

Talking Business

with ITA BUTTROSE



June 2010

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Maryanne Shearer

is the founder and Managing Director of T2, Australia's leading retailer of fine tea. In the late 90s she decided to share her passion for tea with the people of Melbourne and opened up the first T2 store in Fitzroy. Since then T2 has expanded to become Australia's largest retail and wholesale tea business.

www.t2tea.com

IB As the founder and Managing Director of T2, Australia's leading retailer of fine tea, Maryanne Shearer knows the value of a good cup of tea. Frustrated by the dominance of coffee and the lack of quality tea in Australia she decided to open up the first T2 store in Melbourne; that was in 1996. Today there are over 19 stores in Sydney and Melbourne. Maryanne joins *Talking Business* to discuss how she's managed to make tea a contemporary of coffee in Australian households.

Welcome to the show Maryanne.

MS It's lovely to be here, thank you.

IB T2 is one of Australia's largest tea retailers; you've been very busy since you've opened your first store.

MS We sure have, yes.

IB How have you done it?

MS It started out essentially as a passion for tea and as we did that we built the brand on a retail experience that didn't exist and that was a full sensory experience; looks good, tastes good; smells good. You walk in, there's lots of knowledge about something that most people thought was just a yellow box sitting in the pantry. T2 has taken what was a fairly old-fashioned product and turned it into something that young modern people like doing.

IB You weren't always in the tea business though were you?

MS No, my background is fashion and retail.

IB How did you make the leap, simply because you wanted to have more tea?

MS No, it was more retail that caught my interest, being involved in retail. Most people are very conservative when it comes to setting up retail stores, they tend to be very safe in their choice of design and they take very few risks in how they set up the stores. We took as many as we possibly could. We thought, let's really push the boundaries and create an environment - most stores are white and bright

Maryanne Shearer

and ours are dark and moody. We turn the music right up, there's lot's of surprises at T2, lot's of little hideaways where you can just drink your cup of tea and get lost. Some people are in the stores for an hour. We never ask them to leave though. [Laughter]

IB Tea for two takes on a whole new meaning.

MS It does, it does.

IB Are Australians drinking more teas than every before?

MS Well, it's interesting what's happened to tea consumption in Australia. The supermarket category of tea has dropped off, so the consumption of tea at a tea bag level has declined, whereas speciality premium tea consumption has increased incredibly, and I really think the tea drinkers out there in the big wide world realise that there's so much tea to buy, taste and enjoy, that particularly when they come into T2 or anywhere that offers a great range of teas, they're absolutely amazed at the varieties and they've taken that to their daily shop. So when they walk through the supermarket, instead of there being a little one metre spot with a couple of boxes of tea, the aisle's as big as the coffee section, you know.

IB Yes, it is.

MS There's peppermint and vanilla and white tea and green tea and yellow tea and red tea and there's flavours and when they come into our store the first thing they do is they stop and they go, wow, what is that smell? And it's just a combination of 180 teas that have just created this amazing aroma. Then we take them on their journey, we walk them through the stores, they walk out with probably five or six teas they've never tried before, would never have just walked in and asked for, but because you've taken them around the store, given them a few teas to smell and taste, they walk away and they fall in love and that's the beginning of their journey. We give them some samples, they come back and they've tried a few more teas and then they're committed.

Maryanne Shearer

IB I'm Ita Butrose and my guest on *Talking Business* is Maryanne Shearer from T2. There seems to be an awareness now among people that tea is good for you. What are some of the health benefits of tea?

MS The health benefits of tea are enormous. There's a lot documented about what's good for you in tea.

IB Tea has antioxidants doesn't it?

MS Yes, it's high in chlorophyll, polyphenols, it's got caffeine, which everybody thinks is the big bad devil. It has much less caffeine than coffee does, but it's all part of the whole tea process. What we find at T2 is that tea is good for you because it slows you down and it stops you from being on that mad rat race, or in that mad rat race that you get yourself involved in. It's a bit of a time out in a busy day. But, so, as far as listing the health benefits of tea, they're enormous and there are hundreds of them, but I think the priority for us is the taste is the most important thing and if you drink a lot more tea, then if you're drinking six or eight cups of coffee a day and you cut that down to one or two - I still have my coffee in the morning...

IB I was going to check if you ever have coffee.

MS Yes, I do, I have a coffee every morning and I can't live without my coffee in the mornings, so that's not so bad.

IB Now Australians were always fairly good tea drinkers, but I suppose we're normally drinking English breakfast tea with milk. Are we still allowed to have that or must we all switch to the super varieties?

MS It's interesting. We have a couple of sides to our business, we have wholesale and we really enjoy servicing the restaurants and cafes and we have our own retail stores. English breakfast, when we first opened, was absolutely number one, it was the tea that everybody wanted and we serviced that. But over fourteen years, it's now slipped down to about number 15 or 16. It's nowhere

Maryanne Shearer

near as popular, because people have changed the way they drink tea.

IB So what is your best selling tea?

MS Our best selling tea right now is Chai. Chai would be right up there at the moment.

IB It's very nice, Chai

MS Chai's great and particularly coming into winter, it's very warming and full of unusual and exotic tastes, but it changes a little as the year goes through its seasons and we still find the English breakfast a very important part of what we do.

IB Do you travel a lot then, looking for teas?

MS I do.

IB You go and sample teas like a wine maker would be sampling wines.

MS Poor me. [Laughter] I do and I really enjoy great tastings and the classic image of hundreds of tea cups all lined up and you taste them through, it's not a chore at all. I've been doing it for a long time now and I really, really enjoy it. And you can tell the difference between when you have the teas all lined up, much like wine, you can really identify the difference between the teas. So if you're doing a Darjeeling tasting and there are 15 Darjeelings, surprisingly you can... or maybe my palette's a little more trained now, but yes, it's a great experience.

IB Thank you for sharing some of it with us on *Talking Business*.

MS That's an absolute pleasure.

IB Maryanne Shearer.

MS Thank you.

Steve Rust

is the Managing Director of Panasonic Australia. Throughout his 30-year career, Steve has held a number of senior executive roles in global IT and telecommunications subsidiaries. Before joining Panasonic in 2006, he was Managing Director of Ingram Micro Australia, and has also held senior management roles at Nortel Networks, Apple and Toshiba.

www.panasonic.com.au

IB The Managing Director of Panasonic Australia, Steve Rust, has held a number of senior executive roles in global IT and telecommunications subsidiaries throughout his 30 year spanning career. Before joining Panasonic in 2006, he held a number of roles in senior management, including posts as the Managing Director of Ingram Micro Australia as well as management roles at Nortel Networks, Apple and Toshiba. Steve joins us today to discuss the 3D TV revolution as well as the importance of digital communication to business.

Welcome to the show Steve.

SR Thank you.

IB What are the implications of the 3D TV revolution?

SR I think initially what we'll see is a tremendous explosion in a new way to enjoy entertainment, both in gaming and in movie watching, and the one that I think is very exciting and everybody is looking forward to is sports broadcasting live.

IB Is that Event TV?

SR Yes, but ultimately the end game will be watching television in 3D and watching your favourite sports.

IB Will we have to wear glasses?

SR Well, yes, you will.

IB The 3D glasses or whatever they're called.

SR Yes. Actually I think 3D glasses are ultimately going to become a fashion item and, you know, many third party companies will make increasingly more attractive glasses to watch 3D and who knows, maybe ultimately in the long term, technology will find a way to do it without glasses, but that's for the future.

IB Well, I think most recently *Avatar* was quite an experience because of 3D and nobody seemed to mind wearing the glasses at all.

**Steve
Rust**

SR Not at all. I think most people just loved that movie; you could see from the numbers of people that attended. I did hear one or two cases where people came out thinking it wasn't great, I'm glad I took my glasses off at the end, but there was a very small minority.

IB Does Panasonic have other 3D offerings for the consumers coming up?

SR Well yes, we've got our own range of 3D TV coming out in June and that really I think we're just on the cusp of a wave. I can well imagine in just a few years, perhaps only two or three, many TVs that you'll see in the shops will be 3D, the majority. I think that's kind of the direction we're going, because 3D TV, of course, you can watch it in 2D and so it'll just be another feature or function in the television of the future.

IB I wonder how consumers can keep up with the TV technology because it's changing so rapidly, I mean a lot of people wouldn't even have HD yet and now here's something else for them to consider.

SR There's been an amazing evolution of technologies just in the last five years, but I've sat in the industry and watched it happen and I'm thinking, what's going to happen next? I mean, we've got Skype on TV coming this year and IPTV so you can actually hook up to the internet and watch programmes or interact with the internet over the television and this has just all happened in the last three or four years.

IB Skype's going to be on TV?

SR We'll be releasing televisions this year where you can Skype, so if your Mum has got Skype and you've got Skype on your TV, on a Panasonic TV, you can just actually Skype through the living room through you TV.

IB Amazing. Amazing. I'm talking with Steve Rust, the Managing Director of Panasonic Australia. Is Event TV, we just touched on it a moment ago when you said that sport in

**Steve
Rust**

3D is going to be one of the big things. I mean, is this one of the reasons why Panasonic is a sponsor of the *Australian Open Tennis*?

SR We got into the tennis before we knew that there was going to be an explosion of 3D, quite frankly, all the television manufacturers have been keeping this a secret. [Laughter] But I must say, about a year ago if you'd asked me would there be 3D televisions in the market today I would have said no. There's been just an immediate explosion of 3D onto the market and it all happened really just around about Christmas time. The world's biggest consumer electronics show was held in Las Vegas in January and in January all the majors presented their 3D solutions and it was amazing the level of interest. I mean, quite frankly, we monitor our clippings, PR clippings, in Australia and January is normally a quiet month for us and this January was a record of clippings around Panasonic and I'm sure my competitors would have found the same. The consumer interest in 3D is phenomenally high and I think there are three main areas where you'll be accessing 3D; one will be for gaming. The gamers, they just want the best and when they see games in 3D there will, I think, be an explosion of content around 3D, and the other area is movies, playback on movies in 3D, like Avatar, and the third area is going to be broadcasting sports.

IB Has the sports industry cottoned on to this new approach that's coming? Are they excited? Have you had feedback?

SR I have had feedback. Initially it was subdued, I think probably because they wondered whether 3D is really coming or not and possibly they were also thinking about investments that they'd need to make to do it and the technical complexities. What's happened in the last three months is they've moved from, *is it really coming?* To, *wow it's really coming!*, and now, what are the technical issues and the investments issues that are preventing us, that we've got to overcome so we can get into it? I'm talking at a sports broadcasting summit here in Sydney and they invited me to come along to talk about this very topic like we're talking about today.

**Steve
Rust**

IB They might have to film it a different way, different cameras?

SR Yes, that's right, 3D cameras. These cameras are new and of course Avatar was made with new cameras, new AV technology and actually in that case it was with Panasonic equipment but there are others that are making 3D cameras as well as Panasonic now and we've just releasing this year a 3D camera that's small enough just to sit on your shoulder, so I think it's like just a few kilograms and you'll be able to actually make 3D content.

IB Is 3D TV going to be more expensive, is it more expensive to buy one?

SR It will be initially, but not a lot, not as much as many people think, perhaps just a few hundred dollars more and of course, over time, the cost will come down, I don't know how quickly, but, you know, as the volume increases the cost always comes down and so it's certainly going to be affordable for many parts of the marketplace immediately, this year, though I think probably around \$3,000 to \$4,500, and of course over time that technology will be built into the lower cost TVs.

IB It means that a lot of people will be recycling their old TVs? It leads me to my next question, the federal government recently announced a new national recycling program for TVs and it comes in effect in 2011 and you've spoken about this, you've been a voice for this new program, how will that work?

SR Well the government's adopted a model that the industry association, of which Panasonic is a founding member, pushed for and that was a model where a new organisation will manage the recycling. It'll be free to the consumer. It'll be paid for by the manufacturers. Every television sold in Australia is imported, so at time of importation it's easy to collect a tax or a fee, a recycling fee, and that money will be used to actually fund the recycling. The new organisation that will be established will actually advertise and educate

**Steve
Rust**

the marketplace around where you can leave your TV, how it can be picked up and how that will all work. It will probably work through local councils and we're working with recyclers. There's already many recyclers in Australia, some are local and some are international companies that are recycling and of course this will be a lot of increased business opportunity for them, and as we get closer to the launch date we'll be going into contracts negotiations with those recycling companies.

IB Are there lots of uses that old TVs can be put to?

SR In Japan, the Panasonic recycling factory recycles 98% of the materials in a television.

IB Wow! You'd never think to look at that would you?
[Laughter] That that would be possible. Panasonic is very eco-friendly, isn't it?

SR Well, we pride ourselves in that, in fact I'm wearing my little eco-badge today.

IB Yes you are.

SR Yes.

IB Nice green badge there.

SR It's driven right down from the president all the way through the corporation. In fact, eco-targets are set for long-term planning along with sales and profit and it's promoted and publicised throughout the company. The company is very, very supportive of the environment. In fact, our president thinks that the 21st century is going to be the *Green Revolution*, a bit like the Industrial Revolution of the 18th century, and the IT and Telecommunications Revolution, the Knowledge Revolution of the 20th century.

IB One final question, you're a great user of Twitter and Facebook and Flickr, you yourself, lot's of messages there, do you find that a very effective way to communicate the Panasonic message?

**Steve
Rust**

SR Well we started just a year ago and we decided to put our toe in the water to see how we would go and we've been doing it for a year and the people following us is growing month by month and we've now got well over 10,000 on Facebook and on Twitter a couple of thousand as well. This is really kind of accelerating and we're yet to see where we'll go with it, but what we do know is that more and more people are going to these social media outlets to get their information.

IB But it's unusual I think to see the boss, I mean you're the Managing Director and there you are and you're talking to who knows who about your messages. I mean it's really a personal approach here. I mean, the buck stops with you and you're delivering.

SR That's true. That is correct and I think I thought I needed to do it to send out a strong message to my staff and to the marketplace that we were there, that we were really treating this seriously and we're investing in this area. I found initially that people who were mainly interested were journalists and media people and if I have a look at the people that are following me on Twitter, for example, often it is people out of the media industry, but that's expanding as well into a much broader audience.

IB Well I'm sure when people suddenly realised 3D TV is here to stay they'll be lots of people trying to get in touch with you to find out more.

SR Well that's right and we're seeing that too, the inquiries on our web site are going through the roof. We can track inquiries around any subject on our public web site and 3D is a very key one right now.

IB I want one! [Laughter]

SR Let me talk to you later.

IB Yes. Thanks for being on *Talking Business*. Steve Rust.

SR Thank you very much.

James Bradfield Moody

is the General Manager of International Development for the national research organisation, CSIRO. In 2000, he was named Young Professional Engineer of the Year. In 2001, he was awarded Young Australian of the Year in Science and Technology. Then, in 2007 he was identified by Boss Magazine as one of its young executives of the year. He joins the show to discuss his new book, *The Sixth Wave*, which attempts to understand how our world is moving forward, both environmentally and economically.

IB Joining me now on *Talking Business* is James Bradfield Moody. James is the General Manager of International Development for CSIRO as well as the co-author of *The Sixth Wave*, a book to help us understand how the next wave of innovation will change our lives. The past 200 years have seen five distinct waves of innovation, the fifth, the most recent, being information and communication technology. But what's next? James has the answers.

Welcome to *Talking Business* James.

JM Thanks. Great to be here.

IB What inspired you to write *The Sixth Wave*?

JM What inspired us is that we wanted to tell the opportunity side of the story around all of the challenges that the world is facing; whether it's limited resources, whether it's things like climate change; whether it's even turbulent economies, we actually see a lot of opportunity coming out of these things, as well as the challenges themselves.

IB Now when you say we, you've co-authored the book?

JM Yes, my co-author is Bianca Nogrady, she's a science journalist and together we've got a background in innovation theory as well as environment and sort of resources. And so what we've done is we've actually tried to draw out the long story about the world of limited resources that we are starting to see and how you can actually succeed in that world.

IB Well it's a book about the future isn't it, it's a bit risky isn't it, predicting the future?

JM Prediction is a very dangerous game, I must say. But what we've tried to do is we've actually taken a very long view. As you said, there's been five waves of innovation since the Industrial Revolution.

IB Yes, can you tell us what they are?

JM Yes. They start with milling and water power, moving to steam, then to rail and electrification, then moving to mass

**James
Bradfield Moody**

production of the automobile and others, and the last one, as you mentioned, was information and communications technology. Now the thing about these waves is that they often start with a lot of disruption, they start with a lot of new businesses and new technologies being formed, they start to coalesce and you get what they call dominant designs, these winners emerging, so whether it's Microsoft or Google or others. At the end of the wave, which I guess is where we think we're hitting now with the fifth wave, is that you get a global downturn and we've had five of these since the Industrial Revolution. So we believe that the global financial crisis was actually the transition point between the fifth wave and the sixth.

IB Right, so, sixth wave here we come, but what is it? How do you catch it?

JM Well, the fifth wave, to give you a bit more history...

IB Yes.

JM The fifth wave everybody thinks about as the PC and the internet, but the thing that paid for it all, the market for the fifth wave, was actually these things called *transaction costs* and if you could actually find transaction costs in the economy and reduce them, that was what was paying for a lot of the technology we saw. Now, we think that in the sixth wave there's going to be a shift, we've reduced a lot of the transaction costs in the economy, of course there's always more to reduce, but in the sixth wave, it's actually going to be more about resource than the transaction itself. The reason for that is because we're seeing resources becoming more scarce, we're seeing a lot of waste in the economy, in fact, 95 percent of the things that we purchase and take into our homes is in the bin within seven days and that's a huge amount of waste and therefore a huge amount of opportunity if we can find a way of using that waste more effectively.

IB Hmm. It's going to be a massive change in thinking isn't it?

**James
Bradfield Moody**

JM It's a massive change and the thing about waves of innovation is that it's not just about technology; it's about changes in markets. The fact that waste becomes suddenly a driver for value creation; it's a change in what they call the institutions that make up our society. The big change that we see in the sixth wave will actually be around pricing things that have never been priced before, like a litre of water or carbon dioxide or biodiversity. Of course there's massive changes in technologies and in the sixth wave it'll be everything from clean technologies around water or waste to things like green chemistry and materials. You put that together and we actually see a very different world in the future; one in which, in fact since the Industrial Revolution, economic growth has been coupled with consumption of resources, we see in the sixth wave a world where we're going to be decoupling economic growth from that consumption of resources.

IB We decouple, we then start to look at ways to use waste as a resource.

JM Indeed, and in fact, what we've done with the book is we've sort of separated it into two sections. The first is about the sixth wave and why we think that the world of limited resources is the next wave. The second is what are the rules of thumb that you would want to use in order to succeed in a world of limited resources. Almost the advice we think we would be giving ourselves from the future. The first rule of thumb, as you say, is that waste equals opportunity, and if you can find a large amount of waste in a system, and find a way of reducing that waste, then there's a huge amount of opportunity that can come from that.

IB I'm Ita Butrose and I'm talking with James Bradfield Moody, the co-author of *The Sixth Wave*. James, give us some examples of how waste can be used as a resource.

JM There's a great example, it can happen from a very large scale to a very small scale. There's a great example of a brewery in Canada. The brewing process for beer creates a lot of grain waste and that waste just can't be digested

**James
Bradfield Moody**

easily by animals, but this brewery found is they can actually grow shitake mushrooms on that grain waste and not only do they get shitake mushrooms in the end of the process but it changes the waste in a way in which it now can become digestible by animals, so they then use it as animal feed. From the animal waste, they take biogas, which is used to fuel a lot of the process, as well as a nutrient solution that they use to grow fish. So here's an example of what was previously a brewing company suddenly creating all these things from their waste.

IB It's amazing, but what always amazes me is how does someone think up the idea of growing shitake mushrooms in it?

JM Indeed, I guess that's the process of innovation itself. The interesting thing about the sixth wave is that, if you look around you can see waste, not just in sort of products that we might see, and there is a lot of things that might go into your bin or others, but it's actually waste that's built into our system. We look around this room that we're in for example and you think, well, where is the waste? Do you need as many lights as we necessarily do? I'm not driving my car at the moment, so in some ways there's actually a resource there that could be used by someone else, and in fact there's car sharing companies that are starting to emerge that do do that. You look at your mobile phone, you can find a car nearby, and you can swipe it and you can go and use the car. That's actually finding a way of reducing the number of cars, or the fuel that goes into the number of cars, for the given amount of mobility that people want to use.

IB A lot of people are in business to make money, of course, so there's plenty of opportunities to make money out of thinking of a very effective ways to use waste, isn't there?

JM Absolutely, and that's what we wanted to tell, we wanted to tell the opportunity side of this story. If you can find a way of reducing waste and turning it into something else, you can make money. In fact the second rule of thumb in our book, which takes that a step further, is that it's called sell the

**James
Bradfield Moody**

service not the product, and if you can actually try to identify what the service is and sell that rather than the product, then you, as the service provider, make all the money out of reducing the waste consumption. I'll give you an example, there's companies now which are becoming energy service providers and they've realised that people don't really want joules of electricity, what they want is light or they want heat or they want mobility. So there's companies overseas that are actually selling heat, and so they'll sign a contract with you for quite a long time to keep your house between 23 and 25 degrees Celsius, which is great, that's the service that you want. Then they'll come in and they'll put in insulation and they'll check the cracks under the doors, they'll make your house as efficient as possible, because they realise that it's suddenly in their interest to deliver that service – the keeping the house warm or cool – for the least amount of resources possible, and that's a way of basically extracting value and opportunity, and business opportunity, from the fact that there's limited resources.

IB But it requires a whole new way of thinking doesn't it and is it driven by the fact that we're going to have less resources in the world?

JM It's driven by that, it's driven by a lot of things. One is the fact that we are seeing a reduction in the availability of some resources, whether they're water or some of mineral resources, and in fact things like phosphorus as well, food security becomes an issue. It's also driven by the fact that we see a lot of waste, and build-ups of waste products can sometimes cause environmental damage, and they're called *externalities*, things where you're having a value but you're not paying for the full costs of the things that you do. Whether it's putting pollutants into a river causing fish to die which causes a fishing village to lose their income, they are sorts of externalities. The third thing that's actually happening, and it's a technology trend, is we're actually measuring and mapping these resources in ways that we've never been able to do. In fact, our third rule of thumb in the book is about the convergence of digital and natural and that, as we get more senses, as technology computing

**James
Bradfield Moody**

power gets more able to cope with the massive influx of information, we can suddenly start to put measurements on all these things that didn't have a measurement before. Whether it's global forests, or whether it's actually a litre of milk that can sit in a fridge and the fridge will know that there's a litre of milk in it.

IB I can't wait. [Laughter]

IB That was absolutely fascinating, and thank you very much for being on *Talking Business* and telling us something about it, James Bradfield Moody.

JM Thank you for having me.

Deb Loveridge

is the CEO of specialist recruitment group, Randstad Pty Limited (formerly Vedior Asia Pacific). As a founding member of the company, established in 1988, Deb has committed over 20 years to the staffing services industry and to the development and expansion of the business in Australia, New Zealand and Asia, where it now operates a substantial multi segmented specialist HR and staffing business. She joins the show to discuss employment trends in 2010.

www.randstad.com.au

IB Right now on *Talking Business*, let's welcome Deb Loveridge, the CEO of specialist recruitment group, Randstad Pty Limited. As a founding member of the company Deb has committed more than 20 years to the staffing services industry as well as to the development and expansion of the business in Australia, New Zealand and Asia. Today Deb will talk us through employment trends for 2010.

Thanks for joining us on *Talking Business* Deb.

DL It's nice to be here Ita.

IB Before I ask about this year's employment trends, tell us a bit about your expertise and your rise to the top in the recruitment industry?

DL I say to people it's been a very short career. I joined the industry in 1988, quite by accident, met a consultant who I was very impressed with and that person talked me into joining an industry that I had very little knowledge about and I thought this is the kind of thing you probably do for 12 or 24 months and here I am 22 years later. [Laughter] It's been a wonderful career in an industry which I've loved and it's love me right back, so I've achieved tremendous career growth in that time.

IB Just before we continue the story, what were you actually doing at the time when you met the person?

DL Going for an interview in a role which may have been in sales and marketing, but I came out of the fashion industry, so I was a difficult to place candidate looking for my next role and really had no idea where I was headed next.

IB So here you are 22 years later do you say?

DL 22 years later.

IB Happy as Larry?

DL Yes, very much.

**Deb
Loveridge**

IB How have you managed through significant change in your company and in the industry? I mean what has kept you inspired?

DL I'm continually inspired by the wonderful people I work with I have to admit. Certainly after a year like 2009, which is a difficult year for people in business, I would say there are many, many challenges of course that we still face in the employment sector. However, I'm continually inspired by the wonderful people we attract to our business. Ours is an industry which is quite dynamic in that it evolves around changing employment legislation, change of governments, migration patterns, immigration, those kinds of things, so there's always something new on our horizon. But as I say, we work with some exceptional people who are attracted to the industry year after year and that's pretty inspiring stuff.

IB What are the specific challenges you see for this year?

DL This year is a year of recovery. As I mentioned, 2009 was a pretty tough year for business. I think very few senior people I've talked to have been immune to the challenges of 2009. But the good news is there's lots of bright lights, even very early in the year. And so the major challenge I think for employers is to insure that they've got all the right skill sets going into the future. As the climate lifts, productivity needs to improve and business growth starts to reoccur. They need to make sure that they're holding good people. What happens as things become more positive generally in the employment market is good people will opt out if they don't feel they're working for an organisation who in fact did the right things through those tougher times. The challenge is to retain the people that you have on board.

IB How does one do that? Offering them more money or offering them better conditions?

DL The statistics would tell us that more money isn't the answer. In fact, that rates very low on what keeps people engaged for the longer term. It's more about the employment value proposition; what's the culture of the business like, how did we rate the boards and senior

**Deb
Loveridge**

management decisions of last year, how transparent was the communication, did they act with integrity and honesty, and what is the culture like in the organisation, how good does it feel generally to be engaged by this organisation. Therefore, will I stay for the long term now that things are getting better?

IB Workers want to be needed, don't they? It seems to me they want to be told that they're doing a good job, they need to be appreciated, and I guess they have to feel proud of the company for whom they're working?

DL Absolutely, they need to feel valued and they need to feel that when they tell their friends and family about who they work for, that that's a good story. Last year there was lots of bad news to be communicated. What we're finding is that employees still said, if the board or the senior management team of the organisation communicated even the bad news with honesty and integrity, then that was okay, because they understood times were tough and there were rounds of redundancies and they did farewell colleagues, there were tough calls that needed to be made in business. But they would still look back and say, how did our board perform through that time, how did our management team perform through that time and if generally things were held in high regard, then there's a good chance they'll stay on.

IB This is *Talking Business* with Ita Butrose and I'm talking with Deb Loveridge, the CEO of Randstad Pty Limited. Let's talk about some specific industries Deb, the healthcare industry. Health's big news in Australia this year, it has special needs and in the past you've warned that we won't be able to service its needs because of a school shortage, so do we need to attract more workers from overseas?

DL We absolutely do. I fear that currently we have immigration policy which is directed at unskilled labour and what we are doing at the moment, unfortunately, is making it very difficult to attract high skilled candidates and particularly in front line services of health and community care, and also I'd extend that to education. I don't know

**Deb
Loveridge**

if you've had cause to visit a hospital or a medical facility these days, but you can feel the pressure and as a member of society, rather than as a member of a recruitment business, I feel we're headed for some very tough times if we don't adjust the intake of skilled people for this sector.

IB Do you talk to government about your concerns?

DL We have spoken to government as an industry member and I think that immigration is still one of those things under review. This government has many challenges to face in coming to power in what is a difficult time and I'm hopeful that in fact this will become a higher priority in the coming months.

IB We're talking about the Federal Government here?

DL Yes.

IB Yes. Now Randstad is a company with a huge global presence, but perhaps it's not so well known in the Asia-Pacific region. How has Randstad entered the local markets, what's been happening in the last 12 months?

DL Randstad is a new name; you're absolutely right about that Ita. We have in fact a 50 year history around the world and Randstad employs about 34,000 employees worldwide. We put nearly half a million people to work every day. But in Australia the Randstad name has really just arrived since 2009. We chose to launch the brand here midway through last year. So that was as a result of an acquisition; Randstad acquired our group in mid 2008 and we elected as a local leadership team to introduce the brand name to our market through last year. I guess in a time where many things are changing in the external market, there's a good opportunity, there's always a window of opportunity to make changes in your own business, and so we elected to make this change through that time.

IB And it's entering the Asia-Pacific market as well, into Asia?

DL Yes, absolutely.

**Deb
Loveridge**

IB Are there major differences between the Asian market and the Australian market?

DL There are marked differences in culture, so from our base here in Australia we work across Australia, New Zealand, Singapore and Malaysia, and we have some business in India, part of our team also works in China and Japan, and so I'm leaving for Shanghai on Sunday. We certainly work across lots of cultures. Where the western legal system prevails, I think business is generally quite easy to understand. What makes the difference as to whether you're successful is a sensitivity to culture and one of the most powerful things I recommend to any senior executive working across the Asia-Pacific region, is get a cultural induction fast. If you can really avail yourself of that kind of understanding, there's a good chance, if you know the people, the demographic, their culture, their traditions, their belief, then in fact you can do well in business just as well as you can in your every day life.

IB And your advice at this point of 2010 to employers and employees about jobs?

DL To employees is to look well at the opportunities, there are lots of exciting opportunities now that the job market has started to shift, so I think that comes as some relief to job seekers, so my advice to job seekers is still do your homework and make sure this is the right role for you, it's not just the next job available. I think that's true at any time in employment market. To employers, I would say 53percent of our recent survey shows that employers will not expand their ranks of workforce, they won't increase their numbers, what they're looking for now is new skill sets to compliment a changing environment. They need to look hard at what's the requirement for the next five years. Through tougher times, many changes were made in business and I'm not sure that we'll ever go back to doing things the way we used to in some sectors, so there's the creation of new skill sets required. I'm told there's a new role being called knowledge engineer which will go into organisations; I dare say there'll be a few more of those created.

IB I can hardly wait. Good to have you with us on *Talking Business*, Deb Loveridge.

Paul Cave

is the Chairman and Founder of BridgeClimb, an organisation that takes guided tours to the summit of the Sydney Harbour Bridge. The idea for this entrepreneurial business was born after Paul successfully organising a group climb as part of the Young Presidents Organisation World Congress in 1989. Nine years later, on 1 October 1998, BridgeClimb launched the first public Climbs to the world. Paul joins the program to share the challenges he faced in making his idea a viable business.

www.bridgeclimb.com

IB Entrepreneur Paul Cave is the Chairman and Founder of BridgeClimb, an organisation that takes guided tours to the summit of the Sydney Harbour Bridge. Before BridgeClimb, Paul had already cultivated an impressive career. He's held roles in marketing, and was the General Manager at B&D Roller Door, he founded and built the Amber Group and he's also active as Non-Executive Director of Domino's Pizza. Joining us today to discuss how he transformed his idea into the dynamic business it is today is Paul Cave. Welcome programme.

PC Thanks Ita.

IB I haven't met anyone who doesn't think the Sydney Harbour BridgeClimb is a brilliant idea, but in the beginning it wasn't all that easy to get that idea up and running was it?

PC I think when you're pioneering anything it always takes time and in fact most things in business are a multi-marathon anyway, but I must confess that I didn't think it was going to take the ten years that it did; I was rather hoping I could do it in two years.

IB Less determined people might have given up. [Laughter]

PC Well maybe, but I think also, life's often about those challenges and you'll appreciate the journey much more than the destination anyway, so we're just very privileged we can share and show it off.

IB BridgeClimb started 12 years ago and I understand in the first letter from the State Government they gave you 64 reasons as to why you couldn't do it. [Laughter]

PC That was the reaction. I mean, to be honest, it was a gutsy call from the government to lease a bridge worth a billion dollars to a private guy, so they were entitled to want to be very reassured. Now, ten years of reassuring was more than we expected, but you know, it was a gutsy call. We were doing something that was a first in the world; that was making a significant country's icon available to the public to climb it, so safety issues and maintaining the bridge and distractions to traffic, there were a lot of really

**Paul
Cave**

good things that we had to work hard to reassure and absolutely insure we could handle and the bridge could still serve its fundamental purpose.

IB Yes, you weren't going to get in the way of the trains and the buses and the cars.

PC Exactly, yes.

IB Was it difficult to raise the money for the venture in the beginning?

PC Yes, it was. I had to do this very privately because it's a really, really simple idea, so you needed to keep that simple idea to yourself and that made it a bit of a juxtaposition.

IB So no one could knock it off?

PC Exactly, yes, because it's a really simple idea, but I mean, the implementation of simple ideas is relatively complex, as this was, because you're attaching people and you're dealing with environmental and heritage issues, and so it was quite complex, particularly with the fourteen unions on the bridge as well, looking after it.

IB Fourteen unions! My word, you must have very good negotiation skills?

PC In the end I think the concern was probably, these guys climbing are going to be watching us have a smoke or... Our attitude was we really wanted to show this bridge off to the world, show off your wonderful workmanship and I'm fascinated by just how the productivity and pride within the bridge and the workers has improved since we're showing it off to the world and ultimately they accepted that.

IB Where did you get the idea? Was it just because the bridge was there and you looked at it one day and thought, I've got a great idea, or was it the day you climbed the bridge? You did climb the bridge or did you get the idea after that? I mean, which came first, the idea or you climbing the bridge? [Laughter]

**Paul
Cave**

PC Ita, it was really the rail ticket that I got from my father-in-law, the first rail ticket to cross the bridge, that effectively sparked a personal interest in the bridge. Then the thought of climbing the bridge, it was actually Nick Greiner and he was saying, what was something special we could do in Sydney that was a little bit different?

IB Nick Greiner was the former Premier of New South Wales.

PC Yes.

IB Um-hmm, and so he said, what could you do that was different, and...?

PC And one of the suggestions was climbing the bridge and I said, well Nick, let me look after that, and in effect that was the germ of the idea. So effectively he suggested that possibility for our group. It took a bit of organising to make that happen, but then watching the reaction of those people when they climbed the bridge I thought, we've just got to turn this into something where we make it available to everyone else.

IB This was the Young Presidents Organisation, you were involved with them, so that's where it began. Did you remember when you first climbed the bridge? What was your reaction, what did you think?

PC That first time I did it was with a foreman at the bridge and I'd taken some of the bridge history down with me to show this foreman, because I'd now gotten 6,000 pieces in my collection, but I took it down to discuss the possibility of the climb with the foreman. I didn't make an appointment, but took some of those things with me. It was interesting that his reaction was, look, people get frightened when they do this, but come and do it with me now, and I was in a suit and tie and leather shoes, and he was in a boiler suit and rubber boots, and I thought he'd do the same, but he was challenging me. Of course, I thought this guy's bloody stupid, this is a crazy thing to do. But of course he'd said, boss fellows are often wimps, and he was almost right. As he took me towards that first ladder – there's nothing metric,

**Paul
Cave**

everything is all imperial – is 57 feet high, and I remember going up that ladder with the leather shoes on and being really, really petrified of my shoes slipping and wetting my pants a bit.

IB Oh my word.

PC Quite a bit.

IB But you made it to the top.

PC Finally. [Laughter]

IB And the view from the top, do you remember how you felt when you got to the top?

PC Oh, amazing. I think being able to get that 360 degree perspective of this incredible city, this magnificent harbour, the skyline, the coast... just stunning and you're standing on top of a bridge that moves slightly, it's an exhilarating feeling, it's very emotional and it still does that to me today.

IB This is *Talking Business* with Ita Butrose and my guest is Paul Cave, the Founder of BridgeClimb. Yes, it's amazing. You said we're allowed to lease the bridge, but what you've actually done is taken an icon brand and made the brand even more famous. I mean, that's what you've done isn't it?

PC Yes, absolutely, being able to share it and show it off and use an asset that's otherwise sitting there, this aspect of it would otherwise be redundant, so it's wonderful.

IB Word of mouth must be a very effective marketing tool?

PC Ita, more than half the people who climb, climb as a result of someone who's done it and encourages them to do it or buys them a gift certificate. Yes, very much so.

IB The Australian Tourism Commission advertises what you do as well?

PC They do, yes, thank goodness.

**Paul
Cave**

IB So everybody's on board?

PC It really is a win, win thing. It really is. For tourism and for the city and the opportunity to do this is very positive.

IB At the beginning of the interview you said the simplest ideas are usually the winning ones. What advice would you offer to budding entrepreneurs?

PC It is often that really simple thing and I think those little simple ideas often float by us and it's the people who grab those ideas and actually do seek to actualise them. It's important we do this and you've got to go all out, be very obsessive, be focused, get an idea. It's highly desirable to be very passionate about whatever you're doing and an idea in business, you've got to have real passion. But then it is about turning what often for many people is a dream or a fantasy into really doing that. You've really got to pursue that and really be an actualiser.

IB Yes, because it's one thing to have the dream, but then you've got to be really practical about how you make it come true.

PC Yes, very much so.

IB That requires hard work doesn't it?

PC Often, and as I said, multi-marathons I think frequently, yes, very much so.

IB It certainly is, and thank you for being with us on *Talking Business*. Paul Cave.

PC Thank you. Appreciate it.

Michael Padden

is a new media executive currently responsible for Telstra's Classifieds businesses including Trading Post, CarShowroom, Auto Trader and Boat Trader. Michael is accountable for all aspects of the businesses including overall revenue and cost budgets and for managing Sales, Product, Marketing, Technology, Customer Service, User Experience and corporate teams and functions. An Internet pioneer and entrepreneur, Michael is credited with launching and leading two internet start-ups in the nineties and helping Fairfax to establish its digital classifieds businesses for both B2C and B2B.

www.tradingpost.com.au

IB We're now joined by Michael Padden, a new media executive responsible for Telstra's classifieds businesses including Trading Post, Car Showroom, Auto Trader and Boat Trader. Recognised as an internet pioneer and entrepreneur, Michael joins us today to discuss the business model of Trading Post, in particular the recent frog and goat marketing campaign.

Welcome to *Talking Business* Michael.

MP Thanks Ita. Happy to be here.

IB What exactly is new media?

MP [Laughter] Well I think new media is almost a redundant term now. I think new media is very much mainstream media. I think traditionally it's been platforms like the internet, but now it's things like mobile phones as well.

IB Yes, it's everything we're all trying to get our heads around.

MP Yes, that's right.

IB One of your responsibilities, perhaps your biggest, is Trading Post, which was a much loved and very successful print medium, but now it's a digital one isn't it?

MP That's right, that's right, so as you say, it's been much loved for many, many years. The history of the Trading Post – it started in 1966 as a local newspaper in Melbourne and went national pretty quickly after that and now, as you say, it's an internet business.

IB Has the transformation been as successful?

MP Success is relative, so we're really pleased with the way it's gone so far. But I think it's fair to say that we'll have to keep changing it and continue to adapt as this new media continues to evolve as mobile devices like T-Hub and iPad's become more and more important, but to move away from print was a massive change for the business and we're very pleased with the way it's gone.

Michael Padden

IB It was only in 2009 wasn't it that the transformation happened?

MP That's right. We announced it in September of last year, so we'd spent a bit of time I guess trying to migrate our business to online and to digital, while at the same time doing print. But it's really only been in the last six months that we've been digitally only.

IB But it was a substantial change. Did you have any problems convincing customers and staff of the need to change?

MP Yes, the interesting reaction that we got from everybody when we announced it was that it was kind of inevitable and the writing was on the wall and everyone saw that online and PCs and mobiles are simply a better way to discover classifieds than newspapers. There's always a bit of sadness when that happens and it's very interesting, even now we get customers ringing up who aren't aware that the newspaper is not longer with us. But when we say the newspaper's not around, do you want to put an ad on the internet instead, they just get it like that and there's never been a problem with them making that change from print to online. So we're very pleased with the way our customers have made the change, and as well our staff. It was a huge change for the business, a huge cultural change, we really had to get away from a print model which was very much about weekly production cycles to an internet business which is 24 by 7. You make a change and a customer can see that change straightaway, you make a mistake and the customer can see the mistake straightaway, so we had to become a lot more agile and a lot more innovative in that environment.

IB I take it the transformation is still continuing?

MP Yes, absolutely, it still continues to this day. It was interesting when I came into the business, and looking at what was a print business with a bit of online tacked on. We've now turned it into a whole online business, was how the thinking needed to change and our people needed to change their thinking in order to get moving and to become an expert in digital. One of my favourite sayings that I've

Michael Padden

used many, many times since I've been doing this job is from a football coach called John Kennedy who managed the Hawthorne football team in the 70s. He gave a famous speech at three-quarter time when he was losing in the Grand Final to his players and he said, *don't think, do, don't think, do, just smother, tackle, move the ball forward and just get going*, and that's what we did when I came into the business was to just start doing things and to get the ball moving and to just take short sharp steps and just get moving forward and get change happening. We really had to practice change to do change and the only way to do that in my view was to actually practice it and make things happen. Then if you make a little mistake or you're not sure if that's the right direction, you can change rapidly, but it was about changing the culture to making short, sharp, fast changes to get to where you want to go, which is really important, especially in a digital world where we don't know where the answer is. It's really hard to kind of plot a strategy that says, hey in two years time, or in three years time you want to do this, because you don't know what two or three years time looks like, so the culture of the business really has to be set up so we can learn, adapt, respond to our customers, respond to some of the structural forces in the market as well, and be nimble and dynamic.

IB This is Ita Butrose. I'm talking with Michael Padden, the head of Classifieds at Telstra. With your advertising to customers, you've used humour, the frog and goat campaign comes to mind. Do you think there is more humour in advertising or that the internet or digital companies are able to use humour more effectively?

MP Interesting question. The reason we chose humour as a way to get our message across was we had a very simple job, so after we'd closed the newspaper down we wanted to do a couple of things. We wanted to remind Australians that Trading Post was still around and that when the newspaper closed it was the end of Trading Post, but that Trading Post was now internet and on your mobile. There was lots of things that we could have said about Trading Post in those ads; like it was Australian and it had a history, it sold cars,

Michael Padden

it sold fridges, and all those kinds of things. But we thought the people already knew that, what they really needed to remember was that we're still around and that we're online and that we're mobile. We thought humour was a great way to simply say, we're Trading Post, we're online and mobile, and we wanted to make a memorable ad so that people got that message. Humour seemed to really work for us, all of the metrics around the ad campaign have been very encouraging, so we're really pleased with how that helped us get our message across.

IB For people that might not have seen it, I think the goat says *bargain* and the frog says *reckon*.

MP [Laughter] It's one of those things where our agency, BWM, came to us with this creative concept and if you laugh the first time you hear it, which we did, we thought, that is great. And in fact, the story wasn't told then, they simply came to us with, hey we've got this idea about a goat saying *bargain* and the frog says *reckon*, and we thought that was great and we spent a lot of time figuring out what to do with that and then we settled on sort of the Mr. Ed concept if you like, where the frog and the goat only talk if the Dad is around and shut up when his wife and kid's around.

IB Mr. Ed was a talking horse, wasn't it?

MP Exactly. Exactly.

IB Has the customer base grown?

MP Yes, yes, so we've seen really pleasing growth this year, so normally Christmas is a slow time and we come out and then we sort of settle back to normal. With the frog and the goat campaign in this year hitting the market late January-February, we saw a tremendous increase in customers through that time and we're still seeing that growth, which is great.

IB Tell me a little bit about the Rent and Share, that's another new initiative?

MP Yes, so I'll just preface that by saying that, one of the things we've tried to do with Trading Post, while we've

Michael Padden

transformed it into a digital business, we've almost gone back to its heritage in terms of being a classifieds business, so for a while there, auctions and things like that were very, very popular on the internet as a way of buying and selling, we've gone back to our roots and said, what we want to do is what we call *inspect and collect*. So I'll see an ad and then I'll ring you up, I'll go around and I'll kick the tires on the car or pat the dog or sit on the couch, whatever it is, and then do a deal with you, rather than doing the transaction online and that's really powerful for our customers. What we then said was, well, what helps us be there when somebody is buying a couch or buying a fridge or selling a couch or fridge? The answer was that, well we don't really want to be in the real estate market per se, but it's when people are moving house that they tend to buy and sell household items, such as fridges and couches and sofas and things like that. The idea with Rent and Share is that we're going to create an environment where people can advertise their rental or their share property for free and the business model for us is that we are then able to offer them the opportunity to buy and ad to sell their couch or to sell their fridge.

IB And is that going well?

MP Yes, we're really pleased, we only started a few weeks ago, but again, it's another example of the sort of culture we're trying to bring into the business, which is to try things, to innovate, try new things, do them fast, do them quick, and if they don't work, do something else. So our objective this year is to do six, seven, eight, new things like this, see which ones work, and the ones that work pay more attention to and put more investment in, and the ones that don't work we'll let those go.

IB Is Trading Post's Sell by Mobile one of the new ones?

MP Yes, we've had mobile for a while and it's gone quite well for us for a year or two, but what we did late last year was we allowed people to actually place an ad using their mobile. We're really just scratching the surface here. So a customer can pick up the phone, take a photo of their

Michael Padden

item, then go to Trading Post on their mobile, upload the photo, create the ad, and then the charge for the ad is either placed on their mobile bill if they're a Telstra customer or if they've got an iPhone using their iTunes account or something like that.

IB I reckon people would love that.

MP Again, that's one of the things that we're trying to instil into the business here, is simplicity. Simplicity in terms of customer experience makes it easier for the customer to do business with us, but simplicity then lowers our costs of running the business as well. Taking print out was step one, now we're trying to take complexity out of the online business which again enables us to move faster and be more cost effective.

IB Glad you could be with us today on *Talking Business*. Michael Padden.

MP Pleasure. Thank you Ita.

Ronni Kahn

is the founder of OzHarvest, a service that collects and delivers surplus food to charities. She originally ran an events business and was horrified by the amount of left-over food that was thrown out. She then turned this observation to a business in 2004. Today, OzHarvest has over 600 food donors and delivers more than 110,000 meals each month to 163 charities in Sydney, Canberra and Wollongong. Ronni joins the show to discuss her recent award for Australia's Local Hero 2010 and the massive victory had when her perseverance caused the law to be changed in NSW, ACT, QLD, SA (and soon will be in WA) to ensure that food donors are safe from liability.

www.ozharvest.org.au

IB Australia's local hero of the year for 2010, Ronni Kahn, originally ran an events business and was so appalled by the amount of food wasted by the hospitality industry that she set up OzHarvest, a *not-for-profit* organisation that rescues unwanted food from restaurants, retailers, food outlets and corporate kitchens across Sydney, Canberra and Wollongong to feed communities in need. She arrived in Australia as an immigrant from Israel in 1988 and is an inspirational success story.

Thank you for joining us on *Talking Business*, Ronni.

RK Thank you so much for having me.

IB Did you ever envisage, when you first arrived here in 1988, that you'd be honoured as one of Australia's local heroes?

RK Not in my wildest dreams could I have even begun to contemplate that such a thing would happen, no.

IB Has it been life-changing?

RK Actually it has, in a way that I could never have ever imagined really. It's changed the profile of OzHarvest and turned us into a brand with major brand recognition because we've had so much publicity. But it has actually also done that for my own profile, which is something that was certainly never part of plan, my life plan.

IB But life has a habit of taking us by surprise.

RK Absolutely.

IB Where did you get the idea for OzHarvest?

RK Seeing as my background is hospitality and I used to put on so many events, in fact my last one was just a couple of weeks ago, I kept seeing that there was food left over, because, as an event producer, I always wanted to make sure there was plenty of food. But the last thing I wanted was at my events that we would run out of food, there's nothing worse than standing around at an event and thinking you're going to die of starvation and have to go somewhere else

**Ronni
Kahn**

after. There was always food leftover at my events and it was a shocking thing, and so when I could, I would take that food to one or two of the agencies that I saw, but I didn't do it consistently and couldn't do it consistently. When it came time for me in my personal life to make a contribution, and that became a very important need to me to do something significant with my life, it seemed that the best thing I could do was look at my skills and know that what I knew was there was food and I knew that there were always going to be people in need, and if I could create the missing link between food and people, that could be a good thing.

IB What challenges did you face?

RK First of all it hadn't been done before, and those people who had tried before had failed, because it just was all too hard. A huge logistics organisational system had to be set up. The second thing was most chefs, cooks, food owners said, ah, we can't do that because we're not allowed to.

IB It would be hygiene laws.

RK From a safe food, hygiene point of view and also from worrying about their own liability. We lobbied to have the law amended to allow food outlets to give their food away for free to charity without any fear of liability and we managed to have that happen in New South Wales in 2005 and we subsequently have had that law amended in the ACT, in Queensland, in South Australia, and we're working on WA.

IB How many meals does OzHarvest deliver each month?

RK We deliver approximately 120,000 to 125,000 and as of yesterday, in total, OzHarvest has delivered 5,111,068 meals to people in need, that's taking in food that would otherwise have gone to waste and giving it to people to eat.

IB That's amazing isn't it?

RK It is. [Laughter] Sometimes I pinch myself. I'm black and blue.

Ronni Kahn

IB Yes, think how much food we waste. Because you're really just touching the tip of an iceberg.

RK Completely. You know we're just tapping into a very, very small portion. We only have approximately 600 to 700 food donors currently supplying us food at any given time. There are thousands of food outlets in each state that don't even know about us yet. We don't collect from every donor every day. On our books we have 700 food donors. Regular food donors could be 150 to 250, and then there are donors who give us food every day. So we have seven vans that leave our office every morning and go out into seven different directions. They leave the office empty, they are refrigerated vans, they collect food from a couple of food donors along the way, then they'll drop that food off to different agencies in the same area that they are in, they carry on, go and do another lot of pick ups, drop off, pick ups, drop off, until the end of the day when they come back to our warehouse empty. We don't have a warehouse office. We don't have a warehouse. We don't have storage. Our plan is very simple, we collect food that needs to be used within 24 hours and it gets delivered immediately. Every item of food is stickered and labelled to be used within 24 hours and has a date on it.

IB You're the inspiration behind OzHarvest, how hands on are you?

RK I'm in the office very day, but my role is PR, media, fund-raising. Really it's about raising awareness so that we get more donors so that we can deliver more food. As a for-impact, which is how I classify us, we're a service in the third sector and I feel the word not-for-profit doesn't cover what we do, we're not about not-for-profit, we're about for-impact. That is my role. We have a logistics coordinator and a general manager who now run the day to day office.

IB Just going back to the early days again. It was one thing you had the idea, but you must have had to raise some finance as well. How difficult was that?

Ronni Kahn

RK Absolutely. Well, it was difficult. I mean the first doors I went to knock on was the Macquarie Group Foundation and the exciting thing was, in hindsight, the head of the Foundation, Julie White, now says she gave me money because she knew I would never ever leave her alone if she didn't. [Laughter]

RK Macquarie had the vision to seed fund an organisation like this could have extraordinary ramifications and I think that in terms of an investment on their part, they view this as a wonderful investment, because they have become our core founding partner. Once I had them onboard, it became very easy to knock on other doors because they lent such credibility to what we did.

IB Absolutely. I'm Ita Butrose and this is *Talking Business*, with special guest Ronni Kahn, the founding Director of the food rescue charity OzHarvest. Now five years ago Ronnie there wasn't a waste food sector, but thanks to OzHarvest this is now an accepted fabric of our society. Does that make you feel proud?

RK I get overwhelmed even thinking about it. Yes, I feel that when I started the purpose for me was to create a legacy, so that there had been more purpose to my role in my life. So yes, I feel very proud.

IB You've been responsible for changes in legislation as you've outlined, food can now be given away for charity without fear of liability. You've had a real impact on the Australian community. You're not national yet. Do you plan to grow nationally? Is that your aim?

RK Absolutely and I think I can say we're starting to be national, because we are in the ACT. We are working very closely with organisations in South Australia, so we're hoping to open in Adelaide very soon, hopefully by June/ July this year. We then will be working with Brisbane as our next target city. Because in all those places where there's food outlets, there's food going to waste.

**Ronni
Kahn**

IB It is an extraordinary story, really it's extraordinary. Is the food free to the charity?

RK The food is free. We pick up the food free from the donors and we deliver it for free to the charities and our proviso is the charities have to provide it for free to their clients. We cannot give food away to an agency that sells it. Not for \$1, not for ten cents, not for any money. Our food has to be given away for free.

IB What sort of charities would benefit?

RK From major charities that most people know, like the Mission Australia or The Exodus Foundation, to tiny little charities, Ita, I will tell you a story that will hurt, it will hurt you. We got a phone call this week from an aboriginal youth hostel organisation that services 24 youth and has a food budget of \$12.50 per child per week, asking us for food. When we arrive and deliver food, sandwiches, yogurts, fresh fruit, fresh vegetables to an organisation like that, it makes way more difference than it might make to a major organisation that has food supplies organised.

IB Better resources.

RK Better resources. Within our 160 charities that we service just in Sydney and Greater Sydney, because we're now in Newcastle servicing 25 charities and Wollongong serving 10 and in Canberra serving over 40, that's the kind of food we deliver and that's the kind of impact we can make. It's large well-known organisations and tiny little ones. We're non-denominational, so we supply food to Christians, Jews, Hindus, Buddhists, Greeks, it doesn't matter to us. If they're in a food programme and receiving food for free, then we can help them.

IB Your big cause, it must be to raise enough money so you can do your work?

RK Yes, it costs OzHarvest less than a dollar to deliver a meal. So if you think about it, if you gave me \$10 right now, I could supply ten meals to ten people in need. It's a very rich

**Ronni
Kahn**

value proposition, for every dollar we raise we can deliver a meal and that is the main function, that is my main function. Getting out there, getting corporate partners, getting private and individual philanthropy to support us, because \$100 means 100 meals to our end users.

IB It's been lovely talking with you. Thank you so much Ronni for telling us your story on *Talking Business*.

RK Thank you so much for the opportunity of sharing my story with your listeners.

IB Ronni Kahn, thank you.

Peter Taylor

is the CEO of Engineers Australia, the peak body of engineering practitioners in Australia with more than 85,000 members. Since taking up the position as Chief Executive in early 2004, Peter has been a staunch advocate of infrastructure reform, sustainability and global mobility of engineering professionals. He is also committed to helping solve engineering skills shortages. Peter was awarded the Centenary Medal for services to Australian society through engineering.

www.engineersaustralia.org.au

IB The CEO of Engineers Australia, Peter Taylor, joins us now. Since taking up the position in early 2004, Peter's been a staunch advocate of infrastructure reform, sustainability and global mobility of engineering professionals. Here to discuss Make It So, a multi-million dollar public awareness initiative, aimed at increasing interest in engineering, is Peter.

Welcome to *Talking Business*.

PT It's a pleasure to be with you.

IB Why is there a need to increase interest in engineering?

PT It stems from the great shortage of engineers in Australia and prior to the financial crisis I estimated it was about 28,000 that we were short. Now with the global financial crisis that probably dropped a bit; bit hard to say how far. But with the renewal of the orders from China and the infrastructure that the federal government is doing, well the demand is there again and I know for a fact that engineering firms are having trouble recruiting engineers.

IB Why?

PT Because we're simply not graduating enough from Australian universities. Over the last decade or more we've been graduating 5,000 or 6,000 a year, without much growth at all. It's a bit hard to put the reasons down, it's got to do with the education system, children not being quite as interested in the maths and sciences as they used to be, and they lose interest, and so if they don't have that background, it's very difficult for them to take up engineering.

IB There was a push a few years back about attracting more girls into the profession, is that still underway?

PT It's still there. We had a year of women in engineering a couple of years ago and that produced a bit of a kick in our numbers, but the numbers unfortunately are staying around the 15% mark in universities.

IB Perhaps schools aren't pushing engineering well enough as a profession?

**Peter
Taylor**

PT I think it's partially that. I think it's partially that the way science and maths are taught these days, there's not a sense of excitement about how you apply that information and how it might lead to something more exciting.

IB It's understanding the importance of engineering.

PT It is. Our research has shown that the public isn't as aware of what engineering is about as we'd like.

IB Tell us, what is it about? Here's your big opportunity.

PT Let me just go back a step. If we go back to whether the public thinks engineering's a good profession and would advocate that to children to do, well they do, and it's up there with medicine, but when you come to the understanding of engineering, it's well below 40 percent. It's all about building bridges, building roads, and that's about where it stops and finishes, but it's much broader than that. We've tried a number of things and the Make It So campaign is our latest foray into this area. It's a unique campaign where we're trying to involve the general public in our world of engineering so they can make suggestions about what they would like to see engineers Make It So to make the world a better place.

IB What sort of things have they suggested?

PT Oh, we get everything from the sublime to the ridiculous.

IB I bet.

PT [Laughter] But some really good ones, for instance, some people are saying, why can't we have tiles for our roofs which generate electricity, not only for the use of the house, but also to put back in to the grid. Then there are others who, people might say, well make it so I can fly to the moon without having to go on a rocket, so there's the sort of extremes. But there have been well over 5,000 suggestions so far and there's been 46,000, I think, hits on our web site, so it's generated a fair amount of interest. At the end, the winning suggestion will be Make It So by some

Peter Taylor

engineers and we hope to have that just about done in time for Engineering Week in August.

IB Fantastic, so anything could happen?

PT Anything could happen.

IB As well as engaging the general population, are you also trying to engage the profession, because surely the profession has some responsibility in saying to Australians, engineering is a really exciting thing to be involved in?

PT That's true, and engineers tend to be prepared to let somebody else make the running for them. What we did by launching this internally last July, we've now got about 8,000 engineers as advocates for the campaign and so they're out there promoting it, but they're also rating the suggestions as they come in; as can members of the public by going to www.makeitso.org.au.

IB Well there you go. This is Ita Butrose with *Talking Business* and I'm talking with Peter Taylor, the CEO of Engineers Australia. The Make It So campaign's been a big investment for Engineers Australia, hasn't it?

PT It has indeed. At this stage it's about a \$2.5 million project which has involved research, and the way we've tackled it is to not blow it all on television advertising and so on, but to engage the media people through Facebook, Twitter, all of the social networking, plus various magazines and I've seen some really interesting articles appear in such magazines as *New Idea*, for instance, on some work that was done to make a young handicapped child very mobile, just by some engineering work on a bicycle.

IB Yes, spreading the word.

PT Yes.

IB Tell me, what have been some of the biggest engineering feats of the last decade, in your opinion?

Peter Taylor

PT Well, in my opinion, I'll let the public judge that, but they think that the hybrid car is probably the biggest one in the last decade and as far as the biggest Australian one is concerned, that's the cochlear implant.

IB That was a fantastic achievement wasn't it?

PT Yes and it's the sort of thing that people don't normally associate with engineering.

IB No you wouldn't think that an engineer had been involved. How was an engineer involved in something like that?

PT There's a lot of electronics and a lot of computer work and so on and a lot of very clever designs done to make these things actually work and transmit the messages to the brain. It's really a combined team effort between the medical profession, scientists in some cases, and also engineers.

IB Why did you become an engineer?

PT I guess I've always been interested in doing things with my hands; practical things, but I was also reasonably good at maths and science at school.

IB Are they the must have subjects? Maths and Science?

PT Pretty much so. Unfortunately there's only about 12 percent of the secondary school population doing any advanced maths at school these days. If you are interested in becoming an engineer without that, then it's getting to the stage where engineering faculties at universities have to think about some sort of transaction maths, just to get people up to standard.

IB What idea Peter would you like to see Make It So?

PT Ah, that's an interesting question Ita. I think in the current climate, I'd like to see the government give more attention to fully integrated planning., because I think we've assisted the government in putting more emphasis on infrastructure, but unless that infrastructure is properly planned to take

Peter Taylor

account of the current climate change problems and, the one that's been in the news lately, population growth, then we're going to be trying to catch up all the time. Perhaps they need a minister for integrated planning rather than a minister for population and a minister for infrastructure and so on. [Laughter]

IB You heard it here. Well thank you for your time on *Talking Business*, Peter Taylor.

PT It's been my pleasure Ita.

Belinda Seper

is a retail fashion icon. Opening her first 'Belinda' store in Double Bay, Sydney in the early 90s, Belinda turned a loan and an observation that there was a gap in the retail clothing market into a runaway success in Australian fashion. Known as "the patron saint of Australian designers", Belinda has built a multi-million dollar luxury retail brand that has earned her an international reputation.

www.belinda.com.au

IB Now on *Talking Business* it's my great pleasure to welcome the patron saint of Australian designers, Belinda Seper. Belinda has had an incredible career; she's graced the catwalks as a model and at one time was in the army reserve. She joins us today however to discuss fashion and here to tell us how she stitched up a loan and a solid idea and created a multi-million dollar luxury retail brand is Belinda Seper. Welcome.

BS Hello Ita.

IB Before we start discussing how you became the success you are, why are you called, the patron saint of Australian designers?

BS It's a lovely title and one that I'm very fond of. I think it came about as a consequence of the fact that I've helped so many aspiring designers, so many young designers over the years, those that has been perhaps marginalised through lack of knowledge or lack of funding, haven't really understood the ropes of the fashion business, and particularly internationally, and so it's been a project of mine to help as many as I can and in particular each fashion year as it comes around we've always supported one chosen designer one way or the other, so, hence the title.

IB So I know, thank you. What makes your approach to fashion different from others?

BS Goodness. My approach is very instinctive. I don't know that that makes it necessarily that different, but I seem to be able to have this knack of picking the things that women want to wear quite easily and then I have a great sort of understanding of the business of making clothes, so in that sense I understand really well what I would call the price to quality ratio that's involved. Is this a fair and reasonable price for this particular garment? Doesn't have to be cheap or expensive, because it can apply either way, so I've got a good instinct for that. I've got a good instinct for product. I think I also have a nice understanding of the sorts of environments that women like to shop in, so I create beautiful spaces for them to shop.

**Belinda
Seper**

IB You certainly do.

BS Thank you.

IB Take us back to the early days. How did Belinda International begin?

BS Goodness. I'd spent a lot of time working for another very well known Australian designer, Robert Burton, I had a baby, and I went back to work with Robert part time, but I realised very quickly that you can have a part time job, but a part time career is something else. So, I thought, rather naively, that it would be far more intelligent of me to start my own business, far less stressful, far less commitment; which of course all turned out to be completely and utterly erroneous and so I started out this business with a six month old baby.

IB Goodness me.

BS Very silly.

IB Less commitment you thought?

BS I did, well at this time I was still pregnant you see and I thought you just parked them in a bassinette under the bench and went about your business.

IB Now you did a commerce degree?

BS I did.

IB You were in the army. What were you doing in the army reserve?

BS Oh goodness, it was an interesting time. It was actually a fascinating time. Whilst I was studying and modelling during the day, when it came time for the weekend I decided that I might like to join the army reserve, because they paid you and, being an impoverished student, I needed the money. But I then discovered that once I joined up, and they suggested joining the intelligence corps which I thought was marvellous, terribly heroic, it turned out to be not sort

Belinda Seper

of quite so heroic. But it certainly was fascinating as a 19 year old, briefing F111 pilots how to fly certain missions over certain exercises that were being conducted in locations such as Singleton or Canungra or wherever the army happened to be operating at the time.

IB What did you learn from your army days that you've utilised in business?

BS Massive amounts Ita. I mean, it was my Management 101 course I suppose. Nobody does management and leadership better than armed forces. They have it down to an absolute fine art and I took all of that on board and I think now I would embrace what's called the leadership by participation style. I'm not an autocrat, I believe in listening in those who are around me, I pay the very best people that I can to work for me and I am very interested in their opinions. I take all that on board, but ultimately I take the responsibility and the accountability for all decisions that are made.

IB You started with one boutique in Sydney's trendy Double Bay and how many do you have now?

BS I think we're up to ten, yes. I've just done a little bit of consolidation actually as a consequence of the GFC and my own personal ability to spread myself across 14 stores, so I've wound it back now to a nice comfortable number, which is ten.

IB That's in Australia?

BS Yes.

IB Any overseas ones?

BS I had a store in Johannesburg in South Africa. But once again, part of the learning curve is that if I'm not there full time, nurturing, watching, caring, it's a difficult operation to replicate.

IB It's a fair way to go too.

BS Yes, notwithstanding.

Belinda Seper

IB Now you stock Australian designs obviously because we know you're passionate about helping Australian designers and you also stock a lot of overseas brands, some of the very best.

BS I do, some of the very best, some of the top brands, some of the ones that have targeted my business specifically, in order to gain entry into the Australian marketplace specifically because we can offer Melbourne and Sydney, so I can give them two locations and we have the ranges. See adjacency is very important in this business, *who you hang with* as the Americans like to say, is terribly, terribly important and once you've got access to those brands, then naturally any other brand that's trying to position themselves at the luxury end of the market actually gravitates to whoever has the brands that they see themselves hanging next too.

IB Got it. You are listening to *Talking Business* with Ita Butrose and my guest is the fashion entrepreneur Belinda Seper. Being a long term resident, survivor, figure in the retail business in Australia, what are the most essential tools you rely on for success?

BS I think that would have to come back to self-reliance ultimately. It's a tough business, it's certainly not for the faint hearted and I think that my instincts are what have driven me in every sense and every time I've erred away from what I think should be the right thing, I've listened to logic and not allowed my instinct to override the logic, I've come unstuck. Now I'm back to trusting my instincts. I like to call them my antennas.

IB Your gut feeling really?

BS It is gut feeling and I do remember once at university, one of our lecturers very flippantly saying, you should never ever trust your gut instinct because in a marketing sense you could always prove it empirically or with some degree of evidence, you could always back it up with statistics. Bugger that.

IB Yes I agree with you. [Laughter] What trait has helped you most in business?

Belinda Seper

BS I think possibly my determination. I never say never and I never say die. I will keep fighting until the bitter end if it's something that I truly believe in and I truly want and I truly think is the right thing for the business. By that I mean, if you threaten my brand and I'm the custodian of this brand that I've created or a number of brands I've created, and if you choose to challenge that, expect a fight. If you choose to challenge any of my employees I will stand up for them vigorously. We operate much like a family. We're a very close tight family, and I think that's the key to our unity and success.

IB Yes, so you're a team who is a family?

BS Correct, or a family that's a team.

IB Yes, one or the other.

BS One or the other.

IB What advice would you offer to other women in business?

BS Oh my goodness. There's so many things. I think again, you have to be ultimately true to yourself, this business of it being about balance is so true, but you have to keep time for yourself. You have to maintain a sense of self, maintain a sense of dignity, don't be put off by the so-called boy's club, stick to your knitting, know what you do, do it to the best of your ability. If you've done the very, very best that you think and you know in your heart that you can do, you will always find success.

IB Is that, do you think, not making enough time for themselves might be the biggest mistake women make?

BS I mean, it's the most commonly, I think, cited reason for dissatisfaction amongst a lot of women who work is the lack of time for themselves, and secondly, well, they place so much emphasis on their family and the business, whichever way it wants to, whichever way your priority takes you, and then as an individual you come off a very sorry, if at all, third place.

IB You didn't make that mistake?

**Belinda
Seper**

BS Of course I made that mistake.

IB But you don't make it now.

BS I think I now am much more conscious of time out for myself when I can feel the ends fraying and the temper shortening and I get a lot more snappy about the place. I think, uh oh, yes, she needs a break. You know the old expression about a rested field produces a better crop? It's true.

IB Belinda Seper, thanks for being on *Talking Business*.

BS You're welcome.

Glen Boreham

is the Managing Director of IBM Australia and New Zealand having been appointed to this role in January, 2006. He manages a business of 15,000 employees and annual revenues of over \$4 Billion. Glen began his career with IBM in 1986 as a graduate. Since then he has held roles across sales, general management, business development and operations.

www.ibm.com/au/en

IB Managing Director of **IBM** Australia and New Zealand, Glen Boreham manages a business of 15,000 employees and annual revenues of over \$4 billion. Since Glen began his career with **IBM** in 1986 as a graduate, he's held roles across sales, general management, business development and operations. Here to discuss the changes he's observed in the IT sector of the last 25 years is Glen Boreham.

Welcome to *Talking Business*.

GB Thanks Ita.

IB **IBM** is Australia's largest IT company and we know there have been enormous changes in IT in the last 25 years. It's fantastic, but I think it also frightens people. Is Australia making the best use of all that technology has to offer?

GB I don't think we are. I think we're in a good place to move to the next level, but what we've observed in my 24-25 years in the business, is that individual organisations have built their IT and we all know that, whether it's a bank or an airline or a telecommunications company, and they've done that for their own purpose. But we're sort of discovering at the moment, that the build-out is just phenomenal. In fact, one of the figures that **IBM** research has come up with is that there's now one billion transistors per person on the planet, and you just sort of think of the scale. They're in everything, they're in your mobile phone, it's in your car, it's in consumer goods at home, chips in products on supermarket shelves, and we think that the next wave of IT is actually joining all these dots. The world and Australia has instrumented with the internet and wireless technology; it can now become interconnected and we can use all this to make Australia, and make the world, more intelligent.

IB Are you saying that all these little chips are working independently and really what we need to do it get them to work together?

GB Yes, like really literally. An example, we've all now got e-TAG's in our cars and that was technology that was put there for a specific purpose, so that we didn't have to

**Glen
Boreham**

stop at a toll booth and jiggle around for cash. That allows us now to actually know where our car is, because that technology is there in your vehicle, and you think of the power of being able to gather that and then being able to say, well rather than just cashless tolling, we can make this an intelligent transport system, and intelligent road. We can know what to do if there is a breakdown on lane three on the Harbour Bridge in the morning. We can use the data that becomes available to us to do predictive analysis and. One of the figures that I saw the Business Counsel of Australia produce is that we waste \$9 billion a year in Australia sitting in avoidable traffic jams, because we don't have the intelligence to make our road transport systems and our general transport systems smarter.

IB Yes, well, a traffic delay is something that really riles a lot of people, so if we have this knowledge, why aren't we using it?

GB Well I think we've got to start thinking differently. We've all thought in the vertical. If you're a retailer you've thought about your supply chain or if you're a telecommunications company you've thought about your sphere. We now need to think of these things as systems, whether it's an electricity grid system, a water grid system, a health system – very topical at the moment. We need to think differently about the way we exploit the potential of IT and all of the major systems upon which the Australian economy depends, can be improved by utilising the technology that's actually embedded in all of our lives today.

IB What you're saying though will call for a different way of thinking for corporations and I think in business a lot of people distrust one another.

GB Yes.

IB So this need to share knowledge is something that's going to be really difficult to bring about, because companies are going to have to realise that's not the enemy over there, that's someone you can work with, and that's not what we do.

**Glen
Boreham**

GB It's not what we do and in fact, it's one of the lessons that we've learned, sometimes the hard way in **IBM**, that you know you develop technology. Yes, we spend \$6 billion a year on research and development and you know you talk about the things that I've seen change in my time. Once upon a time, we protected that, you developed something and you closed up and you kept it.

IB Mine!

GB Mine! And what we've found, and you've got to be selective with this, but what we've found is the most powerful way to commercialise technology, to get a monetary benefit from it, is actually often to give it away and make it available and for people use it and find creative ways to build upon it. Entrepreneurs come in, small businesses come in, and you find, wow, we could have never have done that if we'd kept that technology locked up ourselves and just to ourselves, so this will require different thinking. One of the things that I think can help accelerate this in Australia is the role of government. I think if government, and the federal government certainly are doing this, an example is with smart electricity grids, where in the last budget the government put away \$100 million on a smart grid, smart city project. My belief is once we get a town in Australia that is using smart grid technology and seeing the benefits of it, seeing that electricity is not wasted, consumers have real-time information on what they're using, I think every other city in Australia, or every other city in the jurisdiction, will come and say, this works. It's not just theory, it's not just charts, and I'd like one of those.

IB I'm talking with Glen Boreham, the Managing Director of **IBM** Australia. I'm Ita Buttrose and this is *Talking Business*. How important is the national broadband network to making Australia smarter, because that's what you're talking about isn't it?

GB Yes, it is. I've been calling for sometime for improved broadband in Australia; rural and regional Australia, the things that people could do. Broadband will underpin all of

**Glen
Boreham**

the smarter services. It will allow people to work from home with better services. It will allow people to do jobs in rural Australia without having to move to the city. It will allow high quality services to be delivered, things like telemedicine, remote monitoring, and high quality video. This is the underpinning upon which smart service and the digital economy will be based.

IB It just seems to me that people just don't know enough about what is available. People haven't really got their minds around the developments and how it can benefit. There's too much suspicion isn't there? Because there's a fair bit of suspicion out there in the marketplace about broadband network.

GB Yes, there is. But sometimes we have to take a breath. One of the things that the technology industry has done well, in fact, is our use of technology has just become so pervasive we take it for granted. The phone that you carry around in your pocket or your handbag, that carries as much technology as a data centre did 20 years ago, a hall full of computing, and we just take that for granted. I sometimes get asked to go and speak to graduates at graduation ceremonies at university, and I talk about my university experience. I didn't have a mobile phone, I didn't have text, I didn't have the internet, when you communicate with somebody you waited for the letter to arrive in the post box and wrote back a couple of days later, and we take this all for granted. So where we are today, when we look back in 20 years into the future, it will be just as profound and have just as big an impact on our lives.

IB I wonder if part of the problem is that we're dealing with various generations. I mean different people have come to technology at different times in their lives. Younger generations are growing up with it, the middle-aged and older, they're adapting to it. I sometimes think that information given out on how to use various technology is too hard for the average person to understand, that when we're talking about communications, those communications about how to use technology need to be simpler and no jargons?

**Glen
Boreham**

GB Absolutely.

IB I think that's a failure of the technology industry.

GB I would agree with that and it is. Many of the issues that we deal with at **IBM** and I get involved in on a daily basis, they're not technical issues, they're people issues, usability issues, they're education issues, but the thing that is changing, and it's happening right in front of us, is the younger generations. We talk about the current generation being digitally native, whereas we were re-educated at one point in our lives. The kids of today, the graduates we're hiring into **IBM**, it's just second nature to them, they don't even think about it, it's the thumb generation, everything's done with their thumbs, they type on their phones, and it'll just continue to work its way through the system.

IB In the meantime, not everybody is that way.

GB No, they're not, so we do need to keep working on making systems more usable and more human.

IB People who run countries and politicians are not necessarily computer literate even.

GB No, they're not.

IB They've got to be the drivers of smarter Australia.

GB Yes, they do. Because **IBM's** a global company, I got a view from our leadership team of what, for example, the Obama administration did with technology leading into the US election and they used all of the available social media.

IB You mean Twitter and Facebook?

GB Yes, Twitter. They actually had a technology that was really neat. If you went onto the Obama website and said, *I'm Glen and I want to register as a supporter*, you were able to tick a box, it was opt-in, it wasn't compulsory, and you could say, *could we use you as a reference?* What it did, if you tick that, the technology was available to allow it to interrogate your mobile phone and it could go

**Glen
Boreham**

into your mobile phone, find all your contact lists, with your permission, which is important, and send a text to everybody, or an email, in your contact list saying, *Glen's an Obama supporter. If you're interested in signing on go to this website or click this button* and they were able to contact literally millions of people.

IB Oh my word, we've got a federal election and a couple of state elections looming, I can see a new development.

GB Yes. I saw a press report recently about the issues of parliament, parliamentarians tweeting while they're sitting in Parliament House. It is the way of the future.

IB Thank you very much for sharing some of that future with us today, Glen Boreham.

GB It's a pleasure.

Michael Ziviani

is the CEO of Precise, an organisation that helps deliver solutions to companies across activities such as PR, CSR, Investor Relations, social media, events and sponsorship. Michael has worked with organisations such as Coke, BankWest, Lion Nathan, Microsoft, Sony and Vodafone. He regularly advises clients and agencies on shaping campaign strategy with relevant appeals and shows them how to prove the value of their work.

www.precise-value.com.au

IB Michael Ziviani is the CEO of Precise, a company that specialises in below the line analysis based on thorough market research methodologies. Michael has a particular passion for corporate social responsibility and he joins the show to discuss how corporations can make a profit while still doing good things for the community.

Welcome to *Talking Business* Michael.

MZ Thanks Ita, good to be here.

IB Can you define corporate social responsibility?

MZ Yes, it's about corporations giving back. It's about the deliberate inclusion of public interest into corporate decision making and in doing so, providing some benefit to the social and environmental context that they work in.

IB It's something that you're very passionate about?

MZ It certainly is. I'm heavily involved in a number of areas, including several groups, one of the most recent initiatives that I'm really excited by is the work Cheryl Kernot is doing out at New South Wales University around The Centre for Social Impact.

IB Cheryl Kernot was the former Democrats leader?

MZ Indeed, indeed, and she's equally passionate about the opportunity for corporate social responsibility to be embedded into business.

IB CSR, if we could shorten it down, is an investment in a corporation's reputation, isn't it, an investment in being accepted by the wider community?

MZ Exactly right and I think it's very important to focus on the rationale for why that's required. I look back at marketing over the last 10-20 years and the people are increasingly cynical about large organisations, and I think there's some gritty rationale behind that. People are seeking meaning because of proliferation of brands have sought to create associations and those associations haven't necessarily consisted of a lot of substance.

**Michael
Ziviani**

IB Is it something corporations should do because it's correct morally or because it makes good business sense?

MZ Well I'd argue both and I think that's a very fundamental point Ita, The ability to justify and prove the benefit to the business, as well as the fundamental ethical and moral sort of opportunity or responsibility, is an essential dual justification.

IB Your company, Precise, is a national company based in Adelaide and Sydney and you help clients by taking the guess work out of CSR, but how do you do this?

MZ Yes, indeed. One of the key things that I think underpins CSR and we've certainly found in our analysis is that it generates trust and I think trust is the essential X-factor, the missing ingredient if you like, that provides the substance behind the promise.

IB Okay, so a moment ago you said that customers were getting more cynical I guess about corporations, they are less trusting, so clearly if that's the case, CSR then becomes very important because companies need to get the consumer to trust them, they have to make sure that the message that they are delivering, the communications, are believed?

MZ Absolutely right and one of the ways we go about proving that is that out of some 30,000 articles that we assessed, and these are media articles that we very carefully go through, looking for these themes and how journalists are responding to a company's position, we found that CSR communications typically generates twice the tone score of general media coverage, so journalists respect the value of CSR.

IB But do you see results in it? I think I read on one on your website, the big LA riots, companies like McDonald's – because of Ronald McDonald and their investment in children and hospital care – were not targeted by the rioters because they had this reputation that was trusted by the community?

MZ Exactly, and that's a stark example of some of the benefits. It's important to make the point that the past a lot

Michael Ziviani

of people have seen this area as grey and fuzzy, perhaps, given some token attention to it. But really now there's the ability to quantify and show the business case for that, I'll just sort of briefly run through how that can occur. One of the things that we learnt from doing a lot of this media analysis was that trust was like an essential factor and looking at trust and the theme of trust through the media we found that the discussion around CSR and sustainability were completely blue sky; whereas the discussion about HR and resizing and restructuring organisations, particular during the GFC, was mostly trust eroding. Products themselves then were about half/half in this kind of trust and non-trust kind of way. Most poignantly, the aspects of CSR and environmental discussion occupied less than 4 percent of all the media we analysed. So there's a big opportunity out there, and the business case supports that opportunity, particularly when you link the two, some of the brand outcomes and the benefits of those brand outcomes on sales and other opportunities in the marketplace.

IB You're listening to *Talking Business* with Ita Buttrose. My guest is Michael Ziviani, the CEO of Precise. But Michael how does a business or a corporation use CSR and make a profit?

MZ I think that's sort of belies an essential balance in terms of how the organisation presents itself to the market. I think that there's a blend, both behind the activities that you're doing and the way you're doing those activities, to create an opportunity. Let me give you some examples of that. Two of our clients have had some terrific success in this area and one of those is Vodafone, with their *World of Difference* campaign, whereby they pay the salary of a winning entry to a competition for that person to go and volunteer for a not-for-profit organisation. Sony Foundation similarly has a lot of activities around children and those areas as well, and supporting the charities in that way. There's a way to present yourself to stakeholders which generates a positive feeling and I think those approaches need not cost vast amounts of money, but if they're embedded across the activities that you're doing day to day in your business, there's so many benefits; staff get excited by

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that and become more attached to your organisation, your consumers trust more. Here's a statistic from a recent study done from a large PR organisation that said that 87 percent of Australians would refuse to buy from a company they do not trust and 93 percent said they would choose to buy from companies that they do trust. So trust is an essential factor and that's what's underscoring the kind of business case.

IB Do consumers expect their favourite brand or company to give back to society?

MZ I think increasingly so and I'd suggest that one of the reasons that they do was highlighted recently by Peter Singer on the Compass programme – which is actually on YouTube if you want to have a look at that, or any of the listeners would like to follow that through – because he makes the point that people look for justice, they are looking for ways to help, and they realise our lives become more fulfilled and rewarding if we work for a larger purpose.

IB What are the big trends emerging now?

MZ I think there are big trends in terms of staff volunteerism, paid time off to help with charities. I think there's trends towards social business, which is the whole purpose of the businesses about doing good and I'll give two examples there. One is Suited for Work which provides second-hand or recycled clothes for female prisoners coming out of jail wanting to present well for work opportunity, but perhaps can't afford to suit themselves appropriately; Megan Etheridge is doing some wonderful work there. Wake Up Sydney's another example. Jono Fisher, who has set about a programme of kindness where you would perform a random act of kindness for someone and leave a card and supporting that, he's got a range of events and meditation and someone behind that. So there's kind of a dual purpose to those businesses, yes they're about making some level of profit to survive and grow, but the fundamental core of their whole being is about social benefit if you will.

IB Any big projects for Precise coming up?

**Michael
Ziviani**

MZ Well yes, we've had an exciting year last year, we were able to link media to share price movement, so we're hoping soon to link trust to things like share price movement, and do so with high accuracy. Again, fundamentally supporting our passion that CSR is good, it's good for business, it's good for ethics, and it's the right thing to do.

IB How do you get trust into share market profits?

MZ The process of connecting the two is really about building frameworks to capture the right information. Many organisations have information everywhere but they're struggling for any sense of meaning about that. Our approach through market research and through analysis is to prescribe very tight well thought out strategic frameworks so there's a systematic collection of information and then we go to town with the statistics. We have statisticians available to us with enormous experience and we're able to then connect these previously grey or disconnected areas and provide a solid business case for more investment.

IB Sounds good. Michael Ziviani, thanks for being on *Talking Business*.

MZ Thanks Ita, it's a pleasure.