

Unique People

UP



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Intelligent perspectives for business leaders
Spring 2019 – Issue 6

In this issue:

DIGITAL TRANSFORMATION

How to make it work



with **David Wilkin**

An interview with the Non-Executive
Chair for Real Life Options and Trustee
for the National Coal Mining Museum

JOHN SUTCLIFFE

John Sutcliffe, Chief Executive Officer
at Henry Boot PLC talks us through his
career to date



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Contents



6

Arrested Development
We look at how managers have to hire and train their replacements.



14

Digital Transformation
How digital transformation is one of the biggest worries of 2019 for CEO's and Directors.



18

Q&A with David Wilkin
Non-Executive Chair for Real Life Options and Trustee for the National Coal Mining Museum.



8

Q&A with John Sutcliffe
Chief Executive Officer, Henry Boot PLC.



16

Leaders in the workplace - Authentic and inclusive please!
What do Generation Z look for in a leader in the workplace.



22

The 'S' word
How can employers help reduce stress in the workplace?

Welcome to the Spring Newsletter

Hello and welcome to our sixth issue of Unique People Magazine. It's been six months since our last publication, and what a six month's it's been!

Brexit is now due to go ahead on Halloween 2019 (scary stuff indeed), and unemployment is the lowest it has ever been. The economy continues to hold steady, and the feedback we've had from our clients is that they are pushing forward with growth and hiring plans, despite the uncertain landscape many businesses are currently facing.

In this edition of the magazine, we take a look at some of the key trends currently affecting the candidate market, company processes, and talent retention. One of the most notable trends we have noticed from our recent experience is a significant increase in the number of businesses reworking and developing their recruitment processes. This could be for a number of reasons, but will most

presence, as well as signing up for platforms like Glassdoor, it is an extremely valuable tool for getting your brand out and into the public conscience. However, social media can also leave you incredibly vulnerable to criticism and the world of armchair warriors who may take it upon themselves to paint a 'not-so-pretty picture' of your company and its culture. Ensuring your employer branding, values, and culture have a strong presence and are well communicated across these platforms (and ensuring that you practice what you preach), is absolutely vital – not only for your reputation in the market, but also for attracting the top talent.

Also in the edition, we have some fantastic insights from John Sutcliffe (CEO, Henry Boot PLC) on his career

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likely be led by the shortage of top talent in the market, and the need to be in a position to make much quicker hiring decisions to secure favourite candidates. It's something we've seen on numerous occasions, a highly skilled, top quality candidate gets through to a final stage interview, and in the time it has taken the client to dot the i's and cross the t's, the candidate has been offered (and accepted) a job elsewhere. It's important to recognise a hot commodity when you have one, and ensure your processes allow for as quick turnaround, otherwise you risk facing what will feel like an endless search for the right person.

We have also seen an increase in the focus on employer branding. With most organisations developing a social media

to date and the challenges of working for a PLC, and also David Wilkin on his roles as a Non-Executive Director.

I hope you continue to find Unique People an interesting read, and please get in touch with any topics you would like to see discussed, or any feedback you may have on the publication.

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LinkIn with Nigel Brewster

Current talent trends

Digitalisation

Despite suggestions that artificial intelligence (AI) will put thousands of people out of work, the latest reports show that it will actually have the opposite effect.



PwC has reported that AI will be all about displacement, not replacement, of traditional jobs. It predicted that around seven million UK jobs in sectors such as manufacturing and transport could be displaced by AI between 2017 and 2037. It also stated that about 7.2 million new jobs could be created, notably in sectors like health and science – meaning a net growth in jobs of about 200,000.

This means that the workplace is now well and truly evolving, but the UK talent market is already experiencing a lack of digital skills required to keep businesses adapting to automation and digitisation. The demand for skilled professionals in finance, technology, marketing and business support will continue to grow in line with the focus on productivity, digitisation and automation.

Speeding up your decision making

Demand for the best professionals with the most relevant skills will continue to grow in the year ahead – and acting more quickly to secure chosen candidates is an absolute must.



Our research has found that some of the top talent in our network has been offered as many as four job offers at one time, and we have increasingly seen candidates taking their second-choice role when their preferred employer took too long to make a decision and get in touch.



Focus on retention

Once you have attracted and secured the right people, the next challenge is to keep them.

Retention strategies for the coming year should aim to focus more on the human-first approach, beginning with leadership techniques. Research by Investors in People found that employees were most happy at work when they felt a sense of purpose, appreciation, and when they felt respected by their line manager. Development, training and clear career paths also need to be established to both engage, and retain your top talent.

The importance of employer branding

Finding candidates is the first step in beating the competition for talent.

But engaging a top candidate enough to pick your organisation out of any number that may be throwing offers their way is far more of a challenge. Every company's reputation is already out there for all to see, and social media sites such as Glassdoor provide feedback from current and past employees to help prospective candidates to do their homework before even booking in an interview. There's nowhere to hide!



Working with the gig economy

The 'gig economy' is well underway, with over 15% of the UK workforce now classed as self-employed.

As it gains momentum, this trend opens up a wealth of new strategic staffing possibilities for businesses. Organisations are beginning to rely more heavily on flexible recruitment models as a means of balancing economic uncertainty and lack of available talent.



Research by Bullhorn UK has found some of the hot topics for 2019

77%

of recruitment professionals believe reskilling candidates is an effective way to address the talent shortage.

But just

2%

say reskilling is one of their top priorities.

60%

of recruitment professionals say diverse organisations are more effective, but respondents disagree on the current state of diversity in recruitment. **45%** think the industry has a diversity problem, and **42%** don't.

GDPR – Much ado about nothing?

55%

of recruitment professionals say that GDPR has had no impact on their business' ability to achieve its future revenue and growth goals.



23%

believe that GDPR has, and will continue to have, a positive impact on their business.

The Brexit Paradox:



14%

expect Brexit to have a positive impact on business growth and revenue.

19%

think Brexit will have no impact.

32%

are unsure of what impact Brexit will have on their business.

34%

believe Brexit will make business and revenue growth harder.

Bullhorn provides cloud-based CRM and operations solutions for the recruitment industry. Its automated data capture and customer insight technology helps companies engage candidates and win customers.



ARRESTED DEVELOPMENT

It might sound strange, but one of a manager's primary jobs is to hire and train their replacement. Managers shouldn't be threatened by this, because it's not something that happens right away – developing talent takes time. But it's important to have a team behind you that you would genuinely trust to perform your duties in your absence.

For example, let's say the CEO comes into the office this afternoon and says, "I want to put together a team to work on our next big product. It's a secret project, but I want our best performers. Give me a list of names to consider ASAP!" At first glance, you're thinking, 'No problem, we have plenty of great performers.'

But then reality sets in. If your managers haven't been out there developing their talent, then they don't have anyone to delegate to. Which means that if they are assigned to an important project, their team would suffer. That's not a win for the manager, the department, or the company as a whole. However, it's easy to understand the manager's point of view too. The company tells them that they need to start focussing on developing their employees, which then becomes just another plate you are trying to keep spinning. Developing employees often becomes the item that keeps sliding down the priority list.

Organisations and managers can shift the focus back to employee development by making it part of the manager's performance expectations (i.e. part of their performance review). You could potentially take it one step further, and make it form part of the learning and development (L&D) department metrics.

Learning and development teams should have a metric that reflects the ratio of employees who receive training versus development, and understanding training as learning related to the job you have, and development as learning towards a future role. It should be easy to track – when an employee attends a learning event, is it training or development? That will tell the organisation how much talent development is taking place.

Managers should be held accountable for giving their employees development opportunities, and should be able to set a goal of scheduling every employee for a certain number of development sessions each year. A large number of employers are asking their staff to complete a minimum number of training hours each year, but it could be worth

extending that to include a minimum number of development hours to help shape your team for the future.

Another important aspect of employee development is creating an open communication channel, either at performance reviews, or by having a trusted and genuine 'open door' policy. Talk to your team and ask them about areas of development they would like to explore. It could be that your team have aspirations and ambitions that you knew nothing about.

Nigel Brewster,
Partner, Brewster
McBride



The quality of conversation is important; identify goals, and work with your team to create individual development plans. Not only does this help the organisation develop future talent, but it can motivate your staff to work harder to achieve promotion or improvement, and encourage those who might otherwise have stayed in the background and not thought to take a step up.

Many organisations don't want to create formal replacement or succession plans. It's understandable. That doesn't mean they shouldn't have any plans when it comes to future staffing. Holding everyone accountable for development can keep efforts moving in a positive direction, even when formal plans aren't being made.

In today's job market, it's possible that the candidates being hired need training and development, and organisations should always set aside resources to be able to provide this. Effective talent management and development will keep staff at all levels engaged, managers effectively supported, and allow for organisations to consistently grow and keep moving forward.





with John Sutcliffe

John joined Henry Boot PLC in 2006 as Group Finance Director, and was appointed Chief Executive Officer in January 2016. He is also Chairman of the Company's four principal operating subsidiaries – Henry Boot Construction Limited, Hallam Land Management Limited, Henry Boot Developments Limited and Banner Plant Limited. We asked him for some insight into his career to date and the challenges of leading in a PLC.

Q Please talk us through the early part of your career.

A When I left school, with reasonably decent A Levels, I went to work in a bank, but I absolutely hated it. Of course the perception was that it was a solid job, a job for life, a career in the making. But one of my friends came home from university one Christmas, and told me all about life on campus and I just thought 'I've made a mistake here'. I then applied for, and got into university, effectively a year late, which I think in many regards was a really good way of doing it. I got to see what life outside of the academic world was like, and I worked really hard – although I always say I got a Sportsman's degree!

On finishing university I looked at the then 'big ten' in the accounting professions, and at the time London was offering maybe 150-300 roles. There were 3000+ jobs for graduates leaving university with an Economic degree, and I managed to land roles in a couple of places and chose, what was at the time, Touche Ross and Co. in London. I trained there and had a fantastic time, working on jobs with companies like Trafalgar House, who owned The Ritz and the QE2.

I qualified in London and my wife came to London after she completed her teacher training and got her first job in Harlow in Essex. We got married and wanted to be closer to both sets of parents so moved back up to Leeds, and shortly after relocating with Touche Ross, I decided it was time to leave. There were six other guys at my level at that stage, and it was clear that progression was only accessible at quite a big personal cost (long hours, working weekends etc), so I decided it would be better for me to move on and get a job outside of the profession.

I started working for a jewellery business called Abbeycrest at the age of 26, and by the age of 29 I became Finance Director. Between the years of 1986 and 1989, we grew the business from £7million to £60million, all on the back of Gerald Ratner and the Ratner Group. Things were going well until the famous Gerald Ratner comment about a set of earrings being "cheaper than a prawn sandwich"... well, that was about our earrings! (For the record, they were less expensive than a prawn sandwich, but they were incredibly well-engineered).

Gold was incredibly expensive, so when we lightened the product through precise engineering, it became significantly less expensive, and that's what Abbeycrest was all about. It was a fantastic business, really great people, and a great team. But after that comment from Gerald Ratner, we lost half of our business. Had he said "This is a fantastically engineered product, and we are using the latest technology to create low weight products to make them accessible to a wider audience", people would have loved him, but he implied that they were poorer in quality which had an incredibly negative impact. For me, the lesson learnt was, you've got to be incredibly careful about holding all your eggs in one basket in business, because you just don't know when something like that is going to happen which could have such grave consequences. Ratner Group were £36m of our £60m annual turnover in that year, and the following year they were £6m. In effect we lost half our turnover from one customer in that year.

Continues overleaf →





with John Sutcliffe

Q So, in that decline from £60m to £30m overnight, what happened?

A We still made money in the year and we deleveraged. The good thing about de-stocking in a gold business is that you just melt it down and make cash! Your intrinsic value is quite high. We had to go through redundancy exercises, and I'm not saying it was easy, but it was a good lesson to learn. Sometimes you can make a positive out of a bad situation, when you think about how to work it through and get on and do it – you can begin again. We started off again, we were in a different place. We were developing new markets, new customers. Argos for example, really stepped up to the plate and recognised that one of the principle retailers in the country was struggling and took advantage of that.

We built a business up with different customers, and by the end of the 90's we were at around £90m turnover. It was fascinating, you had to manage the intricacies of gold prices, and you build stock using borrowed gold. In the times of 15% interest rates, the interest rate on gold was around 1%. You could borrow bars of gold at a 1% interest rate, which felt like peanuts. But then you've got to manage it effectively. You borrowed their gold to build your inventory, and then you bought it and fixed the price of that borrowed gold as you managed your order book. We had daily reports that showed

how many orders had we taken, and how much gold that represents, and therefore we needed to buy 'X' amount of the borrowed gold. It was fascinating.



Q So, you stayed there until 2000, and went to work for Town Centre Securities. What prompted that move?

A I'd been at Abbeycrest for 15 years, and it was coming up to the millennium. I really started thinking genuinely about what I was doing and what the future looked like, and I remember sitting down on that New Year's Eve, and a few of my friends were saying I should just do it and have a change. I was 40 years old at that point and that's what made me start to look for a new role and the result was finding one at Town Centre Securities (TCS).

"The intellectual property at Henry Boot PLC is between people's ears."

Some of the best lessons you can learn about the property industry I learned from working in that environment. The business has a really healthy attitude to leverage, ensuring that the business was never over-leveraged, and not over-committed to the banks. Also, the CEO would always say "If you're going to own property, then you've got to own it in the right places" and he used to talk about the regional capitals around the country – Edinburgh, Leeds, Manchester, Birmingham, London, etc. People are going to go to Manchester, but probably won't go to Halifax. On a personal level you've seen that play out, those secondary towns have been nowhere near as successful as the 'regional capitals', and I think that's been a real lesson. Location is crucially important in property and you have to be incredibly careful with how you use yours, and other people's money in property. Those initial lessons working with the CEO and Property Director,



who were really, really fantastic operators, have stayed with me, I also learnt a lot of lessons about property development. You've just got to nail it down. If you don't nail down every part of that, you'll make a mistake. That's not to say we've not made mistakes at Henry Boot PLC, you've just got to mitigate those mistakes as much as possible when you make them, and ensure you're not making the same mistakes time and again.

Property is essentially a risk business. That was the problem at the top of the last cycle, there were so many people alive to property and had seen the brilliant returns that had been made in the preceding five or six years, they thought it was a doddle! The banks at that stage were very receptive to any sort of proposal from almost anyone with a property deal, and when that came crashing down, a lot of people got hurt. I remember one conversation I had with a guy who had built up around a £1b property portfolio with about £900m worth of debt, and the £100m equity was effectively revaluation. So it wasn't skin that he had put in the game, but

he was sat telling me he was worth £100m. I told him he absolutely should sell 75% of what he has, keep his £100m, and have £200m of debt, and that way he might be alright. But he was adamant that he would be alright regardless, but he wasn't.

Going back to Town Centre Securities, the CEO would always say: "What happens if property values come down by 25%? Are we still okay? Does that still work?" and that was really good advice, because it doesn't always go upwards in a straight line, sometimes it can go the other way. We are in a cyclical business, and property values are cyclical in the longer term. It's not that the overall direction of travel isn't necessarily upwards, but you've just got to not be in the wrong place at the wrong time. I then decided to leave TCS in 2006 and came to work for Henry Boot PLC.

Henry Boot

Q You've worked in public companies for quite a number of years. What are your observations about that environment?

A Well, I've been an FD of a public company since I was 29.

Again, shareholders giving you grief is one thing, but you can sit down and you can front it up with shareholders and say "this is what's happened, and this what we're going to do about it", whereas, banks giving you grief is far worse when you're in financial

difficulty – that's not necessarily going to cut it with the banks if you are severely over-leveraged, and that clearly came out over that 2007 to 2009 period. I guess the lesson I learned from that top of the cycle stuff is that, as a property developer, do not have too many property development eggs in your basket at the time the cycle turns, because as soon as you start building it, you've got to finish it, because if you don't finish it, the value of a half-finished development, if you go bust at that

point, is worthless. Who is going to take it over? Who is going to give any warranties on the work that has been done? That work has essentially gone, and that work may have to be knocked down for someone to start again. You've got to finish it, and you've got to have the funds to be able to do that, and that was the problem for so many developers at that point in the cycle, when the banks were saying they weren't prepared to provide further funding.

"A lot of my job is really quite simple – it's just about facilitating the stars of the show to make the money."



Q So, you came to Henry Boot PLC as the FD in 2006 just before the world collapse. How did you navigate this?

A We were leveraged in terms of the cycle, and had about £75m worth of debt against a £150m balance sheet back then. The issue was we didn't have too many of those developments in progress, and we could finish off the things that we were developing, and we did manage to sell them even though we didn't make a great deal of a return on it. But we actually started to generate cash, and by around 2010/2011, we had about £25m in the bank. As a Finance Director, because Henry Boot PLC is inherently cash-generative when you don't really do anything, and because the markets were so quiet and there was so little going on, we weren't really investing lots of capital, we were generating cash.

Q Talk us through that a bit more – so the business was cash-generative even when you're not really doing anything?

A So, taking our plant hire business for example, as soon as you stop buying plant, there is about £3.5/4m worth of depreciation every year, which is just cash effectively. We completed developments in progress, and we disposed of them. In our Strategic Land business, when house builder output declined, they stopped buying land. Hallam Land made £30m+ in 2007 in profit and Henry Boot PLC made £44m, and between 2009/10/11/12, Hallam Land made an average £2.5m a year profit, so it was almost like going back to the Abbeycrest days, completely different situation, but it never worried me because it became clear after a couple of years here as FD, how cash generative we could be as a business when we slowed up. So we stopped

selling as much land through the Strategic Land business, and we didn't lose the people because they are the most important asset. The intellectual property at Henry Boot PLC is between people's ears. Provided you've got the people and the funding to be able to do what we do, it's an incredibly strong business. So going through that period, it was difficult, profitability went down, we reduced the level of dividends we paid out in line with the returns we were making in the business, but as a business we were in really good shape. I'm not suggesting we didn't make people redundant, principally within the contracting business and principally because we just couldn't keep those people busy, the guys on the tools were the people who suffered in that recession. But, we didn't make people redundant elsewhere in the businesses and within construction we moved to a management contracting model.

Continues overleaf →



with John Sutcliffe

Our employment level went from around 700 to 450 in that time, but it was within contracting that we had to make some difficult decisions.

We've recently completed our Investor presentation for 2018/19, and it is part of the job that I've always enjoyed. Whilst I don't always enjoy sitting in front of an investor and regurgitating the numbers, over time, the guys who have invested in the business have invested for the longer term (which is what we are, we're a longer term business). They all understand the business, and so the discussions had are more about what business is like, what we're doing and where, it's a different sort of meeting. We discuss the investment propositions for Henry Boot PLC at the moment, and that I think is what you shouldn't lose sight of. In 2014, NAV per share was just over £1.50 – we've put on 75p of NAV over the last four years

and 30p in dividends. That £1.50 asset value in the business four years ago has delivered of 105p return for shareholders, and there aren't that many businesses who achieve that level. That's a 14-15% compound return over the last four years, and Henry Boot PLC has been doing that since before I came. It's cyclical, and you can't necessarily achieve that kind of growth throughout a full cycle, but if you took it from the bottom of the cycle to the top of the cycle, you probably are. Bottom of the cycle NAV was about £1.35, and we didn't generate too much because at that stage you're paying out a high proportion of retained earnings as dividends. We have effectively every year, in those last five years, seen a £20m equity raise, which is the retained earnings. That equity gets invested in what we refer to as the 'Opportunity Portfolio', and that's the 175 Hallam Land sites around the

country that we're bringing forward, and the 50 or so development projects and sites we've got around the country. The five year record shows that 2014 profit was £28m, it was £55m last year, £48m this year, but the debt level has halved, and it's the recognition that we're a cyclical business, we're not building this business up with lots of debt. We're building this business up with our own equity.

If you'd have spoken to us five years ago, we were probably capable of delivering maybe £20-25m profit a year. The opportunity portfolio today is probably capable of delivering £45-55m and, if we can keep on investing in it, in another five years' time we could be generating £60-70m. Taking the land inventory, the acreage we were running in 2006 when I joined was around 6,000 acres, and this has increased to over 14,000 acres today.



Q What have been the key differences from CFO to CEO?

A I remember it was the 3rd January, and I was sat in my new office for the first time, and I suddenly felt what it was like, having the livelihoods of the 500 colleagues who work for Henry Boot PLC as my responsibility.

And I have to say that even though, as CFO, I had only sat next door, and was clearly a guy at the top of the business, that feeling had never weighed on my shoulders before. The perceptual shift to everything being on me was the biggest change. After that, it was having the responsibility for how the business is,

how it grows, that was initially a bit of a challenge. But it's fine now, three years in. Confidence grows in your ability to a) deal with the pressures and b) achieve the results you're aiming for. I'm perfectly happy with the responsibility now, but it was quite hard when I initially took the role on.

Henry Boot

Q Which of the skills you have developed as CEO and CFO would you say is most important?

A It's the ability to communicate strategy to institutional shareholders, which is helped by being a chartered accountant, but not all chartered accountants are able to do it. It's helped by having an encyclopaedic knowledge of the business. It's helped by having been a CFO, but it's a different skill set that is helped by past experiences. The strategy that the company is adopting and how it is communicated is crucially important.

For example, we've not made as much money as we did in 2017, and there is a very good reason for that. We converted the former Terrys Chocolate factory in York into 165 apartment. We thought that the scheme would sell over three years, however demand for the apartments was so strong, that

it all sold in 18 months, and we made a better return than we anticipated. So, you've suddenly pulled forward, half the profit on the scheme, so 2018 was less profitable based on a success from 2017. And as a deal driven business, you can't manage that sometimes. One of the stories and explanations you've got to get across to investors is that we are a deal-driven business, and landing a deal in a specific financial bucket, is really, really difficult.

Additionally, any property business in my view, is about cash, it's about funding lines, it's about the equity we've got and it's about people's skill. A business like Henry Boot PLC is fundamentally dependant on two things, cash and people. If you've got the right people, they will make sure you go for the right sites, and that they are acquired at a price to make the right level of profitability.

I often use Thomas the Tank Engine as an analogy with the Fat Controller. But the point when you read those books to your kids is that he's in the background, and the trains are the stars of the show. So for us the trains are Hallam Land, Construction and Property Development. Those businesses and teams are who make the money, and I just 'orchestrate' it (I don't like using that word but you understand what I mean). We allocate capital in what we think are the right places, and explain that to the investor community as well. I'm not the guy who makes all the money at Henry Boot PLC, I'm the guy who communicates and reports that information. There are some fantastic people in our business. I facilitate and allow these stars of the show to make the money and flourish.

Q As you look back at your career, what are the things you're most proud of, and what are the key lessons you have learned?

A You learn from everyone in your career, and one of the overarching lessons is that no one has the monopoly on good ideas, you listen and you learn, and you don't think that you know everything because you never do. You will learn new things every day, and if you're open to that, then you will progress a lot faster than someone who is closed to accepting new ideas and just thinks they're right. I just try to soak up other people's good ideas, and learn from them, adapt them, and try and improve what I am as a leader of a business.

Going back to Abbeycrest, we were managing, over 15 years, international gold price fluctuation, but making a very stable return. In terms of managing financial risk, I think we as a team at Abbeycrest did a fantastic

job over a long period of time. Even managing that loss from the Ratner Group, and being part of the team that managed that was good experience.

Something I'm really proud of is our values at Henry Boot PLC, but again, I haven't come up with those, they were developed by the team. Everyone in this business is important, and everyone contributes to the results we achieve every year. The PLC, the company, gives people the financial empowerment to be able to do the deals they're doing all the time. I'm proud to be able to support the teams in our business today to do all the deals they want to do, and rarely walk away and say no we don't want to do that, or we can't afford it. We endeavour to support the guys to win every good opportunity.

Henry Boot PLC is one of the UK's leading and long-standing property investment and development, land promotion and construction companies

Our successful group operations encompass:

- Land Promotion
- Property Investment & Development
- Construction

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DIGITAL TRANSFORMATION

HOW TO MAKE IT WORK

By dictionary definition, digital transformation is 'the novel use of digital technology to solve traditional problems'. Sounds exciting... no? For some, it's quite the opposite. A recent survey has revealed that digital transformation is one of the biggest worries of 2019 for CEO's and Directors.

Natalie Poskitt
Client Director,
Brewster Partners



Huge amounts of money has been spent on digital transformation projects, lots of which has gone to waste. The reality is, these projects can provide possibilities and efficiency gains, however without the right mind-set, and if current organisational practices are flawed, digital transformation will simply magnify those flaws. Several key strategies can help to lead organisations through transformations that will succeed:

1. Establish a solid long term business strategy

To spend a large amount of money on a digital transformation project only to find out it has been unsuccessful, is a less than ideal situation. There are a large number of tools available, and their suitability depends on the needs of the individual business; what works for one may not necessarily work for another. It is essential that you establish your long term business strategy before you do anything else. Establishing goals for your business will mean that you can match the project to your business.

2. Utilise staff for ideas

Often, if a business seeks transformation (digital or otherwise) then they will bring a team of external consultants in, who tend to offer a 'one size fits all' approach. Referring to our previous point, this may not be successful as the transformation they choose may not be right for the business.

Instead, utilise the staff that you have, as they will know the business inside out and be able to recognise what will work and what won't.

3. Understand employees fear of being replaced

This is perhaps the most poignant point of all. Naturally, when people expect that a transformation project will make their job redundant, they become somewhat resilient to the change altogether. At these times, it is critical for leaders to recognise these fears and try to change the mind-set of employees. Encouraging employees that the transformation is, in fact, an opportunity to upskill themselves further to suit the marketplace of the future.

To help with this, many managers have adopted a strategy, initially implemented by Benham Tabrizi, Consulting Professor at Stanford University, known as the 'inside-out process'. This teaches employees to recognise their unique contributions to their organisation, then connect those strengths to components of the digital transformation process – which they will then take charge of, if at all possible.

In conclusion, digital transformation can be a success if managers go back to the fundamentals and manage the process correctly, by not rushing into anything too soon. By focusing on changing the mind-set of employees, they can be instrumental in deciding what digital tools are to be used.

LEADERS IN THE WORKPLACE

Authentic and inclusive please!

The employment market is fast-changing and managers must change with it in order to motivate and retain their staff in the way that they want to. With Generation Z now entering the workforce, priorities of what they look for in a leader have drastically changed in comparison to that of Generation X several years ago.

People now want to work for managers who are authentic and inclusive characters. Those who make honest mistakes along the way, embracing and learning from them. These kind of leaders are much preferred to those who pretend they're perfect and penalise employees when something goes wrong.

The effects of an inauthentic leader can be catastrophic to the business involved.

Evidence shows that employees who don't view their leaders as authentic are less engaged, thus leading to increased staff turnover and a potential dip in profit for the business involved. But what can leaders do to help them become more authentic? There are four fundamental principles that they can adhere to which are featured on Page 17.

Sarah Milton,
Research Associate
Brewster McBride



#1

Let your staff grow and develop, even if this isn't within your business

This is a really interesting point, as it means that a successful leader will help staff to grow and develop even if it's inevitable that the employee will eventually leave. This could be because they want to pursue another career or that they wish to grow in directions that don't match the company's current vision.

By mentoring all employees in the same way, a leader is demonstrating that they are committed to doing the right thing for each individual. In turn, staff retention will actually become higher as other members of the team will see how those that have left have been treated and want to stay.

#2

Don't allow people to think outside the box then punish them if it goes wrong

These days' employees are attracted to businesses that encourage and promote innovation. In reality, only a few of these businesses are willing to accept the potential pitfalls that can come with this ethos once something goes wrong. Naturally, the more this happens, the more frustrated an employee will feel, driving them away and forcing them to leave.

The key here is for leaders to never hold these potential mistakes against an employee, regardless of the financial cost to the business. Creating an environment that means people can learn from these mistakes, will mean that staff levels will stay constant.

#3

Listen to criticism and take it on board

No matter how inclusive leaders are, they're probably not perfect. Who better to provide them with feedback than their employees? Leaders need to grow a thick skin and learn to take this criticism on board, as it could be invaluable. Not only could it help the business grow, but employees will feel that their opinions are valuable, which in turn will make them want to stay.

#4

Don't fake it, until you make it

Authentic leaders are real and genuine. You cannot 'fake it, until you make it' by putting on a show as a leader. People sense very quickly who is authentic and who is not. Some leaders may pull it off for a while, but ultimately they will not gain the trust of their teammates, especially when dealing with difficult situations. If people see their leaders as trustworthy and willing to learn, followers will respond very positively to requests for help in getting through difficult times.





David is currently Non-Executive Chair for Real Life Options (RLO) and a Trustee for the Pontefract Academies Trust and National Coal Mining Museum for England. RLO provide support for people with learning disabilities throughout England & Scotland, and they currently support around 1,200 hundred people and employ 2,200 staff.

Q Can you briefly talk us through your career to date?

A I always had a passion to work in engineering and on leaving school, joined PO Telecoms. The organisation was going through great changes, both from a cultural and business operations perspective, as the business activities were moved into the newly created British Telecom (BT) and the digital age was looming. Exposure to such change at an early stage in my career gave me some valuable experiences and learning points. It taught me that change is essential to move organisations and people within them forward.

A key driver and motivator for me has always been a 'dread' of being restricted to one sector and job role. My engineering training instilled in me a methodology of solving problems,

identifying opportunities and taking up challenge, things which have proved invaluable in the successful roles I have had in the SME and the Not-For-Profit sector. As Sales Director with Melett, a supplier to the automotive aftermarket, we had to face up to the challenges from low cost Far Eastern competition. Growth had to come through increased volume sales, the pricing strategy needed to change and we had to maintain margins. Through adopting a more proactive approach, setting up our own distribution centres in the USA and Poland and establishing a manufacturing plant in China, we increased our market share and were able to maintain margins. Turnover increased from £18m to £25m in a three year period and we were able to retain and bring on board new customers.

I strongly believe personal development is important. My success in obtaining the IOD Diploma in Company Direction, has proved invaluable in my Board roles. Around five years ago I was made Non-Executive Chair of RLO, the organisation has gone from strength to strength and we now support around 1,200 individuals and employ around 2,200 staff throughout the UK, which is enormous credit to everyone in our organisation.

Just over three years ago I joined the Board of a local Multi Academy Trust and more recently have been appointed Vice Chair. Within the last few months, I have also joined the Board of the National Coal Mining Museum.





with David Wilkin

Q What do you think are the biggest challenges working within the private and Not-For-Profit sectors?

A In my experience, the biggest challenge for any organisation be, it in the private or Not-For-Profit sector, is building and maintaining a sustainable business in ever changing external environments. Of the many factors which influence the sustainability, I believe the key ones are around knowing your customer and leadership.

Whether you are a commercial or Not-For-Profit organisation, knowing your customer is critical. Who are your customers? What are their needs?

Q What originally attracted you to the roles you have undertaken?

A New opportunities. Someone once said to me early on in my career; "There are no challenges just opportunities to excel". This philosophy of seeing challenges as opportunities has enabled me to focus on identifying and taking on roles where I knew I could, and consequently have made a real contribution and difference to the success of the organisation and the people within it. A desire and drive to learn, develop, be the best and work with people who share these values are my drivers.

Q Can you briefly talk us through your Non-Executive career to date, and how you became involved with your current organisations?

A My first position as a Non-Executive was with RLO and I was appointed Non-Executive Chair five years ago. The organisation had a successful history, driven by the efforts and dedication of the original founder, in delivering support for adults with learning disabilities. It was well recognised in this field and very much a 'Yorkshire' organisation with a values based 'can do' attitude and approach. The environment was changing and I was invited to join the Board to strengthen the commercial experience. There was a need to develop a robust succession plan and position the organisation for a period of growth through acquisitions. Since I joined as a Non-Executive, we have been successful in attaining charitable status in England and Scotland, acquired two others business and increased revenues from £8m to £40m.

About three years ago I joined the board of a local Multi Academy Trust. I wanted to understand more about how the education system could deliver improved outcomes and opportunities for young people, giving them greater life choices. More recently, I was invited to join the Board of the National Coal Mining Museum, a position I thoroughly enjoy. The opportunity of being a part of protecting and preserving our industrial heritage is a great motivator for me and important for the understanding of our future generations.

We recognise that people are individuals with very different ideas about how they want to live their life.

Real Life Options
a real choice | a real voice | a real difference

Leadership is also key, people respond to good, strong and effective leadership, in my mind this drives proactive decision making which attracts the right people who can and want to create a climate and culture for change, where two way communications are second to none.

Does your offering meet their needs? To use a bit of technical jargon, what are the 'need pay offs'?

Providing strong effective leadership is essential, it gives clear direction in enabling a culture which is adaptive to change. Establishing and developing a values base culture and communicating this effectively to all stakeholders is a fundamental and key responsibility of the Board in working with, and holding to account, the Executive leadership. As Non-Executive Chair with RLO, this has been a key element of my work with my fellow Trustees, the CEO and Executive Leadership team to redefine and reassert our values and build a culture of people enablement throughout the whole organisation. An exciting journey and one on which we are now well on the way.

Q What would be your advice to those taking on a similar role in today's market?

A Enjoy the work you do and have fun doing it. Be clear of your vision and where you want to be, go for the roles which present the opportunities to improve the organisation and develop yours skills on the road to achieving both their, and your goals. Set clear objectives for the organisation and yourself in each role you undertake, recognise when you have achieved these, and more importantly, recognise when it is time to look for new opportunities. A great mentor of mine from many years ago gave me a piece of advice which has served me well throughout my career. 'Don't just look at the next role you take, look at the role after that and how each role you take allows you, and the people around you, to learn, develop and progress'.

Q What has been your biggest /most valuable lesson as a Non-Executive Chair?

A It is important to get to know the organisation, the people and all stakeholders, understand the Governance and read 'The Articles'. Use this knowledge to build trust and respect from within the organisation and develop relations with the Executive, Management and Operational teams. Keep your hands off the day-to-day stuff, instead work with the CEO, Executive Directors and Management to develop and ensure effective and efficient processes are in place which deliver meaningful, accurate and timely information and KPI's. Getting this right enables the Board to hold Executives to account and informs sensible and effective strategic discussion and decision making.

Q What has been your biggest challenge (or achievement) as a Non-Executive Chair?

A Governance and the Governance structure throughout the organisation. Are 'The Articles' fit for purpose? Does the Governance structure support the objects of the organisation? Having in place the necessary and appropriate controls and processes to deliver good governance is critical to fulfilling your role (as a Non-Executive Trustee) in holding the Executive to account. Inappropriate, out dated governance can challenge and effect behaviours and values within the organisation. A regular revisit and review of Governance is important. Leading on, ensuring and delivering good Governance in my role as Non-Executive Chair has been a key achievement in ensuring the Board and organisation operates effectively and efficiently in delivering on our strategic goals.

Q What would you say are the main priorities for an organisation in the current climate?

A Be the employer of choice. There are obvious challenges around recruiting the right people, putting recruitment and retention at the heart of your organisation at all levels is critical. With a deep rooted Sales background, I would also apply this philosophy to your customers, recruiting and retaining them is crucial to the success of an organisation.

Leadership is also key. People respond to good, strong and effective leadership, in my mind this drives proactive decision making which attracts the right people who can, and want to, create a climate and culture for change, where two way communications are second to none. Don't be afraid of mistakes, as long as you learn from them. Celebrate and reward success at all levels, enable people to identify good practice and when they see it, build on it and ensure this becomes embedded. Change should be sustainable, successful and in the DNA.

Q How do you think your career, either Executive or Non-Executive, will develop over the next few years?

A It will develop. I strongly believe, for me, there will always be challenges, opportunities to excel, the ones where I can make a difference, add value and continue to learn, develop, be the best and fulfil my passion to deliver organisational improvements and growth. The future is an exciting place.

Real Life Options

Real Life Options supports people with learning disabilities or autism to make choices and live their lives the way they want to.

They provide a wide range of support to people with learning disabilities and elderly people in care homes and private homes across the UK, including everything from a few hours help each week up to 24-hour support.

David's responsibilities include managing board agendas, appraisal/assessment of Executive and Non-Executive Directors, co chairing an advisory board made up of the people we support, ensuring and developing good governance throughout the whole organisation.

NATIONAL COAL MINING MUSEUM FOR ENGLAND

The National Coal Mining Museum for England keeps the stories of coal mining alive by creating enjoyable and inspiring ways to learn for people of all ages, backgrounds and abilities and by collecting and preserving the industry's rich heritage.

As a member of the Finance and Audit Committee, David is working with the Executive Management Team and Chair of the Committee on risk profiling and refining the organisational risk register.

The 'S' word

How can employers help reduce stress in the workplace?

April 2019 saw the 27th annual Stress Awareness Month, a 30 day period during which health care professionals and health promotion experts across the country came together to help increase public awareness about both the causes and cures for our modern stress epidemic.

Statistics by the IIP Mental Health Survey reveal that 40% of employees consider their job and increased workload to be the source of their stress and anxiety. As a manager, it is imperative to get on top of the issue and take the necessary actions to help reduce these stress rates. Reducing stress levels will result in a happier workplace, reduce sickness days, and in turn improve overall performance.

Some managers believe that to help alleviate stress in the workplace they have to offer elaborate and over-the-top benefits, but this couldn't be further from the truth. Some of the most simple and effective solutions include:

1. Promoting Exercise

Getting endorphins pumping around the body through exercise is a guaranteed way to reduce stress levels. Even if your employees are in an office based job, there is no reason why you can't encourage a more energetic lifestyle. In fact, it's possibly more important for those who remain stationary throughout the working day to take the time to get active.

Some businesses promote walking meetings, ensuring that staff are out of the office for a few minutes each day. However, with the great British weather, this can't always be guaranteed. Instead,

we are seeing more and more employers offering their staff either a free or heavily subsidised gym membership as part of their benefits packages. Some companies fear that if the gym membership is used during office hours, employees could end up working less hours. This may sit quite uncomfortably as a concept, however giving employees that time away from their desk can actually make them more productive when they return.

2. Taking a break

Removing yourself from the stressful situation and taking regular breaks from the screen can be very useful. Some employers will use electrical desktop reminders to encourage their staff to take a break and stretch their legs. It doesn't have to be that complicated though, sometimes providing staff with breakout areas or cafeterias can be enough.

3. Giving back control

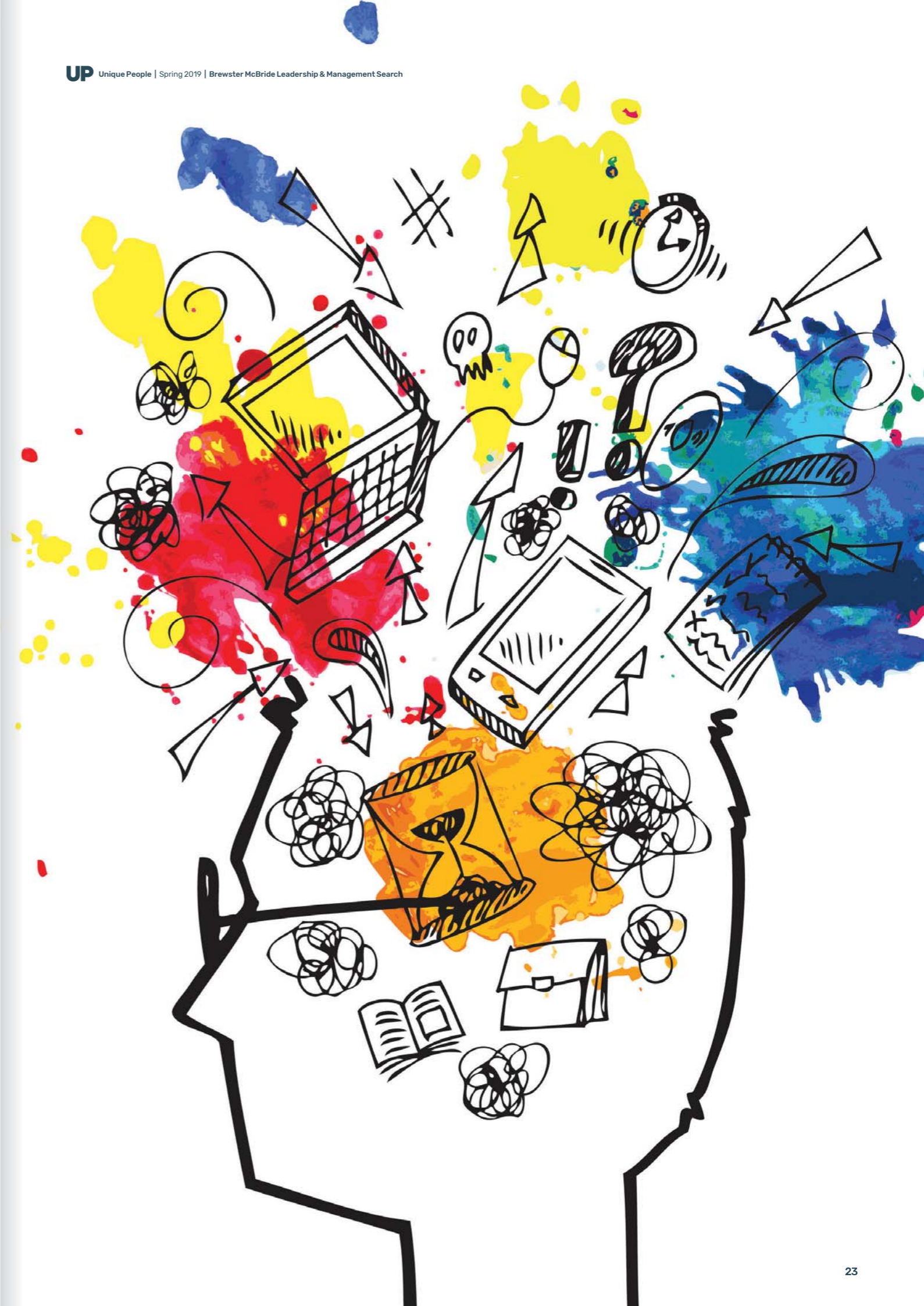
Employees can become very anxious and distressed if they feel like they have lost control of what they are doing. By simply allowing your staff to have some level of flexibility or autonomy to tailor their role to their own preferred working style, can help to alleviate their stresses and anxieties.

Pete Shillito,
Client Director,
Brewster McBride

4. Conduct a survey

Working as a Manager can mean things are very hectic, and often you may not notice when your team members are suffering from stress related symptoms. As well as this, staff sometimes keep their emotions to themselves, meaning it's almost impossible to tell what they are thinking before it's perhaps too late. By conducting anonymous surveys, employees will open up and air any concerns they have before they become something bigger.

In conclusion, looking after your employees doesn't have to mean you send them on a lavish retreat or give them two weeks extra holiday each year. Sometimes the simple things can help to reduce stress rates within the workplace. No matter what you think of it, stress is a factor that every company, across every sector needs to take seriously. Implementing coping strategies for their employees could be the next step!



Finding Unique People

Brewster McBride are specialists in the identification and attraction of Senior Managers, Directors, CEO's, Non-Executives and Trustees.

Working collaboratively with our clients, we take the time to understand their culture, their values, and exactly what they are looking for from a new senior hire. We are confident that our extensive network of senior executives, online resources and bespoke approach enables us to provide our clients with the highest quality service available.

Some of the clients we have worked with



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