

Take on Board

Transcript – Ellen Hooper and governance of a lifestyle business.



Helga Svendsen 0:00

Today on the Take on Board podcast, I'm speaking with Ellen Hooper about the governance of a lifestyle business. First, let me tell you about Ellen. Ellen is an executive coach and leadership specialist. She and Michelle Mangueret co founded the growth collective, a company that specialises in leadership development for new and emerging leaders. She's at the start of her board career as both an executive director with The Growth Collective, and a recent appointment as a non executive director on the board of early childhood management services, ECMS. Ellen is also an Integrity Commissioner with Cricket Victoria, and recently appointed to the Merit Protection Board in Victoria. Welcome to the take on board podcast. Ellen,

Ellen Hooper 0:42

Thank you so much for having me.

Helga Svendsen 0:44

Oh, it is awesome to have you here. And I'm so looking forward to this conversation about, you know, lifestyle and governance. It's not often a conversation had. However, before we go there. As always, I love to dig a little bit deeper about you. So tell me about your upbringing. What lessons did you learn? What did you get up to? What were the leading influences on how you thought and what you did?

Ellen Hooper 1:08

Yeah, thanks so much. I've been thinking about that a bit. And I've been thinking quite a lot lately. I've got a two year old and a five year old and my almost six year old is in their first year of school. And we've just been exposed to the first time to the school fete the governance around the school fete. And it really made me reflect. So I grew up in Western Australia, with two exceptional parents. My dad had a very traditional leadership position, he was a partner in an engineering consulting firm. And my mum was at home with us all the time. But she was also the president of every single parents and friends committee of every single kindergarten and school that I ever went to. I've been thinking about the school fete a lot at the moment. And I've really been reflecting on how much I learned to that leadership from my mum. And in particular, how that influenced my ideas about the

connection between leadership and contribution. And I think a lot in the governance space, that that's a driver for a lot of people. It's definitely a driver for me and my interest in a board career and, and in board roles. Yeah, it's interesting thinking and, you know, we're going to talk a bit about The Growth Collective and how that came to be. But I had been really quite determined by looking for my first board role, and I had been doing all the things that you're meant to do, you know, I have been networking, I had been trolling the various posting websites, I have been applying for roles. And of course, The Growth Collective was something I was doing on the side. And when it started, and it became clear that we needed a shareholder agreement, and we got the first draft, I kind of went, I said to Michelle, my business partner, I'm gonna get my first board role. All right, yeah. And it's, it's interesting that the connection between leadership and contribution, it's a big part about why we started The Growth Collective, as well as being really passionate about those leadership skills in the early years of leadership and kind of seeing across our experiences, both in organizations and as consultants to organizations that that tends to be, I guess, an underinvested area of development and feeling really passionate, that those skills early in a leadership career are actually really, really impactful for the people who work with you. And they're really, I think, the cornerstone of having diverse and inclusive workplaces where belonging is really fostered. And it's

Helga Svendsen 3:56

Interesting, isn't it? I often hear from guests on the podcast that those family influences were part of, you know, what builds them? unsurprising, really. But it's interesting, isn't it? That you know, your mother's the one that's running the school fete. And now here you are, years later doing the same and thinking about the governance of that because schools, early childhood, school fetes, there's so many governance issues in there, you know, what's the financial sustainability? What are the risks? What's the people and culture of it? How inclusive is it? All of those things? I often hear people say, Oh, it's just the school council. It's like, don't give me just the school council. There is a lot involved.

Ellen Hooper 4:37

Probably one of the trickiest organisational impacts because the other thing that happens with volunteering is we don't always get to align capability to need to, and that can be tricky. Yes.

Helga Svendsen 4:50

I was interesting. Did you say I think you said you've got isn't one or two kids,

Ellen Hooper 4:54

Two years older who's two and a half and I like to say that she tantrums like a CEO. She is got some great, great leadership skills which, you know, I both would love to foster and also wouldn't mind having a break from every now and then. And my son Oscar is almost six.

Helga Svendsen 5:12

Oh, fantastic. Well, it's interesting even now, they they're watching you get involved in the governance as well. And then, you know, 30, 40 years time they will be on their own podcast saying, Yeah, my mum was always involved in this stuff and thinking about leadership and so on. And um, yeah, I love that about so it's isn't it interesting? I think that often the traits that you admire in adults, are the ones that are quite challenging as a parent, that independence that obstinance the, you know, free thinking, all of that sort of stuff.

Ellen Hooper 5:43

Absolutely. In our training programs, we often talk to participants about the fact that leadership, parenting and marriage involved most of the same skills. Absolutely,

Helga Svendsen 5:52

Absolutely. Oh fabulous. Okay, well, it's great to get some of that background, because it probably informs the conversation that we're about to have. So the governance of a lifestyle business, we often talk about startups, we talk about scaling, and you very deliberately set up your organisation, the growth collective as a lifestyle business, one way you could balance both your passion for what you're doing, and your lives, basically. So I'm really interested about how you then consciously set up the governance for it. And you've already talked a bit about the shareholder agreement. So what does it mean for the governance side of things when you're setting things up in that way?

Ellen Hooper 6:29

I think the first thing is that the governance came as a bit of a surprise to both of us, which is really interesting, because, you know, I obviously, have an interest in board work and had was really actively thinking about it. At the time, we set up this business, which it's really new growth collective, we're in our first year, and I was reflecting about the risks about talking about the stage of a business when you're really in it without perspective, and hindsight. But I think it's so interesting. And I would have loved to have heard someone else's journey, as well. And it always brings me back to the benefit of a beginner's mindset. Yes, yeah, the governance was, surprisingly a surprise, it shouldn't have been. And the thing about this specific, one of the key drivers for our style in this business was to do work that we really love to do. So we've got, I in particular, have a philosophy

about doing work that I like to do with people that I like to work with in a life that I like to live. And so those three things kind of holding each other accountable for it from a balanced perspective. So often, when you started a business like this, you know, it's you set it up to try to make it as easy to sell as possible or as easy to grow as possible, or whatever it is that your vision is for it. And it's not that if any of those things eventuated we wouldn't consider them but having a real drive and motivation for a business about, I guess, trying to really break that relationship that we have as consultants between our time and income. Because that really does feed, I guess, certain behaviors in your life. And so it was this piece about looking at how we're going to set up the structure of this business, and realizing that there were three different hats to wear. And if we looked over the kind of unknown life cycle of this business, then we probably would want to do different things in those hats at different times. And so those hats were being in in running the business, which was like very comfortable, very obvious to us, like very exciting thing directors in the business. I'm being really clear about that for a few reasons I might talk about in a second. And then the other is being a shareholder of the business. So right now we're all three of those things. And we were laughing because our excellent lawyer, Ali from Sinclair in May, who specializes in small business, she sent us this checklist for the shareholder agreement, and we were like, great, we were working on, you know, building the website and developing the program content. And we're like, oh, we should have lunch. And we should go through this checklist, thinking it would be about what's the split of profit and how many shares do you have now ship many shares do I have which costs was in there, but we were laughing by the end of it because an ally says the shareholder agreement somewhere between a partnership and a will?

Helga Svendsen 9:22

Yes, it's almost like a prenup.

Ellen Hooper 9:24

Prenup. Yeah. So then we were at lunch thinking we're gonna have this fun time going, Well, what happens if you die? Yeah. And what happens to your share? What happens to your share of the business if you're not here anymore? For whatever reason that is, and that's when the distinction between the shareholder and the director became really important? Because there was, you know, some of those things conceptually, really easy for us, which is, well, you've built this business, I want your family to have access to the financial benefits of it. But I'm not really sure that I want your husband trying to run this business with me and You definitely don't want my husband trying to run this business with you. Thinking about what happens to the directorship versus what happens to the shareholding in those situations is really interesting when you're at the stage of a business that that we're in. Yeah. And kind of thinking, yeah, thinking all of those things through and then trying to draft them in a way that that works. And we're both really clear, just like you said, just like a prenup that we wanted to have these conversations when it was really easy to have them. And when you can reflect on them and think about them. And, you know, the strength in our partnership is that we have very complementary strengths. But of course, that means we operate and think about things in different ways and at different speeds.

Helga Svendsen 10:41

And such a great prompt for people to think about, you know, I often think about organisations and, you know, starts with an idea around the kitchen table, oh, we should set up the growth collective, or we should set up whatever telecommunications industry or what I thought of Facebook first, whatever it might be, you got this idea. And then you go into this startup mode, and often people just go for it and don't think through these things. So what I'm loving here is you've really consciously thought through, what do we need to do to build the business as a business? What do we need to do to govern the organisation as directors? And what do we need to do to ensure that it's healthy for shareholders, all of which is us. And I love that you've thought about the different hats, because so often it all happens together? So how do you? How do you make sure you like on a day to day basis? Or there's so much I want to ask in here,

Ellen Hooper 11:36

I want to start by saying I don't know that we've got all the answers, but I'm happy for the question.

Helga Svendsen 11:40

Well, and and often you don't yet, you know, you're building the plane while you're flying or whatever that saying is and playing with it. There's no guidebook to this, there's what other people have done. And you might pick up some of the things from what other people have done. But you want to make it yours. So those three hats, how on a day to day basis, or a month to month basis, or whatever it may be? I'm guessing, often in these organisations, the default is working in the business. Yeah, absolutely. You know, one of the programs we're running, how do you make sure that director hat? You know, do you have directors meetings, where you very consciously do the governance side of things? How does that work? In a practical sense? Yeah,

Ellen Hooper 12:18

not yet. But we will. And the person that I think really lifts us up to a governance level of thinking rather than a doing level of thinking at the moment is our accountant. And so that's really useful too. And then there's something that will naturally happen, as hopefully, the business starts generating more profit, which is then there's the decisions about how to distribute that profit to shareholders, which is when the government's IT governance, infrastructure will become much more important and regular and more rhythmic as well.

Helga Svendsen 12:52

And so are you two everything? Are there other shareholders? Are there other directors? Is the accountant an advisor, or is the accountant or director?

Ellen Hooper 13:01

Yeah the accountants and advisor so we currently own it all. And we run it all, and we love it all? Yep, we're bringing more and more people on to move into the operational part of it, which will allow us to kind of lift up into looking at it in a different way, in a more strategic way.

Helga Svendsen 13:21

Great. Okay. So then, yep, so you build the business so that there's more people there doing the doing, you can do less of the doing or do more of the governing, although there's even that step in between often there's leading the organization, and then there's the governing of it as well. Okay. So partly, it's having the right advisors by the sounds of things like it sounds like your legal advice at the start was great. I love that checklist that she provided to you to prompt some of that thinking around, what do we do, you've also got the right advisors in the accountant is prompting you to think about the governance side of things. So that's one of the things I'm hearing here. But who else do you have in your advisor deck, then?

Ellen Hooper 13:58

Well, it's interesting as well, because I think that we call on our families quite a lot. Like I remember having a very in depth discussion with my dad about different trust arrangements. Our husbands are different, have different interests and skills that we draw on. And the other thing that we're really focused on at the moment is our networks as well. So who in our networks can help us get the business know more broadly, and participate in our programs? And yeah, and things like that.

Helga Svendsen 14:29

Right? So the advisors that you've got on deck to, you know, keep your water the both formal and informal by the sounds of things. And in fact, I want to skip back a bit. I should have asked this at the time, but I was so interested in just thinking more broadly, but this the checklists that your lawyer provided you. What are some of the questions that are asked? I heard something there about what happens if you die? What happens then? But those broader questions? What were some of the things that prompted you to think about the governance can you think of some of the other stuff that was on that list that might be helpful for As people are listening to this, and setting up the governance for their own startup or organization, I mean, partly get a decent lawyer that understands it. But if there's some of the things that you can remember, that would be really useful as well.

Ellen Hooper 15:13

And governance is all about that, isn't it going? Who's the expert in this? And how can they help us? The most interesting thing from a governance perspective that I think we surprised our lawyer with was decision making. So I'm particularly when there's two of you that easy and hard when it comes to decision making. There's a kind of common model of the roles of chair and Secretary like, what do they mean, what do they have any additional or specific powers? And what do you do when it comes to deadlock? You know, and we were really focused on unanimous decision making with two of us. And that might change over time, as the business becomes more complex. But as the start of a business, I think it feels fair of me both not willing to take a risk, then that's it, we've got the benefit of both being coaches, and therefore also both having access to significant amount of like personality profiling tools. Yes. And so having the shortcut into a deep understanding of each other, and how the other person works, because for a lot of people in our position, I would really recommend like doing a whatever personality profiling tool of your choice and talking about, you know, because the things that you complement each other, and also the things that drive you crazy. Absolutely.

Helga Svendsen 16:31

Like it's like your daughter Zoe. Yeah. Awesome. And

Ellen Hooper 16:35

those are the things that are the same, though. Yes, yeah, absolutely. becomes a lot like it has a lot of analogy or parallels to marriage. Yes. And long term relationship that has, you've got this joint impact on each other and on outcomes. And, you know, navigating through that, over long periods of time in a way that's different from coworkers. And we had worked together previously. Yeah, so often joke, I suspect, my husband will never listen to this, because it's about board governance. But I often joke that my partnership with Michelle is like marriage, but with someone with far more emotional intelligence. But to be fair, to my very lovely husband, you know, Michelle is incredibly qualified in the art of ads, right? Working through multiple intelligence and interpersonal dynamics. I don't know that they teach you that in law school, which is, you know, the qualification background that my husband has had access to so.

Helga Svendsen 17:47

Oh, that's interesting. That's my background as well. And I'm literally about to do the emotional intelligence report accreditation.

Ellen Hooper 17:55

Yes. Which, which is one of the reasons why and Michelle was very keen on it, too, because she, I think the only thing we've noticed is the gap between the theoretical and the lived experience. So Michelle has this really deep background in learning and development, but one of the things she used to do with her former employer was run board ready programs. So like this incredible experience in governance, I've got this legal background. And then and you ran this business and it all theoretically make sense. And, you know, I remember kind of going through the business model and being like, yep, that's, that's going to work. And then, of course, everything takes longer than you think it will. Everything's just that 25% harder than you think it's going to be, you know, you got to decide, are you going to launch before you're perfectly ready, or you're going to wait for how you're going to continue to motivate yourself without burning yourself out. All of those kind of tensions, and it has, it always blows my mind. And this is why the beginner's mindset is so useful. But I personally am someone who am just constantly surprised that doing something for the first time is quite hard. I think that that's kind of a bit of a trick for advice addicts. And I love that term, because having been a lawyer, and then an HR practitioner, and then then coaching isn't so much advising, but playing roles and consulting, like a lot of those roles sitting in the not the decision maker sage gives you I think, a false sense of security because you get to look at a lot of those things. And people come to you for your little part a piece of expertise, which you get to sit very comfortably and feel very expert in and then when you have to do it. It's always a good reflection that you might have been a bit hard on others.

Helga Svendsen 19:44

Nothing like holding up the mirror in that moment about oh, yeah, now we have to do it. I see. I see the tensions in this. I say the frustrations I say the challenges

Ellen Hooper 19:52

and just suggest the classic risk of business which is how much money do I invest in this? And what's my level of comfort and what's my level of confidence of there being a return on investment?

Helga Svendsen 20:05

And I'm guessing like thinking about even risk through the business frame, I guess the business eyes and then the governance and then the shareholder. I'm guessing there's slightly different perspectives. I mean, when you're in it and building it, lol, let's just do this. And let's just do that. Like, we'll just keep building it and putting in the investment. From a directors perspective, it might be a little bit like, should we really be doing this? How much risk are we gonna go? And from a shareholder perspective? Even more? Hang on a minute? We?

Ellen Hooper 20:36

Yeah, when am I gonna say that again? Yeah, yeah,

Helga Svendsen 20:41

exactly. So again, I love that you've so consciously done, what do we need to do in the business? What do we need to do as governors? What do we need to do as shareholders and thought about some of those things that could go wrong? I think you said earlier, as well, even having those conversations about it. In some ways, it means things are less likely to go wrong.

Ellen Hooper 21:01

It's just that good example of decision making in times of calm so that you don't have to make decisions in times of stress. And that's kind of the foundation of a whole heap of governance approaches. Right? It's like, well, that's why we have the policy and procedure. That's why we have the manual. That's why we have the crisis management plan. Because of course, under stress, like the classic things that happen is fight or flight. So yeah, avoidance and conflict tend to play out, or like freezing is a really common thing, as well. It's fun to think about how big could this business model get? And, you know, like, we look at institutions, like the Australian Institute of Management, which is has an incredibly enormous offering. And wouldn't, of course, would not think of us in their competitive app, the leadership fundamentals program that we offer, the first time leaders or leaders haven't had access to training, and then also emerging leader programs, like those two programs are competing with that kind of much bigger organization. And you think about that in the long term about okay, well, what does it mean to build out more offerings? What would it look like to be a player in the marketplace, like these businesses that are 20 30 50 years ahead of you? And then what yeah, what does that mean for the future? And the reason why it's so important to define those roles is because in fact, what Michelle wants out of that, and what I want out of that might start looking different over time. And we're different, not incredibly, she'll be we're different ages and stages of our lives. Not hugely, but her kids will graduate from high school much earlier than mine will. And so that'll be a different proposition about what role you want to play in. Yeah, in this business. Ah, so fantastic.

Helga Svendsen 22:49

So, Ellen, you know, we've talked about, you know, building that governance that suits you. And I'm guessing there's some lessons in there, both for people who are building organisations, but also those that are in organisations that are more mature, having that conscious thinking around it, as well. So what are the key things you want people to take away from the conversation that we've had today?

Ellen Hooper 23:10

I think there'll beginner's mindset can be useful at any stage. And I'm working in a bank at the moment, which is a community owned bank, and it's celebrating its 50th year, and it's got a beautiful story of the starting with 10 teachers who each put in \$10. And I was just thinking about that this morning, before I spoke to which you, I can't imagine that they thought that there would be a 300 person organisation with 1000s of members, you know, with billion dollar, maybe not millions, million dollar, you know, like millions of dollars in the loan book. You know, and it's always exciting. I think you've had my, our little company, what that might look like over time. But whichever stage you're in your business, having a beginner's mindset about what's possible in the future, I think is really useful. And the other thing for that I think, specifically useful for self owned businesses or privately owned businesses is Yeah, thinking about those different hats and how, how you want to manage that, and we're early in the game, but eventually, you know, succession will be something that we'll need to think about, which is, what's the eventual exit strategy? Because nothing lasts forever.

Helga Svendsen 24:24

And I think that's even a good thing as well. too. Often, I think people think about the exit of an organisation. It's like, oh, it's failed. It's like, it hasn't failed. It's succeeded. That's exactly yeah. Is there a resource you would like to share with the take on board community? Well, I

Ellen Hooper 24:39

would love you to go to our website, www.growthcollective.com.au. We've just launched our training dates for 2023. So they're available if you've got anyone in your life work or at home, who is a new leader or hasn't had access to leadership training before we've got a six workshop program that we love it, we're really loving running and getting some really great feedback from. And then we're also launching our Emerging Leaders Program next year for those who are aspiring to their first leadership position in the next 12 to 18 months.

Helga Svendsen 25:14

Fantastic. Well, we'll make sure we put a link to that in the show notes as well. Thank you, Ellen, thank you so much for coming and sharing, and particularly when it's quite new, I think it's at the start is like, Oh, should I be sharing this or shouldn't I and this is the way we learn is by hearing people's stories and having the beginner's mindset. So thank you so much for having the courage to share your beginner's mindset are and helping the take on board community to think about things that they should be thinking about in either setting up or reflecting on their own organisation as well. So thank you for sharing that the take on board community today.

Ellen Hooper 25:49

You're so welcome. Thanks for having me.