



Take on Board

Transcript – Denise North

Helga Svendsen 0:00

Today on the Take On Board Podcast, I'm speaking to Denise North about two things about the WOBSX program and also getting some of her reflections about the current shift into society's expectations of business. First, let me tell you about Denise. Denise is the chair of the advisory board for Catherine Henry lawyers, chair of the audit and risk Committee for the Australian society of orthodontists and chair of INSEAD Alumni Association, Australia and New Zealand and also Chair of Streetwize communications limited. She has previously been on the external Advisory Committee of Sydney University Department of government commissioner and chair of audit and risk at the Australian Fisheries Management Authority and also Chair of the Council for International House part of Sydney University and Deputy Chair of Armidale Development Corporation. Denise has an MBA, a Bachelor of economics and an international governance certificate from INSEAD. She is an Honorary Fellow of the University of Sydney, and her executive career has spanned listed professional services, government and community sectors. Denise has started business, grown them, change them and sometimes ended them. Welcome to the Take On Board Podcast Denise.

Denise North 1:18

Lovely to be with you.

Helga Svendsen 1:19

So, Denise, before we talk about expectations and business and the WOBSX program, as always, I would love to dig a little bit deeper about you. Can you tell me a story about young Denise that tells us a bit about how you got to where you are today?

Denise North 1:37

Sure, this is an interesting one that someone asked me a similar question a little while ago, and I started to think about where my journey to boards started. And I recall that a primary school group of friends and you have to have a club when you're in certain ages at primary school and, and we had a club and we used to meet in somebody's backyard not too far from school. And I suddenly remembered that this club that I was a member of we had a written constitution and a set of rules. And that was me in primary school Club. I have no idea how long you write the Constitution. Exactly. It was just about being being our little group of friends that did things on weekends. And I thought

that's a bit weird, actually. But it's about I suppose being instinctively interested in organizing things. Well.

Helga Svendsen 2:35

Interesting. I love that. So you know, the first constitution and rules of the club, probably board meetings in somebody's cubby house here, they and everywhere. And I also noticed that not only did you form your club in the Constitution, which was probably your first experience of governance, but your first board was also school Council, which was also one of my first boards. Can you tell us a bit about that experience as well?

Denise North 3:03

Yes, it was an interesting one. And it's only when when you look back, you think that it might be strange, it seemed perfectly natural thing to do. In fact, the school wasn't a very old school, I joined in year seven. And in my year seven, we had our first year 12. So it was a it was a relatively new school at the time. And it wasn't very large. And when I got to year 11, the school decided that it would institute a student council and called for people who were interested and I put my hand up and and there was that was just again, it seemed like a natural thing to do to sit around with people and have a conversation around where you were headed and how you would get there.

Helga Svendsen 3:45

I can tell Denise, that you're a joiner, as my friend would say. She calls me a joiner. It's like, whenever there's something you're a joiner, you just put your hand up and join it. And it sounds to me like you might be a joiner as well.

Denise North 3:56

This is true, I used to call it volunteers disease, which was a bit of a habit that if you saw something that needed doing, and it looked as if there was a gap, that one felt compelled to step into the gap. Yes. And it's still the case, although I have to say that I have consciously curbed that enthusiasm a little. And that's for a couple of reasons. One is how much can you do properly. But the second thing is I'm spontaneous and impetuous by nature. And so I think my perception of a gap might actually have been there could have been two or three other people prepared to step in, but there wasn't time.

Helga Svendsen 4:37

Sometimes leaving, you know, leaving the silence hanger means that somebody else will step up rather than you having to I love that spontaneous and tempestuous. Also fabulous characteristics they have I think. All right. Well, look, let's enjoy our conversation today. There's two things that I would love to talk about. Firstly, I know you're a participant in the WOBSX program and then We'll talk a bit more about the society's expectations of business. But firstly, let's start with the more basics program. And what is it? And what prompted you to do it?

Denise North 5:10

To do it, right? So look, it's a program that women on boards in Australia runs, and they run. It's been running for a number of years now. And they run a number of syndicates, there were 13 in our syndicate, which I think is the usual kind of number. And there's a chair and there's some structure and organisation around the program. And it's a program which has as its objective, helping participants to find seats on ASX listed boards. So the reason that I decided to do it, and it's an interesting one, because here I am talking you today about boards and things and I have had fairly extensive experience on boards. But in the commercial realm, apart from the current advisory board that I'm doing in the commercial realm, the boards that I've been on have been boards of businesses that I've owned. So making that transition from public sector boards, to commercial boards, and certainly in the in the listed space, it has been an interesting challenge. And I was very conscious of the fact that some of the roles that I have at the moment are coming to an end over the next year or two. So looking forward, so I thought, let's give that a go.

Helga Svendsen 6:20

Okay, and how do they even do the intake for the program? How, what's the process for that?

Denise North 6:27

There's an application process. So the program is featured on the women on boards, website and things and you you get in touch and have some chats with people about why you're interested. They are selective in terms of looking for people who they feel ready for this step. Yeah. And then putting together groups of people and making sure that they have the right kind of person to chair each of the syndicates. So the the chair is an experience as ASX director.

Helga Svendsen 6:54

Yes, you know, it's not a startup program, it's not your start out find your first board program by the sounds of the people who've got some governance experience and to leverage that into listed

organisations. That's a subjective Yes, that's right. Oh, so many questions about that. So you've got a chair, who chairs it for you, there's 13 of you in the group, what happens? How does the group work?

Denise North 7:19

We make meet on a monthly basis, and the meetings are a combination of exchanging ideas, but mostly most of the meetings, we've had a very broad range of guest speakers and presenters who again, have had some extraordinarily experienced wise and learned people coming along, and also a series of introductions to people in the search area and other service providers.

Helga Svendsen 7:42

And so it's a monthly for what a year?

Denise North 7:45

Our syndicate ran from, I think we started in year to 12 months, we November, I think, will maybe be earlier than that, and then went to we've graduated in the August, except we were our syndicate went across the COVID commencement. So we've actually had a graduation in person in March this year. That's exciting in person was exciting to be able to get together again, physically here.

Helga Svendsen 8:10

So for your cohort, your gang of 13, that auspicious number, this came about because I spoke to Jane Crombie, who's also been on the podcast who I understand part of your group. So I imagine you're a group.

Denise North 8:22

That's correct. We're in the same group.

Helga Svendsen 8:24

Yeah. And so tell me about the, you know, just have a group comes together and what the dynamic is like, there.

Denise North 8:32

It's interesting, it's the usual kind of thing when you first meet interestingly, I'd I previously knew one and a number of the groups knew each other, and then you discover connections as well, when other participants so we also combination of what was prompted and what we did on our own, was decide to get together for coffee and or lunch. And before and after the sessions in the formal sense. Now I'm normally some drinks afterwards. This was in pre COVID times. And the other thing that has happened that's been really powerful with our group, and I don't know if this is a comment about the group or a comment about being in the COVID space, but we meet twice a month via zoom twice a month. Well, those who are available. And we've continued to invite interesting people to come and talk to the group

Helga Svendsen 9:19

On the program side before we move on to the other topic, but on the program side, what should I ask you that? I haven't yet?

Denise North 9:25

That's a good question. All of these programs have a lot to do with, obviously, who's chairing I've encountered a number of people from some other programs and everybody has agreed that the chairs have been extremely good. And then the way the groups work together. The comment that I'd make I think that is possibly the most interesting is and I listened to one of your recent podcasts from the woman who was speaking about the ownership matters report.

Helga Svendsen 9:54

Ah yes about directorship. However, I knows everywhere. That's a small pond. They all hang out together.

Denise North 10:01

Yep. And it was interesting because we did meet some really interesting people. And there was some very interesting things. But we did hear quite a number of times people telling their story of their journey to ASX boards, which was a version of, I was very lucky when I was young, someone tapped me on the shoulder. And that's great. But as a template for, for others to follow, given that it's not something one controls, so that message of the closeness of the group that is there, and it's a reality, which I think everybody's very aware of, and part of the reason why the program even exists, it's not dispelled.

Helga Svendsen 10:50

Yeah, it's interesting. Isn't that good? Because, like, right, you got tapped on the shoulder here? I haven't been so what does that mean, for me? In fact, when did your group finish formally? August, August of the 13? Have any of them joined in an ASX board yet?

Denise North 11:05

I don't think yet, but there's some some good leads and some good conversations. And that would be a very short time. I think the aspiration for the program is within a couple of years. Okay.

Helga Svendsen 11:13

Yeah. I imagine. Yeah. If you'd said yes to that. I would have been a little surprised, I think and would probably have been from a connection that it started prior to the program probably.

Denise North 11:23

Could well be and the thing too, is, there's no program of that kind. I don't think that can guarantee that kind of outcome.

Helga Svendsen 11:32

Yeah, just starts to build some of the techniques. I guess all the tools, having the tools in your toolkit.

Denise North 11:37

Certainly focuses the mind very much on those elements of the process that you can influence. Yeah.

Helga Svendsen 11:43

Hmm. Excellent. All right. Well, thank you for giving this that overview. And I will make sure I also put a link in the show notes to that episode with Jessica Wallace from Ownership Matters about that, the insights that their organisation got, and on the report of connections, I guess, around ASX boards, there was some really interesting stuff in there. I thought. On to the second topic, you want to have a chat about there being a bit of a shift in society's expectations of business. Tell me what is the shift that you are discerning there? What What have you observed?

Denise North 12:20

Well, it's interesting what I observed, and I've been watching it for a few years now, though, one of the things that I do in my portfolio of activities is deliver some programs for the Institute of Company Directors. So I get to speak to rooms full of people about governance issues, and about board composition, and some of those questions. And I think one of my first noticing of a changing conversation was a few years ago, a few years ago, and I've told this story to a few people. But I was at a lunchtime seminar organised by an organisation that supports superannuation funds. And the then shadow finance minister, Chris Bowen was addressing the group. And he was talking about superannuation funds. And he said something along the lines of, I want to talk about the obligations that superannuation funds have. And then he sort of, you know, pause, comma, beyond the obligations that every business has to society. And he just went on with the rest of his sentence, and nobody in the room appeared to blink. And I thought, well, that's an interesting comment, to pass as normal. And it didn't strike me a few years ago as a comment that most people would think was normal. Because the classic approach to the duties of directors is to act in the interests of the company. And that that is how they discharge their duty. And that is their primary responsibility. And most people will interpret the interests of the company or certainly, historically, we've interpreted the interests of the company as the interests of shareholders, and a few other things that was starting to change. I was noticing, observing the Royal Commission into banking and finance. And the expectations that clearly had not been met by some institutions and the way that everybody was talking about that, and a common acceptance. Another thing you mentioned down inside, where I studied in where I'm still connected, and that's a leading international business school where the Dean's motto tagline, whatever for his Deanship his business as a force for good. And the other thing, just, I think, a couple of years ago, you look at the Institute of company directors, what's its vision, and its vision is creating better societies through good governance. And you just think, well, that's kind of interesting. Now the first time I started to talk about these things in in some of the groups, the programs, you can take a pretty cynical view of each of those different things you can say, Well, you know, Chris Bowen, that was an ideological statement from a socialist and other people. It's a bit of spin, but I actually think it's not and I know that you were at the governance summit a couple of weeks ago, in the beginning of March, in Sydney, and again struck me that there's not even there doesn't even seem to be a conversation anymore about the proposition that business has obligations to society. If any business fails to meet those obligations, they will cease to exist.

Helga Svendsen 15:18

I share your view, I wasn't at the Chris Bowen, one. But certainly, the outcomes of the particular financial services Royal Commission and other commentary around these things does seem to point to a changing expectation. And I was, I think I said this on the podcast when I did a summary of the Australian governance summit, one of the speakers at the governance summit, Rebecca, someone I couldn't be here soon, and a woman from Harvard, if so around around business, and was very well, shall we say firm about her view was that we absolutely need capitalism, we absolutely need business. But it's not just about making money. It's about doing good for the world. So as a director, how do you think those changing expectations impact in the boardroom watching board directors be thinking about with those changing expectations?

Denise North 16:13

I think that it means and I think this is becoming much more accepted is that directors need to think much more broadly about their role and their function and how they act in the best interest of the company, which needs to be in a way that makes sure that the company is sustainable in the long term against a number of criteria. And of course, the most obvious that everybody goes to is financial sustainability. And of course, that's critical. But even just the conversation around the fact that risk committees are looking at you having a focus on finding people who can help them with non financial risk. They shouldn't be radical ideas. But it's just interesting, the way that that broader perspective on how you the role of an organisation and the sorts of decisions. Someone at a program recently actually asked me a question about how do you see that difference in things manifesting, and we were talking about COVID. And the effect that it's had on supply chains, and how many organisations and businesses in the country generally are thinking around, perhaps we need to be self sufficient in some different areas. And I told a story of, of an Australian company that's very well known in the furniture space, who manufactures every part of their product in Australia, and has done for a large amount of time. And it was really interesting, because I was having a conversation with someone who knows someone and said, you know, well, that's really surprising, you know, the economists would tell us, it's not possible to do that how to make a profit. And the the response was, it's a family business, will they make quite a lot of profit? And yes, they would probably make more if they shipped some of that core component manufacturing offshore. But they don't want to, it's not just a question of how much profit you make, but the way that they behaved and manage the business and deal with their people. And everything like that comes through is a very strong position.

Helga Svendsen 18:11

Yeah, it's their financial lens, it doesn't always have to be what is going to make me the most money, it's more what is going to build me the best business gets.

Denise North 18:19

I like to the professor that you mentioned, I loved her analogy when she spoke about the changing the capitalist approach. And she said that the good analogy was about needing to breathe, and she said, for a person we need to breathe, but breathing is not our purpose. And for a company again, of course, you need to make money, but making money doesn't need to be your purpose. Absolutely. Like,

Helga Svendsen 18:44

I'm only a sole trader, I'm not even a company. But I do often think if I sat down with a, you know, business coach, or advisor or whatever, they would probably look at the business that I run and go Helga, you know, you need to find your niche, you need to really focus and I'm like, that I'm having fun. I love doing all these different things. And yes, I could be more efficient. But I actually just want to do what I love. And if that is having a bit of a fun of things, then and that's what makes me happy, then that's okay. So I guess it's that at a much broader level for organisations as well. And it sounds like the family business, you're referring to had a bit of that. We just want to do it this way, because it's the right thing to do the right way to do it. Hmm. And it's interesting, I think, in terms of boards generally. I mean, you mentioned before that it's that broader perspective. And I think, I mean, you know, listeners to this podcast, we're always talking about diverse boards and how diversity is a powerful thing. And I think having that broader perspective in the boardroom, so you don't just have a board of just lawyers, not just accountants, not just, you know, the former CEO or CEO from a different one, but you've got people who represent the customer perspective, who might represent even some of the staff perspective, the broadest perspective you have in the boardroom, the more likely you are to have this sort of business that might take into account unsurprisingly, a broader perspective of views and factors. In doing, oh, I knew this would happen the time always goes way too quickly. So we've covered off on at least well, we've covered off on two topics, but a whole bunch of sub topics within each of those. What are the key points you want people to take away from the conversation that we've had today?

Denise North 20:30

I think having the privilege of sitting on a board and helping to set the direction and manage the governance of an organisation is just a fantastic thing to do. I also often say to people that if you don't have an appetite for being held accountable for the actions of others, then possibly it's not for you.

Helga Svendsen 20:49

Yes,

Denise North 20:50

That has to be the essence. And it's very interesting to just look at Canberra right at the moment. That has to be the essence of the notion of governance, I think is being prepared to put things in place so that you're confident that you can be held accountable for the actions of the people in the organisation. And that's, that's your job. So I think that's really important. I think, clearly the way we go about businesses, judging the success of a business and the role of the business is definitely changing. We're at a very interesting point, I think in history in that regard, and there'll be more changes, disappointingly, some things that are not changing. seem to be we seem to be unable to unstick ourselves from the processes of how we go about deciding who should sit down those tables.

And some things are changing a little bit, but it's a bit like, again, the analogy with the other conversations that are going on at the moment, perhaps they need to change a little faster.

Helga Svendsen 21:48

So is there a resource you would like to share with the take on board community?

Denise North 21:52

I yes. I think it's a good idea. Put the put the link to the women on boards WOBSX program?

Helga Svendsen 21:57

Oh, absolutely. Yep. That in the show notes.

Denise North 22:00

Yep. And I think I'm also the previous podcast that you did with Jessica is very interesting. In fact, I'll pop a link to that in the show notes. And there is she mentioned a tool, kind of like LinkedIn for journalists, basically.

Helga Svendsen 22:18

And, folks, if you're interested in that, that's in the show notes to her episode, you need to go to the article that she links and then that will take you to the tools. So that will be there as well. Oh, fabulous. Thank you so much. I'm so glad we got to rerun into each other at the Australian governance summit just a couple of weeks ago. It was fantastic. And thank you for giving your time today to be on the Take On Board Podcast. It's been just fabulous to have this conversation with you. So thank you.

Denise North 22:46

Absolutely delighted. Thank you.