing to lose my job, and separating myself from the role.

As a young guy, I made the mistake of seeing myself as the role I had. If you embody yourself into your role, if you see yourself as the role and you're all one, then you're compromised. As much as I love my job now - while I'd die for the cause - it's not who I am. That's something that you've got to keep working on as a person because you can get a little carried away when you're in a role, when things are going well. I was fortunate to have had the experience of making that error as a younger man - and having lost that job, I know what that felt like, and fundamentally I don't want that again.

After reading your book *The Naked CEO* I felt that the insights were very valuable to business leaders of all ages, and are particularly relevant in Australia's boardroom. Can you talk a little about your views on Board Directors, and some of the challenges that they're facing, and maybe some comments about the relationship between the Chief Executive and Board.

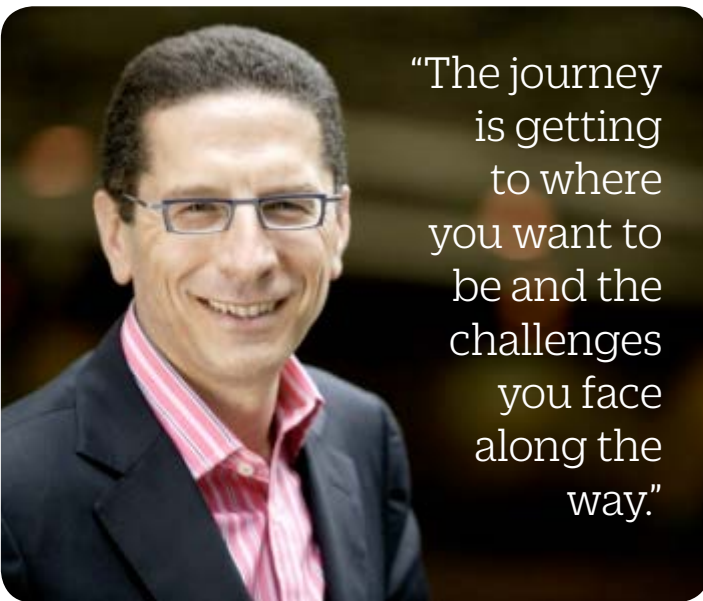
Being a board director, like executive management, is a business of questions, of being curious, and being confident in oneself. One of my most interesting experiences was that I chaired the Audit and Risk Committee of the Office Police Integrity, Victoria – a covert agency where everything was a secret (it often reminded me of an episode of *Get Smart*). Imagine sitting as an independent chair, and trying to smoke out information when everything is secret. It comes down to the fact that as a board director, or as an executive management person, you've got to know how to ask a question. You've got to know how to build a relationship of trust and relaxation that allows people to tell you openly and honestly about what's happening in the business.

We've got to be really careful in business not to put people on boards that aren't life-skilled enough. In our society, too often people tend to seek a trophy life. Sometimes when someone wants to become a board director, there's not a lot of substance to their quest, other than that they want that trophy. That's really dangerous for both parties. You've got to have people who are comfortable in their own skin, who have lived a decent life, who have made a few mistakes. They're not there to prove anything to themselves; they're there to make a genuine contribution. Overall, it's my belief that we've moved from a society that goes into those roles in order to give back, to taking on roles to help build an image and profile. The world is becoming more individually focused and we need to call that out.

An open and honest relationship between the CEO and the Chairman is essential. Both have to know their roles: the chairman's responsibility is governance, risk, strategy, and the CEO's (or master servant as I call myself) is running the operation. In a great world, I go to a board meeting just to hear myself speak and to challenge the room to say 'what can we do from here - I'm interested in your thoughts on this...?' I feel comfortable enough to ask those questions, and the chair and the board can feel comfortable enough to ask their questions.



To me, governance is all about conversations. I don't subscribe to big thick textbooks on governance – that approach doesn't work. I don't subscribe to risk management strategies with 28 pages of charts. It's about understanding what the key risks are, and about being able to talk about them honestly at all times. The test of that is that anyone in the organisation is comfortable enough to ask a question about anything. People should be comfortable about having open, honest conversations, because if they are, most issues will get smoked out.



“The journey is getting to where you want to be and the challenges you face along the way.”

The current lie of the land in the boardroom is a bit of an old-school network, you tend to see a lot of the same people appointed again and again - particularly with ASX 100. What do you think needs to happen to ensure more diversity in the boardroom – if in fact you think it needs to change?

The 'club mentality' is breaking down – maybe because we're running out of 'old men', and that's not a bad thing. I can see two distinct cases for diversity, and when I speak about diversity, I'm primarily speaking about culture and gender.

I'm a wog: was one before it became cool! I understand and am sensitive to diversity challenges and issues. While I was born in Australia, I got tagged as a wog very early on in my life, and on reflection realise I had to learn to navigate through all of that early in my career. I do believe that sometimes you have to work it out for yourself. Notwithstanding, people do face difficult circumstances; as a business community we need to be more thoughtful. I believe most businesses are, or a conscious of, getting better at it.

The journey is getting to where you want to be and the challenges you face along the way - that's where the richness lies. Generally, it's my belief that we are building a society that's looking to make journeys easier across the board. For me, as a young wog, I think I learnt more about how to survive, and about how to deal with people by working it out for myself, getting hurt,

learning how to overcome obstacles and keep going. I learnt what to say, how to defend my position, and how to be proud of my culture. We've got to be really careful not to make journeys a free run, as you lose the benefits that come from learning how to struggle, how to navigate.

In general, business leaders need to be more thoughtful, and where we can, build diversity models - yes. But I'm always concerned about decisions that are based on 'we need to meet a particular quota, so we should appoint someone based on this or that...! I just don't think that's the perfect model. There's no easy way as yet, so it's something business leaders need to keep looking to refine.

I am the parent of five girls and two boys, so if anyone has a reason to want balance, I do, but here's my claim - in the next 20 to 30 years, I believe men will be a minority group on a range of fronts. Our population at CPA Australia is about 50:50, but our young graduates are closer to 70:30 female. So the osmosis and the organics look great. In 20 years, if I'm still around, we'll be talking about how do we support men! It won't be tomorrow, but you can see it happening.

There's a chapter in the book that talks about the importance of team work and team performance – can you give us some insight on how that applies to the executive concept and how it is relevant for in the boardroom.

I don't think you can have good teamwork unless all the individuals are secure in themselves. So, if you've got people within the team where some are comfortable within themselves and some aren't, you're going to have problems. I do believe in the individual and I do believe that's where you've got to begin your leadership – in building individuals, even above teams. I only believe in teams when the individual has been nurtured to a level where they're really secure. When you're secure as a person, then you're willing to share things, willing to work in a group and willing to defer to someone else because they know 'it's fine, we're working as a team'.

I'm into teams of champion individuals, and I'm also into getting a result. If in your business there are some dynamic individuals who are giving you the best outcomes, then give them the space to do it. Don't just have a team because you think you should. Have a team because it's going to add value. Sometimes teams don't add value and can slow down the process. I think teamwork in the right context is fantastic, but I also know, on occasions, that in my organisation, I will speak to an individual who I know will be able to get the outcome I'm looking for a lot quicker than putting six people on it.

So when you're hiring a leader for your business what are the top traits that you're looking for?

I already have their resume – they wouldn't be sitting across the desk from me if they weren't qualified or experienced enough to fulfil the role. So, most of all, I want to know what they do on Saturdays. I want to know what gives them a buzz, what they enjoy doing during their personal time, get to know them as a human being and see if they're willing to speak freely about who they are, their passions. I'm looking for someone who's had an interesting

journey – I'm looking for someone who is going to be interesting to work with. I look for authenticity, honesty, experience and passion.

When I was appointed chief executive of CPA Australia, I took the executive management team away for a few days. I sat them in a room and, one by one, asked them why they thought they were interesting. It was the one thing they never expected me to ask. And, you know, in some cases I just said, 'that's bloody boring - there must be more to your life than that'. Eventually, they started to understand the principle that I was driving at: if you're not interesting to me, how are you going to be interesting to stakeholders, or encourage people to be curious about our brand? How are you going to court people, or why are they going to court you? I look for that, someone who can hold my interest for half an hour, and I'm a hard marker.

It's funny, back when I taught, the best teachers I ever hired (and I hired a lot) were the ones who had never taught, but who undoubtedly wanted to teach. They were passionate. When someone said to me 'I've always wanted to teach', it rang a bell in me. In contrast, it always humours me when I see a job advertisement saying someone must have 20 years experience in a particular industry, like a bank. Where in my view, I can teach them industry experience, if they are passionate, driven and want to be there for the right reasons.

Some years ago, I was lucky enough to receive a national teaching award. I got to the top of the tree and still wanted to grow, but the tree wasn't big enough. I'd kind of reached the top. I never realised that by going into the corporate world I would grow further as a teacher – different setting, different environment, bigger audience. I'm big on audience.

One of the big things about CPA Australia that's different is the philosophy that life's about building an audience of interest, and CPA Australia has never had a larger audience of interest. And we don't focus on those that are going to look and smell and taste like us. The whole world is the audience of interest. For some, there will be people that witnessed my interview with Neil Armstrong who will never forget CPA Australia because of that moment when they watched that extraordinary man speak about his life for an hour. They will forever remember our brand. That interview in itself doesn't have a financial return, but has an enormous goodwill return.

I believe many businesses get too obsessed by short-term financial returns, rather than the lasting brand benefit stimulated by goodwill.

I was on your website the other night and saw all your videos providing tips and career advice – I thought they were fantastic. What would be your advice for someone thinking about starting a board career?

I have a chapter in my book called 'sucking it up'. It's one of the most personal and defining chapters for me. The only time I ever learnt anything was by exposing myself to a lot of experiences, and getting a few things wrong. The best thing you can do as a budding board director, or as a budding CEO, or as a budding leader is to expose yourself to a whole series of experiences. If you're stuck in a job, and it might be a good job, but if you feel like that's your world, then you've got to get out and do various things like voluntary work.



It's necessary so you can grow and be exposed to other environments and people from alternative walks of life.

In the professional roles I was in previously, I was never going to grow exponentially. Where I grew exponentially was from everything other than the role I was in. Contributing to other environments and learning from different leaders was key. As a member of a voluntary organisation, I would be sitting with people who I would have never had met through my day-to-day role. They were CEOs and I was junior, but we were equals because we were involved in the same cause or activity together. I hadn't realised how much I subliminally picked up in those holistic exposures. Now I can walk into almost any circumstance and feel like I've been there before. The players have changed but I know where the meeting is going.

There have been many occasions where I've decided to sit back in a meeting until the 11th hour because I know what I'm going to say, and I know when I'm going to say it. I'm a LinkedIn Influencer, a group of international leaders that share their insights via this platform, and one of my most read piece is, 'are you a dud in meetings?' It's worth a read. It's teaching with a bit of humour, but through the lens of a CEO, and with the heart of a teacher. I write about how often I see people 'jump the gun' in meetings: they say everything they need to say upfront, only to find the meeting takes a different course and, as a consequence, they're thrust into a position of having to save face or compromise their original thoughts. So, in the instance of a board meeting, or meetings in general for that matter, timing is key: picking the right moment to enter the conversation. Practice and exposure to a variety of experiences will help you with that.





Making the change from Executive Office to the Boardroom

Interview with
Director Institute Member Peter Struck

Over an impressive 30-year career both in Australia and overseas, Peter has led large multinational and Australian retail and wholesale organisations through major transformation programs. Most recently as CEO of Metcash Convenience, Peter was responsible for optimising the performance and contribution of this \$1.7 billion a year enterprise. Most recently Peter has made a step-change in his own career, moving from CEO to multiple Board Director and Board Advisory roles predominantly in the SME space.

Peter, can you give an overview of your career to date, and what led you to commence your board career?

I've been fortunate to have had a great career that has given me the opportunity to live abroad with my family, and work in a range of organisations managing major transformational change.

For me, making the decision to leave the corporate world wasn't one that I'd particularly planned. At the time I made the move, I was the CEO of Metcash managing another major transformation project which involved developing a customer centric culture – something that I'm very passionate about. The role was based in Sydney, and while I lived in Melbourne, I would commute up to Sydney every week, and would fly home on Friday nights to be with the family.

During this period my wife unfortunately suffered a health crisis and became unwell, and a good friend tapped me on the shoulder and asked me if this continued commute to Sydney each week was the smartest thing I could be doing.

I must admit, that was a very sobering moment and the conversation led me to question the lifestyle decisions I'd been making. Not long after I made the decision to leave Metcash to be closer to my family.

At that time I started to investigate opportunities to get more involved in boards and advisory board roles and Kylie Hammond at Director Institute was actually one of my first stops, as were some other colleagues who were sitting on boards.

What was the most challenging aspect of making the career transition into the boardroom?

From my perspective moving into new networks was definitely the most challenging thing. I had very strong networks at the big end of town but needed to find a way to build meaningful networks and connections in the smaller end of town.

It can be very daunting – much like standing on one side of the gorge – looking across and trying to work out how to get across.

In my case I joined forces with a partner who had an accounting background who had worked with hundreds of SMEs. That was my first step to make new introductions, and we worked together to develop a model for SME's who didn't have either a business plan, or an advisory board. We weren't targeting SME's who already had an advisory board; but were focused on businesses that needed us. Our pitch was very clear - If we could assist you to realise your dreams via a couple of basic tools, the primary tool being a business plan, and then if we supported you to implement that business plan via an advisory board, would that make a difference to you?

Then we started to reach out to organisations via a range of mid-size accounting firms with strong SME client bases. While the accountant has the financial skills, they may not have the skills to build a business plan. We were able to demonstrate the value of what we could bring their clients, and more often than not, the accountant also got a seat on the advisory board.

What were the steps you needed to make to get your first board role, and how long do you think people should expect it to take?

Building my board career has been a full time job. Understanding the importance of getting networked has been crucial, as has the realisation that I needed to further develop my own skills – in particular my selling skills.

Kylie has been instrumental in helping me to develop my networking skills and has redefined what good looks like. When I first started out I used to think meeting with 2 or 3 contacts would be a good result, but soon realised that I needed to reframe that and began meeting with 8 – 10 people per week.

You've also got to get your own marketing collateral sorted –whether it be your LinkedIn profile, or your Board CV, maybe a one pager that you can move around for various opportunities – and certainly getting the elevator pitch right. It takes practice and you've just got to get yourself in harms way.

“Building my board career has been a full time job.”

Regarding how long it took – that's a really hard question. I started to push out at the end of February and by the back end of June I had my first board role. This was a lot quicker than I had originally thought – I expected it

would take me closer 12 months to land my first role, but having the business model approach in place, and understanding how I could add value to organisations really accelerated that timeframe.

How did you find organisations you could work with?

It's amazing – after 30 years in retail I ended up getting involved with aviation. I had a son who was flying and I had an aspiration to understand more about what he was doing.

While my son was up flying for an hour the young flying school founder/CEO would have a chat with me, and as I started to understand his business I pitched him the benefit of having a well thought out strategy and implementation plan. While he had some incredible ideas, he needed to get an advisory board around him – to help him bring the ideas to life.

I really believe that when you put the innovative thinking together with a group of people who have been there before – that you can get a business to it's destination a lot quicker.

This particular founder had no previous experience of working with an advisory board before, but once we were able to explain the development of the business plan, the benefit of developing clear milestones and capability plans, as well as outlining what his business would need to implement, the value of what we were offering became very real.

The process itself started to crystallize a lot of ideas for the founder and it became clear how we needed to move forward, what sort of people are we going to need, what marketing programs are we going to need, what key milestones we'd need to be aware of, forecasted p&l's, balance sheet, how are



we going to manage your cash flow etc etc.

I think this process is especially valuable for young entrepreneurs immersed in the business. They understand that these issues are key but often they just don't get the head-space to solve them. So this was his time to get together a small advisory group to work on his business, not in his business.

What is next for this particular business?

Since we began working together, we've seen fantastic growth and are now bringing on a 3rd party private equity business to support us further. The small advisory board that we started with will eventually grow into a full board at the conclusion of the sale of this business, and we will go to Non-Executive Director status but will remain pretty hands on Non-Executive Directors.

“Getting your first role will be the hardest step to make. There is no doubt in my mind, that one role leads to the next, which leads to the next.”

How do you decide whether or not to work with an organisation?

I remember one of my mentors asking me, why are you doing this?

I think that's the vital question. I realised that I had a real appetite to understand the aviation industry. I also had a great chemistry with the entrepreneur. It can be quite counter productive if you don't have an interest in the industry, or you don't get along with the owner. If those two things aren't in play then you won't have the aspiration to see the project out.

I've also said no to two prospective candidates because I didn't think they were committed to the program, and there was a chemistry issue. I took the view that I didn't think they were all in and I didn't think it was going to be a happy ending.

That's a tough call when you're looking for that first gig. But – saying no can be as important as getting the first great opportunity.

Do you miss the corporate world?

No not at all – and I have to say that I really enjoyed my corporate career. But I've found this new career really empowering and I love being able to work with highly energised people who have some fantastic, innovative ideas. When you compliment those ideas with some of the rigour and learnings from your previous corporate experience there is a real value opportunity for the organisations you work with.

I'm still learning. When you're working with SME's in particular you have to learn to appreciate that people's lifestyles are on the line. Whilst you bring a strong commercial edge, you also have need to bring a strong level of empathy and really have a look at the risks that are being taken in a smaller business and understand that people have their livelihoods on the line.

What advice would you offer other Director Institute members starting out?

Getting your first role will be the hardest step to make. There is no doubt in my mind, that one role leads to the next, which leads to the next. But that first role can be a challenge.

1. Understand Your Brand and learn to Pitch!

When leaving the corporate world as I did, you need to go through your own personal transformation. As someone who was a CEO and Senior Director for years I had to take my own brand and consider what skill set I was going to pitch to the market.

I looked back at my career history and considered what I enjoyed doing, which was mostly about running businesses, and running customer centric strategies and implementing them. I like to work with organisations that are going through transformation – whether it be a retail platform or a flight school, it is the journey of transformation that I've always enjoyed.



Once you are clear on your brand you need ensure you communicate it – personally, and via your LinkedIn Profile and Board CV.

2. Networking is Crucial

You need to realise that your old networks might not be so useful to you in this new world. So – you need to find ways to connect with new business networks.

Networking is not always about asking someone what he or she can do for you; it's about asking what you can do for them.

3. Build a Peer Group

Surround yourself with peers who are on the same journey – share some war stories, share some techniques that work. That was something that I took away from the Director Institute Masterclass that I attended last year. Each week a small group of us would meet up to share our successes and the challenges we were facing – those connections were just as important as everything else.



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