



Director
INSTITUTE
Next Generation Directors

BoardAlert

EXCLUSIVE
MEMBER
MAGAZINE

FEATURE
INTERVIEW

David Hayes

ALSO INSIDE:

Derryn Hinch

Fulvio Barbuio

Adrian Morey

Chris Sheedy

Akshaya Naronikar

Myles Murphy

plus much more!



WELCOME TO THE LATEST ISSUE OF BoardAlert



It has been an incredible year for Director Institute and our members. Over the last 12 months we've welcomed thousands of new members into Director Institute, and met many of you at our Masterclass and Director Luncheon events that have been held around the country.

The calibre of the attendees and the feedback from these events have been exceptional.

We have new Masterclass dates booked in around the country for 2019, and some fabulous Director Luncheons planned. Every member is encouraged to come to a Masterclass as part of their membership. If you haven't yet attended one of these events, please speak with the membership team to register your place. Take a look at our event schedule on Pages 8-9 for more information, or for up to the minute details keep an eye on the events tab of the website.

In this issue, I have had the great pleasure of interviewing several amazing leaders & legends in their fields including Derryn Hinch & David Hayes. I hope you enjoy the interviews. Thank you to the members who have contributed their valuable thought leadership and insights to this issue of Board Alert.

2018 has been the year for boardroom blow ups and fall outs. With one stunning revelation after the other the Royal Commission has spectacularly displayed why there needs to be a change in Company Boardrooms. As a direct result, Corporate Responsibility will be a key theme for 2019 - we will see Next Generation Leaders coming through to disrupt the status quo.

What else can we expect in 2019?

Accountability for Business leaders, Disruption for Businesses on a level and scale never seen before, Next Generation Leaders coming through to take their seats.

Business Leaders will need to walk the talk in terms of values and Corporate Responsibility will be a key theme for 2019. The Board's role? To lead the organisation's purpose, values, and culture from the top down. The landscape has shifted, and 2019 will see in a new era of Boardroom leadership in Australia.

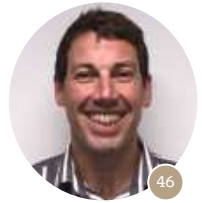
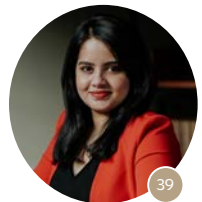
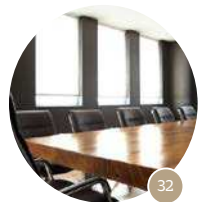
At the start of the year I recommend that members spend the time to refresh CVs and LinkedIn profiles, and consider their plan for 2019. If you are considering applying for a role, please book in for a mentoring session with either myself or the membership team to ensure that your application is the best it can be – and always book in for a mentoring session prior to an interview. Preparation is key when it comes to board recruitment.

I am on mission to improve the standard of Boardrooms in Australia – I look forward to partnering with you to achieve this goal.

Kylie
Kylie Hammond
Executive Chair

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Hinch on Leadership

Derryn Hinch has been at the centre of Australian public life in media and now politics for over 3 decades. The Human Headline is opinionated, often controversial and a man of life-long conviction for the causes he champions – Public Register of Convicted Sex Offenders, Justice In Sentencing, Bail & Parole reform, Dying with Dignity and Animal Justice. Kylie Hammond sat down with Senator Hinch to discuss leadership, the Liberals and all the main players in the saga that is Australian Politics.



You've sat on both sides of the ledger now and I'm really interested to find out how you have found this transition from being in media and being a Senator and what it actually is like to be a working Senator. What's a day in the life like?

It's much harder work than I thought it would be. I have a lot of experience on justice issues & laws in the courts but you've got to be across everything. I have to vote on income tax cuts, because I said quite openly since March that I will not, I cannot give company tax cuts to the banks when they're facing a Royal Commission. There is a range of issues that I am now involved in that are outside of my core issues, but I will fight for them all with equal passion. I did say when I got elected "I will listen." Which is something that talk back people in radio, print journalism, and TV journalism often don't do. And I am listening. That's why I've been out with the farmers in recent times around country Victoria suffering with the drought. But the interesting thing about leadership

is believe it or not despite the fact that I've had on air confrontations, you might call them shit fights with people like Carl Williams and Mick Gatto, I actually don't like confrontations. Sometimes it has burnt me that I've gone around a problem when I should have taken it head on. You have to take issues head on with people, any people, and say okay this is why you're supposedly a leader, you must lead. Secretary of the Department of Home Affairs Mike Pezzullo is very good at talking about what you do as leaders - saying that "Failure is part of the human condition." He said "Leaders aim to make failure rare, relatively inconsequential and recoverable." And that hit a nerve with me. I had a PA, I should call it a human sandbag because she would block the incoming and once she stuffed up badly one day and spent four days trying to either hide it or fix it. And I said to her, "If you stuff up come to me and tell me because then we've got two brains trying to solve it on the day it happens rather than me coming in and trying to mop up four days later. You've expended and wasted all

this time, energy, your own time when in fact if we put our heads together we may be able to fix this.” We should have a funny slogan that if you’ve been run out of town, pretend it’s a parade and you’re leading it – that’s how to recover from the seemingly unrecoverable. That’s fairly cynical but if a team can work to fix something it’s better than one person struggling alone saying “Oh I’ve stuffed up, how do I fix it?”. That is part of leadership. Allowing for mistakes



You mention the Royal Commission, it has been one revelation after another and I’m surprised that some of the anger isn’t more white hot with what’s coming out - what’s your take on why members of Government were just so reluctant to support the commission in the first place?

I do not know, I think that was a crazy decision and this is something that the Liberal government has proven time and again. They announced the Royal Commission a day before because they knew we were going to force it in the Senate or at least pass a bill in favour of it in the Senate. So they hung the Senate out to dry. The same thing over the tampon tax which we pushed for very hard in the Senate and early this year Scott Morrison said “We’ve got to get rid of it, if the States will come along with us.” Why do you hang your Senators out to dry like that. We all know it’s going to happen so why are you hanging people out to dry and I find that in any Government , any leadership, that’s a bad thing to do. The GST increase was floated by Morrison a couple of years ago and that was chopped down. I don’t know the old line about run up the flagpole maybe that’s part of it but I think it’s very bad policy to “test the waters” and makes for a bad government. Made a decision and show leadership.

Can you share your thoughts on the Liberal Leadership spill?

The Leadership spill was one of the clumsiest episodes in the history of Australian Politics. Peter Dutton didn’t play – he was played. In the end, the

thing that bought the Liberal Party members who voted for Morrison together was A.B.D = Anyone But Dutton. Scott Morrison can relate to people but the mountain is now just too high for him to win at the next election.

How do you feel about Malcolm Turnbull?

I’m very fond of Malcolm, I’ve known Malcolm for decades. I had lunch with him recently. In the end his undoing, aside from the toxic element of the Liberal Party, is we didn’t know what he was, but we knew he wasn’t Malcolm. He tried so hard to appease the right wing he moved away from his ideals and core. The real Malcolm Turnbull could have been Prime Minister for decades.

What do you think about Bill Shorten. He’s not a Bob Hawke is he?

He’s not a Bob Hawke no – he doesn’t have the wisdom. But I wrote before the spill “If I was Chloe and Bill I wouldn’t be measuring the curtains for The Lodge just yet.” But with the leadership change Bill and Chloe should be picking out the patterns.

And Tony Abbott?

Abbot will not come back. People forget that Abbott was a dead man walking, that’s why they rolled him. He’s now publicly and brutally shown his colours and

people think it has been destructive. The best thing Abbott could do for his beloved Australia and Liberal Party would be not to stand for re-election.

Along with the leadership spill, our parliament has just had so many scandals in the past 24 months and I think the public is pretty fed up with politicians not getting on with the job. What do you think is the likelihood of a Donald Trump style candidate emerging here?

I can't see one. I think the climate is there for it but I'm no good at picking it because I was telling my ex wife Jackie Weaver how Donald Trump will not get the nomination, and don't worry he won't get elected. On election day I said "Florida is coming in Trump but he won't get this."

So you didn't see that coming? I had money on that he was going to win in a landslide.

Good on you but I didn't see it at all. I thought the American people at the end won't go for it. When the quote "pussy" video appeared I thought "That's the end of it, he's gone now." Because I know having lived in America for 12 years that is the most offensive word in America, it's worse than the C word. The Daily News wouldn't even print it on the paper, they put a P and cats heads because they wouldn't use the word.



Obama wouldn't use it in his criticisms. I can't see his style working here.



What about Mark Lathan now that he is married up with Pauline Hanson?

It is an amalgamation from hell. They will not last, as they will not be able to stand each other for more than 10 minutes. Mark is on the same level as David Leyonhjelm who won't get re-elected although he's trying hard to stay relevant by the fight he's having with Sarah Hanson-Young - what he said to her was despicable and I think he'll disappear.

Tell me on another topic, the media sector. What are your views on the whole sector at the moment because it's all back in control of a few key people?

Well Kylie I've been savaged on Twitter because I voted for the changes to the media laws. Get rid of the 75% and open the market. And I voted for it because it's the survival of the fittest. The media has changed and we have to accept that. I said it was sad that Fairfax was going under and people said what a hypocrite you are because you voted for the changes that made it happen. I said "if Fairfax had better management in the last two or three decades it would have been Fairfax taking over Nine not Nine taking over Fairfax". Fairfax being a clever organisation - they used to own Network Seven. They



That leads to the question - are the Greens really one of the most dangerous parties in parliament?

No because they're actually quite soft in the end. In the end. They give Labor the numbers but there is so much infighting in the Greens. Richard once said to me, "Oh it must be great to be just a one man, one Senator Party because you can do what you want to do." There is a lot of truth to that.

own Macquarie Media radio network. They were one of the biggest media groups and now their names will disappear - now that is sad but it's a fact of life. Sydney Morning Herald now has more viewers online than they have in print. The landscape has changed, laws had to change with it but I'm sorry to see Fairfax disappear.

Do you think parliament has turned into a 24 hour media cycle?

Yes.

And so you can't get major reform through?

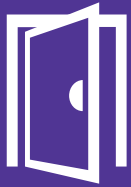
We got the personal income tax reform through. This government has actually, despite all the turmoil, got a fair bit of legislation through. I get angry when people say "You vote for the government all the time, 90%, 80%." I said "No I don't, I have voted with them 62%." You don't see how many amendments that the ALP and the Greens and me and others have got onto Government bills before they get approved, before we vote in favour of them. Every amendment on the Education Bills I put up had been written between me, Richard Di Natale and Sarah Hansen Young from the Greens. Every amendment. And we put them up, the Government agreed to them and then the Greens voted against them because they didn't want to upset the Education union. So amendments failed that have been fed from the Greens, because they voted against them. That's so disappointing I'd rather not be in politics than operate like that.

What is most important is to listen. You need to be saying "I'm from Queensland and I'm here to help you." There are some very good people in Canberra trying to do good things. We do have an increasingly US style of politics and Politicians are crucified by the media for the silliest of things in the news cycle. I must confess I eat my pie with a knife and fork just like Malcolm Turnbull did, I eat pizza with a knife and fork. On the road the other day at a country pub I apologised to the waitress, and said can I order a "deconstructed hamburger". I take them apart and eat bit by bit. I deconstructed country meals apart.

Very uncool Derryn, very uncool.

Very uncool I know but I never professed to be cool.





Welcome ^{to} the Boardroom MASTERCLASS

SYDNEY: 12th February • **MELBOURNE:** 20th March • **BRISBANE:** 22nd May
More dates to be announced.

Join Kylie Hammond Executive Chairman and Founder of Director Institute, and her team for this supercharged one-day Masterclass that will fast track your board career.

Limited to only 40 people this opportunity is suited to mid-to-senior executives, general managers, directors and C-suite executives ready to drive their career forward to achieve amazing results.

Attendance at the Welcome to the Masterclass full day workshop is included in your membership.

[Join now](#) and book in to attend the next event in your state.

Current Members - register via the Membership Team
Non-Members register [HERE](#)



HEAR FROM OUR MEMBERS

Kylie is clearly a natural leader in the field on next generation directorship training, motivation and mentoring. She makes an otherwise and outwardly bland field intensely interesting, engaging and digestible. Her tips are eminently practical whilst very valuable. I have really gained so much in terms of my interest in furthering my director career as well as self development and improvement. I highly recommend Director Institute to aspiring directors and advisers.

Steven Tropoulos

I recently joined Director Institute and attended the Welcome to the Boardroom Masterclass event. It is very well presented, logically structured and focused on your director career development. Kylie is a very professional presenter and gets the message across efficiently. Refreshingly so, they offer a logical practical approach and avoid long-winded theoretical waffle. It is a worthwhile event, cost-effective and highly recommended.

Cornelis Keyser

I had a fantastic day with Kylie at the Masterclass with Director Institute. Kylie's style of providing insights and sharing her own experience is not an easy thing to do in front of strangers. She is very brave and a great speaker. I am looking forward to continuing this amazing journey with her. Thank you so much Kylie Hammond!

Rajini Carpenter

A very insightful day Kylie this week at her Director Institute "Welcome to the Boardroom" Masterclass. I was very impressed with the transparency and the relevant information that was shared. Kylie facilitated the day with extreme professionalism and was very supportive of the group sharing ideas and views. Thank you Kylie for providing an excellent networking event where we could learn and meet many excellent leaders.

Steve Toth

Few people have the opportunity to connect with highly entrepreneurial people – I had the pleasure of meeting with Kylie from the Director Institute who shared her insights in becoming a Board Director. Thank you Kylie.

Melissa Corser

What a fabulous Masterclass facilitated by you Kylie. The content was useful, thought provoking and challenging, the networking opportunities were so valuable, all in all great day of education and opportunity, couldn't recommend it highly enough.

Cheryl Macnaught

Kylie has her finger on the pulse on the Australian director landscape. Her knowledge of the current and future trends together with her entrepreneurship, extensive ecosystem of key players and her engaging style came together in the Welcome to the Boardroom Masterclass day in Sydney. Kylie shared a combination of powerful models, practical tips and checklists in a powerful day of learning. Bottom line: Kylie delivered an in-depth understanding of how to position yourself with practical suggestions, proven pathways to securing directorships and in a framework that is a pragmatic guide to success.

Mark Veyret

It is quite confronting to have to write about one's self, mentioning all the positive attributes you think a newly introduced person will want to know first off, to warrant an interview for a Board position. Kylie guided us through it with spirited discussion and the vibrancy one would expect from two very successful women. The networking opportunities were outstanding and I have already had emails back today from people wanting to get started on possible business and offering their network for introductions. Kylie spends a lot of time at the big end of town and were happy to share their insights in what's happening where. In this rapidly changing world where it's difficult to keep up with everything, all of the time and decipher what is fake news and what is not, it's good to spend time with people who are so up to date and so well connected as to have the real inside information.

Wendy Ragg

Best event of the year for me, thought provoking, intense... I feel like I am truly on my path to obtaining that diversity I seek in my career. A big thank you to Kylie and her amazing team.

Mindy Powell-Hodges

Are you a Next Generation Director?

Why join Director Institute?

We know what it takes to begin and build a successful board career.

Director Institute provides current and aspiring board directors with resources, peer to peer education and access to exclusive business networks needed to begin or expand a board portfolio; as well as access to exclusive board opportunities available no-where else in the market.

Our comprehensive resource centre provides directors with essential board-related information that includes exclusive recruitment and governance advice and guidance on how to improve both director and board performance.

We make connections.

We understand that there is a need for a new, diverse range of directors in the boardroom, and we work closely with both the business community and our network of high caliber candidates to connect the two.

What sets us apart from our competitors is the personal assistance we offer our members via our advisory and mentoring services. We have placed over 5,000 directors into boardrooms across the Asia Pacific region and in the last few years have mentored over 2,500 senior executives, CEO's, Entrepreneurs and Chairs.

Benefits of Membership



Networking and Events

Attend our exclusive business networking events and connect with other Board Directors, Advisors, Entrepreneurs and Investors who are well placed to assist your board director career.



Exclusive Board Opportunities

Access hundreds of exclusive Chair, Non-Executive Director and Advisory Board roles across all industries and sectors. Access the hidden Board Director job market.



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We offer world-class mentoring and advisory services for senior leaders who are starting their board career, expanding their board portfolio, or looking to work with a seasoned CEO advisor.

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We have three levels of membership at Director Institute - depending on how much access to our services, support and one-on-one mentoring you'd like to receive.

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Access to Exclusive Board Opportunities			
Online tools and resources to support your board career			
Access to exclusive networking events, round tables, CEO Forums			
Access to private online member networks			
One-on-one mentoring session with Director Institute consultant	1	3	6
Refreshed Board Director Professional Resume and LinkedIn Profile			
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Board Interview preparation, contract negotiation and due diligence advice			
Access great rates for DirectorGuard Insurance			
Keys to the Boardroom e-learning course			
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* Choose from the range of Full Day Masterclass events being held around the country. Check our event calendar.

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Keys^{to} the Boardroom

e-Learning Program

The Keys to the Boardroom is designed to be a self paced e-learning program which will show you step by step how to fast track your board career, how to break into that until now illusive inner circle, and how to get access to the 90% of board roles that are currently unlisted on any job site.

We have placed board directors into internationally listed companies, private and government boards, as well as not for profits and early stage high potential companies.

During this program, I will teach you what keys open the doors to the most sought after board rooms, discuss all the do's and don'ts of securing board positions and provide a clear road map of how to future proof your career and retirement with a board portfolio



The Program:

- Self-paced step by step e-learning program
- 20 part Video e-learning modules hosted by Kylie Hammond
- Each video module in the program runs for between 8 – 10 minutes only. No waffle-only short, sharp and to the point content.
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Get the Keys to the Boardroom e-learning program for \$2200 and receive 12 months of BONUS Foundation Membership at the Director Institute.

[Click through for more information](#)



David Hayes

by Kylie Hammond

A note from Kylie.

My love affair with horse racing started in the early 80's when I was a regular visitor to family friend and cousin Tony Elwood's property located in Gidgegannup in Western Australia. As young children we would head up to the farm to see the many race horses training on-site using Tony's private race track on the weekends. Even by today's standards, the investment at the property was significant with two trainers living at the property full-time, substantial horse stables and facilities, a purpose-built race track that came to life in the early hours of the morning as the horses would be put through their paces and of course one of the most amazing homesteads on the property, that still to this day I can remember in exquisite detail. It was the 80's and in the West, business was booming and horse racing was at the epicenter of social and business networks.



My father had a few horses in partnership with Tony and there were several Group 1 winners. We also had a fair share of horses that didn't win, but that never detracted from the excitement and the amazing people that we met through the

racing industry over the years. Many years later when the opportunity to own a racehorse presented itself,



I couldn't resist and we welcomed Speed Hero into the family with open arms. Speed Hero is having good success on the regional tracks around NSW and there are good prospects for some major wins in the next racing season. He is such an exciting horse to watch as he usually runs last for most of the race, surging to take the lead in the last 600 metres. There have been several heart-stopping moments and I suspect a few more to come!

My second racehorse Graceful Star is owned by an all-female racing syndicate and is training at Lindsay Park with the legendary trainer David Hayes.

I had the great privilege to speak with David and I wanted to share with you his insights on winning, building a world class horse racing facility and his views on horse ownership.

David you've had so many successes; how do you rate them and what keeps you motivated to keep achieving and doing more and more?

I get a thrill out of a horse that you might have recommended to clients and when they succeed. I get the biggest thrill out of doing the best for people, pleasing people and then there's the obvious big races which are thrilling to win. You get a huge thrill when you don't expect to win a big race sometimes. Like with Boom Time who won the Caulfield Cup, which is a horse I owned myself. So that probably was my biggest thrill because of the financial gain. I was thinking he'd run well, but I didn't think he could probably win.



I believe you picked that horse up on the back of unfortunate circumstances?

I bought him from the liquidators, the horse had trouble with past leg problems, but was fundamentally a very good horse, so I got him for a song and it was a very big win.

Obviously Lindsay Park is just such a phenomenal establishment and you've got family members all working in the business. You started in the industry at a pretty young age with your dad. Was there ever a point in your life when you thought you might go in a different direction?

No, not really. I love my sport, but when dad got ill I went straight in to it and had the opportunity that some people might not have got, and so I grabbed it with both hands.

Obviously you've had thousands and thousands of wins, but it hasn't all been a walk in the park. You've also had your share of difficulties and adversities. When you came back from Hong Kong it wasn't straight forward to get back into things and you put such a big investment into Lindsay Park.

Initially when we got back from Hong Kong we had a really good run. Traveling got the better of me. I actually found the commute from Adelaide to Melbourne every week and being away from my family too much, all a bit tedious. But, then I made the decision to downsize slowly Lindsay Park (in Angaston S.A.) and set up Lindsay Park Euroa (Vic). In the next couple of years, while we couldn't sell Lindsay Park, and we were spending all the money on Euroa it was pretty tough. We were probably putting more energy into getting the property completed than training horses. This led people to think that it might be the end of a dynasty, but I was always very confident once we got Euroa up and operating, we could bounce back and do well. For the last three or four years, we're a very powerful stable again, which is terrific. Euroa continues to develop, you never really finish when you own a property. My wife Prue and I actually just drove around the property and we think that we've done 90 percent of what we wanted to do on the property so far.



That's a good place to be. Do many horse owners go out and visit their horses at Euroa?

That's the major attraction of having the horses and the property based in Victoria. We would occasionally have owners come out to Lindsay Park in the Barossa, but at the new stables we have regular visitors and horse owners coming through almost daily because we have a large client base in Victoria.

Do you have any advice for people looking to get into maybe their first syndicate or into horse ownership? We've seen increasing interest in horse racing ownership, I'm personally seeing a lot more women getting involved with the sport, which I think is fantastic.

Gerry Harvey and Katie Page of Magic Millions have been very good for the industry encouraging increasing participation in the sport, particularly their 'Racing Women' incentive. My recommendation is no matter how wealthy you are, go in small to start with and if you enjoy the sport, get a little bit bigger and grow gradually. Don't be in too much of a hurry until you really know it's for you. And then of course there's a lot of people that get hooked by the horse racing bug.

I'm one of those people who is hooked by the bug! So, I've got a horse with you at the moment, Graceful Star.

Hopefully the long wait is over and a win is very close.

She's due for at least a good solid place, but maybe even a win, which would be quite exciting.

I think she going to go pretty close and her trackwork has been great. I hope it's the stepping stone to better things.

What was the background on finding her? Do you select the horses and put the syndicates together?

We've got a team that manages that process, we are always looking for good horses at all price points. We buy horses and syndicate them to our clients and partners and Graceful Star was one of those which is an all-female ownership syndicate so she will qualify for the Magic Millions and be eligible to participate in January. Her final track work has been excellent, so there is very good potential there.



About David Hayes & Lindsay Park

Lindsay Park Racing Stables is owned and operated by Hall of Fame Trainer David Hayes and his wife Prue. The main training base is located just outside of the town of Euroa, north east of Melbourne combined with stables at Flemington Racecourse (Melbourne) and Randwick Racecourse (Sydney). By the time David was born in 1962, his father Colin was already firmly entrenched as the leading trainer in South Australia having won six of the previous seven Metropolitan Trainers Premierships from his stables at 'Surefoot Lodge' in Semaphore (Adelaide). David grew up surrounded by horses, and when he was young, Colin moved the family and his training operation to a new property 80km north of Adelaide near Angaston in the Barossa Valley. This property was to be known as Lindsay Park, which became an iconic horse property, known all over the world.

From a young age, David followed his dad around constantly in the stables and at the track, observing and learning from him as much as he could. When he was old enough, he served a thorough apprenticeship by helping out in the stables where he experienced every aspect of the business. He spent time with the vets, and farriers, and he rode trackwork, strapped horses and mucked out stables. David joined the business full-time and began working side by side as an Assistant Trainer with his father from the age of 21, taking over the training operation at Lindsay Park at the start of the 1990-91 season at the age of 28, following his father's retirement. During this first season, David won the Cox Plate (Australia's G1 weight-for-age championship) with Better Loosen Up, set a world record of six Group winners in a day at Flemington on Derby Day and then won the Gr 1 Japan Cup (the world's richest race at the time) with Better Loosen Up a month later.

In 1994, he won the Melbourne Cup with imported galloper Jeune for Sheikh Hamdan bin Rashid al Maktoum and by the end of the 1994-95 season, David had won every Melbourne and Adelaide Metropolitan Trainer's Premiership and racked up an amazing 31 Group One wins. In 1996, David accepted an invitation to train in the world's toughest racing environment, Hong Kong. He was an immediate success, winning two Trainer's Premierships in the top four in each of his nine seasons and training 458 winners including the G1 Hong Kong International Sprint (All Thrills Too in 2002) and the G1 Hong Kong Derby (Elegant Fashion in 2003) and 15 other Hong Kong Group Ones. David returned to Lindsay Park in 2005 and has since secured another two Melbourne Metropolitan Trainer Premierships, three Adelaide Metropolitan Premierships and trained a further 40 Group One winners.

In his 27 year training career, David has trained in excess of 4000 winners, including 91 Group One wins. He has won most of Australia's major races including the Melbourne Cup (Jeune in 1994), Caulfield Cup (Fraar in 1993 and Tawqet in 2006, Boom Time, 2017), Cox Plate (Better Loosen Up 1990 and Fields of Omagh in 2006) and the Golden Slipper (Miss Finland in 2006), Queen Elizabeth Stakes (Criterion in 2015), Australian Cup (Spillway in 2015).

David is the youngest trainer ever to be inducted when he joined his father Colin in the Australian Racing Hall of Fame in 2008.

<http://www.lindsaypark.com.au/horsesavailable>



Bruce Rosengarten - Politicking for Success (P4S)

Bruce is an accomplished and experienced Chair, Non Executive Director, Business owner and advisor to start ups. Bruce can often be found mentoring CEOs and their teams on leadership and shares with us his insights on the business of politics.

<http://www.passionate-leadership.com>



We often talk about politics in organisations. This year, we have seen the more dramatic of organisation politics with the demise of a Prime Minister in Australia and then subsequent surprise ascension of Prime Minister Morrison to his new role.

Everyone in organisations plays politics – some better than others, whilst I never considered myself political, even I had to play politics at some stages, with varying degrees of success.

I want to focus on success. Typically, politics in organisations are used to manipulate opinion, people “chat” about others sometimes to “verbally

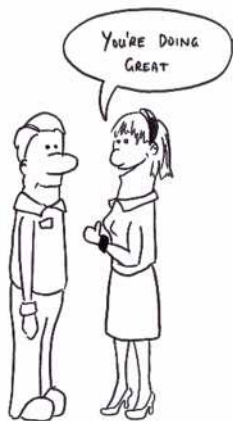
assassinate” them or their credibility, or destroy a program, an initiative or other important action. It is too naïve to think that you live in a vacuum and have not been a part of such politics.

The concept of Politicking for Success (P4S), redefines the concept of internal politics into a constructive and helpful manner. We all know that if our colleagues are successful, you are likely to be successful and you build a stronger team ethic. This is the basis of politicking for success.

It can be very powerful concept and truly defines successful teams. It takes courage, commitment and the big ingredients of MUTUAL TRUST AND RESPECT (MTR). If you can build MTR, and understand your success is totally intertwined with your colleague's success, you can make a start. This means you help your colleagues succeed and they help you. It does not mean you let them pursue potentially failing strategies or actions. You intervene, coach, discuss, debate, support and help them find a winning answer. As a colleague you need to respond positively to your team member's support and have productive engagement to achieve the very best outcomes.



It also involves recognition and what I call building a “culture of appreciation”. Where people appreciate, publicly recognise and acknowledge the contributions of others – in other teams, at all levels of hierarchy. This broader ability to acknowledge and appreciate is a powerful tool to demonstrate you know what people have done to help you and your team succeed.



them in it, so they must leave and then you can then rebuild the team.

The power of P4S is extraordinary, the collective energy and the outcomes have always exceeded my expectations. What is even better is the team’s motivation, personal enjoyment and social interactions all hit remarkable highs. Life at work is fun, mutually enjoyable and successful. When I have had the pleasure of leading a team that fully embraces P4S, the business results, the atmosphere and collegial embrace is extraordinary. They were super powerful teams filled with the MTR ingredient. Perhaps if our political parties could do more politicking for success we may also all be better off as a nation.

When P4S is not working leaders need to intervene. They must transparently discuss the failures and obtain team buy in. Occasionally you cannot achieve true P4S as one team member refuses to play politics for success and often MTR breaks down. You try to persuade them, but it is not in their nature. My learning has been that it is time to make a change for that person. The team will never achieve that interdependency and mutual trust and respect with

I have written about P4S, MTR and a “culture of appreciation” in my book *Passionate leadership* – in fact I made it the first chapter about P4S due to its extraordinary importance in leading great teams. Let’s P4S with our colleagues and team mates to build stronger, more successful organisations and healthy work and life environments.





Asset Protection - What Directors Need to Know.

Paul Hunt



If you are thinking of becoming a Director, or are already a Director, then you will be told by advisors that you should protect your assets, and that you should go and see your accountant or a lawyer to get asset protection. In this article I will explore the issues that you need to consider when seeking to protect assets, and how you may avoid some common pitfalls.

What is asset protection?

Asset protection simply means holding assets in ways that are separate from liabilities.

It is important therefore to understand what your assets are, and what your liabilities or potential liabilities are.

Understand your present asset holdings

Every person will have their own circumstances, so it is important for your advisor to understand what assets you currently own in your own name, and also what structures (ie companies and/or trusts) you currently have.

You should put down on paper what you think your assets are, and what liabilities you have. I say 'what you think' because I have found over 20 years as a lawyer that most people don't fully understand their own asset position, let alone their liability position.

Take for example the primary residence. Most people considering board positions will say that they own the house that they live in (whether mortgaged or not). If the person has a spouse however, then the primary residence may actually be owned by

- only one of the couple;
- in both names as joint tenants;
- in both names as tenants in common in equal shares;
- in both names as tenants in common in unequal shares.

Each of the above presents different issues to consider.

For this reason your advisor should conduct searches of the available public registers to determine what your assets and liabilities are. Putting down on paper what you think your position is will however guide your advisor as to which public registers to concentrate on.

As a minimum, searches should be conducted as follows:

1. searches of the land titles office in the State where you hold property, including name search and address search;
2. searches at the Australian Securities and Investments Commission ("ASIC") as a personal name search to see what entities you are already involved in, whether as a director or shareholder;
3. searches of the Personal Property Securities Register ("PPSR") for you as a 'grantor', ie someone who has granted a security interest to another person ('secured party');
4. other public registers depending on your personal circumstances (eg a bankruptcy search, litigation searches, trade mark search etc).

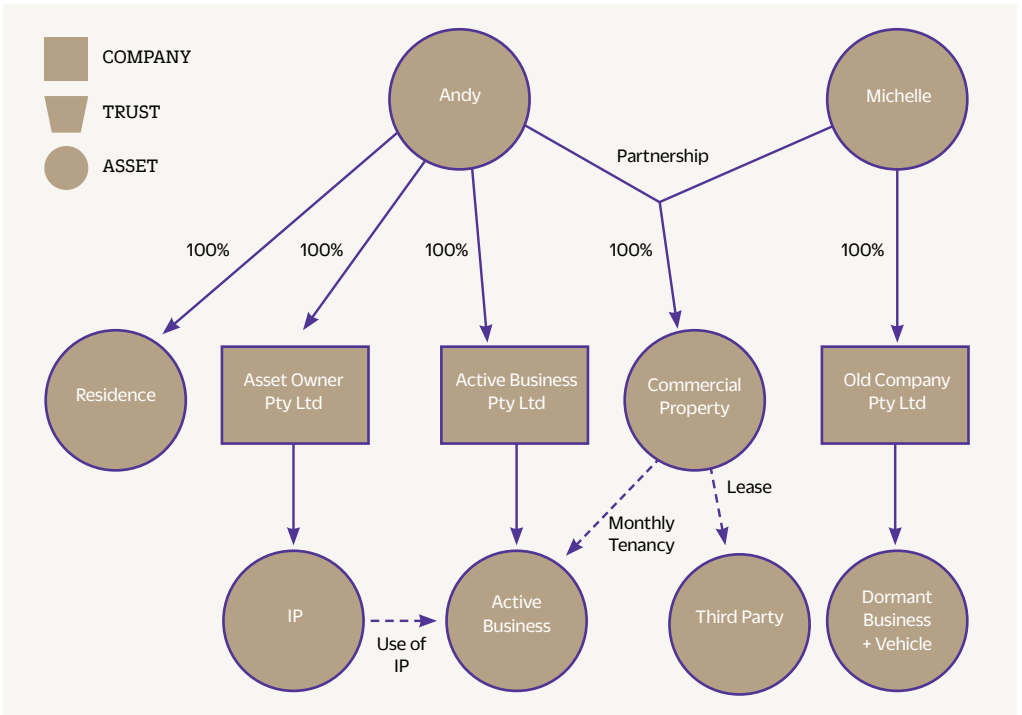
Once all of the searches are conducted, your present asset and liability position can be drawn or mapped. Mapping a person's asset structure as a simple way of looking at the assets, which also can highlight where

potential issues are. Over the years I have developed a simple key to assist with drawing.

Example

Below is an example of an asset map for 'Andy and Michelle' where the family home is owned by Andy. Andy owns and runs a business through two entities, one of which holds intellectual property which is used by the active business, and Michelle owns a company which is essentially dormant apart from owning a motor vehicle, and Andy and Michelle own a commercial investment property as a partnership, which is leased to a third party.

Apart from the interest in the commercial property, this is not a bad structure for Michelle to take on a board role, but as you can probably tell, Andy represents a single point of failure. If some liability should crystallise for Andy, all of the assets owned by Andy and Michelle are potentially affected.



Understanding your present and potential liabilities

Although companies have a separate legal personality to the directors, as a director of a company there are four main areas where personal liability can arise:

1. Where the director has signed a personal guarantee, the director has personal liability (according to the terms of the signed guarantee) for the performance of the contract by the company. Typically this happens in supply contracts, premises leases, equipment leases, vehicle leases, but can be in any contract;
2. Where the company trades while insolvent (ie unable to pay debts as and when they fall due), the director has personal liability for the debts incurred by the company while the company was trading while insolvent;
3. Where the company has not paid Pay AS You Go ('PAYG') withholding tax or Superannuation Guarantee Charge ('SGC'), the Deputy Commissioner of Taxation can issue a Director's Penalty Notice, whereby if the notice is not complied with the director becomes personally liable to pay the unpaid PAYG and SCG;
4. Where there is statutory liability on the director. The most common situation is where the director has personally breached, or been knowing involved in a breach of the Australian Consumer Law, for example by being misleading or deceptive. Other examples are more particular to certain industries, for example a director can have personal liability for breaches of work health and safety legislation.

A PPSR search on your name, and title searches of properties in your name, will show which creditors of yours have secured your liability to them against your personal assets.

For example, a director that has given a personal



guarantee for a contract for supply of goods to the company, may have also 'charged' their assets in favour of the supplier. A 'charge' is a grant of security over certain assets, meaning the supplier will have rights in relation to the assets if the primary obligation of the company is breached. A mortgage is a form of security that is particular to land and has additional rights in relation to the land.

Not all liabilities are registered on the PPSR and on title searches however, as those registers will only show secured parties. An unsecured liability may still result in loss of assets if the liability crystallises and there are insufficient funds to pay the liability.

It is important therefore for your advisor to understand your exposure under any contracts you may have signed.

The liabilities can also be mapped as an overlay on the asset diagram. I like to use different colours to quickly indicate where the risks are.

Other Risks

The risk of separation of spouses should be considered. The Family Court has wide ranging powers to look beyond structures and treat assets held in them as part of the assets of a relationship. A properly drafted binding financial agreement can assist with planning around this issue.

The risk of someone passing away and leaving assets to a person that is bankrupt, or is in risk of becoming bankrupt, should also be considered. A testamentary trust is a useful structure here.



There is an obvious intention to defeat creditors where there are existing creditors, or where assets are transferred for less than (or for no) value.

It is important therefore to:

- get a valuation of the asset that you wish to transfer, and for the acquirer to pay that value;
- pay out any existing creditors from the proceeds received from the acquirer of the asset.

Cost of holding assets in structures

Another important issue is the cost of maintaining structures to hold assets. Apart from annual fees for companies, accounting fees for preparation of financial statements and tax returns, banking fees for business bank accounts, there are some concessions for holding assets in an individual's name that are not available for, or reduced for, assets held in an entity.

Making changes to asset holdings

Once you have mapped your assets and liabilities, you may wish to consider changing how assets are held.

The purpose of the change may include to have income and/or capital from assets be distributed in a more tax effective manner, for example to distribute the income to beneficiaries through a trust.

Careful planning is required however as the transfer of an asset can trigger:

- A payment of stamp duty;
- A capital gains tax event;
- A need to fund the transfer and therefore potential to incur new liability;
- Loss of control over the asset.

Assets should however never be transferred to defeat or defraud creditors. The reason being is there is legislation which allows a creditor or trustee in bankruptcy to claw back any transfers that were made with the intent to defeat or defraud creditors.



Special note on the primary residence

A primary residence has exemption from capital gains tax and state land tax. Careful consideration should be given to the value of these exemptions.

Acquiring assets in appropriate structures

As can be seen it may be costly and risky to move assets from your own name to a structure. The best

way to avoid this issue is to never acquire assets in your own name, but to acquire the asset in an appropriate structure. There are many different structures and the appropriate one for you will depend on your circumstances.

One temptation is to have assets acquired in the name of another person, for example your spouse or other relative. Whilst any person can be a trustee of a trust and hold assets on behalf of beneficiaries, it is important to document the trust. After all the word 'trust' carries several meanings and if your 'trust' in someone is undocumented and broken by them, it can be very difficult to establish that the asset was held on trust.

Get the right structures for you

There are a number of different structures which have different advantages and disadvantages. The structure can have fixed entitlements to income and capital such as a company or unit trust, or have flexibility such as in a discretionary trust. There are also hybrid trusts which have partly fixed and partly flexible attributes.

Ultimately your advisor should be able to explain to you why a particular structure is a good fit for you, as well as explaining the disadvantages, because after all, it is meant to be for the benefit of you and your family.



J R Paul Hunt is Managing Director of Moisson Lawyers, based in Sydney, and has expertise in start-up and high growth companies, both listed and private. Paul is currently an Advisory Board member for a number of technology and media companies, Chairman of Invideco Pty Ltd, and a member of Director Institute.



Fulvio Barbuio



Fulvio is a highly experienced Board Director and Senior Treasury and Finance Executive. Fulvio holds the position of Board Director of the Finance and Treasury Association (FTA) and here he shares his learnings from a 37 year career spanning several interesting and diverse industries.

Can you tell us about your background?

After completing a B Com (Honours) in Accounting and Finance my first role after graduation was as a management accountant. By chance they needed somebody to undertake treasury duties as well. The role also required me to report on Australian economic, corporate and political matters for the head office in Zurich. So together that gave me a broader view and appreciation of corporate activity beyond that of a traditional accounting job.

I then looked to obtain broader experience by working in larger organisations mainly in head office roles covering corporate finance and treasury, business planning, business development, strategic planning and risk management but also worked at the coal face supporting financial pricing in a sales team. My career also spanned several industries, including mining, energy, technology, utilities and media, in both the public and private sector and working for the likes of Esso (Exxon), IBM, Energy Australia (now Ausgrid). My last organisation was the Australian Broadcasting Corporation (ABC) where my final role was Head Corporate Treasury & Risk before I left the corporate executive world earlier this year after some 37 years.

While I have had broad finance experiences, treasury has always been at the core. The extensive nature of

the role with its internal and external relationships, engagement with fast moving financial markets and having a helicopter view of financial risk and how that can impact business value, combined with my other non-treasury experiences has made for a varied, interesting and satisfying career.

What are the fundamentals of treasury?

In its wider sense Treasury covers cash management, corporate finance and financial risk management. So, we are talking about things like, ensuring an organisation has sufficient financial resources (cashflow) to undertake its activities where and when it needs to either through internal sources (operations) or external funding (equity and debt). Managing financial risks that impact an organisation like foreign currency, interest rates, commodity price volatility and the like is also part of it. Other areas which Treasury has been involved with includes mergers and acquisitions, capital management, superannuation and broader risk management (including insurance) the latter being part of my last role at the ABC.

For me Treasury is more than just transactional in focus but rather can bring a broader lens to an organisation to enhance its enterprise value for the benefit of its shareholders and other key stakeholders.

Your career was very successful before you became a Board Director. How did that first Board appointment come about?

During the mid-point in my career I joined the Finance and Treasury Association (FTA), which is a membership body representing financial risk professionals from the buy and sell side as well as educators and others. After a while I put my hand up to be more actively involved and started presenting at FTA events, seminars and conferences, being on the annual conference organising committee for a number of years and being asked to join the National Technical Committee in 2011. It was during that involvement in 2014 that I was approached as to my interest in joining the FTA Board which I did. To that I have added membership of the Finance, Risk and Audit Committee and Chair of the Remuneration and Nomination Committee, all of which have provided an even richer Board experience.

For me my various involvements with the FTA have primarily been about giving back to the profession that had given me much during my working career. However, reaching the pinnacle of the Board was an added recognition of my contribution then but also what I could bring to the Board going forward. Apart from a number of things that a Board appointment brings to a Director, it highlighted to me the weight of responsibility to act ethically and in the best interest

of the members and I have taken this as a central principle in all my dealings.

Have you had mentors through your career? Do you act as a mentor now?

I've been generally quite self-directed and self-reliant in my working career and driven myself through hard work and discipline to meet challenges. So, I have not had ongoing mentors although there have definitely been confidants along the way that I've gained valuable insights from time to time. This approach may not suit everyone, and some people would definitely benefit from having ongoing mentors.

While I haven't been a formal mentor, in my latter corporate career I have 'mentored' younger staff in various situations/projects and have found it rewarding to again give back. Now, the FTA has a mentor program, and this is part of giving value to its membership, in particular younger risk management professionals with the idea that we are there to assist members at all stages of their career.

What is the biggest challenge of your career, how did you face it?

There have been a few, around implementing unfamiliar major projects, undertaking key high-profile business reviews and assuming a major finance





role managing a large group of staff. However, there was another type of challenge that I can relay which is instructional involving setting up a treasury operation essentially from scratch.

The organisation in question had established a relatively new unit providing financial services to the organisation's customers and I was hired to take the unit's treasury operation to a whole new level to support plans for rapid growth. The challenge was multifold involving introducing new concepts, practices, disciplines and bringing on board local unit, organisation and parent management who had been unfamiliar with funding and related techniques for financial services.

I first needed to mould my existing treasury knowledge to fit a financial services business (which had not been my background) and then sell this by strong advocacy through unit then local then parent management. The imperative here was that the unit's business growth demanded urgent funding attention. Along the way I had challenging conversations with local management unfamiliar with the unit's unique business/treasury model especially when initial corporate bond issues were part of the plan. I also introduced new approaches to asset/liability management.

The way I navigated this to success including implementing my funding plans and making local

management allies from doubters was to spend time to engage face to face with management to ensure they understand the strategy and were comfortable with it, which led to their support and trust.. I also elicited the assistance of external advisors and parent management to support me in convincing management of my approach. To some extent I had to push through but always in the firm belief that my approach was correct and would be proven so – which it was.

More generally, in challenges I have faced I have always had self-belief and a willingness to get other key stakeholders support by developing personal relationships which can sometimes seem undervalued as an enabler, but I can attest to their potency. This has also helped the bruise 'healing' process.

A sizable part of your career was spent at the ABC where responsibility would have fallen with you to brief the Board (directly and indirectly) on certain financial matters - can you share with us your learnings?

Through my various roles at the ABC I engaged the Board about treasury, finance and risk management matters variously through reporting and or face to face briefings.

In the reporting side there were contributions to more global financial Board papers, treasury focused Board papers and risk management Board papers in addition to Board treasury briefing notes. In these



circumstances the goal, with management guidance, was to provide a balance of detail but also focused content with the aim always to be crystal clear about what was being either explained or asked for to and from the Board. In most cases more information was not necessarily best but rather about providing enough information to support the briefings objective to a group of individuals on the Board that were very capable but also had limited time to engage on many matters.

From my face to face briefings with the Audit, Risk and Finance Committee of the Board, I learnt the value of pre-meeting briefings with the Chair and independent NED to get a read on key issues and develop a healthy but none the less arm's length relationship with the key members of the Committee. Briefings with the Committee were best approached by of course being fully prepared and on the understanding by the Chair that papers were taken as read.

So, my job always was to identify any new matters that did not make the paper in time and point out the two or three key messages that I wanted to leave the Committee with. Papers for noting were frowned upon and seen as 'on the fence' so the focus needed to be an affirmative one asking the Committee to do or decide something. Lastly, it was important to let the Committee members debate and argue robustly the issues at hand avoiding the temptation to intercede or interject but rather to wait for questions to come from the Committee and then deliver very focused answers.

You have now a been Board Member for 4 years – what do you consider are the big challenges facing Boards today?

Good question. There will always be challenges for Boards in an ever changing business and social environment. However, in my opinion I'd focus on four being short-termism, risk management, entrepreneurialism and ethics/governance.



Short-termism has a number of causes but in the end can deflect focus away from creating an organisation that can deliver ongoing value to shareholders and in so doing benefit other key and broader stakeholders. Boards need to take a leading role in challenging this short-term focus and advocate for more long term thinking and application.

Risk management, governance and ethical behaviours have become focal points in recent times especially through the Banking Royal Commission. These matters need constant focus to ensure confidence and trust in Boards and can't be shied away from.

Finally, entrepreneurialism and thinking needs to be promoted including within existing organisations to ensure that innovation and growth are championed for broad benefit. This does not mean throwing the dice and caution to the wind but rather balancing this with fit for purpose risk management and governance. As to proper ethical behaviour, this is nonnegotiable. Boards have to be attuned to this fine balance to deliver for shareholders and stakeholders in the long term.

Part of addressing these and other issues is having the right blend of people on the Board to lead from the top.



Board Member: Big Money? Set Your Salary Expectations

By Kylie Hammond



Private companies as well as Non-Profits still struggle with the eternal question of how much should their board be paid as compensation for valuable service. There are several factors that come into play before arriving at a director compensation, such as the number of meetings to be scheduled, type of industry, size of the business, business framework, etc. With a lack of data on average compensation plans, the challenge is to ensure that the amount is enough to provide incentive for talented leaders while also doing justice to shareholders.

Board members should be flexible on their salary expectations such that it is not becoming a burden on the organisational budget, yet doing justice to your extensive accomplishments in the industry. According to Lodestone Global survey findings, in the USA, median total compensation for board directors was \$36,000. This compensation rate was 6% higher than the \$34,000 reported last year. In Australia, a survey conducted by Director Institute Next Generation Directors of over 2,500



board director appointments put the average board director remuneration closer to \$45,000 per annum.

Compensation in line with Responsibilities

As Boards of Directors are becoming responsible for a wide range of advisory services, it comes as no surprise that this is reflected in the compensation salaries received. Typically, an outside director is compensated for the specific purpose of serving on the board. If you are a director currently employed by the organisation such as senior executives, you will not receive any additional compensation for serving on the board. As per the Boston Globe, in 2014, the median pay for a board seat at a company with less than \$500 million in profits was \$105,000.

It is observed that with an increase in the size of the organisation, the salary received by board members can go up to \$500,000 at some of the biggest corporations in Australia. Your salary expectations can be influenced by the structure of the company, if it is under private or public ownership, the number of meetings one has to commit to and the type of responsibilities you are to fulfil. You can expect to be compensated based on board meeting attendance,



reviews undertaken of company paperwork and guidance provided to senior management on next steps at the strategic level.

Alternative to Salaried Director Positions

While one cannot help but hear stories about exaggerated salaries given to Board Directors, these are only applicable to large corporate companies or government roles, not the majority of small and medium scale enterprises. To make it worth your time, organisations find other alternatives to a standard salary that you may explore further.

For instance, you might be offered shares in company stock, which is usually ascertained depending on a number of aspects like the extent of your involvement with the company, the amount of capital you have

invested, and the degree of specialized inputs you have provided. In case you will bring high credibility to the table, you may demand more benefits.

If you are considering multiple board role offers, you may be frank to increase the level of investment an organisation foresees in your valued expertise. This may result in a good amount of shares as a sign-on bonus, as well as extra shares based on the time and energy you invest as part of the board. In the case of Non-Profits, some organisations adopt policies involving travel reimbursement to ensure equal treatment across board members, such that there is no perception of preferential treatment. This allows for you to have the same expectations upon serving the board.

Director Institute Next Generation Director members have access to one-on-one advice, mentoring, peer-to-peer education and business networking opportunities as well as exclusive board opportunities available nowhere else in the market. Our easy to navigate resource centre provides members with regularly updated articles, how-to guides, opinion pieces, videos and webinars as well as thought-leadership from some of the world's most respected authorities on board, leadership and management practices.





It was the Thursday before StartCon in Sydney, and I was really looking forward to the event. It's a two-day annual conference focused on startups and growth, and it's the largest in Australia. It's a great place to see inspirational presentations, learn new ideas, and to make connections. I'd checked out the agenda and short-listed a few sessions where the speaker or the content was of particular interest.



In fact, I was so much looking forward to it that I hadn't really given too much thought to the following week, where I was off to Tokyo to visit customers. Then my colleague Andrew reminded me, business cards! I'd run out a few weeks previously and hadn't been travelling, so really hadn't given it any thought.

The startup scene is pretty informal. At StartCon, everyone's badge had a QR code and the StartCon app had a scanner to read them and capture the wearer's contact details. Many of the people I met didn't carry business cards. The same is true in the corporate space in Australia, where a lot of people don't carry business cards anymore. The contrast with Japanese business culture couldn't be starker.

Even when working with cutting-edge technology companies where the senior executives wear jeans and t-shirts, Japan is still a country where etiquette, rituals and respect are of the utmost importance. When doing business and meeting people for the first time, you should exchange business cards and you should do it in a specific way. The name of the custom is *meishi koukan* (名刺交換).

A few key considerations to keep in mind:

1. Cards should be presented and received with two hands
2. Ideally you should be standing up and bow slightly as you accept a card
3. The highest-ranking person gives out their business cards first. If you are a vendor, be sure to let the customer hand out their card first
4. Study the card carefully before handing over your card. Your card should be passed underneath the customer card
5. Cards should be kept on display for the interaction, so if you are having a meeting be sure to place any cards you receive face-up on the table
6. Treat cards respectfully –keep yours and those that you receive in immaculate condition. Get a business card holder as dog-eared cards are a big no-no and denote a lack of care and respect



Aside from the convention with business cards, another point of difference when comparing Japan to Australia is that communication tends to be far more subtle and nuanced. Saying 'no' or disagreeing publicly is not common, as it may cause a loss of face or be upsetting.

If you ask for something in a meeting and your Japanese colleague or customer disagrees, they may keep quiet, change the subject or say something diplomatic like "that may be difficult for us". Be alert to this type of response and understand that it probably means you're being told no, just very politely. Don't push the point! Attempting to do otherwise can damage your relationship.

The way to handle this situation is to regroup afterwards one on one (not in a meeting with others present) and very gently ask a bit more about it to understand the reason for objection. Japanese meetings tend to be more about learning and sharing information and ideas, with decision-making typically achieved through extensive one-on-one meetings, lobbying and consensus building.

This contrasts with Australia, where we tend to be straightforward and wouldn't think twice about publicly challenging ideas or opinions we don't agree with.

While these cultural differences may present some initial challenges, and make the process of winning over new customers more difficult, there is a flipside. That is, once you have built a customer base, if you continue to invest in your relationship and provide good service, customers tend to be much more loyal.

Fortunately, I was able to get new cards printed and couriered to the office on Friday, available for me to collect on the weekend and ready for my trip.

I had a successful and enjoyable week in Tokyo, and while it was very different to the weekend at StartCon, it was a powerful illustration that while customs may differ, connecting face-to-face is the best way to developing relationships.

Nowhere is this more evident than in Japan, where time spent together after work (most likely over highballs!) is especially valuable. Only by investing in building personal relationships, and establishing trust, can you develop genuine long-term partnerships.

Steve Apostolou provides advisory and consulting services to start up and mature organisations seeking to transform.
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Avoid being yet another transformation failure

by Adrian Morey

Why are transformations so challenging, with so many failures? Even if similar transformations have been executed tens, or hundreds of times before, by many comparable organisations; even when highly credentialed implementation partners are selected to conduct the transition, it is consistently reported that upward of 70% of transformations fail. They experience massive budget and schedule overruns and fail to realise the targeted outcomes and benefits that they were started to deliver.

Transformation is different to incremental change

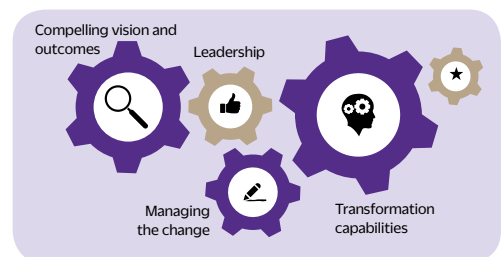
The Boston Consulting Group define transformation as *a large-scale change aimed at delivering sustainable improvement in performance either enterprise-wide or within a specific business unit, function or market – with fundamental changes to strategy, business model, organisation, technology, people and process.* As such transformation is not an incremental change to business as usual, but rather a **profound and radical change** that orients an organisation in a new direction, enabling it to achieve an entirely different level of performance or effectiveness.

Organisations seek to transform for a number of different reasons, either proactively or reactively.

These reasons include: digital transformation; crisis; market disruption; performance and efficiency improvements; innovation and new opportunities; competitive advantage; reaction to internal and/or external pressure or events; mergers and acquisitions; and planned abandonment.

Transform to transform

The transformation failure rate is an alarming statistic, particularly considering we are in an age of unprecedented disruption and market turbulence, where continual business transformation is considered a must if an organisation is to remain relevant and effective. This is potentially a problem given organisations generally dislike change. The good news is that not all hope is lost; you can improve the odds of transformations and significant change programs being successful, simply by applying the



lessons learnt from past failures and successes. The purpose of this article is not to investigate why transformations fail – hundreds of books and articles do that. Instead, it focusses on a few practical measures to realise transformation success, and the critical role Boards play in guiding organisational transformation – this is further explored in the next section.

To be successful in transformation many organisations actually need to “transform to transform”. Specifically, it is recommended that organisations embrace the following four capabilities/practices:

1. Compelling vision and outcomes: Would you set out on a cross-country journey, across what may be little known and challenging terrain, without a map? Then why do organisations embark on significant change journeys without clear articulation of what outcomes they seek and a clear line of sight to what success looks like. This is not an invitation to create long slide decks, but instead clearly articulate the target business outcomes and enabling capabilities. Each business outcome needs to be aligned to organisational strategy, be valuable to the organisation, have purpose, be measurable, and can be time-bound. Clear business outcomes remove guesswork and allow organisations to maintain focus on delivering the required transformation and benefits. They also enable the identification of checkpoints and any impediments along the journey because the final destination is understood by all stakeholders and sanctioned by management.

2. Leadership: The process of transformation is complex, involves significant uncertainty and any significant change by its very nature can be unsettling, if not scary. The leaders of an organisation, particularly the CEO and their executive team(s), are critical to the success of any significant change effort. Leaders need to lead – this needs to be visible and meaningful, not just supportive. Successful leaders approach transformation as a journey – they communicate the significance of the change

and create a powerful transformation story, invest time and get personally involved during all stages (definition, execution, realisation and sustaining) and also demonstrably commit to their own change journey. Additionally, it is important that leaders have the necessary competencies required to lead the transformation. This can be make or break. You may have the best transformation / change specialists in your team, however if the leaders don't get it ... good luck!

3. Managing the change: Transformations are, fundamentally, large-scale change efforts. They require the mobilisation and motivation of large numbers of people, at all levels of an organisation, and relevant (influential and impacted) external stakeholders. The efforts of this transformation need to be aligned with realising a common set of outcomes. To do so, appropriate program and change management practices and tools need to be adopted. Of particular importance is effective and efficient program and project governance arrangements, ensuring that accountability and delegated decision rights reside with the “right people”. Equally important is organisational change management (OCM). Many organisations underestimate the importance of OCM, and they do this at their peril. OCM is critical to ensure that ALL stakeholders are taken on the journey and the change sticks – at the core of OCM is engagement and communication, both of which are often significantly underdone.



4. Transformation capabilities: As discussed above, organisations are now in effect always transforming. As such, viewing transformation as individual change programs/projects is no longer viable. Instead organisations need to invest in selected core in-house transformational capabilities to drive and control transformation. For smaller organisations this could be one or two key resources that have previously successfully led or managed significant transformations. Whereas for larger organisations going through significant change, this could comprise an In-house team with a good mix of skills and access to subject matter experts. In-house resources can be supported by outsourced partners as necessary, with any external service providers working within the span of control of the in-house team, and working to organisational standards and cultural norms. It should be remembered however, that everyone has a role in leading the change. Sometimes there might be a staff mentality of “when are you going to have everything ready.” Whereas those organisations that truly engage staff and give them a role to play in the transformation drastically improve their chances of success.

Additionally, it is imperative the organisations do not underestimate **how difficult and significant the change associated with transformation actually is**. A field observation is that transformational change regularly fails because leadership is not able to fully appreciate the impact, complexity and commitment required to complete the change process and normalise new ways of working, even if they are aware that significant transformation is required. This is tied to all four capabilities/practices above, but is a specific point of failure that is often exposed independently of them.

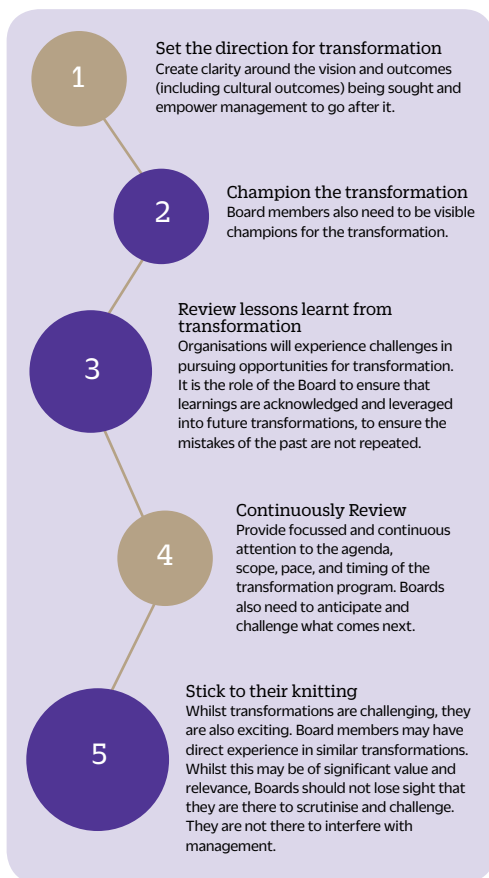
The critical role of Boards in transformation

As overseers of organisational strategy, the board of directors play an important role in transformation. They need to understand what the proposed transformation entails and have confidence in how

the organisation plans to execute it successfully.

Good corporate governance requires that: “Usually the board of a listed entity will be responsible for... providing leadership and setting the strategic objectives of the entity” and “overseeing management’s implementation of the entity’s strategic objectives and its performance generally.” (ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations 3e, commentary to Principle 1.1).

The same logic needs to be applied to organisational transformations. Transformation needs to start from the top. The role for Boards is summarised below:



Digital transformation

Digital transformation deserves a specific mention as digital innovation regularly rewrites the roles and futures of organisations - think e-commerce, apps/mobile, security, the Internet of Things, and big data. Boards have an important role when it comes to digital transformation. It's often a critical component of an organisation's strategy. As such boards need to:

1. Take time during their strategic discussions to talk about what digital initiatives will entail.
2. Discuss how the organisation is innovating and whether its innovation activities are aligned to strategy.
3. Ensure they have the right mix of skills and experience. To survive and prosper in today's ever-changing times, all board members really need a base level of knowledge on the technology environment. Unfortunately, few boards have enough combined digital expertise to have productive digital conversations with management. As such, it is becoming increasingly necessary to:

- Bring in directors with specific digital, new technology and cyber risk expertise. These are not just tech-savvy people talking about websites and social media; but people who understand the digital landscape and opportunities.
 - Establish special technology sub-committees or advisory councils.
4. Ensure that management and employees are appropriately skilled (or being upskilled) to realise the value from digital investments.

In Conclusion

Organisations can improve their chances of success in transformation. But they need to recognise that transformation involves fundamental changes to strategy, business model, organisation, technology, people and process. As such, without the organisation willing to transform to transform and an appropriately skilled Board, able to play a critical (but appropriate) role, the process is that much harder.





Board success: “Noses in, fingers out”

There has been a momentous shift in the substance, experience and contributions of company directors. So how does an insurance professional get this fulfilling role right?

by Chris Sheedy



Curiosity. Passion. Engagement. When used to describe people's attitudes towards their jobs, such terms are typically referring to early and mid careers. After all, these are the points at which real passion for one's work is felt.

Interestingly, the exact same terms are used by experienced company directors to describe the perfect character traits of potential board members in today's fast-changing business environment. In fact, expectations of a board are no different to those that management has of their finest staff. It's about commitment, effort, relevant knowledge and lifelong learning. Get it right and the benefits will flow on to the organisation and its staff, and to their community of customers and clients.

“Curiosity is everything,” says ANZIIF CEO and board member Prue Willsford, when asked the most basic expectation of a board member. Prue also sits on the board of Citywide, which helps to shape the city of Melbourne, and blockchain start-up e-Pocket. “Knowledge that is relevant to the business is also important, as is diligence and an inquiring mind. If you're not a keen learner, don't be a director.”

Also vital in a high-performing board member, Prue says, is flexibility and adaptability. Gone are the days of predictability and gradual growth in business. Today's directors are members of teams that must navigate

completely new playing fields, shoot for constantly moving goals and always expect the unexpected. So in such an environment, what makes a great director?

“In terms of what is a good background for a director, that has shifted dramatically in the last few years and will continue to evolve,” says Kylie Hammond, Chief Executive of Director Institute: Next Generation Directors. “Traditionally, board appointments have been accountants, lawyers and people from banking or finance. But because of the challenges businesses are facing and the changing dynamic and landscape, we're seeing a much broader range of people being appointed to boards.”

This is particularly true in the insurance sector, which is experiencing great change, Kylie says.



“Insurance businesses are having to look at the entire skill mix on their boards. So we’re now seeing people with digital transformation backgrounds, people with cybersecurity expertise, people with information technology and marketing backgrounds. Such experience has not traditionally been sought for board positions, but some of these are now critical requirements.”

And in an environment in which high-tech start-ups rub shoulders with conservative multinationals, sometimes the boardroom mix has to be managed to re-introduce the old way of doing things.

“In my role with e-Pocket, one of the things I’ve brought is a knowledge of the old world,” Prue says. “My role includes helping them to bridge some of the rules and requirements of the old world, which is slightly foreign to them, to ensure they remain compliant in the new world.”

What is unique about insurance boards?

Every industry has its own distinctive quirks that set it, and the expectations of its boards, apart from others. In insurance, much of the uniqueness comes from constantly changing regulations, but some also arises from the fact that the industry has an important relationship with government.

“Insurance markets exist in partnerships with governments,” says Jim Minto, ex Group CEO and managing director of TAL and, prior to that, of TOWER Limited Group. Jim is now a non-executive director of Dai-ichi Life Asia Pacific and of Australian Finance Group, and is currently on the board of the National Disability Insurance Agency.

“Governments want successful and sustainable insurance providers to be in their countries, helping people mitigate risks and reducing reliance on government funds,” Jim says. “So governments are very concerned about the sustainability of those insurance relations. However, in the last five to ten



years there has been greater pressure and scrutiny on that public/private partnership.”

In Australia, for instance, the government participated in the Natural Disaster Insurance Review (on which Jim was a panel member). After the Queensland floods, the government was very interested in how insurance was responding to customer needs around flood insurance. When many insureds found they were not covered and therefore suffered major losses, the government intervened to work with the insurance industry to close the underinsurance gap.

Then, of course, there are issues recently uncovered by the Financial Services Royal Commission, problems of culture including toxic selling practices.

“For directors in any insurance business, it doesn’t really matter what the product says and what the lawyers might tell customers about what they are and are not covered for,” Jim says. “In a modern consumer society, there is always going to be a layer where people say to you, ‘Look, that’s just not acceptable. You can’t do that.’”

“Insurance directors can’t completely rely on classic governance processes. They receive reports about tangible, financial, factual things. But conduct is a behavioural thing. And outdated definitions of heart attacks are hidden deep in the fine print. So how do directors satisfy themselves that all is well? It’s all about curiosity. It’s about extra effort. It’s about engagement.”

Curiosity, passion and engagement - the three magic ingredients come up again and again in director discussions. No longer can a director simply attend 12 meetings per year as they enjoy their retirement from full-time employment. Over the last two or three years, Jim says, time demands on directors have increased between 30% and 50%.



What makes a board great?

The role of a board, put simply, is to make good business decisions.

“Directors are there to make sure the business has the right strategy at the right time, with the right people involved,” Kylie says. “They also have to manage risk, which covers everything from finance to assets to human capital to data to intellectual property. So the board is there, fundamentally, to make good business decisions, to protect the health of the business and to help guide it forward whilst keeping a compliance and governance focus.”

Great boards, Kylie believes, will pivot towards having a demarcation between corporate governance/compliance specialists and others who focus on specific business challenges.

Prue agrees that in such a highly regulated environment as insurance, the focus on ‘conformance’ needs to be carefully balanced with a focus on performance, ensuring one does not overwhelm the other.

But great board performance is about more than that, Prue says. “The board should meet with the executive reasonably regularly outside of board meetings. It doesn’t matter what they talk about, it is simply setting up a habit. If an issue suddenly needs to be discussed, it can be done without creating a drama.”

In the end, Prue says, a great board/business relationship boils down to trust. “There is an old phrase in governance - ‘Noses in, fingers out’. In a good relationship, boards will be appropriately nosy, but they won’t actually put their fingers all over things because that is management’s job. If the board doesn’t trust management to do that job, it’s time to start over.”

What does diversity look like?

Board diversity, ANZIIF’s Prue Willsford says, is not something you can see or touch. It’s not about colour or gender, style or age. Instead, diversity comes from the gathering of a group of people, each of whom is respectful of different views.

“Diversity can come from making sure you’ve got a good skills matrix, meaning the board genuinely understands what is required to move the business forward,” Prue says. “But it also comes from being comfortable with genuine, deep discussion that might take time.”

“Skipping that discussion and instead deferring to a specialist, such as the IT Director, to make specialist decisions, is a mistake. Good decisions at board level require the engagement of, and input from, the whole, diverse board.”

This story was originally published in Issue 4 2018 of The Journal published by ANZIIF and is reprinted with their permission.



Akshaya Naronikar

The Iridium Guide to Thinking Wealthy



It all starts with a question. Ask yourself how you can be better. Better for yourself, your family and your business. The solutions are not always evident. It's about direction. Thinking wealthy does not end with your finances. Set that intention. There is a better way to do banking - there is Iridium Private.

Plan for The Future

Most people overestimate what can be done in a year. But they drastically underestimate what can be accomplished in a decade. Think long-term. It will motivate you.

By envisioning your future you are able to look ahead and understand where you are directing your energy today. This affects how you perform short-term. In this moment.

If your actions today are not aligned with tomorrow, they need to be re-examined. Set a date on your phone. Write down these goals and create a vision



board imagining what your ideal future will bring. Understand it. Plan it. Remind yourself and work towards it.

Remember, it Takes Time

Consistency is key. Deliberate efforts developed over time will help you gain traction. Setting attainable goals requires discipline. Constant monitoring. The outcome for long-term goals are fixed, but the steps should constantly be evolving.

Work smart, review your progress and adjust as needed. Whether your long-term goal is 5 or 20 years from now, the journey takes time. Keep moving forward.

Trust Your Team

Think of this as your own executive board. These are your colleagues, your mentors and supporters. Your network. This group of individuals will change over time, as boards and companies do, but having this foundation is vital.

Surround yourself with people you trust. People who can be your nurturers. Supporters. Your challengers.

Know who those people are and leverage that. You can learn so much.

Find and Follow Your Passion

This is how you'll work smarter. By enjoying what you're doing. Your drive will be relentless, endless and you will naturally be the best in your field.

You're Never Quite Done.

Congratulations. You've made it. You've got the income, the career, the house; all of it. You planned and followed the steps to reach the goals you set out to achieve.

Don't get too comfortable. It's not over.

Set more goals. Be better. Challenge yourself to get to that next level. The truly successful never stop learning. They continue achieving and influencing those around them. This is how you become a leader. It's how you make an impact. A legacy.



Discover what's happening in your industry. The landscape is developing rapidly. Stay relevant. Don't be afraid to ask questions. Be genuine in that discovery. Buy that person with the answers a cup of coffee. Look across from them at the table and truly listen.

This is how you stay wealthy.



About Iridium Team

Lead by CEO Akshaya Naronikar, the carefully selected Iridium Private Team has decades of international banking and lending experience. We are passionate about finding the right solutions exclusive to each client.

Find out more about the Future of Lending with Iridium: <https://www.iridiumprivate.com.au/>





IRIDIUM PRIVATE

Iridium Private is a global financial solutions firm that provides a specialised approach to lending.

Our experience and perspective makes Iridium the trusted source among professionals, business owners and property developers.

WE ARE THE FUTURE OF LENDING



These are some of the individual services we offer:

PRIVATE CLIENTS

We know your time is precious and we want to design solutions specific to your needs. Wondering which banks offer the best rates? This can be taxing. We do the hard work so you can focus on the bigger picture.

- Home Loans and Investment Property Loans customised across 45 different lenders, Private Banks and NonBank Lenders with LMI Waivers*
- Specialised Lending Solutions to Professionals ie Medical, Accounting, Legal
- Asset Finance Lending for Cars, Commercial Equipment, Fitouts
- Financial Health Check

SME BUSINESS and COMMERCIAL PROPERTY

Your business is your passion. We respect it. We help you sharpen that vision.

- Cash Flow Management Solutions
- Growth Funding for Business, Purchase, Mergers
- Commercial Business Finance and commercial Property Funding
- Financial Restructuring
- Asset Finance, Fitout and Equipment Funding

PROPERTY DEVELOPERS

You see beyond the skyline. You give it purpose. We can help you from conception to completion.

- Senior Debt and Mezzanine Lending Solutions across Banks and Non-Bank Funders.
- Equity and/or Investor Partners for large projects.
- Non-Resident Investment Loans.
- Developer Land Bank.
- Construction of Townhouse projects
- Subdivision of land.
- Residual Stock.

Fast Growing Corporates and High NetWorth Curated Solutions

- Equity and Private Equity Funding Solutions.
- Access to panels of Advisors to assist your company with business strategy, export plans, growth objectives, and acquisition and divestment plans.
- Unlocking Value from Assets to create Investment Opportunities

Find out more about the Future of Lending with Iridium:

<https://www.iridiumprivate.com.au/>

*subject to lenders credit criteria, fees and charges will apply. Disclaimer: Your full financial needs and requirements need to be assessed prior to any offer or acceptance of a loan product. Licensing Statement: Credit Representative 490188 is authorised under Australian Credit Licence 389328.



Halley's Comet: Once In A Lifetime Deal

by Myles Murphy

Founder and Principle Solicitors of The LawStore Group of firms, Myles has been practicing law for more than 30 years. Here Myles shares how questioning the answer led him and his client to a once in a lifetime deal.

It must be something to do with age, but since the years from my father's death, he seems to have become far more wise and erudite. He had a lot of sayings which have lived on after him and have become buried in my family psyche. One of the best that I always seem to gravitate back to is ;

"It's not enough to answer the questions ... You must always question the answers"

I often have clients come to me and ask;

"What do you know about... (some are of professional expertise)..." and upon examination of the circumstance it is easy to ascertain that the real



root of the problem lies in a totally different area of expertise. This is when questioning the answers comes to the fore.

The lead questions are always very broad and normally ones that should never be answered directly anyway.

"What do you know about Company Law?"

As this is such a large topic the answer should only ever be "Why do you ask? What is the fact circumstance?" "Well I want to remove my ex-wife as trustee of the family business."

Bingo! We have now discovered it is not an issue of Company law but rather of Trusts; possible resettlement of Trusts; possible Stamp Duties and Capital Gains Tax; and this is not to mention the largest bug bear – Matrimonial Property settlements, all a far cry from Company Law.

One of the more interesting examples of this happened to me back in the mid 1980's when I had a new client appear asking what I knew about patents. It turns out that my client was an astronomer (as opposed to an astrologist – as was quickly pointed out) and he had "invented" a poster with some really good (original) artwork showing the passing of Halley's Comet through the night sky.

Those of you who were around at the time will recall that the comet passes by the earth and is only visible to the naked eye every 75 odd years so it was bound to be of public interest.

In addition to this he had a small item which consisted of two cardboard wheels which were pop riveted together so that they could turn on each other. The idea was to match up the date (printed on one wheel) with some other variable factor (which was printed on the other wheel) and an arrow would point to the

quadrant in the sky where the comet was expected to appear. It is called a planisphere.

Now neither of these items in their basic form is capable of registering as a patent. A poster has been around for years and (to my surprise) so has the planisphere. I pointed out that each was capable of copyright and/or maybe design registration. This however was not really the issue.

I questioned his original question with another question (which is always the biggest question) "why is it important?"

"Because I want to make a lot of money from it."

Now bearing in mind the comet was only going to be in the visible orbit for about 9 months I countered with two quick fire retorts

"How?" and "What is "a lot of money?"" (This is always relative)

"Well I want to sell it to schools for student projects and I expect I could make about \$50,000.00 over the 9 months." To put this in proportion the average income for a salaried professional at the time was about \$25,000

There it was. The project was defined and the expectation of profit quantified.

Or was it?

Question the answers!

I asked "What if there was another way to make more money would you be interested?"

What followed was a very cautious "yes".

This was not his question and he was uncertain as to what the answer or the following question should be. What followed was exciting! With the help of some of my network we organised an introduction to Caltex who, at the time, had a logo of a big red star with

lines out the back of it and the positioning statement "follow the star". We sold about 1 x 1.5 inches of the poster space to Caltex for sponsorship rights and they gave us distribution through all of their petrol stations in Australia and also paid for a large number to be printed and distributed through the school system free for the children.

As I say, it was fun. The previous time Halley's Comet passed through, no one sponsored it and thus there were no canned precedent documentation to use. It was all bespoke drafting. New thinking applied to Old concepts.

Then more questions. "If we can make money like this in Australia, can we do it anywhere else?"

Question the answers.

What followed was an exponential explosion of the original concept.

We obtained introductions to Caltex NZ and repeated the process.

We went to Asia.

When we tried to export to the USA, the accountant advised that Royalty Tax in the USA made the transaction commercially prohibitive. By exporting the copyright (and through a series of tax treaties) we were able to make the product commercially viable for the US of A.

It was unfortunate that the client was not able to fully capitalise on the American market due to the restrictive time frame but he did end up making a lot more than his original defined expectation and he made it not from the sale of the original product but from the sale of the sponsorship rights. The product was actually distributed for free.

What do I know about Patents? It is not really the question is it.

It was the questioning of the answers that was important.



Why Start Up Board Roles Are The Hottest Ticket In Town

By Kylie Hammond

Start-up board roles are getting a lot of attention in recent times, mainly because of their potential to implement innovative strategies and the crucial role of senior board members to identify gaps with regard to where the company is headed. It is exciting to be part of a space that is ever-changing and geared towards forward thinking. Most individuals that comprise senior staff in a start-up environment are extremely passionate folks that are excited about the work they are doing. As part of a board, you would be shaping their ideas with your expertise and orientation with the bigger picture. If you thrive on being a devil's advocate, and working with enthusiastic young professionals that are pushing the envelope in the industry concerned, then being a start-up board member is a wonderful opportunity.

Decision-making is not hindered by bureaucracy

Most big corporations have multiple processes in place to formalize any organisational changes. Each minute is usually recorded and the specifics of decisions are debated over in detail. However, start-up organisations are new and less structured,

resulting in quicker decision-making and speedier implementation. If the slow gears of bureaucracy are not what you like working with, joining a board role at a start-up would be the perfect path for you. You will gain invaluable exposure to an efficient and effective work environment, and connect with professionals that are at the forefront of change.

Sharing your belief in the company

A board member of an organisation is without question a loyal custodian of the company brand. Ideally, you will understand what drives the team and support what they are trying to accomplish wholeheartedly. At a start-up, board members have a central role that is much more involved than larger companies. Company founders and senior members will look to their advisory board for important decisions as they make their foray into the industry. Don't make successes about you, but instead you have the chance to build upon your learning and expand networks with which you would like to be linked. Having a board is routine in big corporations



but at a start-up that is building from ground-up, establishing a board is a true milestone.

Taking out time for yourself

There are no two ways about this – you will need to spare enough time and energy to fully grasp how best your skillset can support the company in question. A board role requires you to function as resource, and as the voice of experience in the face of various organisational issues. If the company reaches out to you for support, you will have to take the time and engage with them. This also means that you will spare time in your daily schedule to meet with the CEO or any other members of the executive team that is visiting your city or stopping by at your company. Developing your connection with the company you have invested your energies in, is vital for a successful stint as a board member.

Giving access to your network

A start-up will understand the value of opening up your network for better business opportunities and mutually beneficial connections. While you may have spent a few minutes drafting an email to an old contact from your last company, it may create a game-changing possibility for the executive team at the concerned start-up. You will in turn, find out how the company positions itself in the industry and whether clients are curious to engage further. If you are truly vested in the company's interests, you will also be proactive about exercising your credibility and starting the conversation about why you love their product or idea. Share the merits on social media channels and take the leap.





Digital Transformation isn't enough

What you need to do is future proof your business to stay ahead of disruption

by Tom Green



Digital Transformation of your organisation isn't sufficient enough to keep up with the coming pace of technology change. Mostly it is too slow, reactionary and based on outdated/traditional thinking.

Digital disruption** is happening at a lightening rate and is continuing to increase due to the compounding effects of smart technology being used in the creation of even smarter technology.

(*Digital disruption is an effect that changes the fundamental expectations and behaviors in a culture, market, industry or process that is caused by, or expressed through, digital capabilities, channels or assets."<https://www.gartner.com/it-glossary/digital-disruption>)

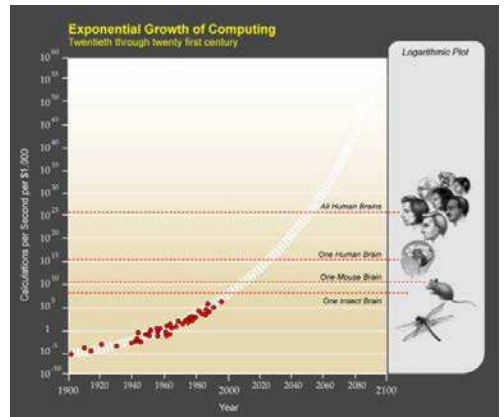
This is the fourth industrial revolution.

"According to the World Economic Forum which coined the phrase, the 4th industrial revolution is one of "cyber-physical systems" – that is, the merging of the capabilities of both human and machine. This is the era of artificial intelligence, genome editing, biometrics, renewable energy, 3D printing, autonomous vehicles and the Internet of Things.

In essence, it can be seen as a doubling down on revolutions one to three. Instead of technology being

a thing we use, and which changes us, it will now be truly embedded into our lives – and our bodies – to affect great change." (PWC – 1,2,3...Here comes the fourth Industrial Revolution - <https://www.digitalpulse.pwc.com.au/fourth-industrial-revolution-guide/>).

The chart below illustrates Moore's Law and the compounding effects of exponential computing power, but doesn't even take quantum computing in to consideration.



(<https://waitbutwhy.com/2015/01/artificial-intelligence-revolution-1.html>)

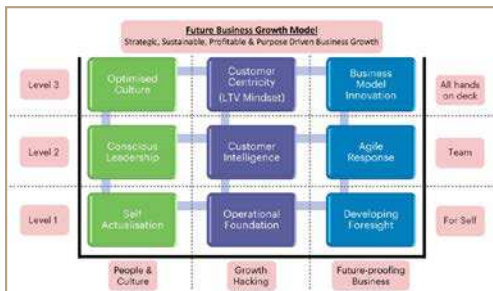
For organisations to survive digital disruption, their boardrooms must complement the ageless traditional business skills with “experience navigating disruption and driving culture change, implementing data-driven strategies and decision-making processes, and organising around an omnichannel experience and technology platform”. (<https://hbr.org/2017/07/the-board-directors-you-need-for-a-digital-transformation>).

“This can either be via a digital expert appointed to the board, upskilling for the board with technology coaching and the development of a separate technology advisory board or committee.” (Kylie Hammond – Directors Institute)

Digital Transformation has three pillars

(which can be run separately or concurrently):

1. People and Culture - how your employees do their job
2. Growth Hacking - how you use technology and data to engage and interact with your customers
3. Future proofing your business - and what a digitally evolved product, service and business model look like.



The first pillar is upskilling of the People and Culture:

Whether at an individual leadership or board level, it is paramount for current and future success that there is increased knowledge of what digital means. Do you

know in relation to your market or industry?

- What are the current expectations of digital?
- What is coming next digitally?
- And most importantly, what is the competitive advantage once all companies in the industry have reached a level close to equanimity with their maturity of digital transformation?

The thinking that leads to the traditional organisational structure and culture needs an upgrade if there is any hope of the organisation being able to be nimble and proactive enough to side step disruption, leapfrog obstacles and move from disrupted to disruptor.

Indicators of traditional thinking are:

- Absenteeism / Presentism
- High levels of stress
- Attrition

The second pillar is the digitising of systems, processes and information across the organisation to make available the data required for optimisation to happen (aka Growth hacking):

Customers expectations have changed rapidly in relation to wanting a personalised experience from the companies they spend their money with. Information gives the ability to tailor your products and services so they appear individualised to each customer.

In today's hyper connected, global citizen world, we have the technology freedom to go anywhere, talk to anyone; however this has had the opposite effect of leaving everyone desiring that deeply personal one to one human connection, where the shop keeper or barista knows your name.

In the digital world, this means being able to tailor your products, services and communications to

appear individualised to each of your customers. Everyone wants to feel special, this is what your customers yearn for and will be insanely loyal to.

Once you achieve a 360-customer view, your company can have empathy with where the customer is during their buying journey, you will be able to offer the most streamline and gratifying customer experience. This will help ensure each transaction is maximised in the potential value exchange.

This second pillar is how to digitise your systems and information, the seamless flow of information monitoring and tracking, that then allow data driven optimisation of the customer experience, leading to increased efficiencies and exponential revenue generation opportunities.

The third pillar is Futureproofing your business:

As digital transformation continues to infiltrate every area of our lives and with each new level of digital capability/capacity that is reached, the next level is accelerated in speed and capability due to the gains of the last wave. (Faster computers build faster computers still).

This continued compounding effect means how you are approaching transformation today, won't necessarily work tomorrow. Especially as we see the convergence of technologies:

1. Quantum computing and the sheer transformative effects of the radically different speed and style of processing.
2. Digitisation is the process of everything going from dumb and alone to smart and interconnected. From no data to producing data and having an informational heartbeat.
3. Mobilisation is the word for today, we're mobile because we are able to take technology with us.

4. Augmentation is putting digital technology into non-digital technology. For example, the ability to view a paper journal through the screen of a smartphone and have a 3D person virtually appear on top of the paper speaking. Augmentation can also be at a cyborg level (Cyborg is short for 'cybernetic organism'; it's a being with both organic and bio-mechatronic body parts).

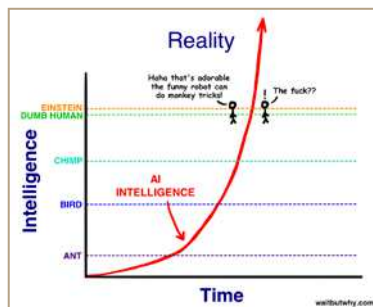
5. Disintermediation is the trend of simplifying the chain between supplier and consumer. In the old days of intermediation, there were intermediaries. For example, a bank with a clearinghouse and a conveyancer and a mortgage broker. Disintermediation would be that bank doing all of that digitally. (Except from Tom Greens new book "Conscious Digital Transformation")

This can be seen very obviously through the two images below.

What the general population think about technology:



Versus actually the reality of what is happening in technology:



(<https://waitbutwhy.com/2015/01/artificial-intelligence-revolution-1.html>)

A complete change in how your organisation approaches transformation projects is required to cope with the speed of change and to become disruption resistant.

In some cases, organisations will need to completely reinvent themselves. Going through complete iterations of who they are will be considered business as usual. The goal being to arrive at a new version of themselves which finds their fit in such a radically changing market; or said differently where they create their place in the market, will be the new norm.

The new mantra: “Disrupt or be disrupted”.

“Australians are the most worried about politically and commercially fabricated stories (67%) and spun stories to push an agenda (66%).”

(University of Canberra – Digital News Report: Australia 2018 - <http://apo.org.au/system/files/174861/apo-nid174861-877051.pdf>)

Everywhere you look there are examples of business models that are fast becoming irrelevant. The way in which business has been done is changing. As the above quote shows, even news is being disrupted.

What your customers desire today is already far beyond what most organisations are capable of delivering, let alone what tomorrows customers will demand.

As the quote below illustrates, most organisations are pushing mobile/smart phone strategies, while the market has already started to move away from the all-pervasive mobile experience.

“41 percent of Australians adults think they use their mobile phones too much and 70 percent of Australian 18-24 year olds feel they use their phones excessively, with 50 percent of them trying to limit their phone usage and half of them doing so successfully.”

(Deloitte - <https://www2.deloitte.com/au/en/pages/technology-media-and-telecommunications/articles/tmt-predictions>)

Building organisational resilience through adaptation and accelerating the adoption of the change will separate the market leaders (disruptors) from the followers (those being left behind through disruption).

Companies are required to learn how to disrupt themselves to stay current and on trend, while focusing on the best interests of their customer, the market and the environment at large.

Three key take aways:

1. Learn to become super-human in your skills and your thinking, through a practice of conscious awareness and mindfulness.
2. Champion a customer centric view and use data driven decision making
3. Set aside company resources to evaluate, create and innovate against not just new technologies, but how to disrupt your own business, because if you are not doing this someone else is!

Tom Green

The Mindful Growth Hacker

- Futurist and Leading Authority on the Business of Tomorrow.
- Author of Conscious Digital Transformation
- Speaker. Coach. Board Director.



Welcome to the Boardroom

This membership program is designed for senior executives and entrepreneurs who are interested in starting a board career.



“Director Institute will equip you with the right information, tools, and network connections to ensure that you are Board ready”

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- Refreshed LinkedIn Profile and Corporate Biography
- Personal Introductions to the Director Institute Private Business Network
- Board interview preparation, contract negotiation and due diligence advice
- Access to Exclusive Board Opportunities
- Online Tools and Resources to support your board career
- Access to exclusive networking events, round tables and CEO Forums
- Access to private online member networks
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As part of your Welcome to the Boardroom membership you are invited to attend one of our full-day Masterclasses.



For more information about our membership programs please don't hesitate to get in touch on 1300 BOARDS.

Director BUREAU

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We provide an in-depth consultation and comprehensive writing process designed to develop a high calibre resume document or corporate biography that is suitable for presentation to top Executive Search firms, Chairmen, Directors, Board Members and Chief Executives. The service also includes a customised cover letter, and optional 'high impact resume formatting' – which will include your professional photography. Delivery time is 7-10 business days.

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In Australia, LinkedIn now has well over five million professionals registered online and is the premier networking tool, and the primary way that executives are able to control their online corporate brand.

Developing a killer LinkedIn profile is critical, and with the right approach, the tool can be leveraged for new networking, career and business opportunities. This service includes a comprehensive review of your current online corporate brand, development of a LinkedIn profile or a complete rewrite of your existing LinkedIn profile.

Once your new profile is complete, we will coach you one-on-one on how to effectively use LinkedIn to increase and enhance your online brand, networking, career and business opportunities. This unique service delivered within 1- 3 business days from booking.

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Director Institute Next Generation Directors is a world-class board search and advisory firm with headquarters in Sydney, Australia. We have developed and maintain an exclusive network of top quality Board candidates that is always an initial source of discussion with our clients, with a focus on the 'new breed' of board director capable of dealing with today's directorship issues and challenges.

Confidential board search and selection assignments are always handled personally by Director Institute's Founder & CEO Kylie Hammond, supported by our team of principal and research consultants with deep expertise in identifying top board director talent for our clients. Assignments include search and selection for Chairman, Non-Executive Directors, Executive Directors and Advisory Board members.


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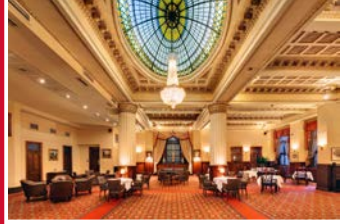
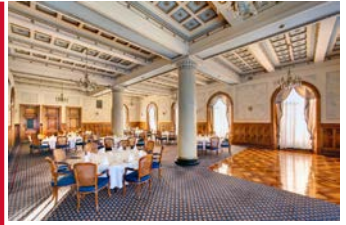
Director Institute Next Generation Directors are proud to provide our Board Search Services free of charge to Not-For-Profit and Public organisations in Australia.

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Situated in the heart of Sydney's CBD, the RACA boasts 29 comfortable accommodation rooms for members, their guests and reciprocal members to enjoy.

Whether here on business or leisure, as a member you can park in our valet car park downstairs, take time to experience the elegant surrounds of the Members Bar, soak up the Harbour View from our Dining Room, attend to some last minute emails in our business area or enjoy a work-out in the clubs Fitness Centre.

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Why You Need to Become a Next Generation Board Director

By Kylie
Hammond

Board membership has long been an arena that many aspiring business executives perceive as highly exclusive. One of the most predominant misconceptions in the board recruitment market is that board positions are only available to an elite group of “inner-circle” executives and access to such a select group is by invitation only.

Another common misconception is that it can take many years to develop a portfolio of board experiences. The typical belief is that it might require decades to position yourself so that you are even considered as a board candidate. Our work with thousands of new board members easily dispels this misbelief.

In addition to these stifling misconceptions, there are plenty of myths about board membership that contribute to a diminished or discouraged potential

candidate pool. Some executives believe that starting a board career will take too much of their time. There is the perception that board membership is a full-time endeavour that would interfere with other career goals and responsibilities. However, you will soon learn about the different types of boards and expectations so that you can match your availability to the right board opportunities and experiences.

Some business leaders also believe they are hindered by their age. We find that this myth affects not only younger executives but older ones as well. The reality is that both younger and older executives have invaluable contributions to bring to progressive boardrooms throughout a diverse range of organisations. Whether, you have a fresh perspective or experienced wisdom to offer, there is a board that very likely needs your ideas, inspiration, and point of view.

The reality is that all of the “old school” thinking and false mindsets are not keeping pace with the many diverse changes occurring in the business world. These myths and misconceptions can easily cause delays for those aspiring to board membership and create a more complicated path to their selection. When a candidate is frustrated with the process, it increases the likelihood that they might be tempted



by a high-risk appointment which could ultimately jeopardize their reputation and limit their future potential. This alone is an important reason for you to be aware of the myths and misconceptions about board membership.

As for the erroneous belief that serving on a board is not worth it, what you are about to learn is how board membership can and will transform your career and your personal financial success. The goal is to provide you with a realistic and effective strategy to achieve your board membership aspirations.

Why Boards Need the Next Generation of Leaders? (What's in it for Boards?)

Business is moving at a rapid pace, disruption can be seen in almost every market. The boardroom is now more critical than ever in terms of determining strategic direction, growth, and managing business risks. True business leaders are needed in boardrooms to help guide businesses and other organisations through challenging conditions. They also need a diverse range of skills, experiences, and capabilities to add new dimensions and perspectives to board-level decision making.

That's why they need you. Not just for your past experiences and accomplishments but for the role you can play in helping them to solve their future challenges. Perhaps you bring a fresh perspective or

the wisdom of a long and experienced career. Each board has a need for a combination of intellectual resources to guide the organisation through current and future challenges and opportunities. These boards need the Next Generation of board leaders to bring fresh energy, ideas, and networks to their organisation.

Why You Should Pursue Board Leadership (What's in it for you?)

Perhaps you have been intrigued by the possibility of board membership and are curious to discover if you have the leadership skills, the values, the network, and the motivation to achieve such a goal. Supporting organisations from a position of leadership, whether commercial in nature or not for profit, is ultimately rewarding and provides an opportunity to apply the many skills and experiences you have acquired throughout your business career.

Armed with the right information and your board career plan, you will be well-placed to achieve amazing results. Using the information in this book and the resources of the Director Institute will help you to kick-start your career and go on to add real value in the boardroom.

There are many reasons why people choose to begin their board career, and many different ways you can structure your board career. There are also many benefits to being on a board. Some of the many benefits to board service include:

- To earn additional income
- To receive stock options/equity in a start-up
- To have the opportunity to raise significant funds to support causes you care about
- To receive recognition and social value
- To give back to your community
- To achieve the prestige and potential of a high-profile board position
- To boost your executive career
- To be respected by your peers



- To expand your corporate network
- To help shape an organisation's direction or policies
- To expand your board portfolio

The key here is that there are multiple reasons for serving on a board. What is important is that you are clear about what is motivating you to pursue board roles, so that you can plan accordingly and put the right pathway in place. Your motivations will also have an impact on whether you will undertake volunteer or unpaid board work or if you want to concentrate on paid board roles and build up a significant source of income that could potentially become a second corporate career.

As a board member, you will play an important role in the organisations you serve and may hold positions that have legal, fiduciary, and/or ethical responsibilities. Insight into your motivations will equip you to make the appropriate choices for the roles you pursue.

At Director Institute Next Generation Directors, we work with executives at various stages in their board journey. Some are new to the board arena. Others are already serving on a couple of boards but are looking to expand their portfolio. And others have had a successful executive career, perhaps even as a CEO, and now desire to do something different.

The journey might also be at a stage where you are looking to up-level your board experience, prestige, and income. Regardless of where you are on your board journey, you are about to learn the most effective career strategies to help you achieve your board goals.

If you are seeking your first board appointment, I strongly urge you to not worry too much about income at this stage, as there are many ways to achieve total income combined with work-life balance. A good board fit happens when you find a position that matches your values, skills, and interests. With all three, you can have a productive and fulfilling

board experience. And by mapping out your options, you can create a plan for your ideal scenario — where you are doing the things you enjoy most.

Board careers are incremental. Your first board position could easily lead to the second. Even high-profile candidates will need to start small. Board members want directors who are going to bring value to the board, so you need to realise the importance of earning your stripes. You may need to take unpaid appointments to get a seat alongside quality board directors, and you may need to do a couple of pro-bono, not-for-profit (NFP), or early-stage appointments that connects you to future more lucrative and prestigious appointments. In general, if you want to have a successful board career, the foundation needs to be laid over a 12-month period.

Spend some time mapping out your ideal board scenario. Begin by listing the boards you would like to serve on. You should also make note of the types of companies and Organisations you are drawn to, to get an idea of the ideal boards to begin with.

Welcome ^{to the} Boardroom

The Step-by-Step Strategy for
Launching Your Board Career

Kylie Hammond
CEO and Founder of Director Institute - Next Generation Directors



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For all member enquiries or for help in accessing Director Institute services please email membership@directorinstitute.com.au or phone 1300 BOARDS.

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Please book all mentoring appointments via the online diary system:

[Kylie Hammond's Diary](#)

Please indicate in the comments section that you are booking in for a mentoring session, and outline any key issues you'd like to discuss.

[Director Institute Team Diary](#)

Please indicate the purpose of the call.

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Executive Chairman



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