

Talking Business

with PETER SWITZER



September 2009

Vice Admiral Russ Crane	2
Liz Anne McGregor	6
Robert Castaneda	11
Jessica Block	16
Brent Annells	21
Yamini Naidu	26
Hans Hulsbosch	31
Susan Oliver	35
Mark Jones	40
Denise Sykes	46
Jim Taylor	51
Margot Spalding	55



Vice Admiral Russ Crane *AM, CSM, RAN*

The Chief of the Australian Navy joins us to share how he is driving cultural change through leadership. He also talks about a number of challenges facing the Navy and the ways in which they plan to overcome them.

www.navy.gov.au

PS Joining the Navy as a junior recruit on the HMAS Luine in 1970, Vice Admiral Russ Crane worked his way up through the ranks to be appointed Chief of Navy in July last year. The Navy is currently undergoing a number of changes to its culture, leadership, ethics, and structure to increase, among other things, recruitment and retention to ensure the long term future of the service.

Welcome to *Talking Business* Russ.

RC Thank you, it's great to be here.

PS And I'm quite sure I have to call you Vice Admiral... In my ship, does Russ work?

RC Russ is my name and that's what I answer to.

PS Fantastic mate. Tell us the kinds of things that you've learnt along the way, going from the junior ranks, to getting into a position of leadership? What do you think you've learnt about leadership along the way?

RC Peter, I think the thing that I have learnt about leadership, in nearly a 40 year career, covering, as you've suggested, junior ranks through to now, a very senior rank, is that leadership is all about people. We don't lead organisations, we lead people. And so, if you are going to provide effective leadership, then you have to have an emotional attachment, you've got to be in-line with the feelings and the needs of your people. As I said, we don't lead organisations, we lead people, so I think leadership is all about providing the provision, and then providing the environment for people to be able to excess and achieve that.

PS Okay, well we talk about the signature behaviours, and I think you guys refer to 10 signature behaviours. Would you like to talk us through what those behaviours are?

RC Yes. The signature behaviours are something that we've developed, what we call our *New Generation Navy Program*. Like any business, the Navy wants to be an employer of choice. We have an opportunity now to regroup,

**Vice Admiral
Russ Crane**

to refresh our thinking, and to move our organisation into a different place. We need to do that because we have some very exciting new capability coming to us in the not too distant future, so we're doing that under a *New Generation Navy Program* which has three pillars to it. It has a cultural pillar, it has a leadership and ethics pillar, and it has a structural pillar. The most important part, in my view, of those three pillars is the cultural pillar, and within that cultural pillar we have determined 10 signature behaviours that would encompass the Navy we want to be, and we have a vision under our *New Generation Navy Program* to be an Australian Navy renowned for excellence in service to the nation, so our signature behaviours go to that vision.

PS Your challenge is a bit like what the football codes are experiencing, that there's a tradition of lots of men, there is a strong occupation, you've now got more and more women coming into the Australian Defence Force, and you actually do have to change the culture, because we men often have been poorly educated in actually working with women in the workplace?

RC As I said, Peter, we need to be able to move with the contemporary society, we need to reflect Australian society, we're very keen, and I think the Navy is a much better place today through an increase in a number of women that are now participating in our Navy. They bring a skill-set to us that we haven't had in the past, and they also help us, obviously, to be able to do the job that we need to do. So it's very important that we regroup and take our culture into the next phase in preparation for our new capability. Can I say though, in doing that, one of the most important things for an institution like the Royal Australian Navy is that we celebrate our heritage, we value our heritage enormously, and it's something that we must protect and continue to value. We have a very long and proud history, we don't want to ignore that, but we need to continue to grow, and so we need to change to reflect our new construction.

PS On that subject of change, did the Navy do some internal naval gazing, or did they actually go to outside

**Vice Admiral
Russ Crane**

consultants and say, 'come in and tell us stuff that we might not be seeing so we can reshape our vision for the future'?

RC Peter, when we put the *New Generation Navy Program* together, what we did was determine that we needed to do this ourselves, internally. This is something that sits in our heart, this is something that the Navy owns.

PS DNA.

RC However, we did want to make sure that we had an opportunity to learn from commercial industry as well, because we don't have all the answers, we wanted to engage the wider community, find out what they were doing. So I had a group come onboard through a commercial industry as advisors to help us to test it, to push us, to make sure that we were thinking about all of the opportunities. So, a bit of a balance, yes, like any other company.

PS And what was the standout observation that they made that made you think, yeah that's something I hadn't seen but it's something I'd like to embody into the Navy for the future?

RC Well, I think an interesting point that they made when I brought my senior leadership team of the Navy together, which consists of my Commodores and Admirals, but also my Senior Warrant Officers, when I brought them all together to start this program off, to start the thinking about where we need to go and how we might do it, an interesting observation that they made was that we were somewhat different. That I know as, if you like, the CEO of the company, that the person that will replace me was in that room, so that gives us a unique opportunity, perhaps an advantage on commercial.

PS Yeah, succession planning.

RC Succession planning is a strong point, we need to take advantage of that, so that was something that came home to me quite strongly, that that was something we do share as an advantage. I think probably the other critical thing that they brought onboard for us was to really test our resourcing

**Vice Admiral
Russ Crane**

across our organisation. We, as a military force, have obviously to man our ships, to be able to fight our ships we have a number of people and a set provision of resources to be able to do that, but assured in the support in a support organisation. I think what they indicated to me was that there was an opportunity to test how well we were doing there, and whether we're organised optimally to be able to do it, and that was quite important. We've taken that onboard and that is part of our *New Generation Navy Program*.

PS Final question. How did you change as a consequence of this process of thinking about the Navy, the heritage that you well know the Navy that's given you a fantastic promotional experience? How have you changed as a consequence of looking at the Navy of the future that you want to create?

RC I think, Peter, the biggest thing that I have learnt over many years is again the focus on the people. To understand that in any organisation the people are the most important thing and you have to be engaged with your people, they have to see your vision and you have to create the environment for them to be able to achieve that vision.

PS And are you a better people person now than you were 30 years ago?

RC I like to think I am. I think I've learnt a lot over those 30 years to help me in that space.

PS Russ, thanks for joining us and I hope the vision that you have for our Navy comes to pass. I've enjoyed immensely having you on the program.

RC Thank you very much, a great pleasure to be here.

Liz Anne McGregor

is Director of The Museum of Contemporary Art. She reveals how the MCA plans to expand their profile and become a global hub for contemporary art and ideas. Liz also talks about the unique financial challenges that they face as a not-for-profit organisation.

www.mca.com.au

PS Before Liz Anne McGregor took up the top spot at the Museum of Contemporary Art 10 years ago, the institution was facing some major financial problems. Today, she has turned it all around with the Art Gallery soon hosting its largest and most expensive exhibition to date.

Welcome to *Talking Business* Liz.

LAM Glad to be here.

PS Liz, what's your background to be such a turnaround merchant for the troubled industry of art?

LAM Well, I think the first thing that is very important to any industry is to have a passion for what you do, and my passion for art, more importantly bringing art to a wider audience, was fired up when I began driving a bus around Scotland. It was an art bus, taking exhibitions to the public, and I learnt very quickly both the financial side of it, putting together exhibitions, keeping to budget and so on. But also the thing that really drives me is the great joy that people can get from engaging with art, and that's what's really always driven me.

PS Okay, tell us about the Museum of Contemporary Art, because I'm sure there are people on the plane who aren't quite sure. Where it is? Where'd it come from? What's their mission statement? So, over to you.

LAM Well, it's probably the museum on the best site in the world, right opposite the Opera House. In fact, I have a view of the bridge and the Opera House from my office, which is really quite spectacular. But it was originally established by the University of Sydney with money bequest by a visionary man called John Power. Himself an artist, he hung out with artists in Europe and was very anxious that, despite the distance, Australians should have access to the best in modern art, and so he left a big chunk of money to the university to do that precisely, to bring the best of what he described as the *plastic arts* to Australia. It was sometime before the university got around to honouring this bequest, and the museum was born out of that wish, but the

**Liz Anne
McGregor**

university was never in a position to really finance this very far going forward. So in the early years, the door opened in 1991, it was very successful, it raised a lot of money, but gradually the core money from the university was actually reduced, and effectively that was what destabilised it and lead to the financial problems that I had to resolve when I arrived in 1999.

PS So, does the New South Wales Government have a fairly prominent role in this organisation?

LAM Well, when I arrived, I think it's true to say that the politicians ran for cover because they didn't want to fund it. Unfortunately, as often happens when things go into a negative spiral, the financial problems had lead to a loss of confidence, a lack of really high quality exhibitions, and a lack of engagement with the audience. So they saw it very much as a bit of a basket case that was going to get criticised in the press, and it got some pretty terrible headlines in the late '90s, which were really quite damaging for everybody. My job really was to restore confidence in the institution, to engage with artists in the artistic community, but more importantly, to reach out wider than that and persuade the government that this was a worthwhile investment, and I say that very strongly, I think in putting money into an arts institution is indeed an investment, it's not just a subsidy.

PS And it is a business, so it seems, like Baldrick would say, you must have developed a cunning plan?

LAM We did. [laughter]

PS So what was the cunning plan?

LAM Well, ironically when I arrived there was a door charge so people had to pay to come in, and there's a big problem with that because a lot of people don't know what contemporary art is. They read about it in the newspapers, sometimes it gets the sort of shock horror coverage, your sheep and formaldehyde, and so on. My job really was to widen people's understanding and to make people realise

**Liz Anne
McGregor**

that actually it's an incredibly diverse field and people can come and enjoy all kinds of things in the museum. So I was fortunate the board said great idea, but it has to be cash neutral, so I was very fortunate to attract our sponsor in the form of Telstra who came and essentially underwrote free access. An interesting thing about free access is that you still get people to spend money, so as soon as we went free, not only did the attendances double in the course of a year, and of course there are now over half a million people a year coming through, but people spend money in your shop, they have a cup of coffee and they can even be persuaded to give you donations. So by taking off the door charge you can actually make more money, and that's been shown right around the world, there's been research done in various places about how that is and you can expand your reach, you can get different kinds of people coming and you can attract different kinds of support.

PS We're talking to Liz Anne McGregor who's the Director of the Museum of Contemporary Art. So, what you've said to us is that a woman of your cultural background has decided to make something free, and you've done really well out of it.

LAM That's the cunning plan. [laughter]

PS That's the cunning plan! Unusual for a Scot to come up with that, but what was the politicians' response to the fact that you're actually making a real headway in making the business work?

LAM Well, to begin with they were very suspicious of course, and I can't blame them really. When you get bad headlines why would you support something. But gradually, over the course of about a year, we made more and more inroads and we did a lot of work with Western Sydney, we became a partner with the Blacktown Festival, for example. We're now doing a lot of work and have a partnership with the Penrith Panthers, so we're very much about breaking down the idea that art is only for a particular kind of person, or for an elite, or for people who already know something about it. Also, particularly emphasising that it is unusual I suppose that our

**Liz Anne
McGregor**

demographic is largely under 40, so a very large part of our audience is that younger demographic, and that's important. Politicians need to have an understanding that even though not all of them might go to a contemporary museum, it is what the younger people want to see. But having said that, you know, our last exhibition, Kusama, the Japanese artist, we had 175,000 visitors and it went right across the demographic from very small children, right through to older people, so you can actually cross the demographic.

PS Okay, what is the most expensive exhibition to date?

LAM Well that's coming up, and trust us to do it in the year of a downturn because we have a good funding mix at the museum. It's important that we have a venue hire, we have sponsorship, we have individual donations, we make money from touring. We have an exhibition just opened in New York last week, so there's a very good funding mix so that when the crunch comes you're not reliant on one source, so that's in addition to the government money, and I'm very glad that I'm not like some of my colleagues in the States who are entirely depended on endowments which have taken a real hit. The Eliasson exhibition, Olafur Eliasson, an amazing Danish artist, the exhibition was initiated by the San Francisco Museum of Modern Art, and also went to the Museum of Modern Art in New York, so we're really playing in the big league here. We looked at this exhibition – and I have to admit, I had a few sleepless nights thinking should we really take on such a commitment – and we all felt that is the kind of exhibition that a museum worth its soul to the international field, should really be bringing to Australia. We've put together a good funding package for it, we will be charging for it, we do charge for special exhibitions. So that is something that's really quite unusual, and so we're hoping that by doing lots of special offers and marketing it in a very clever way, that we'll be able to attract more people to come and pay their money and see it.

PS Okay, let me help you. When does it start?

**Liz Anne
McGregor**

LAM It starts in December, it's our big summer show, the 8th of December, and it will run through to the end of March.

PS So during our big tourism period around December, that's a good time for you guys as well?

LAM It's a great time for us, not just for tourism though, because Sydneysiders and Australians are hanging out and wanting to look for things to do in the summer, and we'll be partnering with the Sydney Festival, it will be a major event within the festival, so I think it's going to cause a lot of discussion. And I'm sure every art lover in Australia is going to want to see this exhibition because he's not widely known in the wider audience yet, but when I say to you, he's the man who did the man-made waterfalls on the Hudson River in New York, you may well have seen some of that coverage and it's very, what I call, experiential, it's work that deals with the atmosphere, with light and heat, with amazing sort of sculptural installations, so people really get quite immersed in it. And as always with us, word of mouth is what does it, so few people come at the beginning, they love it, they tell their friends, they come, they come again, they bring friends when they're visiting from interstate, and the audience builds that way.

PS Liz Anne McGregor, it was a pleasure having you on *Talking Business* if only just to hear your wonderful Scottish accent. [laughter]

LAM Never going to lose that. [laughter]

PS Thanks for joining us on *Talking Business*.

LAM Thank you.

Robert Castaneda

is the founder and CEO of CustomWare, a company which provides technology based solutions that improve communication. Andrew is detailing their success in penetrating the US market and how they recession proofed the business here in Australia.

www.customware.net

PS Robert Castaneda is the founder of CustomWare, an IT services business focused on productivity. It was founded during the last major economic downturn for Australia for 2001, which was not a great time for IT businesses to start.

Robert thanks for joining us on *Talking Business*.

RC Thank you Peter.

PS Why don't you explain exactly what your company does, for the people on the plane?

RC Sure. We focus on connecting systems together. Many businesses, big or small, have a myriad of systems, be those for finance or for CRM, or for Finance or HR, and when businesses merge, get acquired, or new systems are put in, those systems need to be connected. So we focus on connecting them together, and also connecting people together using IT systems.

PS Okay, to normal people what you said then is a bit like what Larson described as when a dog looks at his owner. The owner uses lots of words, but all the dog hears is blah, blah, blah. So, in real terms, give us an example of what your company does?

RC So one of the good examples is eliminating paper based workflow. Where people would normally call up and place orders through an order centre or fax orders through and do data entry, we provide an automated way to do that over the web, so we connect a backend system with the internet so that people can directly place orders.

PS Now, do people, in their mind, who run businesses think, oh there must be a better way of doing it. Do you have to go and get in front of them and say, there is a better way of doing what you're doing?

RC Typically, when companies have large teams or teams that are working on, I would say, relatively brain dead operations or operations where somebody has to hold systems together and do meaningless work to duplicate entry of data between

**Robert
Castaneda**

systems, they become apparent. So there's usually a lot of cost saving involved in saying, 'hey, if we connected these two systems together and those things just worked, then the business would become more efficient and we can move those resources into other areas of the business'.

PS And I guess lots of people have businesses, not necessarily doing what you're doing, but they are, in a sense, observing better ways of running businesses, but the person who's in the business doing it doesn't know about it. How have you marketed your services to those businesses that you're targeting?

RC Sure, so I guess the high level direction and the efficiency of a business is how clear the lines are between people and systems in that business. So, you and I are speaking now, we're speaking very clearly, there's a very clear communication channel, things will get done. As that process becomes, over time, a lot more convoluted, or other steps are added into it, it becomes more inefficient, and usually in a business you will find their own bottlenecks of what they need to eliminate. The fact that we focus on those lines, rather than the systems themselves, is I guess the differentiator.

PS Can you give us an example of a business that got this sort of thing right before most and, in a sense, you learnt from what that business did?

RC Coming back to one of the first systems we worked on where a company had 400 distributors throughout China, as an Australian company our first project was actually in China, and those 400 distributors were trying to place orders in a system in Sydney. They had worked out that they needed to do this and they had spent several years trying to fix that process and got us involved, and within 90 days we had that solved.

PS So until the system is there, there were like 400 different kinds of communications, fairly similar, but there were differences. Your goal is to make it so simple that it's so easy to interpret at the other end that you take away all the sort of stakes, the time consumption stuff?

**Robert
Castaneda**

RC That's right. So there was about 20 people processing orders by 4pm everyday as the 400 distributors around China would get their orders in, so you can imagine the efficient gains for the company by automating that and allowing each distributor to place their orders directly.

PS How many people were left in the processing after you came along and did your work?

RC Unsure to be exact. I think that they've all moved on to better jobs. [laughter]

PS Okay, so a lot less than 20.

RC A lot less.

PS We're talking to Robert Castaneda of a company called CustomWare. Now you've also gone into America, now tell us about that?

RC Yeah, I actually was working in the US and came back to Australia in 2001 to get married and started up a company here, which is CustomWare, so we've always thought of ourselves as a global company. As I mentioned, our first project was in China and we've serviced about 300 clients in about 30 different countries, and what we've always focused on is the customer versus the country. So we say, 'well we're dealing with global firms that are inefficient, they're not just inefficient in Sydney, and they're just not inefficient in San Francisco, they're inefficient globally'.

PS In France there'd be a few inefficient companies, they actually have institutionalised inefficiency over there. [laughter]

RC [laughter] Absolutely, and there's also clients in Europe as well. A big part of our mindset has been focusing on the customers, and again we started during the downturn so we always had to provide value from day one, not necessarily to sell a big vision, but more sell an efficiency gain, productivity gain, because then there is an ROI for the customer. We currently service about 80 or 90 clients from the US in Australia, so it's kind of a reverse outsource

**Robert
Castaneda**

model, we're taking work from the US and doing it in Australia. And as the markets here started to turn, you know, myself, a mentor, and another person in my business, Andrew Tucker who's been a great help, and you sat down and said, 'okay during a recession we need to get as close as we can to our customers'. So within a few weeks we packed the bags and headed over to the US, and again have been focusing on the customers, not necessarily, you know, going to market and making a big hurrah that we're in the US, it's more about listening to them, giving them return for their money, and we were blessed somewhat at the same time that the Australian dollar fell through the floor.

PS Yes, I was going to say the dollar being a bit high would have made your life a little bit challenging.

RC Yeah, and so during the recent downturn the dollar dropped, provided a nice window for us to launch with, and so we've gone from there. But the dollar's come back but we've managed to get quite a lot of work to continue to service that.

PS How important are referrals in this game of yours?

RC For us it's extremely important. We do a lot of business to business connectivity, and also collaboration work, which is where companies use social networking and wiki technology to talk to their consumers, so the viral effects of some of the work that we do actually connects other companies together, and from there we get a lot of referral business.

PS What was your background? Were you an IT person, or where you an HR person, or an accountant? Where did it come from, this willingness to try and kill productivity problems wherever you go?

RC It's a fairly quiet background, but when I was 21 I moved to the US and started learning technology, and training in technology, and in my mind there is always a much more logical way to do something if you understand everything's that's there. So there's always a business

**Robert
Castaneda**

reason, it's common that you'll see an IT department be very disconnected from the business and think that they have the answers, and it's really understanding, I guess, the problem that somebody has to solve – what numbers are they looking at and how you can help them solve those problems.

PS It's great that you're a kind of person who breaks things down and sees better ways of doing it, but also creating an export income for your business and for Australia, well done.

RC Thank you.

PS Thanks for joining us on *Talking Business*.

Jessica Block

is the Australian Chamber Orchestra Deputy General Manager. And is discussing revenue-raising from the private sector and individuals in these tight times.

www.aco.com.au

PS Founded in 1975, the internationally renowned Australian Chamber Orchestra had a very big 2008, playing over 80 concerts, recording music CDs and DVDs, and winning their third consecutive Aria award for recordings of Bach. Most of the Orchestra's revenue is generated through the private sector and individuals, and to talk to us about it and the orchestra is ACO's Deputy General Manager and Development Manager, Jessica Block.

Welcome to *Talking Business* Jessica.

JB Thanks Peter.

PS Jessica, how have you ended up with a great job like this?

JB Well I started in law, started at Mallesons, and two years at Channel Nine, and then moved to Bell Shakespeare Company. My colleagues at Channel Nine were horrified, but I have a real passion for the arts, and that lead to the Sydney Festival and then the ACO, and this is the job I've loved more than any.

PS Well, Channel Nine's a very highbrow cultured organisation, they would have been surprised that you went to Bell? [laughter]

JB They were, they roared with laughter. They said I'll turn into a kind of baguette carrying, beret wearing intellectual, and that was not to be prized at Channel Nine, you would imagine.

PS [laughter] But of course the thing is we always look at things, like the Australian Chamber Orchestra, and we always see the artist, we see what they produce, but the reality is, this is a business.

JB It is, it is indeed, and it's staffed by a very very strong management team lead by Bill Gillespie, our General Manager. There are about 22 of us, which is in fact more than the musicians, but that has to run an enormous number of activities.

PS What kind of revenues are we talking about?

**Jessica
Block**

JB We're talking about a turnover of around \$11 million, and about 45% of that comes from box-office, 45% from the private sector, that's corporate development and individual patrons, and we get just under 20% from government, which is a lot lower than the other arts companies.

PS And also, I guess you'd be gradually improving your revenue from the success of CDs and DVDs, things like that?

JB Yes indeed we do, although we're working more and more with downloading, that's actually becoming more and more popular, as you can imagine, than CDs themselves, which is a pity but we just have to go with the way the things are going.

PS The podcast generation. Even old people like me use podcasts. [laughter]

JB Absolutely, and downloading and carrying iPods, and that's the way things are going.

PS So tell us about 2008. That was a massive year, why was it so good do you think?

JB I think it was an exceptional year from an artistic point of view. We had a great result from box-office across all seven national tours. We had fabulous performances right across the board, great guest artists, and we were lucky enough to sign up all of our long standing corporate partners in around May/June last year, which meant that we were in a pretty strong position and we were pretty much okay when the world went south.

PS And did you sign them up for more than one year, because 2009, clearly it's a very challenging year because of the global financial crisis?

JB Yes we did so we're in good shape. I mean, we can't be complaisant but we're in pretty good shape.

PS We're talking to Jessica Block from the Australian Chamber Orchestra. And going forward, then your reliance

**Jessica
Block**

on big corporations to support you, you must have been worried, but what is the outlook for the corporations who have been supporting you in the past?

JB Well we have very strong relationships. IBM's been with us for 28 years, Commonwealth Bank, 21 years, and so on.

PS Two companies that have done very well during the financial crisis by the way.

JB Absolutely, so we're lucky in the corporate partners we have, but then we increased our relationship with Telstra late last year, so obviously that's a testament to the quality of what the orchestra produces, and the loyalty of our audiences who are a fantastic demographic for a lot of our corporate partners. But late last year we realised that the corporate dollars were pretty much gone because we had fantastic performances, but we had corporations saying, 'we'd love to do this but our budgets are frozen'. Luckily we found, just in the last few months, that there seems to be a little bit of excitement, little bit of tentative optimism in the market, and we've actually signed up a couple of new corporate partners.

PS Green shoots?

JB Yes! More than green shoots, flowering plants I'm pleased to say.

PS That's very good. I was talking to a guest on my television program recently and I was talking about green shoots, and he said green shoots can also be weeds. [laughter]

JB That's true. [laughter]

PS Clearly you're doing better than that. How do you market a business like ACO?

JB On a shoestring. We've got a brilliant marketing manager, Georgia Rivers, and we're moving more and more away from printed materials and into online marketing. We still have our national subscription brochure that's launched

**Jessica
Block**

in August of the previous year, we still have our concert programs, advertising, you know, the usual press and media advertising. But we're finding more and more that people are fascinated by learning, so we're providing great quality educational material around the performances, and we're giving people more value, and we're also encouraging them to express themselves through Facebook, Twitter, and so on. We're finding that our digital strategy is more important now than anything.

PS So you're using Facebook and Twitter, in a sense, like a referral marketing system are you?

JB Very much so, and to generate a buzz around the performances. The ACO is not what you expect from a Chamber Orchestra as you know, it's not a bunch of ancient people mouldering away over crumbling instruments, it's a bunch of very cool young people, and they are fantastically exciting to watch, as well as to listen to, so we think we're generating more buzz than we ever have around the orchestra.

PS And I was dragged along, kicking and screaming, many years ago, and like you've implied, I was staggered by how great it was. So my question to you is this; have you ever tried to work out what your real potential audience is, what percentage do you think you've got now, and what are you going to do to try and broaden and hit that target audience?

JB Well, our audience at the moment is mainly 10,000 very loyal subscribers right across the country, one of the largest subscription audiences in the world, but there's still some capacity to generate single ticket audiences and also to increase subscriptions, so we're going for an across the board strategy. We're increasing the demographic that we're already very strong in, which is 45 to 65, but we're going after younger people through the digital strategies that we're introducing. We're also going for corporate social groups and we're targeting older people. We're basically going for everybody because we feel, all of us feel, that everybody should hear the ACO.

**Jessica
Block**

PS Yeah, it isn't a kind of artistic endeavour that is very restricted to any target group at all really, is it?

JB No, it's not, and what helps is that we often work with popular artists, as well as classical soloists, so we've worked with Neil Finn, Katie Noonan, with all kinds of people who generate that young audience who come along. Mainly they've come, in the first instance, for Katie Noonan, but they really love the music that's part of that performance and so we're hoping to convert more and more of those kinds of people, and at the same time, not to disturb the heartland audience that is our bread and butter and whom we value enormously, who is mainly that subscription audience who come for the beautiful Beethoven and Bach that we play better than anyone.

PS What about your education strategy? Is there a strategy where you'll get, say, high school kids to try and get them ready for this sort of stuff?

JB Very much so, I'm glad you've mentioned that. We've got a two level education program in that we work with high school students, mainly in the regions and disadvantaged schools, and they are then inspired to become emerging artists, who are the really talented young artists at a conservatory level, and that creates a breeding ground both for the ACO and for ACO2, which is our regional touring orchestra. So our education strategy is all about making this great orchestra accessible to kids who would never otherwise have access to musicians of this calibre, and at the same time to generate new audiences through those kids, their peers and their families.

PS Jessica, before we go, your website, is it cool and groovy, and will you get new supporters by going there, and, if so, what is that website?

JB It's a fantastic website and we encourage you all to come along. It's www.aco.com.au.

PS That's easy. Thanks for joining us on *Talking Business*.

JB Thank you Peter.

Brent Annells

is a Director of DDB's social media arm DDB Radar and is going to explain exactly what is social media and how businesses can benefit from social network marketing through the use of applications like Twitter and FaceBook.

www.ddb.com.au

PS A lot of businesses are moving into the social media space to increase their brand's exposure, but do they really know what they're doing? Brent Annells, who has had 20 years of experience in the digital advertising and PR world, heads up the Sydney social media hub, Radar DDB, which is the DDB Global Network.

Welcome to *Talking Business* Brent.

BA Thanks Peter.

PS Now, believe it or not, Brent, there are real people out there listening to this program right now who haven't got a clue who DDB is, so why don't you tell us?

BA Oh, okay. DDB is a global advertising group, part of the Omnicom Group. In Australia, we're a large, through the line advertising agency. We represent brands like Telstra, Tourism Australia and McDonalds. In Sydney we have about 250 people working with us and we work through all the disciplines.

PS So you're a big advertising company?

BA You could call us that.

PS [laughter] And you're entrenched into this world of social media space. What is social media space?

BA Well, at its simplest form, it's just people having conversations online. It is social media, it's the ability for people to talk the way they couldn't otherwise because technology is allowing it to happen on a scale, and at a speed, that was never previously possible.

PS Okay, now there are a lot of people listening thinking, *oh that's for young people with the stupid Facebook and MySpace, and crap like that.* Tell us why it's more important than what probably a lot of baby-boomers are thinking about it?

BA Yeah, well I think Facebook in Australia is growing at half a million users a month, and the fastest growing segment is women. In terms of the importance of it, I think a good analogy is if you think about the barbeque

**Brent
Annells**

conversation, if you knew that this weekend was going to be a big barbeque with a thousand people at it and all those people are going to be talking about your brand, or your product, or your category, and they are going to be comparing your product or service, they're going to be talking about it with their friends, they're going to be dissecting their experience they had interacting with your company. You would want to be a fly on the wall at that barbeque, and perhaps, more importantly, you would want to be part of the conversations that are occurring because they're occurring at least on that scale for most brands in Australian at the moment.

PS Let me be honest with you Brent. As I listen to that I'm both excited and scared simultaneously. Now should I be? Because it's nice that people talk about me, but if they talk about bad stuff, I'm worried, if they're talking about how great Switzer is and his television program, his talking business program, I'm really happy. How do you control that?

BA Personally, I can't imagine they've got anything bad to say about you Peter.

PS [laughter] Well don't Brent.

BA Let's just move away from that one for a sec. Look, it's just the reality isn't it? Any significant company these days is investing heavily in market research and we want to understand what people are saying about our brands and the experiences they're having with us, so I guess the level of lilies comes in terms of thinking about how we participate. So your concept of actively going and joining in some of these conversations is quite scary for a lot of companies, and I guess the point is you need to build up from the bottom. The simplest safest starting point where you've got absolute control is listening to what's being said.

PS So it's great for market research?

BA Of course, it's one of the most pure forms of market research.

**Brent
Annells**

PS That's why you guys are there.

BA Yeah, and because as you go up that ladder, as you get more comfortable, which basically means getting more involved in the conversations that are occurring, or handing over more control to consumers, that feels riskier and it feels scarier, but it also gives you more potential reward in terms of the engagement that you can have. And if you can truly engage with your customers and prospective customers through these sorts of channels, then you know you're delivering, in many cases, what these customers want.

PS Okay, we're talking with Brent Annells from Radar DDB. Are businesses going on Facebook and saying, *we're here! Let' talk!* Are they doing that?

BA Yeah, absolutely they are. I mean, a lot of businesses are building applications or they've got fan groups on platforms like Facebook. I know KFC went onto Facebook fairly recently and they generated 80,000 fans in a matter of a couple of weeks. They did that through a retail promotion, so by becoming a fan you got access to a voucher so you could go and get yourself one of their new burgers. Brands are participating on these platforms, Facebook's one of them, Twitter's one that's getting a lot of press at the moment. Dell in the US generated a million sales in 24 hours by doing a retail promotion on Twitter.

PS Well, let's hold you up there. Some people would say what is Twitter? Like people just get on it and just say a couple of little words, *I'm here, I'm doing this?* Like, what's going on there? Why do people care about that sort of thing?

BA Well, because it's a way to connect with people.

PS I'm doing it, Switzer Twitters, but I want to know why other people do it?

BA We do it for a lot of different reasons, that's the reality. I do it to follow and find out information from people in the social media and advertising space, so I did it to keep myself informed. I don't use it as a personal branding tool because

**Brent
Annells**

it's not part of my repertoire, but a lot of other companies are. I mean, at its purest form it's a micro-blogging service. What it allows is 140 characters or less, you can make a post, and the premise is; *what am I up to now*, which is a lot like the status update on Facebook but companies are using that in very innovative ways. Telstra, for example, is using it as a customer service channel because a lot of people are on Twitter and they're saying, perhaps they're having a poor customer service experience with Bigpond, and Telstra has a customer service team that's dedicated to actively monitor Twitter, and they will identify immediately if someone makes a comment or an adverse comment, or a positive comment about Telstra or Bigpond, and they'll reach out to them and see if they can assist.

PS Yeah, I know I was getting a bit terrified with all the bad news coming in about the GFC – not KFC, the GFC – about nine months ago, so I started on my website a *Good News Daily*, and one of the people that work for me put it on Twitter and all of a sudden a whole lot of people who were looking for good news started to go to the Twitter to see what was the good news I'd found that day, and I found that was a really positive experience. Other people are probably doing the same sort of things I guess?

BA Well yeah, and I think, at the principle level, what you're doing there is you're distributing your content, you're pushing it further. This is the challenge. I mean, publishers are doing this at a large scale, but for marketers the challenge of getting someone to your brand website is quite challenging these days, it's hard, people are use to going to the places they're comfortable in and you need to find ways to reach them there. So by making your content distributable through Twitter, people can *retweet* it, they can pass it around, and they can reach your content.

PS Okay, so obviously this is the start of Twitter, and Facebook has already got enormous momentum. But is this going to be a new frontier for sometime, or is there something else out there that's going to even supersede this?

**Brent
Annells**

BA Oh there'll be lots of other platforms. I mean, you know, who knows what's around the corner, but at the heart of what's happening in the communications space is we're seeing two way conversation interaction between consumers and brands, and that is happening now, that's not going away, and everyone is going to have to embrace the challenge and opportunity of that, in some way, shape, or form, because it's just what's happening.

PS And I guess – and I don't want to be too facetious about this – the reality is you represent your clients, you want to have an influence on the sort of conversations that are going on, both from a research point of view and an influential point of view?

BA Yeah, of course. That's what advertising has been like for the last 50 years, but in that case we're pushing a message and we're going to push a lot of messages and hope that some of them stick. In the new way it's more pool communications and we have to actually provide genuine utility, or we have to be really true to the core of what our brand is offering people and find ways to engage them.

PS That has a massive implication on old media doesn't it? The way this is developing?

BA Yeah it does, it does have an implication. Old media is not going away either, television, radio and print are still very powerful mediums and they all have their own places. I guess the way we describe it is that media is media. If you look at Michael Jackson's funeral, it was constantly streamed on CNN, Facebook, and MySpace, and I think you had five million comments in the space of an hour on Facebook running live with the CNN coverage, so the blurring of the lines is becoming even more so.

PS Brent Annells from DDB, thanks for joining us.

BA Thanks Peter.

Yamini Naidu

is the Director And Co-Founder of One Thousand & One. With a background in change management and learning and development, Yamini joins us to shed light on organisational storytelling and shares how using the technique can streamline the goals and vision of staff.

www.onethousandandone.com.au

PS One of Yamini Naidu first memories is listening to travelling storytellers in Mumbai, India where she grew up. This influenced the business she co-founded called One Thousand & One. Yamini uses the concept of organisational storytelling and believes, through the power of storytelling, business leaders can ensure the messages they are trying to get across actually stick.

Welcome to *Talking Business* Yamini.

JN Thank you Peter.

PS So your background?

JN I'm actually an economist by training.

PS Ah, so we're two economists here. This should be a really interesting interview.

JN It should, it should.

PS Okay, economist by training?

JN And I have a corporate background, so worked in a lot of major companies in learning and development and operations, management, and in leadership. I've also taught leadership and management at RMIT University and that's when I came across the field of organisational storytelling.

PS Okay, so let's go straight through to the core of the matter. What is organisational storytelling? We know there have been people that have gone to stock markets with stories that they've told, but I'm sure it's something a bit more positive than that?

JN It is. An organisational story usually has three things. It has a purpose, so you have to be really clear as a storyteller what your purpose is, it has to be authentically true, so we say with organisational storytelling is not worth the backlash of your credibility to fabricate, manufacture, spin, make up stuff...

PS You hear business speakers tell a business audience we know they have a license when they tell the story.

**Yamini
Naidu**

JN But not if you're doing organisational storytelling.

PS Of course not.

JN Of course not, that's traditional storytelling.

PS That's honest business storytelling.

JN And the third thing, a story to support your hard data. So we never say just go in on a story, we say you absolutely need your hard data, your return on investment, your business case, your numbers, and if, in addition, you can tell a story, that makes it very powerful.

PS Give us an example of a great story.

JN Bingo! I will give you a quick example. We were having a CEO who was struggling explaining the concept on competitive advantage, getting the steam across the bottom, what competitive advantage was, and he used this parable; he talked about two CEOs that were going on a weekend away for some CEO bonding time, and in the distance they spot an attacking grizzly bear. One of the CEOs very calmly started to take a pair of sneakers out of his backpack and puts them on, and the other CEO says, 'you're nuts! We can't outrun an attacking grizzly bear'. The first CEO says, 'I don't have to, but I sure as hell can outrun you!'. So that's competitive advantage in a nutshell. Peter, can I just say, an organisational story usually does three things, it helps people understand your message, it helps them remember it when you're not there, and helps them retell it without losing its original meaning.

PS Okay, have you come across a CEO who has been a master at storytelling, and do you know the story that CEO has told?

JN One of the CEOs people always talk about is like a master storyteller was John Stewart, who was the ex-CEO of NAB. We actually interviewed John for a book we're writing and we asked him, we said, 'John, people constantly tell us you're a natural storyteller', and he said, 'the stories

**Yamini
Naidu**

that I adlib are actually ones that I practice for hours in front of the mirror', because, again, it's purposeful, it's got to be short, it's got to be sharp, it's got to be compelling. So there's an example, and in another scale, the other thing about organisational storytelling is people don't think it's only for presentations, it's only for your big stadium moment. We see it as a skill that leaders use every day. I'll give you an example of one of the leaders we helped, his name is Michael and his biggest issue was esteem in meeting their quality sales leads targets, and he talked esteem many, many, times. They said two things, they said we've got all the hard data we need, and they also said it's the one thing we hate doing. So Michael came to one of our workshops and this is the story he crafted, and I'll switch to the first person to tell it. He said, 'when I was a kid I hated brussels sprouts so every time brussels sprouts were served on the menu I would push them to one side of my plate and I would eat the rest of my dinner, knowing very well that at the end I would have to eat these cold brussels sprouts because my mother would never let me leave the table unless I'd eaten my vegetables. One day when brussels sprouts was served yet again, I decided to eat the brussels sprouts first, and then I relaxed, I enjoyed the rest of my meal. Do you think we could treat quality sales leads like brussels sprouts? None of us could leave the table unless we've eaten our brussels sprouts, so could we eat them early and fast in the week, and then relax and enjoy the rest of our week?'. Michael travelled to 11 of his branches narrating the brussels sprouts story, and we saw him two weeks later and he said, 'I've had the best increase in quality sales leads in those 11 branches. Not only that, all the salesmen, they're talking about quality sales leads, they're referring to it as brussels sprouts. 'How many have you eaten? I've eaten three already.' We asked Michael, 'would you do anything different?', and he said no. So it was the power of that story.

PS We're talking to Yamini Naidu about organisational storytelling. And what are the pitfalls of using this approach, because it can't always be blue sky? Some people might react and say, it's not relevant. And I can tell you, the

**Yamini
Naidu**

greatest story that I ever came across was a very famous rugby union coach who was fantastic at motivating his team, but after a couple of years the motivational stories became less impactful and a front rower was having difficulty with a New Zealand front rower, and he said, 'I don't want to hear the story of taking no more prisoners. I want to know how to actually beat the front rower in front of me who's driving me to the ground'. At what point does a story tale actually have to deliver on hard facts that will help people do things?

JN We always recommend you combine the two, you don't use just the story and expect it to do all the heavy lifting. The story usually influences people to shift behaviour, or it could help your key messages stick. But like we said, always combine story with logic, so then where is the process, or the hard data that will help make that shift, so we see the two as being really powerful together, never just on its own.

PS I said in the introduction you're influenced by your experience in India. Were the stories told to you in India for a reason, or were they for entertainment do you think?

JN A bit of both, that's the realm of traditional storytelling where you tell a story to fill time for entertainment. Quite often, in parenting and raising children, a lot of the stories had a moral, there was a purpose, which we didn't realise then as children, we do now as adults. But, again, in business, if you think of that as traditional storytelling, I would almost say business storytelling is at the complete opposite end of the room because you have purpose, it has to be authentic, and of course you never end with, *oh of course this is the moral of the story*, you always try to subtly link back to purpose.

PS And I guess some of the great business books, in a sense, is a story, isn't it?

JN Exactly. Like *Build to Last*, all the big blockbusters have a range of stories because a story can make a point that, in a way, nothing else can.

**Yamini
Naidu**

PS Well, last question. What has been the favourite business book that you've read that's had the biggest impact on you?

JN Probably *Built To Last*.

PS By Jim Collins?

JN Yeah, but also *Made to Stick* by Dan and Chip Heath, where they talk about how you make your messages concrete, how you use story, and how you leave an impact. So I think *Made to Stick*, Dan and Chip Heath.

PS And for me, *Good to Great* was another one in that same class.

JN Thanks for joining us on *Talking Business* Yamini.

PS Thank you Peter.

Hans Hulsbosch

is a renowned branding expert and the Designer of one of Australia's most iconic brands, Qantas. Hans believes successfully branding a product or service means making a connection with a consumer and he reveals the steps companies must make to get the most out of their branding.

www.hulsbosch.com.au

PS Hans Hulsbosch started Hold Bosch Strategy & Design in 1986, and is the designer behind a number of iconic Australian brands, including the one you are flying with at the moment, Qantas. In the current economic climate consumers have been cutting back on their spending so it's crucial that your brand is one that consumers can connect with and trust.

Welcome to *Talking Business* Hans.

HH Thank you very much, Peter, for inviting me.

PS So tell us the Qantas link?

HH Well, the Qantas link goes back, my god, some good 22-23 years. I was involved in the original design of the flying Kangaroo back in 1984 and I've been associated with the company ever since.

PS So what was the icon before that?

HH The icon before that I remember was a kangaroo, it was designed back in 1947, it was in a circle and it was red on white and had some orange Qantas type. So in 1984 we made a big leap forward and designed a big white kangaroo on a red background on a tail.

PS Okay, so how do you actually arrive at a logo that you know is going to work and relate to a customer?

HH Well the first thing which is really important is to listen to your client, and in this case it's to listen to the Qantas management to find out what their vision is for their brand. Then by listening to all the parties, and in this case engineering is an absolutely key part of their business, learn, learn, learn. Go to Boeing in Seattle, go to Airbus in France, find out what the restrictions are, combine that with the vision of the company, and that will give you the outcome.

PS So it's not a matter of knowing what customers want, how they will react, or is that a part of the process as well?

**Hans
Hulsbosch**

HH Oh, absolutely. A customer is as important as the client itself, because ultimately the customer decides whether to fly with Qantas or with someone else, and therefore the whole image that we built around that brand is absolutely crucial to the success of it.

PS I guess in your life you have come up with designs that you thought were wonderful and clients didn't agree? I guess the big challenge for a company like yours is to be really in touch with what the customers want. How do you get that important thing right?

HH Well, of course we do an enormous amount of research, but also the client does, and in the end it all comes down to lifestyle. People have a lifestyle and they buy products that fit their lifestyle, and that ultimately is what it's all about. It's not about the company, it's about the customer, you know what they will buy, and if the lifestyle is correct we need to design imagery that fits that lifestyle. If it's successful, it can be very successful, and it's really great to see that, nowadays, clients and businesses really understand the power of image.

PS Okay, hard question. Leaving Qantas out because you could be bias, what has been the best logo of all time?

HH Currently I would say the Apple logo is probably one of the great logos of all time, and reason one is that, years ago, to come out with a brand calling it Apple, we just all went, *how is that possible? How do you call a company a fruit?* But then that, combined with their technology and their innovations, has made it a very, very, powerful identity.

PS And I guess, let's take Apple for example, Apple continues to grow that brand by positioning it on all its products, so it actually looks good does it? Like, you even see in movies the laptop is placed on the desk, whether it's there for strategic purposes or by accident, but the fact that that Apple is reflected through and the light comes through it, it reinforces the very value of that logo.

**Hans
Hulsbosch**

HH Yes, it is absolutely brilliant, but that logo has had many changes too over the years, because what they do and what we do... I'll go back to Qantas again, we will tweak and manipulate that identity to customer needs all the time and to fit the times as well. Apple's done that too. Originally it was coloured bars right through that logo, now it's just simply a very beautiful graphic silver icon what works so well for that business.

PS Is it critical that you get the right words to go with the logo to maximise the longevity?

HH Yes of course words are very important, but when we design logos these days, one of the hardest challenges we have is it needs to last for a good 30-40 years. I mean, we cannot design something that needs to be replaced in a couple of years because it's simply too expensive. So that's one major issue that we have as designing logos. The other thing is the legal side. The legal side of what we do these days is phenomenal. If you see that BP is trying to own the colour green, and will go to court to own that colour, what does that do for us designers? Does that mean that we can no longer use the colour green? Talking about Apple, they are trying to own the Apple, something Adam and Eve did so long ago, and even they've taken the city of New York to court over their use of the apple. Now, the city of New York were the original designers of the Big Apple, and yet Apple claims that by the amount of money they spent on their brand, they have the ownership of that fruit. Well what does that mean? Can we no longer use an apple as a logo? Nowadays, it makes it very hard for us to make sure that a company will not have to go to court because we're designing something that maybe looks like something else.

PS And I guess the legal mind field is greater when you consider the small and medium sized businesses out there that are doing adhoc designs all the time for their businesses, they can easily find themselves... Like imagine the fruit and vegetable shops that could have apples on their stores.

**Hans
Hulsbosch**

HH And they do. So what happens nowadays is when I design, first thing that happens, even before it goes to the client, it goes to my legal people to check whether whatever we have done is absolutely unique, and when we get the word that it is right, then we take it to the client, because you cannot take the risk that someone else has devised what I've designed.

PS Well Hans, I've got to say, every time I see the Flying Kangaroo I'll always think of Hans Hulsbosch. Thanks for joining us on *Talking Business*.

HH Thank you.

Susan Oliver

is a strategic planner and futurist with a keen interest in technology and its relevance to society and business. Susan joins us to give her opinions on a range of topics including diversity in the boardroom and the new alternative to the 'strategic plan'.

www.wwite.com

PS My next guest on *Talking Business* is Susan Oliver who is a strategy planner and futurist with a keen interest in technology and its relevance to society in business. Susan joins us to give her opinions on a range of topics, including diversity in the boardroom and a new alternative to strategic planning.

Thanks for joining us on *Talking Business* Susan.

SO It's a pleasure Peter.

PS Now, I should explain to people who are listening on the plane that you're also one of the few women in the world, of Australia, who's on the board of public listed companies.

SO Yes that's true.

PS So what companies are you on now?

SO Currently, Program Maintenance Services, and recently appointed to the Board of Centro Properties, that's the newest appointment.

PS Okay, and talking about diversity in the boardroom, there aren't a real lot of women in boardrooms nowadays are there?

SO There's very few and it's becoming fewer. It's one of the real tragedies and anomalies. I think women, particularly who were at the vanguard of getting onto boards and trying to create a presence and a role for ourselves on listed boards, in particular, are feeling quite disappointed and shattered at the moment.

PS Why do you think that's happened?

SO I think at a time of crisis people pull back to a comfort zone. We've still really only had one woman on a board, it's still been a little bit tokenistic. I'm not saying the women were token, but I think when you have one person trying to bring a diverse few a different mindset or frame of reference to a board, they are in a minority. We haven't really seen the full advantage of having diversity onboard, I think you need two or more of different sorts of people, and we've got the global financial crisis and I think there's a pull back to a comfort zone among the majority of people making the decisions.

**Susan
Oliver**

PS And the irony is that it probably was the domain of males that caused most of the problems we've got.

SO Well, let's not point the finger but they were in the decisions making positions at the time.

PS [laughter] Yeah, without a doubt. Now in terms of your progress being a normal business woman to becoming a Director, how do you think you did it? Because I'm sure there'd be lots of women on the plane who'd love to know how you think you did it?

SO It was happy stance, rather than a concerted effort. I was obviously younger than I am but at the time I probably felt a bit young to be having that transition to a board. Transurban had a group who'd really just formed the CityLink project in Melbourne, and they invited me onto the Board. How did that happen? I was known to the Chairman's wife, herself a very successful professional person who I had done some voluntary work for. And thinking about the future for education in Australia, I was known to the Chairman's daughter-in-law who I had employed to do a very major and important study at Anderson Consulting, now Accenture, and the two fingers pointing in my direction said to the Chairman, 'here's a woman who is interesting and worth inviting onto the Board'. It was a very successful time for me, and I recently resigned from Transurban, so nearly 13 years ago.

PS Oh good, because I was going to buy shares on the strength that you were on the Board, but I might have to change my point of view now.

SO You'd have to look at Centro. [laughter]

PS [laughter] Now, Susan, what is your business background? What was your effective training and business experience before you went onto the Board?

SO I'm an engineer by training, probably a bit non-traditional in that as well. I was the first woman to do the degree of Bachelor of Building, at Melbourne University, which is

**Susan
Oliver**

a five year course and with a lot of emphasis on project management and management of construction. So I'm really trained in construction management, project management, but I'm a child who grew up preferring the smell of concrete being poured and steel reinforcement being put in place, than going fashion shopping with my mum.

PS Okay, was it a paternal or a maternal influence that led you into it?

SO Paternal.

PS Okay. We're talking to Susan Oliver who is a Director on companies, a thinker about business. One of the things that you've mentioned to me is that you think there should be an alternative to strategy planning. What do you mean by that?

SO I think the days for strategic planning, annual event, and annual episode in the life of the company are out the door. What I think needs to replace it is strategic thought. I teach the Institution of Company Directors strategy module.

PS Which is a great course for anyone, either in a private company or a public company.

SO I agree, very much. And in that module I often say that if we think about a competence of a Board, should it be a strategic competence, should it be defining a strategic board and perhaps measuring its effectiveness which says that conversations at every board meeting should be about strategy, there should be the ability to think strategically, the ability to formulate and reformulate strategy as an ongoing aspect of what the company does, not an annual static formulaic sort of event.

PS There'd be people on the plane listening now who aren't quite sure when you say strategy, what do you precisely mean? Do you want to tell us what you define strategy as?

SO It begins with foresight, it has begun with foresight, the future's where we're going. So what is foresight? Foresight is the best efforts that we can make to understand the

**Susan
Oliver**

dynamics of change and the forces that are in that external environment around us.

PS What lies out there, what's going to be an opportunity, what's going to be maybe a threat for the business and all that sort of stuff?

SO Yes, and if today is a dynamic complex system, so is the future, so we need some ways of understanding it. I don't profess to understand it but I really enjoy it, and I guess my whole career has been about better thinking to achieve better decisions. So I think that working with a group of people in a process of thinking about the future, strategic foresight is a word that we use. It's not foresight for the sake of it, it's around objectives, it's around desires, it's around where an organisation needs to be going.

PS I wasn't going to ask this question, and I've got to say, I never plan my questions anyway, I always like to try and listen.

SO I'm getting that feeling. [laughter]

PS [laughter] But the question I have to ask you is this; it seems to me that you are very measured and passionate about strategic thinking, could it have come out of the fact that you've sat on Boards where you don't think there's a real lot of strategic thinking going on?

SO I not only sat on Boards but also have worked with Boards, I've done facilitation work, so this doesn't have to go back to just those Boards I've actually sat on. I've seen some great decision making processes and I've seen some appalling decision making processes, and I also spent a stint in government in the public sector. I think sometimes the logic behind a decision is obscure and, you know, there's politics and there's personalities, and there's ambition and there's precedent, and there's lack of confidence, and they can really interrupt good processes and good strategy. So that's where I come back to. Strategy as a capability, strategy as a conversation, strategy is a free open challenging discussion, and that includes risk. I mean, risk and strategy, they're both sides of the one coin,

**Susan
Oliver**

and I presented to some very senior company Directors in the last few months on the capability of Australian Boards, and they kept returning to this issue that, as Boards, we need to be more challenging, we need to go out on a limb, we need to be an outsider in terms of the questions we ask and the possibilities that are raised, and I think there is a heightened awareness of Boards that that's risk, that's the questions we should be asking around risk. But strategy is about opportunity, and so also need to be asking those challenging questions around where an organisation is going to grow, what its opportunities are, just how far they can work with the technology of an innovation. So challenging strategic approaches.

PS And I would figure if we could really rate a Board on the calibre of its strategic thinking, it could be a really good indicator of whether we should invest in that company or not?

SO Yeah, I think it's a pretty good start.

PS Susan Oliver, thanks for joining us on *Talking Business*.

SO That's my pleasure Peter.

Mark Jones

is the founder and director of Filtered Media and takes social networking seriously and believes media sites such as MySpace, Twitter and FaceBook can become important communications and marketing tools for organisations.

filteredmedia.com.au

PS There's no doubt that accessibility to the internet away from the office has changed the way we do business. What are the technology trends for the next year and how effectively are businesses using social media sites such as Twitter? Here to tell us is Mark Jones, former IT Editor of the Australian Financial Review and Founder of Filtered Media.

Welcome to *Talking Business* Mark.

MJ Thanks very much Peter.

PS So my first question really is usually, what's your background? But we know your background, so tell us about what's happened over the last few years?

MJ Well, one of the big trends that I've seen, and particularly in my own career, is the shift from printed media. In the media space, this reliance on, if you like, paper to a really overwhelming interest in, not just the internet and digital media, but video and audio. We're all carrying iPods these days, media has become portable, and so as a result it's not just the big companies that are doing it, but also individuals that are creating their own content.

PS So, from your point of view, you've left being a journo and you've created your own company called Filtered Media. What does that company do?

MJ A number of things, including speaking. I've also been doing some social media consulting, which really helps companies get their heads around how to create social media strategies. If the promise of social media is that anybody can create content on the web, the next question is how do you do it? How do you do it well? So I've been helping companies work through those ideas.

PS How important is content?

MJ Well one of the clichés is *content is king*, right? Anybody can write something and not do a very good job of it, but the harder thing is actually to do it with a target audience in mind, with a particular goal in mind. So I help companies

**Mark
Jones**

work through all of those sorts of things, which really, for publishing companies, are very natural, but if your business is in manufacturing or finance, content can be really quite a new experience for you.

PS How important is content when we start considering things like Google words and things like that?

MJ Well of course Google rules the roost as far as search is concerned in Australia, so you need to think about the target audience, again, and that you have in mind your stakeholders. And so what are the keywords that you should be introducing into your editorial copy? Forget advertising and marketing, but what are the things that you should be writing about that matter to your audience, and if you do that, then that takes you a long way towards achieving your own goals.

PS Do you think small businesses, in particular, are too tight when it comes to investing in this kind of strategy?

MJ Yeah, but I don't think too tight from a '*we don't want to spend money*' point of view, they only want to spend money on things that will deliver the results, and so you know it can be that fear of the unknown. I don't know if I put a few grand into this online campaign, whether that's going to deliver the results, so there's a lot of, sort of, *put the toe in the water and take it one step at a time*, and you often find that when it does pay off, then they start throwing more and more money in.

PS Okay, given your former journalistic background, you're use to asking provocative questions, now you answer a provocative question. If everybody employed someone like you to give us the magic formula for Google, and everyone does it, how can you all end up at the top four or five entries on the free part of Google?

MJ You know what? That's a great question...

PS How about a great answer. [laughter]

Mark Jones

MJ [laughter] Well, the great answer in my mind is that you've got to have great editorial ideas, so are there enough of me to go around? Well, I don't think so, I'd like to clone myself but it's how well can you come up with great editorial ideas for your business and your company, and how can you apply those to solving problems for your customers. I think one of the things we're learning about social media is that this is a new model of media, this is actually asking us to really listen to our customers. Do you really understand what your customers think and feel? If you look at Google, it actually tells you what they're searching for, what they want to know, and are you taking the time to do that? Businesses, traditionally, have not been very good at listening to the customer.

PS We're talking to Mark Jones, former IT Editor with the AFR, and also the Founder of Filtered Media. Now, Mark, let's talk about social media and how important it's going to be for businesses in trying to attract a bigger customer base and build brand?

MJ Well the big point is you can't ignore this anymore. I'm seeing large companies and small companies right across Australia and indeed around the world, it's remarkable, they're actually having to come up with a social media plan or a strategy. Some of the biggest companies in this country are saying, 'well how are we going to approach this? We've got staff who are already blogging and doing podcasts, or twittering and facebooking, and so on, in their own time, what happens when they do that at work?'. And so this is actually a big problem that everybody has to get their heads around, and even at the highest levels of government. I was interviewing the Finance Minister, Lindsay Tanner, and was having this discussing with him about Twitter, I had to sort of pinch myself to say, hang on, the Finance Minister of Australia has an understanding of why politicians should or should not be twittering, this is incredible. Twitter is only a few years old, and yet already we're having to make decisions about what content we want to put out in the public domain, what do we want to keep inside our companies, or perhaps at a private level? These are new questions and new dilemmas we have not, as businesses, had to deal with before.

**Mark
Jones**

PS Well, we know Kevin is a twitterer, is Lindsay a twitterer as well?

MJ Actually, he's not. I asked him about that, he's stuck on that one, but he likes his YouTube videos. Malcolm Turnbull's one, and I know Nathan Reece is, there's a lot of politicians around the country.

PS Brand builders themselves.

MJ They are. Well, you know, you can't really blame them for being opportunistic I guess.

PS Oh no, and it is the new way in which you communicate to the people you want to support you. Have any companies ever actively asked their staff to say good things about them and as a consequence created a marketing strategy around that?

MJ They have, and they're the ones that fail. It's the worst thing you can possibly do, to deliberately ask. In fact, National Australia Bank got a lot of negative publicity about 12 months ago. They actually got their advertising agency to create a social media strategy, and they had these people running around going to different branches, talking about how fabulous the branches were and the bank was, and so on, and putting it all out there on the web...

PS Twitterland.

MJ Twitterland, that's right, and blogs and so on. And turns out they were ad agency staff being paid. Bloggers found out, told the world about it, and of course their name was mud. You can't be disingenuous about this, you've got to be really, really, authentic in your approach to it, and so you can't actually really ask people to say things. What you *can* do is give them access to the tools, give them a framework, tell them what they might get sacked for writing, don't talk about your views on our share price, for example. Give them the framework, but then say to them, you can talk about all these other things, and then let them go for it.

Mark Jones

PS What about the businesses you think that has used the social media space really well? Is there a business you can think of that has really come up with a great strategy which has worked?

MJ There's a couple of companies in Australia that are using it to a varying degree of success. Probably the most famous one, and the one that most people will know, is Telstra. Of course they've got their *Now We're Talking* blog, they do podcasts and they also have their Big Pond Customer Support Team. I actually use Twitter and the Big Pond Twitter Team, a number of people that they actually employ. I follow them and some of those guys follow me. I've actually used them to cue jump at the call centre. I've said, you know, I've got this problem, I send them a direct message and I don't have to, sort of, wait on the call centre kid for around half an hour, so it can have some really important benefits.

PS Yeah, but as you say, it's a double edged sword as well, and I'm sure all telcos would have some people who'd like to twitter in a negative kind of way as well.

MJ Yeah, and you can't avoid it. I mean, this is one of the questions you've got to ask yourself; what are we going to do, what are we going to say when people say bad things about us? They already are, in fact, saying bad things about you all the time, at the pub, over dinner or whatever, but because of social media it's all sort of out there, and so the thing that you've got to think about is, well how do I engage with somebody? How do I say, what are we doing badly? And then stand back and let them sort of beat you up for a couple of days, take it all on board, and then actually do something about it. And this is where the smart companies are turning around and actually documenting all of the things that their customers don't like and turning it into a positive story by them saying, 'well, look, here's all the things that we've done in response to why all the reasons you hate us, and all the reasons that you've turned away from us'.

**Mark
Jones**

PS Great for customer research. Mark, thanks for joining us on *Talking Business*. Before you go, is there a website if people want to know more about what you're doing?

MJ Yeah, www.filteredmedia.com.au.

PS Thanks mate.

MJ Thank you.

Denise Sykes

is a Principal in the management-consulting firm, The Nous Group. Denise joins us today to discuss the positive and negative effects of employing young people in senior management positions as well as how to drive a positive workplace climate.

www.nousgroup.com.au

PS With people of all different ages, experiences and personalities, the workplace can sometimes be a difficult place to manage. Denise Sykes, a Principle at the organisational capability practice, the Nous Group, believes a positive workplace environment, with great leaders and awareness of 0Welcome to *Talking Business* Denise.

DS Thanks very much.

PS Okay, so what's your background in giving advice to people in controlling or leading people in the workplace?

DS Well, I've actually done a lot of work in government over the years, and now I'm working with a consultancy business, so it comes from a position of looking at how behaviours influence outcomes. So if we talk about performance and productivity, it's all about how we behave in the workplace. I've come out of a workers' comp background, and you see the impact on people where they feel that their contribution hasn't been valued in some way. They withdraw their discretionary level of commitment and they decide that they're not going to play. When they do that, whole organisations can topple because of it.

PS Does it start because bad leaders get promoted, or is it because the people who've conceived the organisation haven't got the processes in place to create a good culture?

DS It's both, but the bigger impact comes from the poor leadership style so you need to look at systems and processes, obviously they need to be the foundation of any business.

PS Even get the feedback that something's wrong?

DS Exactly, and you've got to create that transparent environment where people are allowed to speak up, but people have got to feel that whatever they do, that they're contributing, that they understand the output, that they're contributing to something that's a part of a whole in some way and that they can have a positive influence, that they own their own part of the organisation, wherever that

Denise Sykes

might be, regardless of what title or role they've got. But fundamentally people will choose to leave organisations because of poor leadership style.

PS Okay, so explain to me in a nutshell, because we've only got 10 minutes, how do leaders then get to know that they're leadership isn't really that good, because sometimes people leave and say, 'thank god I wanted to go anyway,' but it may well have been that the leadership didn't bring out the best in those people? How do they get to know whether they're good or bad at leadership?

DS Well, you can go through a process of asking people, it's as simple as that in some instances. If there's an environment where you've got colugos support, others might tell you, but you'll often see indicators that it's poor. High absenteeism, high turnover, high levels of conflict, poor levels in productivity, those are all the signs that you should be looking for. So it's your bottom line that ultimately defines it because people will choose not to volunteer in some way, so they'll withdraw something, it's impacting on your bottom line. The first thing you should be looking at is do you have your people onboard, because if you don't have your people onboard you've got to look at yourself.

PS Could it be possible that you have a happy workplace but you just have an unproductive workplace, once again, because of your leadership? Like, you're great at keeping people happy but you're not really translating the key productivity messages you'd like to see go on at the same time?

DS It can happen, but my experience has been almost without exception, that if people are happy, they're highly productive, they feel they are valued, they feel they are doing something meaningful, regardless of the task or even how much they're paid in the industry, whether they could have better benefits somewhere else. If people feel that sense of satisfaction, therefore they're engaged, they'll be happy to follow the leaders. You almost don't have to worry about the strategic intent.

PS Okay, now obviously your business would go into public companies, but also family businesses?

Denise Sykes

DS That's right.

PS Now, in family businesses you could arguably have a happy workforce because one key family member looks after everybody else, but there's a lot of tension at the management level because they're mothers and fathers, sons and daughters. Can that backfire even on a happy business because that management never gets sorted out because of family issues?

DS Absolutely, and there's got to be, doesn't matter whether it's a family business or a huge enterprise, there's got to be roll clarity. Everybody's got to understand where their sense of fit is within the organisation, but, similarly, whoever's at the top of the organisation has to model behaviour that every person can recognise the direction that they're going in so they set a clear vision for the organisation and people know what their part is, what they're responsible for, what they're accountable for. Ultimately then people will contribute to that end result, but if it's a family business, even if it was a small one, if there isn't that role clarity and you have a patriarchal or a matriarch role, their people are just followers and it's more like minimum compliance, they'll do what they have to do but they won't be innovative in any way and you will end up with that conflict that you described.

PS We're talking to Denise Sykes, Principle at the organisation capability practise, the Nous Group. So is your job to go in, in a sense, and see what's there and make people confront the brutal truth?

DS Well, we can do that. What we say is we shine a lens in.

PS Oh that's a very nice way. [laughter]

DS Only people can fix it themselves, so you can't go in and fix something otherwise it's a bit like training, you know, you go in, it means nothing. So what we do is we go in and we basically shine a lens in and say, have a look at this. We provide some thought leadership to test and stretch people's thinking. Often we find organisations that lack innovation and therefore creativity and this impacts on that performance and productivity, so we bring experience

Denise Sykes

and examples from other businesses, put propositions on the table and say, let's test this out, and through doing that people will often have a self revelation and will actually see where they're going wrong and they'll be responsible for the end result. So, you know, we're not minds for hire where we'll just go in and say, do this and you'll fix it, it's got to be from the ground up in a business, as well as the top down, otherwise it's a meaningless exercise.

PS Do you also conduct surveys with the workforce so you can get objective feedback which then management gets to see?

DS Absolutely, we use a diagnostic tool upfront. So something like 360 degrees so that you're getting feedback from within the business, so you're not just hearing from the top down, here's our problem, or people sitting back and admiring the problem without really understanding what it is. We use surveys and we also use data, like absentees and turnover to try and get to the root cause of what's driving the dissatisfaction perhaps with employees that's leading to the poorer performance with productivity.

PS So you then, as a consequence of holding up a mirror or shinning a lens, do you get reactions from management, 'oh that's not right, that couldn't be right'?

DS Yeah absolutely we do, and, look, some people have very little insight into where it's coming from and that's why you do need an evidence based approach. If you just come up with the qualitative information, people will dismiss that, they'll say no that's just opinion. But if you look once again at the implications of not doing something often, that's the key to getting people onboard. You can say, 'well if that's not the case, what isn't working?'. We help people analyse and explore the contributing factors to the situations that they've got themselves into.

PS Have you had the odd situation where a management team have brought you in to understand a perceived problem in the workforce, and then you've had to come back and say the problem is not your workforce, it's you?

Denise Sykes

DS Oh we often find that out immediately. We don't tell them straight away that it is, once again that's part of the self revelation, we go through a process where we would then consult with staff to try and find out what people's opinions are, and then go back to that person.

PS Have you learnt how to deliver that... [laughter]

DS In a politically correct way and in way where somebody doesn't want to go out and jump off the roof, yes.

PS Or not pay the bill.

DS Or not pay the bill, that's exactly right. Doing it in a way that you leave the dignity intact of the person. So, you know, we believe you've got to conduct yourself with integrity. Some people don't have a clue and I would say that the majority of people in the workplace don't go and deliberately try to make somebody else's day worse. Most people at the top in organisations are chosen, in the first instance, because they're fabulous at strategy, but they don't necessary have the people stuff right. If you don't have the people stuff right, then it doesn't matter how good you are and how clear you are about where you want to go, people aren't going to follow you, you're by yourself.

PS So if people want to know more about what you do, what's the website?

DS www.nousgroup.com.au.

PS And Nous is spelt N-o-u-s?

DS N-o-u-s meaning knowledge and intellect.

PS Okay, thanks for joining us on *Talking Business*.

DS Thanks very much Peter.

Jim Taylor

is a psychiatrist and an executive coach who specialises in fixing workplace behavioural problems. Jim provides us with some essential advice on how to deal with difficult co-workers and turn lose-lose situations into a win-win outcome.

www.workfitanalysis.com.au

PS Almost every office has at least one of these; a bully, a manipulator or a dramatist. Jim Taylor, Principle of WorkFit Analysis believes these are three most common types of people who cause more harm than good in the workplace, and today we're going to discuss them and how to deal with the difficult situations they can cause.

Welcome to *Talking Business* Jim.

JT Thank you. Pleased to be here.

PS Jim, why don't you give us your background before we start taping into your mind about these troublesome people in the workplace?

JT Well, I come from a medical background. I had 37 years in medicine overall, and 20 years as a consultant psychiatrist, so I actually saw people who were affected by these difficult personality types on a regular basis.

PS Okay, let's just deal with the individuals one at a time. The Bully, how do you deal with The Bully?

JT The Bully's difficult because people tend to avoid bullies, and bullies are especially difficult if they are actually in a position of power because they've got the double edged sword. The nature of their personality is that they want to be domineering, they want to come out of most conversations or interactions with other people being the winner, so they're inherently sticky, difficult people to deal with, they love confrontation, and the trick with them is to understand who you're dealing with, what the personality style is.

PS Can you work with a bully once you understand what their nature is?

JT You certainly can, but it can be difficult. I mean, these people can be so difficult that it's almost impossible to work with them, especially if they're in a position of power. The most important thing about a bully is, first of all, never to confront them when they're feeling angry, that's the first thing. And the second thing is to point it out. So if they're behaving to you in a way which is unreasonable, difficult,

**Jim
Taylor**

aggressive, the first thing to do is to point that out using phraseology, such as, *most people would find that approach pretty difficult, most people would find that fairly intimidating, and, I don't think we're quite in a position here where we can continue this conversation effectively. I think I'd prefer to speak about it when we are both feeling a little calmer.*

PS Now, Jim, giving me your answers, it seems to me that a technique you've either developed or comes naturally is you're very reflective about what you're going to say, and so when you're being bullied I guess that would be a starting point, to slowdown and not overreact and try and collect your thoughts, and then have a systematic response?

JT Fine to say, but in a situation when you're confronted with it, especially for the first time, it's very difficult to think on your feet, and of course these people engender that fear in people around them, and when you're afraid or when you feel intimidated, you just don't think as well on your feet. I guess what I'm on about is that when you speak to people who've been adversely affected by these personality types, you encourage them to reflect and almost rehearse their responses for the next occasion.

PS So like good business processes, there are systems to deal with frustrations?

JT There are indeed, there are indeed, but you've got to rehearse it and sometimes you actually rehearse it in real-time with someone else who's prepared to help you.

PS Okay, let's deal with The Dramatist next. So how do you deal with The Dramatist?

JT Well, for them life tends to be in very vivid shades. My version of it is the old style colour television. If you turn the colour way up everything goes lime green and orange, so if you can imagine life in lime green and orange tones, you can also imagine that people of this personality style tend to perceive the world in terms of how it affects them, then you get the inside running on what makes them tick.

PS So what are the systemised responses to someone

Jim Taylor

like that to bring them back to hopefully the middle ground where the colours aren't too green and orange?

JT Well, once again, never involve yourself in some kind of knockdown drag out situation with these people and always attribute the exaggerated feelings to them in a very calm way. You might say something such as, *you seem very upset by this*. Full stop, a little pause, and then it might be something like, *you are so upset that I don't think it will really get us too far to continue this discussion right now*.

PS We're talking to Jim Taylor about the unusual personalities that we have to deal with in the workplace, and this might be you, and I hope we can help you with what we're talking about. What about The Manipulator?

JT The Manipulator, I think, is the most difficult one of all. The Manipulator has a classing trick and the trick is called *Splitting* or *Triangulation*, same deal. It goes like this; there are two people in the workplace who have a well established healthy decent relationship. Enter The Manipulator. Usually a new kid on the block, a new personality and they usually do their best work when people haven't really got the drop on them, so the way they work is this. They befriend both of these people who were previously close, well-aligned folk for all the right reasons. Having befriended them they then say something to one of these people who were previously good buddies that vaguely implies that all is not quite what it seemed in their relationship, something like, *of course you know Janet really does envy you a lot*, it's that kind of phraseology. So if they're intelligent enough they'll put it in an understated way that starts to sow a seed of doubt between those two people, because of course the manipulative person they're talking to starts to behave differently towards her old mate Janet. Janet doesn't know what's going on, she doesn't know what's being said, so all of a sudden people start becoming hostile, angry with each other for no apparent reason, people who always knew each other well. I'll give you a little example. When I was registrar in an acute psychiatric ward, the first job of the day was to do a handover story about who was admitted the night

**Jim
Taylor**

before, and you've walked in and there would be palpable anger and difficulty in the room. I would say, 'stop, everyone stop. Tell me clearly about who was admitted last night?', and you would find pretty quickly that it would be one of these manipulative people, and of course within 12 hours the place is chaos, so imagine that in a workplace.

PS I guess this is probably the reason why I'm asking these question because as leaders hopefully you aren't a manipulator, a dramatist or a bully, and you're dealing with these people. You want to get the best out of them for themselves, but also the best for your business as well. How does someone actually get skilled up enough to deal with these sorts of issues?

JT I think it's pretty impossible to skill yourself well enough to deal with the really exaggerated forms of these personalities. What happens in reality is that they're intelligence and ability gets them to a certain level within any hierarchy, but the personality stuff puts a lid on that. In other words, they'll get to a certain stage in an organisation and eventually people realise that they're dealing with someone who's really very difficult and that's where their career tends to stop. Often it ends in tears, often it ends with litigation.

PS Jim, if people want to know more, what's the website for you guys?

JT My website is; www.workfitanalysis.com.au. Pretty simple.

PS I think a lot of people, an enormous range of people, they have to deal with this and business leaders must find it so challenging. Thanks for joining us on *Talking Business*.

JT My pleasure.

Margot Spalding

was named *2006 Telstra Victorian Business Woman of the Year* and is the co-owner and co-director of Jimmy Possum Furniture, a retail and production company. She talks about building a robust business and women in business.

www.jimmypossum.com.au

PS In just 13 years Margot Spalding, co-owner and Director of Jimmy Possum Furniture, has taken the furniture design production and retail company from just one employee in a small shed, to a business with seven retail stores and over 130 employees. Margot was recipient of the *2006 Telstra Victorian Business Woman of the Year Award*.

Welcome to *Talking Business* Margot.

MS Thank you Peter.

PS Margot, how does a person like you end up becoming a manufacturer and retailer of furniture?

MS Well, if I'd have been asked 30 years ago what I'd be doing, furniture would never have been on the list, I can tell you. You know, things happen and you get led along in life and you make decisions, and so we ended up in the furniture manufacturing business because my husband is actually a timber furniture maker.

PS Okay, so you then decided that you had skills in retailing, or was it one of those unusual stories that saw you end up in the retail business?

MS We are both people who 'make it' sort of people, so we're both really creative, Alan's highly creative, and we also are able, between us, to make anything. So we started as manufacturers selling to other stores, wholesaling, and then with the onslaught of Chinese imports he decided we better have our own stores, and so we started with a store in Brisbane and we've now increased to seven stores, and we're in four states, we have a little store in Bendigo as well. I have a passion for retail on both sides of the counter, and Alan has no passion for retail at all, can't bear it.

PS Sound like a normal bloke.

MS That's right, so I thoroughly enjoy retailing and it's unusual that we have both retailing and manufacturing skills in our business, that's rare.

Margot Spalding

PS Why Jimmy Possum?

MS The name? Well when we started the business we were broke and we'd had another business that had been hit with the big stick at the last recession. Alan had been a trader of antics in Tasmania and there had been a man around the turn of the 19th/20th century who made chairs out of bush sticks with a particularly sound construction method, and he perhaps lived in a high tree, and he was called Jimmy Possum. So Alan thought of the name Jimmy Possum and I thought it was absolutely ridiculous and came up with something far more sensible, but it's been a fantastic name for us because it's fun.

PS Have you come across the work of Seth Godden who says that your marketing has to be like a purple cow, stands out from the crowd? In a sense your name is a bit like that.

MS Well it is, and you have a lot of fun with it. And also men who don't like retailing, as we just said before, actually fancy the name, but we have a lot of fun with what Jimmy does, and what Jimmy says, and all sorts of things, and it's memorable, it's quirky, and it's slightly Australian. It's actually nothing to do with the animal.

PS You've got seven stores now. How big do you think this can become?

MS We think that probably 10 stores would be good for us in Australia and we do a lot of planning in business, as you have to do, and about two years ago we worked out that probably on our current manufacturing site, 10 stores would suit that, and also because we're a fairly exclusive product, we don't want to be everywhere. And because we do everything within our business, including freight training, the whole lot, then we want to keep it at a particular size, so our aim was by the end of 2010 to have 10 stores.

PS We're talking to Margot Spalding, the founder of Jimmy Possum furniture. What about the export potential?

Margot Spalding

MS Well, it would be great export potential but we often wonder what do you do if a leg falls off a table in Dubai. We have a lot of children, five of whom are in the business, so, you know, one's married to an Englishman and one will be married to a German, and there's a lot of overseas travel that happens in our family so it's not out of the question. We have actually looked at Paris and London for stores.

PS Have you talked to AusTrade, because I would have thought that would have been a pretty good starting point because they tend to understand those markets?

MS A long time ago we had a limited discussion with AusTrade, and we haven't for quite some time because we're trying to get the Australian market sorted.

PS The challenges of making furniture here and selling it, how have you been able to keep doing it, because a lot of people say you can't do it?

MS Well, the Australian furniture manufacturing industry has been absolutely decimated in the last 10 years, but we believe that there would be enough people who cared about having Australian Made products and having quality products and solid timber products. And, you know, retailing great trades in Australia, like upholstery and cabinet making and furniture making, which have in the most been lost to this country, so yes there are enough people in Australia who strongly care about having Australian Made products, supporting Australian community.

PS What are you doing to market the business? Now, clearly you're on my program, but is there a more subtle marketing program you have to get to the right people because we're not talking about cheap furniture, this is good quality furniture isn't it?

MS Well, we have our own marketing department. One of our daughters heads up our marketing and so we do all that in-house as well, and so we have big conf-labs with Alan, Me and Georgia, and a couple of other people determining where

Margot Spalding

we're going to take our marketing, so we have marketing from several different perspectives. One is obviously branding, and the family is big in our business, so we promote the family very much, which a lot people like because it adds strength and values and things that people like. The other one obviously is that we have to market that we produce our own product, that makes us different, we're also Australian Made. So there's lots of points of difference that we market and we try to tell our stories in our marketing.

PS Margot, I'm sure people listening on the plane right now who run family businesses would have been, sort of, laughing to themselves when you talked about all your family in the business. How do you manage family expectations?

MS Well, a long time ago Alan and I decided to make the business grow, that's one of the reasons we grew it because our kids are all very different. He had three, I had three, and then we had one, there's lots of those around.

PS Blended.

MS And we don't say who's is who's, so people say she's got your eyes and you say, 'yeah great, she's not even mine'. We grew the business to accommodate all the kids different interests and skills, so they're all in very different areas of the business, and we thoroughly enjoy working with all our family in business, love it. I talk to all my kids every day, it's fantastic.

PS Are you, in a sense, the CEO of the company?

MS Yes, we have a CEO but I'm probably the driver of the organisation and that's been the case from the beginning. Alan's the designer and he doesn't really like talking to people much and would never be putting himself out there, whereas I'm quite comfortable with that and I'm also one of those high energy, do 38 hours work in a day kind of people, so yeah I drive the business.

Margot Spalding

PS How have you found the challenge of the global financial crisis and the way it has hit Australia? How has your business been affected?

MS Very significantly, and it takes a few months to get the drift of what's actually happening. In hindsight, we can actually make out the month it started for us, but it takes a few months to get on board that this actually is what's happening, so we've got to regroup, and it changes your plans. So those business plans I was talking about previously have really had to be put on hold. We believe we've had a kind of 18 month to two year hiatus, just a stop, a hold on things, and a regroup. So yes, it's hit us significantly, but now we believe we're 18 months down the track so we're going to make it okay, and the business actually will be better in 2012 than it would have been had we had no recession.

PS Last question. Has the implication, because you are a high-end product and that's where I think the downturn has hit the hardest, the cheaper end of town doesn't felt as much... But has it made you more objective about your business and some of the things you might have ignored during the boom you're getting right, so that when the boom times come back again you have a much better business?

MS Oh absolutely, because you become introspective. You look at every single aspect of the business, you look at every single function of the business, increasing revenue and cutting costs and all of those things, and you know we will have a much, much, better business at the end of this, lost a lot of sleep, but we'll have a much sounder business in Jimmy Possum than if we had no recession.

PS Margot thanks for joining us on *Talking Business*.

MS Thanks Peter.