University of South Australia | Business School

DEVELOPING LEADERS OF GROWTH COMPANIES

ANZ

ANZ IS THE FOUNDATION PARTNER OF THE UNISA CENTRE FOR BUSINESS GROWTH

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01. EXECUTIVE SUMMARY

The financial services industry, in particular banks, is experiencing disruption on a global scale. Small, nimble companies are providing many of the services (e.g. crowd-funding, crowd-lending, international EFT) banks have traditionally provided.

94%

OF CEOS WOULD RECOMMEND CENTRE FOR BUSINESS GROWTH PROGRAMS TO OTHER CEOS*

93%

REVENUE INCREASE*

100%

PROFIT INCREASE*

146

JOBS CREATED*

Customers, on the other hand, are demanding mobile solutions to enable them to bank anywhere, anytime. With the increasing competition from traditional banks and new entrants, and the rising expectations of customers, banks need to find new ways to differentiate themselves and stay relevant.

Australia's economy is largely dependent on small and medium enterprises (SMEs) - companies with 5 – 200 employees and $5M - $50M revenue. Many business owners are passionate about their customers, products and services, but do not have the knowledge and skills required to grow their companies.

ANZ looked to create a program that would provide their customers with the knowledge, tools and skills required to grow a company.

The University of South Australia's Business School had just created a Centre for Business Growth to provide world-class, business growth programs to CEOs and Executive teams of small and medium companies. Within weeks, ANZ committed to support the Centre to deliver Assessment Clinics to 50 SMEs. The Centre would go on to deliver an intensive three-day Business Growth Program to provide 30 SME executives with the knowledge and skills they needed to develop as leaders, accelerate company growth and compete in a global marketplace. The Centre collects company data, then uses diagnostics, expert presentations, facilitated group discussions, peer-to-peer learning and action planning to facilitate behavioural changes in company leaders which results in organisational change and growth.

The Centre for Business Growth's Clinics and Business Growth programs have had a profound impact on the ANZ customer participants and have been instrumental in increasing their performance (see above). The Centre has also had an impact on ANZ as an organisation. ANZ has been able to use the insight generated from the program to inform strategic activities and better support business owners. ANZ bankers now have a much better understanding of the issues facing growth companies. Based on the success to date, ANZ has challenged the Centre to deliver more programs to more companies in a variety of ways: such as small and large group presentations, video-streaming, peer learning and action planning. In short, the success of the ANZ Business Growth Program and the request from this sponsor is now transforming the way the Centre delivers programs to small and medium companies all over Australia, and eventually around the world.

*Results of the first 10 companies who began the ANZ Business Growth program in 2014

02. THE CHALLENGE

The Centre and ANZ are aligned. Our Centre is focused on companies with 5 – 200 employees and $5M – 50M in revenue. We believe they are the leverage point for the economy. ANZ is actively supporting our Centre to deliver its Business Growth clinics and programs which are enabling their small and medium customer companies to grow.

Dr Jana Matthews, ANZ Chair in Business Growth, Director and Professor, UniSA Centre for Business Growth.

02. THE CHALLENGE

THE FINANCIAL INDUSTRY IN CONTEXT

Globally, the financial services industry, in particular banks, is in a state of disruption.

IN AUSTRALIA, SMALL TO MEDIUM SIZED BUSINESSES EMPLOY 44% OF WORKING ADULTS, ACCOUNTING FOR 97% OF ALL BUSINESSES

On one hand the banks need to meet the needs of their customers to keep pace with the demands of a mobile world . This means the increasing need for internet enabled transactions anywhere, anytime, and from any device. On the other hand the digital revolution is disrupting the very nature of banking. Entrepreneurial companies are offering crowd-funding, crowd-lending, the movement of money between countries as well as other services that banks traditionally have provided.

In Australia, small to medium sized businesses are the engine room of the Australian economy - employing 44% of working adults, accounting for 97% of all businesses. Supporting these businesses to grow sustainably is critical to Australia's economic health.

Business owners typically have a deep knowledge of their industry and passion for their customers. Many, however, do not have the knowledge, information or skills required to grow.

Something was needed to fill this gap.

ANZ was one of the first banks to realise that in order to remain relevant, change was required to help its customers grow by providing knowledge capital. A new strategic action was incorporated into ANZ's strategy and by 2014, ANZ had begun to understand that becoming "the bank that helps my business grow" could be a major differentiator and enabler in the market.

02. THE CHALLENGE

Simultaneously, the University of South Australia (UniSA) had developed a strategic plan, *Crossing the Horizon 2013-18*, that described the University as 'The University of Enterprise'. This strategic action plan detailed UniSA's vision to be a leading contributor to Australia through; innovative solutions to social, economic, political and technological challenges; considerable and creative contribution to the prosperity and well-being of the nation and; using agility and adaptability in building and maintaining productive partnerships with industry, business and the community – to name but a few.

Leveraging *Crossing the Horizon*, the Pro Vice Chancellor for Business and Law at UniSA developed a strategy that would incorporate business growth and economic development in the region. Thus, the Centre for Business Growth (Centre) was conceptualised.

Approaching ANZ, the Pro Vice Chancellor outlined the Business School's vision to create a Centre for Business Growth, with a view to incorporate an ANZ sponsored Chair in Business Growth and to provide initial funding as a Foundation Sponsor of the Centre. ANZ quickly agreed to this Sponsoring Agreement and set a challenging, yet specific goal: **to give ANZ Business customers whose turnover fell between $5 million and $50 million, the tools, knowledge and expertise they needed to grow their businesses and compete in a globally competitive marketplace**.

In September 2014, the Centre was established, the Chair appointed, and within two weeks ANZ identified 35 customer companies to attend an Assessment Clinic and address problems getting in the way of their growth. Since then, the ANZ Business Assessment Clinic has seen 120 businesses (120 CEOs plus 60 Executive Team Members) have participated in the program.

The solution to the challenge was the development of a unique program by the Centre. Assessment Clinics were established to help CEOs/MDs of small and medium companies identify their company's growth inhibitors and opportunities. The program provides CEOs/MDs with learning and development materials, frameworks, tools and resources focussed on developing knowledge, skills and strategies that enable CEOs to understand how to lead and manage growth and take their companies to the next level.

Centre for Business Growth Launch Event video

02. THE CHALLENGE

ANZ SNAPSHOT: A GLOBAL PARTNER WITH GLOBAL IMPACT

#84

ANZ'S RANKING IN THE FORBES GLOBAL 2000 - A COMPREHENSIVE ANNUAL RANKING OF THE WORLD'S LARGEST PUBLIC COMPANIES

MAY 2016

ANZ AT A GLANCE

- 1 OF 5 LARGEST LISTED COMPANIES IN AU AND THE NUMBER 1 IN NZ
- OPERATE IN MORE THAN 34 MARKETS
- OVER 545,000 SHAREHOLDERS
- 10 MILLION CUSTOMERS WORLDWIDE
- MORE THAN 50,000 EMPLOYEES WORLDWIDE
- FOUNDED - 1835

03. THE COMMITMENT

ANZ's financial commitment to the sponsorship of the Centre for Business Growth has grown each year.

(L-R) Professor Marie Wilson Pro Vice Chancellor UniSA Business School. Kate Gibson - ANZ General Manager of Small Business Banking. Professor David Lloyd, Vice Chancellor and President, UniSA. Dr Jana Matthews, ANZ Chair in Business Growth, Director and Professor, UniSA Centre for Business Growth.

03. THE COMMITMENT

EFFECTIVE PARTNERING AGREEMENT

ANZ's Director of Strategy for Corporate and Commercial acted as the internal champion for the partnership between UniSA Business School's Centre for Business Growth and ANZ.

ANZ AIMS TO HELP BUSINESS OWNERS START, RUN AND GROW THEIR BUSINESSES.

ANZ's Director of Corporate and Commercial, influenced regional bank leaders, small business, emerging banking, and corporate marketing in Australia to each contribute funds to a partnership. ANZ also committed to allocating people resources to manage the Business Growth Program. The program has subsequently been built into the KPIs of senior leadership.

ANZ took the sponsorship very seriously, recognising the opportunity to teach bankers about what customers could achieve through growth programs.

Equipped with this new knowledge and skills, bankers were better placed to identify customers who met the program qualifications and who could benefit from the program.

The first level of engagement with bankers was to provide them with information. This communications methodology included:

- Skype calls and presentations about the Clinics and ANZ Business Growth Program with groups of bankers
- Face to face presentations to bankers
- Invitations extended to bankers to join the companies at lunch when the clinics/programs were operating
- Opportunities created for bankers to present during the program
- Receptions organised where CEOs talked about the impact of the program and how it has enabled their company to grow
- Video interviews of the CEOs where they discussed the kinds of growth problems they were experiencing that were shared with ANZ
- Panel discussions were organised where bankers discussed the kinds of services the bank is making available to companies wanting to grow and go global
- Development of digital tools that would enable better interaction with their customers and gain feedback on 'growth' more efficiently.

03. THE COMMITMENT

EFFECTIVE PARTNERING AGREEMENT

In addition to delivering Assessment Clinics to 54 CEOs, and programs to 10 companies with at least three executives per company, the ANZ Chair in Business Growth agreed to provide an Insights Report detailing information on the 54 CEOs who came to the Clinics each year, and the 10 teams of executives who attended the Business Growth Program each year. These Insights Reports are proprietary to ANZ and are being used to further develop the bank's strategy and services that will enable customers to grow.

Presently, we are exploring with ANZ ways to deliver this program to more customers, including those located in rural areas who find it difficult to travel to take a course in any of the major cities. This year, ANZ has challenged the Centre to deliver more of its Clinics and Programs to more customers. This challenge is now driving the Centre to test new delivery models, including:

- One-day programs in several capital cities, for several hundred CEOs
- Assessment Clinics for groups of 25 CEOs
- Nine-month Business Growth Programs for 30 executives
- Live streaming presentations to thousands
- Videos and online education for hundreds
- Skype and Google Hangouts with CEOs
- Growth Portal with public and private components available to participants in our programs

While all of these delivery methodologies had been included in the Centre's three-year plan, this challenge required the Centre to test them earlier than originally planned.

04. LEARNING AND DEVELOPMENT INITIATIVE

HOW THE PROGRAMS WORK

ASSESSMENT CLINICS

INPUT

54 CEOS SELECTED FROM 200+ NOMINATIONS BY ANZ BANKERS

FORMAT

INTIMATE, 1-DAY WITH 6 CEOS & 2 GROWTH EXPERTS. PROGRAM INCLUDES PREP-WORK, EXPERT PRESENTATION, SMALL GROUP DISCUSSION AND PEER LEARNING

OUTPUT

EACH CEO LEAVES WITH AN ACTION PLAN FOR GROWTH AND LEADERSHIP DEVELOPMENT PLAN

SELECTION

10 CEOS CHOSEN BASED ON CBG RECOMMENDATIONS

BUSINESS GROWTH PROGRAM

INPUT

10 CEOS + TWO MEMBERS OF THE EXECUTIVE TEAM COMPLETE THE INTENSIVE 9 MONTH PROGRAM – CONSISTING OF THREE, THREE-DAY MODULES - EACH MODULE FOCUSSING ON 4 GROWTH STOPPERS

FORMAT

30 CEOS/EXECUTIVE TEAM MEMBERS PLUS 4 GROWTH EXPERTS PER MODULE.

FOCUS ON THE KNOWLEDGE FRAMEWORK FOR GROWTH, EXPERT PRESENTATIONS, SMALL GROUP DISCUSSIONS, ACCOUNTABILITY AND PEER LEARNING.

OUTPUT

CEOS AND EXECUTIVE TEAM MEMBERS COMPLETE PREP-WORK BEFORE EACH MODULE AND PRESENT THEIR ACTION PLAN FOR GROWTH AT THE END OF EACH MODULE.

ANZ has underwritten the cost of both the ANZ Assessment Clinics and the ANZ 9-month Business Growth Program.

04. LEARNING AND DEVELOPMENT INITIATIVE

1. ASSESSMENT CLINICS

Participating companies in the Assessment Clinics were selected by ANZ bankers and vetted prior to the clinics. From there, the Centre for Business Growth, began the communications process with companies, companies uploaded significant business data including financial, marketing and product information, into the Growth Portal – an online platform custom designed for the program.

Company CEOs were then invited to Assessment Clinics held across Australia. The Clinics were designed for six CEOs, and are facilitated by two Growth Experts, all of whom have started, grown and exited businesses, hence are successful CEOs. They help teach in the Assessment Clinic, facilitate discussion, and provide coaching to the CEOs who come to the Clinic and the Business Growth Program. They review all material submitted by the companies and ensure learning occurs at the peer-to-peer level.

In the morning of the Assessment Clinic, the Growth Experts present the Seven Secrets to Growth with examples and commentary. In the afternoon, a Growth Expert works with three companies, focusing on their individual needs and problems inhibiting growth.

CEOs are expected to take notes, which become the foundation of the Action Plan they develop, focusing on three things that, if changed, will move the company toward growth. They are asked to specify who will be responsible for each task, the timelines for completion, and what resources will be made available. In addition they are asked to complete a leadership development assessment on the seven critical responsibilities of a leader, and identify any weaknesses that they need to focus on, as well as strengths that they can capitalise on.

The CEOs enjoy being in a small group with their peers as they can identify with like-minded people and leverage from each other's experience. They appreciate the guidance of the Growth Experts, as well as being introduced to the Knowledge Framework for Growth. When they evaluate the outcome of the Assessment Clinic, many talk about how they learned what to do, when, and in what order.

The Assessment Clinics also provide an opportunity for the ANZ Chair in Business Growth and a Growth Expert to spend a day with each CEO. The quality of thinking behind the prep-work, the ability of the CEOs to problem-solve, their ability to self-reflect and identify the barriers to growth are all important indicators about the CEO's ability to lead his/her company to growth.

04. LEARNING AND DEVELOPMENT INITIATIVE

SELECTION FOR THE BUSINESS GROWTH PROGRAM

Upon completion of the Assessment Clinics, the ANZ Chair in Business Growth identifies 10 companies with the highest potential for growth, who will benefit most from the nine-month intensive program.

The 10 selected companies are verified by ANZ to ensure they are not facing any legal or financial difficulties that would impact their suitability for the program. The Centre for Business Growth then issues the invitation to participate.

This is a one-time offer; companies are unable to defer for a year. They must commit to doing all the prep-work, attend all three modules, and bring two additional executives to attend the program.

What CEOs say about the Business Growth Programs

04. LEARNING AND DEVELOPMENT INITIATIVE

2. BUSINESS GROWTH PROGRAM

The Business Growth Program includes expert knowledge, peer learning, facilitated discussion, action planning, and a mix of discussions with people in your own company, as well as those in other companies who are also seeking to grow.

EACH THREE-DAY MODULE OF THE 9-MONTH BUSINESS GROWTH PROGRAM INCLUDES:	
SUNDAY EVENING	Companies provide updates on their wins, losses, struggles and triumphs since the last module.
DAY ONE AND TWO	A presentation on one of the 12 growth stoppers followed by a small group discussion, and application of what they learned to their company. Learning journals are provided with copies of all presentations, discussion questions, and pages where they can write notes and show how they have applied learnings to their company.
DAY THREE	Teams identify the three most important takeaways from the previous 2 days, the critical impediments to their growth and what their action plans is over the next three months. Each member of the team has to take on some part of the presentation, and the team needs to describe who's going to do what, by when, with what resources, and the desired outcome. Growth Experts, as well as the teams of other companies, comment on and ask the teams questions in an effort to help "de-risk" their action plans. Participants receive Dr Jana Refreshers, newsletters and invitations to events as well as access to webinars, articles and other useful tools to help them stay on track in between modules.

04. LEARNING AND DEVELOPMENT INITIATIVE

THE COMPANIES

The Centre has worked with a wide array of companies. Venture-funded young companies recognise the programs as a perfect launch-pad for growth while experienced companies state that the program is a great opportunity to measure against best practice, to identify what's missing, and understand what needs to be put in place to take the company to the next level.

Regardless of their age, location, industry, or educational level, CEOs share similar problems: lack of planning; poorly managed workforce; lack of understanding of their roles and responsibilities as leaders; inadequate marketing and sales and; not knowing how to build an organisation that can support growth.

CEOs and their Executives seldom take time to step away from their day-to-day roles and responsibilities and work on the business. One of the unintended consequences of this program model is that the teams get away from the day-to-day operations and focus on the strategic issues facing their company.

HOW PROGRAM EFFECTIVENESS IS MEASURED	
DURING THE PROGRAM:	Video presentations from each company detailing its progress against their Action Plans are uploaded prior to each module. All participants view the videos before the next module, and the company that made the most progress since the last module is awarded an hourglass. Every module is evaluated, and 90%+ participation in those evaluations is often the norm.
FOLLOWING THE PROGRAM:	The companies are asked questions about issues from what keeps them up at night to revenue, profit, job creation, exports and how they assess the risks of entering different markets. The data is collected from each company annually, analysed, and then compared to data from the previous year to measure progress. The results provided to ANZ are based on data that is aggregated for each cohort, and compared to all cohorts who have been through the ANZ Business Growth Program.

Based on the findings, the Centre then writes articles, blogs, chapters of books, op-ed pieces and develops presentations for wider distribution.

At the end of the module, hourglasses are awarded to the company that has the most aggressive growth goals to achieve over the next three months. The hourglass is to remind them that time is our only nonrenewable resource.

Energetiks CEO Video Testimonial

05. PROVEN BUSINESS IMPACT

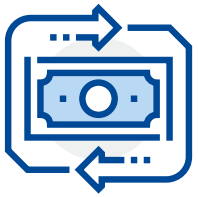
The ultimate impact of the initiative on ANZ's customers include:

- **higher levels of revenue.**
- **higher profitability.**
- **increase in jobs created.**
- **increasing numbers of companies exporting.**
- **better understanding of what kind of leadership is required to grow the company.**
- **better understanding of growth strategies.**
- **better understanding of how to market & sell.**
- **better understanding of how to attract and retain the kinds of people needed for growth.**

05. PROVEN BUSINESS IMPACT

The impact of the Assessment Clinic on company growth has been significant.

The companies that went to the clinics in 2015 grew:



REVENUE BY

25%

PROFIT BY

20%

EMPLOYEES BY

25%

05. PROVEN BUSINESS IMPACT

The first ten companies that went through the Business Growth Program grew:

REVENUE BY
24%

PROFIT BY
29%

ADDED JOBS
114

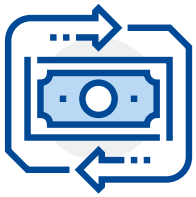
EXPORTED TO COUNTRIES
8

ANZ Business Growth Program 2015

Case Study: Balance Services Group

05. PROVEN BUSINESS IMPACT

Over two years, the first 10 companies in the Business Growth Program grew:



REVENUE BY

93%

PROFIT BY

100%

ADDED JOBS

114

EXPORTED TO COUNTRIES

8

ANZ IS MAKING PROGRESS IN THE GOAL TO HELP CUSTOMERS GROW THEIR BUSINESS.

The value of these programs is recognised at the highest level within ANZ. Shayne Elliott, ANZ CEO is meeting with the companies in the program to discuss leadership and strategy, the impact of digital disruption on the financial industry, and how he has managed change within the organisation.

Dr Jana Matthews, ANZ Chair in Business Growth. Director, Centre for Business Growth

UNI SA - DEVELOPING LEADERS
OF GROWTH COMPANIES

05. PROVEN BUSINESS IMPACT

ANZ found that the companies graduating from our programs were seeking out growth and development opportunities, subsequent funding support as well as increasing their transactions. These new relationships, products and services have had a positive impact on ANZ. The additional growth that the companies will experience in future years will no doubt continue to contribute to ANZ's bottom line.

The bank has capitalised on the Insights Reports and has enabled bankers to have new kinds of conversations with customers.

In addition to contributing to its bottom line, this program is also contributing to customer "stickiness".

CENTRE FOR BUSINESS GROWTH - SUMMARY OF THE ANZ BUSINESS GROWTH PROGRAM GROWTH FROM 2014 - 2017

	2014	2015	2016	2017
NUMBER OF COMPANIES NOMINATED BY ANZ BANKERS/RELATIONSHIP MANAGERS	50	100	150	200
ASSESSMENT CLINIC: NUMBER OF COMPANIES ATTENDING IN CLINICS	32	37	42	54

One of the companies in the program moved its money from a competitor bank to ANZ. When the competitor bank offered to nominate them for an award if they stayed, the CEO responded, "I don't want another award. I want to grow, and I'm going to be loyal to the bank that is helping me grow." - Direct ANZ banker feedback.

05. PROVEN BUSINESS IMPACT

IMPACT INDICATORS

Both ANZ and the Centre use qualitative and quantitative indicators to measure impact of the program on their customers and the bank itself. These include:

- Customer feedback
- Continued growth of companies who have gone through the program
- Opportunities to provide existing customers with additional products and services
- Positive media coverage
- Opportunities to have customers describe the program and the impact it had
- Additional customers
- Improvement in bankers' knowledge and understanding of growth and their ability to have a useful conversation with customers about growth
- Retention of existing business customers who have valued participating in the program
- Bankers recommending increasing numbers of companies to the clinics
- Increased business acumen skill and capability amongst commercial bankers allowing them to have increased relevant conversations with business owners
- Instilled sense of pride in commercial bankers who are helping to educate businesses to grow
- Bankers' understanding of the barriers to growing a company
- Goodwill and sentiment from businesses involved in the program
- Attraction to ANZ by prospective customers wanting to participate in the program
- Increased clarity on partnership opportunities to help businesses to grow, based on understanding what the gaps are in Australian business owners.

From an ANZ Business Customer's point of view:

- Increased business confidence enabling business owners to make decisions about growing their companies
- A proven framework for business owners to use to substantially scale their business
- Improved personal relationships for family run businesses
- A sense of relief on how to go about progressing their business
- Financial success – increased revenue and profit
- Increased employment – creating more jobs for Australians
- Increased business sustainability, direction and stability
- Better sense of requirements for going global

05. PROVEN BUSINESS IMPACT

LONG TERM IMPACT

The companies who have been through the program remain in touch with the Centre. They provide data each year, are continuing to grow, are coming back and are speaking to subsequent cohorts about the impact of the program on their business, are responding to the longitudinal study (61% response rate for companies who either attended a clinic or completed a nine-month program in 2016).

From these, 94% would recommend the program to other CEOs and companies.

Based on the success to date, the bank is also considering ways to license some of the program content and make it digitally accessible to many more of its customers.

ANZ's desire to deliver our programs to more customers has prompted us to explore new ways to scale and reach more CEOs who want to grow their companies.

Dr Jana Matthews, ANZ Chair in Business Growth. Director, Centre for Business Growth

94%

OF PARTICIPANTS WHO EITHER ATTENDED A CLINIC OR COMPLETED A NINE-MONTH PROGRAM IN 2016 WOULD RECOMMEND THE PROGRAM TO OTHER CEOS AND COMPANIES.

06. CONCLUSION

CONTINUED COMMITMENT

Within a week of the Centre being established, ANZ funded a one-year sponsorship agreement which was extended for two years. We have reason to believe that ANZ may consider further extensions in the future.

The relationship between ANZ and the Centre is core to the success of the program and continues to strengthen, with scheduled calls and face-to-face meetings between operational staff and ANZ representatives, and between the ANZ Chair of Business Growth with heads of ANZ's business, agribusiness, marketing, banker enablement, regional and strategy and partnerships areas.

As the relationship develops, activities are being added, reflecting the value of the programs to ANZ. It now includes:

- 50 pieces of content that will be licensed for the ANZ website
- Content sharing for development of customer and banker educational resources
- Pilot series of customer and banker business growth seminars
- Presentation to ANZ sponsored program for female start-ups
- An Insights Report presentation to the heads of business, agribusiness, marketing, banker enablement, regional and strategy and partnerships.

This project has been transformational for all three parties: the Centre's programs have enabled ANZ customers to grow and the insights reports are helping to inform ANZ's strategy and banker education. ANZ has challenged the Centre to transform its educational delivery systems to enable even more companies to grow.

07. APPENDICES

ANZ Business Growth Program Website

Crossing the Horizon Strategic Plan

Centre for Business Growth – 2016 Year in Review

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