Welcome to the July edition of The Leader.

PREPARING LEADERS FOR TOMORROW’S CHALLENGES
Welcome to the July issue of The Leader. In our changing and volatile economy, productivity is essential, but we also need to innovate and put business excellence into practice.

In this issue Brenton Harder is not afraid to give you the bad news. He takes us through the process transformation that is delivering big results at CommBank. Dr Steve Brodie explains how UNSW Innovations is making technology a reality for business by working effectively with “intrapreneurs” and collaborators.

And finally, AGSM Program Director, Paul Walsh, introduces the Lean Six Sigma Master Black Belt Consortium. He discusses how the consortium will help merge innovation and productivity.

We hope this issue delivers insights that are relevant to your strategies and productive outcomes.
COLLABORATION IS THE COOL KID
Dr Steve Brodie, Open Innovation Manager at UNSW Innovations, highlights the links between university discovery and smart application in society.

“Our mission is pretty simple,” says Steve. “The university has some of the smartest minds in the world and our role is to put their knowledge to use for the benefit of society and the economy.”

Having said that, we’re not about commercialisation, but rather **collaboration**. It takes a 21st century mind set and links the forces of transformational leadership, knowledge, and innovation with productive outcomes.

But it takes two to tango. And the first step in the elaborate dance is taken by the intrapreneur.

Intrapreneurship – no, it’s not a typo it is the driving force of innovation in organisations today. Intrapreneurs are like a gift of pure gold in the workplace. They are constantly on the prowl for new and innovative ideas. Let’s call them ‘opportunity hunters’.

Opportunity hunters are characterised by their innate curiosity. They have similar thinking to the entrepreneur, but they’re scanning for opportunity that will benefit their own organisation.

Don’t get the idea they’re not ambitious - they are - but their ambition is aligned with their desire for good corporate outcomes. As for the status quo, well it’s just there to be challenged.

In their inquisitive style, intrapreneurs wonder what can we as a company do differently? Are there new products or services to explore? Maybe a totally new business model?

When the opportunity is spotted, the intrapreneur then rallies the team and garners the support he or she needs. Intrapreneurs create the case for change – or at the very least, exploration – and influence and build support for the resources they’ll need.

Steve says this new breed of innovator is very smart. “Intrapreneurs realise they can’t run their projects and bring them to fruition in isolation. They must take others on the journey. They must be **collaborators**.”

Innovations don’t have to be technology based. “But they must create value for the company,” explains Steve. “It might be a new revenue stream, a method of attracting new customers, a social benefit or a productivity initiative. It’s the opportunity that attracts their attention.”

Steve says the intrapreneur is a good person to have around. “They’re story tellers, passionate about ideas and very engaging. They’re not critical of others, just driven by their big picture of the world and trends that are likely to impact their company in the future.”

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“**LEADERS ARE RECOGNISING THAT NOT ALL THE SMART PEOPLE WORK FOR THEM. OPEN INNOVATION MEANS LOOKING OUTSIDE THE ORGANISATION FOR HELP TO DELIVER A PROGRAM.**”
And that’s the space UNSW Innovations is working in. Steve says his role is to help facilitate the transfer of technology and innovation developed at the university into meaningful applications.

For the first time, private organisations are stepping out from the cloak of secrecy to share information. Steve says they’ve realised it is not a sign of corporate weakness to ask for help.

He adds that business was particularly reticent to work with universities in the past. Concerns ranged from intellectual property rights to legal implications and a perception of unworkable bureaucracy.

“UNSW Innovations has eliminated all of these issues,” says Steve.

Easy Access IP was launched more than three years ago and has changed the game. “We’ve granted 35 licences to private enterprises wanting access to our knowledge and researchers,” he says.

“It’s a bold new model of collaboration. It’s giving companies access to world leading research and technology from UNSW Australia. The only obligation is that they do something cool with it – and they tell the world where it came from.”

Steve laughs that it’s hard to argue when the IP comes free of charge. “And it’s free forever. There’s no back-end royalties.”

The onus is placed on the business to create value for society and the economy. If it can’t do that within three years, the licence is revoked. It’s an amazingly simple and effective model.

The other initiative by UNSW Innovations to foster collaborative innovation is the Innovation Sandpit. “The sandpit provides structured innovation sessions between industry and researchers. On a joint area of interest, we work together on real-time problem solving.”

More than 60 sessions have been held in the last two years. Big players such as Cochlear, 3M and Merck have come along, as well as small start-ups. BlueScope Steel’s Mark Eckermann said his organisation’s participation in the sandpit brought a “fresh, new perspective to insight gathering and idea generation.”

“IT’S A BOLD NEW MODEL OF COLLABORATION. IT’S GIVING COMPANIES ACCESS TO WORLD LEADING RESEARCH AND TECHNOLOGY FROM UNSW. THE ONLY OBLIGATION IS THAT THEY DO SOMETHING COOL WITH IT – AND THEY TELL THE WORLD WHERE IT CAME FROM.”
Cook Medical (medical devices) believes the sandpit has established a relationship with UNSW researchers that will be “long and prosperous” for both parties and construction giant Brookfield Multiplex found it an “innovative way to solve tough issues.”

Steve Brodie is genuinely excited by the vision that drives Easy Access IP and the Innovation Sandpit. “I love the ambitious nature of UNSW and it’s great to be part of it.”

“It gives you optimism for the future,” he says. “We’re going to be facing really big problems around energy, ageing, health and climate. We need big thinkers and effective collaboration if we’re going to solve them.”

UNSW Innovations has taken the university’s innovation and technology to the playground. What amazing collaborations will take place as the world comes to play?

UNSW INNOVATIONS IS THE GATEWAY TO RESEARCH DISCOVERIES AND INVENTIONS CREATED AT UNSW AUSTRALIA. TO FIND OUT MORE VISIT INNOVATIONS.UNSW.EDU.AU

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EXAMPLE OF CEMD PATHWAY

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Brenton Harder drives productivity at CommBank

GM of Group Productivity for CBA, Brenton Harder, took time out this month to talk to The Leader about his mission to improve productivity at Commonwealth Bank.

Brenton Harder drives productivity in large organisations all around the world. For the last three years, he’s been building a continuous improvement culture at the Commonwealth Bank that is giving productivity a major boost.

Brenton is methodical about his approach to business transformation. He puts that down to his curiosity and need to understand data.

“I want to understand how processes work, unpack them and really understand what’s going on in the business,” he says.

If he’s going to tell a team of people their output is not as good as they think it is, he needs the data to back up his claims. “The art is in being able to leverage the data to get a better outcome.”

He admits it takes courage at times to give people the bad news. “But like a good player:coach, if you get out there and demonstrate how the team should play, you get the respect of the team and the points on the board.”

It’s not all about science and data though. It’s also about the simple things.

Brenton came into CommBank with a mission to improve productivity by driving capacity, creating capability and fostering a culture of continuous improvement.
The first step, he says, was to establish the foundation of “what ‘good’ looks like.”

“If ‘good’ is applicable and meaningful to the employees, and if you teach them how to achieve ‘good’ they will embrace it,” he says.

“Productivity is about the things employees do every day. It’s the way they operate. The simple, everyday tasks that ultimately impact the customer.”

Think of it like the Karate Kid’s training: wax on, wax off. By embedding productive habits into his everyday training, they became a normal (but heightened) level of performance.

The culture of continuous improvement was supported with the mindset of “plan, do, check, act”. Or as Brenton suggests, “getting it right first time.”

Brenton says beauty (or quality output) is in the eye of the beholder. “It’s defined by the customer’s assessment of your speed, defects, or delays. To improve productivity, you need to deliver more of the quality with fewer inputs.”

“Anything the customer is not willing to pay for is waste, and that hits your productivity.”

Keeping the customer happy, with fewer inputs, is delivering substantial savings. In 2014, Chief Financial Officer, David Craig reported productivity savings of $280 million – that’s $60 million more than financial year 2013.

We await the 2015 final result with anticipation.

When quality is part of the job, Brenton says employees feel empowered because “they’re doing more value-added work. Everyday processes have more meaning.”

Productive employees, delivering quality output produce happier customers. The improved efficiency enables better service reinvestment in the business.

The gains at CommBank are tangible. “We can see it and feel the difference,” says Brenton. “You can’t walk around the bank without bumping into a huddle. Everyone is talking about continuous improvement.”

He says “the changes have been practical and visible. And also rewarding because you can see the benefits for customers. We’ve made things simpler and easier for our customers and each other.”

And that’s exactly where there is so much to be gained – in the simple things we do in our businesses every single day. Getting every process and muscle tuned is the first step on the path to excellence.

BRENTON HARDER IS GUEST SPEAKER ON THE MASTER BLACK BELT PROGRAM. TO FIND OUT MORE VISIT AGSM.EDU.AU/MBB
“PRODUCTIVITY IS ABOUT THE THINGS EMPLOYEES DO EVERY DAY. IT’S THE WAY THEY OPERATE. THE SIMPLE, EVERYDAY TASKS THAT ULTIMATELY IMPACT THE CUSTOMER.”

Brenton Harder
WHERE INNOVATION AND PRODUCTIVITY COLLIDE
Paul Walsh is taking the methodology of Lean and Six Sigma to a whole new level with the Master Black Belt Consortium. We spoke with him about how this program will produce the next generation of thought leaders.

Time is money; so if you reduce the amount of time spent on processes that take longer than they should, you save money and improve productivity.

Paul says there are two warning bells that sound for him the opportunity for productivity improvement. “Whenever I hear ‘rework’ or ‘waste’ my ears prick up,” he says. “A rework is additional effort because a task wasn’t done correctly the first time and nobody benefits from waste – not the customer or the business.” Both consume money and resources that could be used elsewhere, so it’s critical to fix them.

Most managers understand the link between productivity and profitability but too often they go for the ‘technology’ rather than the ‘people’ solution.

“It’s easier to calculate the return on investment with technology,” says Paul, “but it’s more difficult when you’re building people capacity. The return on the investment in training and coaching to help people lift their own productivity is harder to measure.”

“Lean is the program that builds operational excellence. It makes sense for companies to leverage the great asset that is their people, but because it takes time, some companies won’t take the longer term view.”

AGSM’s globally recognised Lean and Six Sigma programs are at the essence of the continuous improvement culture. “It’s a slow burn strategy and you need powerful leaders to make the investment,” says Paul.

“Leaders who take the leap of faith and give their people the opportunity to change the way they work will reap the rewards.”

The Master Black Belt Consortium is UNSW’s own piece of innovative collaboration.

In conjunction with Commonwealth Bank, the program is building a consortium of thought leaders in productivity. The participants are all Lean Six Sigma Black Belts and will take their strategic assessment skills to a new level. They will be placed with host organisations to assess their existing productivity programs.

“We’re building a community of business leaders who will take the productivity agenda forward,” says Paul. “Most productivity issues are around process and systems. People don’t come to work to do a bad job. So if we’ve got productivity holes, the problem is probably
“LEAN IS THE PROGRAM THAT BUILDS OPERATIONAL EXCELLENCE. IT MAKES SENSE FOR COMPANIES TO LEVERAGE THE GREAT ASSET THAT IS THEIR PEOPLE. BUT BECAUSE IT TAKES TIME, SOME COMPANIES WON’T TAKE THE LONGER TERM VIEW.”

with the work environment and process rather than the people.”

What Paul would like to see is more grass roots collaboration between the productivity guys and the innovators. “There’s a view that ‘the innovators do the creation’ and the ‘productivity people do Lean’ and never the two shall meet.”

He says, however, there is an obvious connection between innovation and process improvement. “Think about a product that’s had a ‘soft launch’ and bombed. Basically, the soft launch is an experiment. It turns out the customers hate the product, or the service is full of bugs.”

“Why? Because there wasn’t any collaboration between design and delivery.”

Paul says this type of thinking has to change. “It’s common sense, but not common practice,” he says. “It is possible to have a ‘wow’ product with good delivery systems.”

“Bring the Lean Six Sigma guys in at the beginning so the new product works right first time.”

“Collaboration identifies the strengths and weaknesses. It ensures that what is produced is of great value to both the customer and the business. That’s our thinking. That’s how Innovation and Lean Six Sigma is merging.”

Paul says to achieve this merging of minds requires close attention to our Australian culture. In particular, the aspect of mateship.

“Very few managers talk about building the trust of the workforce. Once you’ve got the trust, you can build the process. It’s not a technical barrier. And if it is a people barrier, then point the finger at under-investment in training.”

“As a business school, we’re thinking about the future. Collaboration has to hang over everything. Whether it’s an existing process or something new, we need to bring people together at all stages of the improvement process.”

“AS A BUSINESS SCHOOL, WE’RE THINKING ABOUT THE FUTURE. COLLABORATION HAS TO HANG OVER EVERYTHING. WHETHER IT’S AN EXISTING PROCESS OR SOMETHING NEW, WE NEED TO BRING PEOPLE TOGETHER AT ALL STAGES OF THE IMPROVEMENT PROCESS.”

“Dr Paul Walsh is the AGSM Lean Six Sigma Program Director. AGSM Executive Education’s Lean Six Sigma solutions offer globally recognised certification in Yellow, Green and Black and Master Black Belt.
To find out more visit agsm.edu.au/leansixsigma

“We’re very excited about our joint initiative with Commonwealth Bank and we think the Master Black Belt Consortium will help bring innovation and productivity together.”
## UP Koming AGSM Courses

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