

BUSINESS PLANNING

Life post the GFC Part 2

Following seven years as Director of Sarah Richardson Consulting in Perth, in late 2010 I returned to Sydney to establish my consultancy here and to take a part time position as Head of Marketing & Communications at St James Ethics Centre. I am delighted to present the consultancy's first newsletter for New South Wales clients. The purpose of this material is to keep our key customers up to date with critical marketing, sales and management issues facing small to medium enterprises.

In spite of indications of another resources boom on the horizon, the two years since the financial crisis have been challenging for Australian firms. The question facing everyone is have we undertaken the appropriate reflection and planning during the down time and are we ready for the future?

The latest economic indicators could raise panic in the calmest of operators.

Should the firm's strategic work of the recent period be discarded and an opportunistic approach undertaken until the economy stabilises, maybe in a few months, perhaps in several years? Is major cost cutting, organisation restructuring, tactical promotion and localised activity required? Are "sticking to the knitting" strategies and cancellation of business development programs for product development, new audiences and different regions the best solutions?

Now is an opportune time to highlight the importance of incorporating a strategic framework into your operations to cement the firm's ongoing business success. Without a balance of strategy and tactics, there will be no direction in a business world where the environment is constantly changing. Moving to integrate a strategic approach will not



Getting some background in Western Australia

happen overnight; it typically requires a culture shift, role adjustments and investment in external expertise. As the new financial year begins, consider whether this is the year to build a strategic focus to drive your organisation's future success.

Sincerely,

Sarah Richardson
Director

BRAND IDENTITY

Digital: New Medium or New Marketing?

Digital has been the buzz term for the last few years. How many 'likers' does the organisation have on Facebook? What about Twitter followers? Are the website metrics in line with industry standards? Is the enterprise involved with crowd sourcing? Has sms marketing been used effectively? Does the company have an opt in database for

email campaigns? Are there ways for stakeholders to interact electronically with the entity? Some organisations invest significantly in these new platforms and create entire teams to handle individual components of digital marketing. Others find the challenges overwhelming and do not know where to start.

Is digital marketing transforming the entire approach to marketing or is it just another medium? Successful marketing comes from customer insights and engagement. The same rules apply in digital marketing as in traditional marketing whether the medium is the internet, mobile phone, print advertising,

in store or direct mail and they apply in marketing of both products and services. Different industries and organisation types also successfully employ these approaches. It's all about understanding the customers and using appropriate media and messaging for them.

A workshop can be led by an internal marketer to communicate insights into customer needs and behaviours across functional areas, provide feedback from the business and bring together diverse teams in a common purpose. Businesses without a marketing function should engage an outside expert on an annual basis to lead this essential seminar.



THE PEOPLE PROBLEM

Silo Operations & Tips for Integrating Marketing

The most successful projects are where the marketing work is integrated from the beginning into the organisation's operations.

Many business leaders recognise that the future success of the entity is inextricably linked to the culture. Unfortunately for a variety of reasons conflicts between different groups may have developed and need to be broken down before the financial and people investments in strategic projects can be appreciated. The most successful projects are where the marketing work is integrated from the beginning into the organisation's operations. This is particularly important for marketing direction work which should start with the company's reason for being and values and harness key

stakeholder insights and input. In addition to effectively allocating the internal resources in the development work and to providing a strategic solution, there will also be benefits in terms of the buy in at implementation.

Some organisations operate in silos with the marketing function on the sidelines. Others recognise the value of internal communications and, in large organisations with multiple departments, sometimes place the accountability within the



human resources role and other times within the marketing responsibility. While internal communications is an important activity, problems occur when the strategy development has been done in isolation and is then

communicated internally in a great fanfare. Industry best practice is for multiple stakeholders to be involved in any strategic development process, whether marketing, financial, operations or people strategy is being

considered. The implementation, including internal communications, typically then follows smoothly. This is of particular importance in small and medium size businesses and in the not-for-profit sector where resources are limited and rework should be avoided.

When evaluating the way the firm presents itself and before embarking on a

marketing direction project, it is important to first consider the organisation's strategic framework. And the next question is how to integrate the marketing perspectives into the daily operations.

LOCAL PICTURE PERFECT

Challenges of Change

After seven years consulting to the SME sector it is interesting to reflect on the distinct characteristics of this sector, often intricately tied to entrepreneurship capabilities of charismatic leaders. Sarah Richardson Consulting has handled a variety of assignments across a number of industries and entity types. In spite of the differences in the nature of the work, the common theme of transition typically emerges. Whether a not-for-profit or a state government entity, a small firm or a medium sized enterprise supplying a large corporate, a tourism committee or resources sector manufacturing provider, the Western Australian clients all faced similar questions on strategy,

resourcing and processes and ultimately required consultancy support in identifying and managing relevant change. Whether a project on business planning, marketing direction, organisation design and processes or pricing for profitability, it always came down to making recommendations on the appropriate strategies and an important part of the implementation inevitably involved change management.

An important conclusion is that many of the clients commissioning the work, typically the owner, executive head or Board Chairman, have a remarkable capacity for independent, creative thinking and comfort level with

uncertainty but that a large number of their colleagues and subordinates find setting a strategic direction and handling transition highly challenging. This learning has significantly informed the consultancy's processes in undertaking strategy work and its implementation.

Leaders in small to medium entities consistently appear to have great strategic capacity and flexible thinking in contrast to other employees in the firm who find change difficult. An external advisor can assist by identifying and articulating the appropriate evolution and building acceptance within the entity.

STATE OF BUSINESS INTERVIEW

Ruth Medd, Chair Women on Boards

Ruth Medd, MAICD and CPA, is the founder and Chair of Women on Boards, a national program launched in 2001 to improve the gender balance on Australian boards through skills based selection. Joining her first board in 1996, Medd is now Chair of Australian Ethical Superannuation Ltd, Director of the National Foundation for Australian Women and former Director of The Infants Home, Ashfield and the NSW Casino Control Authority. She is a speaker on topics such as wealth creation, corporate governance and the effects of the taxation system on women. Previously Medd was Executive Director, Australian Association of National Advertisers and held senior positions with Telstra, the Australian Broadcasting Tribunal and the Federal government. Having recently returned from a series of Think Women seminars across Australia, Ruth Medd and I spoke via teleconference on 5 August and discussed her career, the work of Women on Boards and her outlook on business.



Ruth Medd describes Women on Boards as “an agent for change.” With 11,500 members, representing almost five times membership levels of six years ago, should Medd now sit back and enjoy the fruits of her labour? She is doing anything but basking in the glory: the organisation has ambitious plans and Medd is excited about the future. She likens the growth dynamic to a social networking multiplier effect rather than traditional organisation year on year increments. Medd particularly enjoys the requirement for continual reinvention and the ability to make a difference to gender balance on Australian boards. International reach is already on the agenda with many Australian women overseas who may want to return and other markets expressing an interest in the Women on Boards offering.

The original objectives of the organisation have not changed. The recognition of the important younger female market and that networking is only one part of the toolkit, however, have identified the need for additional services. Women on Boards now offers hands on educational programs for aspirant Directors, a director database, promotion of board positions, advocacy and speaking engagements, referral partner advisory services and tailored corporate programs.

Enjoying the variety of her work, Ruth Medd comments there is no typical day. In the office she might handle a range of board related activities including board paper review, online research, conference calls and strategy development. Out of the office Medd could be facilitating an industry event, guest speaking at a conference, attending a board meeting or presenting a Women on Boards workshop. Describing herself as a “jack of all trades”, she says

she’s found a niche which seems to be in demand and valued.

“I enjoy the differences and the similarities of my board positions. There are themes that run through the work such as broad, intuitive thinking and governance. I like the sense of achievement and of making a difference. Particularly if it means getting my hands dirty.”

Women on Boards has allowed Medd to give people the market intelligence, provide the appropriate strategies and ensure they have the right pitch to present themselves as directors in waiting rather than as executives. When asked about the diversity of Women on Boards members, she indicates the geographic breakdown is consistent with the spread across Australia. In terms of membership type, a third run their own businesses, another third work for large corporates with more than 200 employees and the final third are involved in academia, the public sector and directorship roles. According to Medd it is straightforward to identify board opportunities in public companies, government entities and not-for-profits since these organisations are most visible and typically more transparent than others, but they also tend to be regionally concentrated such as most of the ASX 200 companies, predominantly New South Wales and Victoria based. It is more difficult to locate and match board opportunities in private companies and start ups, as well as in some regions sometimes due to lack of information or a desire for board composition to reflect company ownership.

As part of her role as Executive Chair of

Women on Boards Medd is currently thinking about how to help Australian organisations respond to the ASX Corporate Governance Guideline #3 regarding the requirement for a diversity plan and reporting on the number of women in their company. Many ASX 200 companies are already embracing this Guideline but Medd hopes to facilitate activities for other organisations to follow such as ASX 500 companies, not-for-profits and start up firms. This is a direct result of calls for assistance from small mining businesses that have been referred to Women on Boards. “Women on Boards appears to be having an impact. It is often the commentator of choice for the media regarding diversity. We’re seen as having something worthwhile to say. Our advocacy offering is in demand and now an important part of our mix.”

When asked about advice to government, Medd notes that education is the greatest driver for sustainability and that infrastructure is next on the list. She indicates that government is highly aware and facing the issue of how to build and keep talent in the region and the workforce. In terms of advice to Directors in the SME sector, Medd recognises that small to medium sized businesses are having a tough time. She suggests to take the best practices from large companies including sound financial management.

*My top tip to SMEs is to consider appointing an Advisory Board. This means no loss of control for the Directors. And some useful strategic skills and governance approaches which can add significant value.”

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Sarah Richardson Consulting was established in early 2004 to provide sales, marketing and management consulting for small to medium sized firms. The consultancy offers business advice to Managing Directors and owners who may not have a full time senior marketer or who are looking for an objective outside review.

The company provides consulting on:

- Sales & Marketing
- Organisation Structure
- Forecasts & Budgets
- Purchasing
- Acquisitions Integration
- New Business
- Supplier Management
- Profit Optimisation

Sarah Richardson, the sole Director, has held senior sales, marketing, strategic planning and general management positions over 18 years in the following business-to-business and consumer branded companies:

- Kellogg's (Australia)
- CCH (Australia)
- Johnson & Johnson (Australia)
- Yoplait (France)
- NutraSweet (USA)
- British Petroleum (New Zealand)

Prior to Sarah Richardson Consulting, she managed for three years the national sales, marketing and customer service functions for a medium sized family owned importer and producer of craft products distributing to many small retailers and large chain stores across Australia.

Qualifications include:

- MBA (Honours), Marketing/Finance, University of Chicago Graduate School of Business, USA
- BCA, Business/Accounting, Victoria University of Wellington, New Zealand
- BA, English Literature, Victoria University of Wellington, New Zealand
- CPA and CMA Exams, Society of Chartered Accountants, New Zealand
- Teacher's Drama Diploma, Trinity College, United Kingdom
- Australian Institute of Company Directors/Women on Boards Corporate Governance Scholarship

Sarah Richardson is an active member of:

- St James Ethics Centre (Head of Marketing & Communications; Chair, Content Committee; Member, Membership Committee)
- Australian Marketing Institute (Associate Fellow, CPM)
- Australian Institute of Company Directors (GAICD)
- Women on Boards

DOLLARS & SENSE

Sustainability & Triple Bottom Line

Sustainability is the current mantra in Australian industry and, while there is recognition of the concept of triple bottom line reporting, many organisations focus on the financials and some incorporate measures of environmental sustainability. The people side of sustainability is important too and sometimes seems to be forgotten.

The organisation structure and processes may have worked well at foundation or during the first stages of the entity. Are those factors most relevant in the current

situation? Has the business been successfully growing and is expansion an option that needs planning for? Is the founder wanting to retire and are there family members who seek senior roles within the firm? Does the owner want to sell the business as a going concern and reap some financial reward for many years of hard work? Do the current organisation structure and processes match its size or complexity? Has the marketplace changed and has the firm kept up with the evolution in competitive dynamics and customer requirements?

Sustainability of people is about more than measurements of turnover or even broader indicators of morale, as important as they are. Organisation structure, roles and staffing, whether by employees or contractors, are important. The efficiency and effectiveness of processes should be considered and, when not working well, improved. Succession planning is paramount. Whether a firm wants to do its own human resource planning or hire an external advisor to do it for them, the first move should be to think about the goals.

