

Episode 2: Shocks for New CEOs with Allan Tillack

Pod: Welcome Alan to the show.

Alan: Thanks very much, it's great to be here.

Pod: Now for the purpose of this conversation, let's use the title CEO as a uniform title i.e. the title to give to the person who is the most senior executive in the organization at a country level or a regional level or global level, just for uniformity of conversation.

So, let me take you back to your first-time experience as CEO. You were hired to head up the Abbott Nutrition Organization in Australia and New Zealand, you were hired externally, it was your first time in that position. What was that like?

Allan: Well, it was a real revelation. I had been through the recruitment process, which was an exciting process to go through, fantastic to be appointed to the role. But I still remember my first day in the office and I suddenly realized that it's great to sit in the office, the corner office with the big desk, but there was a big job to do, and I suddenly realized that, well, I had a reflection of a discussion I had with my previous boss when he had said, 'You know, Alan, when you take the step into the mostly in your role, it's a lot different than what you're doing now. He said that the biggest difference is there's nobody down the corridor that you can go to when you've got a problem that's very complex, and you don't really understand what the answer to that is.

And in the very first day, I lived that experience.

Pod: It hit you.

Allan: Yep.

Pod: I am the person now.

Allan: That's right. The buck stops here and never a truer word spoken.

Pod: So, in that role, you were reporting into a head of a geographic region. It was Asia Pacific or a Middle East or what?

Allan: It was a subset of Asia.

Pod: Right? So, you see, your boss was effectively in a different country, different time zone and effectively want you just to run the business

Allan: Very much so. And you touch upon a really important point there because the relationship I had with my boss was really quite different. He wasn't in Sydney, he was in Manila and whilst he was very open to canvassing the challenges of the business, there was an underlying -an incredibly clear expectation that I

had done a lot of the mental heavy lifting, done a lot of the conceptual thinking around problems, and that I was coming to him predominately, with a range of solutions and a recommendation, as opposed to being able to workshop solutions and work together and collaborate together in terms of bringing these really challenging issues to, an ultimate conclusion. And I found that really, really challenging initially that I didn't have somebody to bounce ideas off. It was really somebody that I took ideas to, and very clear recommendation and rationale 'Why?'. This was my recommendation.

Pod: Okay, so you're moving to this role for the first time. You also moved externally as in you were recruited from a different organisation into this organization. It was your first-time joining Abbott and Abbott has a very strong performance orientation, as many companies say they do. But you told me in the past it was another eye opener in terms of how performance could be managed and the lens that they looked through. In that regard talk me through what your experience was of standing in that position?

Allan: Well, I think chalk and cheese was a great way to describe it. And a really interesting point that you make. If you speak to anybody from any organization today, that was so yes, We're an incredibly performance driven organization. We're financially focused. The financials are really, really important. There's a big difference between that being verbally espoused and living that, and what I found when I moved into Abbot is that there were very, very much a financially driven company.

I think one way to describe that was when I would go to Singapore for the regional reviews, we were looking at the next year budget with the slide deck of at least 100 pages and it wasn't uncommon to have questions like, "why is the number on slide number 22 not correlating with the number on slide 57?" or "it certainly doesn't triangulate with the number that you're putting forward on slide 99" .

So, you know, it was that sort of forensic financial approach, which, which is great in terms of learning how to run a business. But it was in stark contrast to a more nimble, flexible, directionally driven experience I have had leading a business unit.

Pod: It's very much an action oriented, performance-oriented organization

Allan: Without doubt.

Pod: So, you're in the role starting to know your team, starting to get to know the local business. You go overseas for your first internal meeting with, say, vice president level. What's that like?

Allan: Well, that first meeting was our latest estimate meeting where we're putting forward how we thought we were going to go to plan for the remainder of the year. And again, it was it was a focus purely on the numbers, very little comment around strategy or what is the operational plan? Only in as much as

how that was going to impact on what was the financial performance of this year.

So, it was my first exposure to the area via a VP and a very, very action oriented guy. He was a great businessman, but very, very focused on what is it that we're doing? And what does that mean in terms of, are you going to deliver? A higher number than plan or a lower number than plan? And interestingly enough, what I learned that variance was an issue. Now, even if you overachieved, that was that was a concern, because that was a signal to the regional office of 'did you have your fingers on the pulse of this business or not?

Pod: So good planning was deemed to be paramount.

Allan: Absolutely.

Pod: A lot of leaders when they move into the most senior role, like CEO the first time. They really underestimate shadow. Shadow meaning everyone watching the more senior executive, for hints as to what the direction is or what the leader is thinking, and when the leader makes a comment overtly, they take that as a direction or a someone said to me once and I realized that my utterances became someone else's orders. Did you have that experience? And if so, what was that like for you?

Allan: Yes, I certainly did. I can remember one specific example where I was having a meeting with our marketing team, and we were exploring the pricing strategy on a particular product, an important product for us.

I left the meeting thinking we really haven't concluded. What's the right pricing strategy to do here that my understanding is everybody was leaving the room was that there was some more work to be done outside of myself. The last person that left the meeting room was our head of marketing and I just mentioned to him off the cuff.

I said, 'Listen, had you approached this in this way, or maybe in that way, that might have driven us to a more constructive conclusion in the meeting'. Three days later, what I had said to him, which I thought was an off the cuff remark on my behalf was actually executed and put in place and launched in the marketplace.

Well, that's not what I said, and particularly that's not what I said to his boss. So, I expressed my displeasure to his boss who reported directly to me and said, you know, I've been taken out of context here and I feel like I've been played. That's the way I felt about it. I was really, really annoyed and very very miffed by it.

But it was only sometime later, and you talk about somebody's suggestion being somebody else's order. I had the good fortune to attend an executive program in Dartmouth College, now the Tuck Business School, and Marshall Goldsmith, the author of *What Got You Here Won't Get You There* was

presenting for half a day and he said something which was really, really powerful to me. He had been coaching the global CEO of GSK, the really huge pharmaceutical company, and had been coaching him for I think was an 18-month assignment. And at the end of it he asked the question to this gentleman who said 'What have you learned over these 18 months?' And the CEO of GSK said 'I've learned that my suggestion is somebody else's order'.

That really struck a chord, so I actually then reflected on the experience I had had with the with the marketing manager and suddenly my perspective changed 180 degrees. I did feel very, very aggrieved that what had happened at that time and then suddenly I realized 'what? Hang on a minute.

He heard from me an instruction' and it just highlighted to me how imperative it is that as a senior leader, that you be very, very careful about what you say. I find that really challenging because from a human perspective, I'm inclined to be quite flippant, but that's a really red flag in terms of, if people don't understand that you've got a dry sense of humour or what have you. Is what you say taken on face value? The consequences could be significant.

Pod: Absolutely. I remember working with an Australian based CEO who then moved into the global CEO role, and I caught up with her three or four years later just to catch up and talk about her experience and she had two major insights. The first one being what you just said, that it took her quite a while to realize that her external thinking of her commentary or indeed, her facial expressions sometimes portrayed messages that she had no idea that they were and sometimes the messages were amplified because of the room she was in or because of her status as the CEO.

Her second biggest learning was she realized that in her organization, let's say they had 5000 staff. That means there is at least 6000 families tonight discussing over dinner the way that person was treated at work today. I want to make sure the experience of work is really positive so that the dinner conversation is a positive one.

The second experience came from the first experience that she had in terms of 'how does she influence the messaging, the thinking and then the day of the overall experience? sometimes directly, sometimes inadvertently.

Staying with your first year in this role, a lot of people talk about what kind of start they need to make in terms of speed or focus. You look back now and your first time in that role, how would you describe to start off your CEO in the way you took on that role?

Allan: Well, I think it was an inglorious start, and it was because I didn't really understand what was expected of me. So, in my mind, I approached the job as 'wow, this is a fantastic opportunity, but it's a significant step up, so I'm gonna have to learn the ropes here, and I'm gonna have to re acquaint myself with the business medical nutrition. I'm gonna have to learn about the people here.

Once I have that information over time, that will give me the confidence then to set the direction for the for the business. So, when I say it was an inglorious start, another way of describing that was it was a slow start, and I think if I had our area VP in with us to heat a day, he would be saying my expectation is that you would have hit the ground running, that you would have actioned the changes much more quickly than you actually did, that you would have set the direction and, you know, build the momentum within the team far more quickly than what I actually did.

So, in some ways, I spent the first 9 to 12 months spinning the wheels on the hamster wheel, as opposed to actually getting any real traction.

Pod: We're going talk about your next goal soon and see if you change your thinking or learn from that as you know, into a different role, but nonetheless, by the time you left that role, the overall revenue for the association had gone up by over 60% and over a three year period, your profit and change went from 40% 266%. So, nonetheless, the slow start didn't end up in a poor failure at the end of that career. When you look back of that role now, what are you most proud of?

Allan: Well, I'm proud of the fact that once I realized what my role was and I had the clarity in terms of, you know, I really did set the tempo of the organization. I then took the step to put myself out there and say, well, this is what I stand for. This is my aspiration for the business.

In fact, at a January kick-off meeting, my update of the business presentation had one slide on numbers and then I went into talking about my aspirations for the business, and I expressed my views more clearly and more succinctly and more openly than I've frankly ever done before, because not only did I say "this is the aspiration for the business", I said "here are the possibilities we can shoot for these aspirational goals. It'll be exciting but a lot of hard work. This is not gonna be a 9 to 5 exercise for any of us if we do this. Or we can continue to plod along as we have been."

I said, "I don't want to be part of that. And I'm asking you today to consider whether you want to be part of it or whether you don't want to be part of it and either way, your answer is okay by me."

It was really interesting the impact of that, because at the morning tea break, one of the people who had been in the Sales Force for a long time -I'll call him an old stager- he came up to me. He said, "Wow, that was a really interesting presentation, wow you've really got me thinking". And I can tell from the edginess in his voice that that was not necessarily a positive thing for him personally.

Within three months, he had chosen to leave the organization, and there was a good example actually of, what I was really asking people to do is to make a choice, stay with us and then from there, we instituted a couple of major programs, not least of which was a change in distribution model.

Moving from an internal model, which was very, very high cost to an external model had marvellous impact on the on the P&L. A lot of what you have highlighted there had an impact in the beginnings of the decisions we had to make. And it was really good.

Pod: It sounds like once you realized your own pace, you say you started slow. Your own pace was mirroring where the business was, or indeed maybe even leading the business at the pace it was at when you kind of decided for yourself. I need to shift my pace.

You articulate that to the whole organization and you also gave them permission to join this or it's OK not to. That means you'll be choosing to leave. Either way it's fine, I'm giving you permission to stay and I'm giving you permission to leave? A that's quite liberating for a lot of people I would imagine.

Allan: Yes, I think so. And for those people who decided to stay, it was energizing. This was the first time that I had personally delivered a message of that clarity and publicly, and I was not sure where it was going to go. I thought something needs to change here, and the impetus for that was, what the company did do that was really supportive was give me access to an executive coach and I can still remember the first meeting I had with that gentleman. Early on in that discussion, I can't remember the question, but I can remember my response to the questions, and he asked me some questions about, you know, my leadership. And as I'm hearing the question, I'm going through this thing "Oh, dear, I don't have an answer for this and oh dear, I should." and that was the tipping point for me to say, Well, there's something in me that has to take pride in that. I would have said to you the issues in the business, all external, that's already powerful insight and it's called a square moment, as a technical term to describe a new experiencing.

Pod: But it forced you to really look at your ability or your ability at that point, it really the obligation towards the desired outcome. Any realizing I'm coming up short here, so I have to shift and then the ordination will shift.

Allan: And it was a rude awakening for me. A very rude awakening because I thought, Well, it's been my great leadership that has got me to where I am now. So why isn't it working?

Pod: To paraphrase Marshall Goldsmith what got you here may not get you there.

Allan: Absolutely. Never a truer word spoken.

Pod: You left Abbott very successfully, as we've already discussed the results and you joined a much larger organization. You joined Sandoz, which is part of the Novartis group. Talk us through the interview process because I seem to remember you telling me that it was quite a long and drawn out process, but quite an intense process as well.

Allan: Yes. So, for me, it felt like I was playing Survivor. I was the last one on the island. So, I had many, many interviews and it was really, really interesting that every single person that interviewed me asked me two questions. One was what were my impressions of Sandoz and number two was, they wanted me to explain to them my views on the Australian psyche around leadership and the Australian psyche about, you know, work and work life balance and what have you.

The first question was quite easy to answer. I said, well, you know, Sandoz is a great company on when I had seen the dimensions of the company in terms of the number of people employed the annual turnover, I said I was very, very pleasantly surprised.

But my impressions are that from a commercial perspective, they just sat under the radar. They were not very strident in the marketplace. In terms of the second question, I was really fascinated by the fact that everybody who interviewed me asked me that question and I explained to them I said, you know, the Australian approach to leadership is that your title doesn't really mean anything.

You have to earn your right to lead. Australians are very, very happy to follow a leader that they believe in, but you need to earn your stripes as opposed to the mere fact that you have a title of CEO or title of general manager, managing director does not then bestow upon you the right to be the leader.

Pod: I completely agree. I've written a series of books called Foreigner in Charge. Foreigner in Charge Australia, Foreigner in Charge Hong Kong, Foreigner in Charge Singapore, etc. They're written for expat leaders who are moving from one country to lead a team in a different country- hence Foreigner in Charge. One of the premises of expat leaders coming to Australia is almost identical to what you just said and that is they come to this country, it's a peaceful place to live, social life is easy, and it's quite a high standard of living in many regards. It's a very stable government in the economy sector, etcetera and in many regards is a very mature country, and the first six or seven weeks are beautiful. That's exactly what they had imagined when they were sitting in their home city wherever that was.

And then somewhere around between Tuesday and Thursday in week seven, the reality hits. They're going "Oh, the team that I'm leading are challenging me big time. I don't know why that is. And I've been promoted to this role. So, why they challenging me? Yes, that's exactly what you just said. Australians are very, very happy to be led if they deem that leader to be credible. If that leader has taken a role that someone in the team was hoping to get and they don't show that they actually good leader, the team can then sabotage that in incoming leader.

It's quite a difficult process to understand and go through. So, your interview process sounds like was pretty intense and drawn out. What was the experience of the organisation before you joined? i.e. there must be some reasons why they were delving deeply into your understanding of leadership,

because there must have been some history before you joined for that to happen.

Allan: Yes, there was. Exactly. So, they had, from a head of country perspective, had a revolving door on that had like six or seven leaders over as many years and on. And so there was, ah, battle weary element to the leadership team and I think from a regional and a global level, there was a realization that this particular appointment was going to be pivotal to the ongoing success of the Australian business because they had been through other external appointments had been through internal appointments. The previous head of country to me had only lasted seven months, and that was followed by a seven month and gap as they went through the recruitment process. So, there were very, very cognizant of this appointment being a very important one. And they wanted somebody that was going to be around for some time.

Pod: And they chose you. So, you walk into the business or the first couple of weeks? How did you find the business? And how did you find the leadership team? Because I would imagine a leadership team whose leaders kept changing every 7 to 10 months would be battle weary and were waiting for the next person just to last for seven months before we caught another one.

Allan: So, what was interesting was that they had seen a reasonable amount of turnover in the leadership team in the previous 6 to 9 months. And so, I think nearing a third, possibly a little bit more of the leadership team had changed, so there was a new element to the leadership team. But there are all very, very hungry for direction. They're all very hungry to know that they were going to have a leader that was going to be there and be there for some time. So, my initial impression of the leadership team was at that as individuals, for the most part, they were highly competent in their area of expertise. But they certainly were not acting and behaving as a team. They were a group of leaders who were functionally oriented. That's the way they were behaving. Their team was their functional team. Certainly, they had no perspective in terms of that group being a team. Now, to be fair to them, that had started a dialogue around 'team'. But it certainly hadn't manifested in any behaviours that would be, but we considered to be team behaviours today.

Pod: So, what you do to galvanize that and to shepherd the conversation into the outcome that you eventually got?

Allan: Well, so there were a number of things that I looked at, but first and foremost, I did have some time to reflect on the early experience that I had with Abbott and think about what did I want to do differently this time. So, one of things I did was before I actually was appointed, I had a start date for the first of December, but in the week or two prior to that, I went into the office and I met with each of my direct reports for about an hour, one on one and just asked them general questions about the business, what their perspectives were on the business, what did the business need? What did they need from me? What did their area within in the business need and what have you. So, I got to meet everybody before I started, so that helped a lot.

Pod: Almost like an unofficial starting date.

Allan: Yes, it was. This was suggested by my coach, and at the time, I was sort of thinking this is a great idea.

Once I did it, and certainly in the first week where I was officially on board, I thought, what a great investment of time that that was. And so, my orientation was to start fast and to show that I had a strong customer orientation. So, there was plenty on the plate.

But I was also ensuring that I was going out to key customer meetings in the first 2 to 3-4 weeks and I just wanted people to realize that there was a strong action orientation and that I was prepared to roll up the sleeves and get in and get done. So, I wanted to start fast and so I did. I did have that start on then after the first 2 to 3 months, that's when I got a better hand on feel and I can still remember, not only with my direct line manager of the head of commercial operations for Asia Pacific, but also the head of HR for Asia Pacific, they both individually wanted me to step through my assessment of each of the team members, and again if I contrast my experience with Sandoz versus how I started in in in Abbott,

I think it would be fair to say that my assessment of people in Abbott was, you know, I'm taking on a sort of a plain vanilla approach you know nothing controversial, or oh yes, this person's doing well here and, you know, I think they'll be fine.

But, you know, platitudes. Whereas I was far more succinct and to the point and prepared to make early judgements when I was starting my role in Sandoz and it was really interesting.

Broadly, my assessment seemed to resonate with both the head of commercial operations and the head of HR because they had actually lived with this team for obviously a lot longer than I had. But the important thing was, as I was engaging in those conversations, I knew that the expectation on me as the new leader was that I was making some assessments and I was making judgments, not necessarily any pressure from on top to take people decisions straight away.

But they were very, very interested in what my perspective was

Pod: Yeah, this a fair degree wisdom. You look at the whole literature and what's being written around leadership transitions, particularly into the CEO levels role. But yet head of country head of region or indeed head of global, and that is in your first three months, you take time to look, listen and learn at what's going on, but also take time to judiciously assess where your team a rat, not necessarily to change them out, because the team you inherited had a very poor experience prior to you and therefore world on tested in terms off.

If given some support, where could they get to, but least within your for three months understanding, what's your assessment of the capability and the orientation and the mindset and then, after about three or four months, been able to go 'now we're moving towards some degree of outcome or direction.

And like your first experience, here's the train is leaving. Are you on board?
And if not, then that's perfectly fine. But we're moving.'
Does that sound like where you got to?

Allan: Yeah, I think so. Again, I think the underlying principle here was to drive action, to drive the business forward and what you've just outlined there was a critical part of doing that, and I understood better that this was the expectation of that role.

Pod: In our preparation for today, you also mentioned to me that in that period, you undertook an exercise called a New Leader Assimilation, which was to help the team, to get to know you really fast and really well, as early as possible. Tell us more about that.

Allan: Yes, so I did that when I joined Abbot, and I did it again when I joined Sandoz. But again, I think the orientation that I brought to that was more focused in the Sandoz experience. So, the team got together the head of HR facilitated the session without me being in the room saying, you know, 'what is it that Allan needs to know?' What questions do you have for Allan? What does he need to understand about the history of where we've been? Why it is where we are', these sorts of things and, you know, some of the questions were, you know, how do I like my communication style, even from a technology perspective, what's my preference for communication? How do I like to take decisions? Things like that. So after that session of the head of HR and I without the team, they get to go and get a coffee, and I would go through all of these questions with the head of HR and then bring the team back in and I would give my answers to those to those questions.

So, I thought it was a really powerful exercise because I got then in the context of their question, to deliver some of the key things that I wanted to get across. So, you know, things like I want this team to be action oriented. It's really important that we deliver to our promises, things around decision making and say, you know, I want to be clear on this because I know who I am, and that is that I prefer to have time to think about key decisions rather than you bring to me a critical issue at 4 p.m. on Friday, and the deadline is 4:30 p.m. on Friday, I will give you an answer, but it probably won't be the one that you want. It will be status quo. No. You know, if you put me under that sort of time pressure, that's what I'll do. Alternately, you give me a day or two or even just overnight, we'll have a far more constructive discussion.

Pod: And that insight to your own decision-making process obviously came out of your whole career, but also your experience in your previous CEO role. We had learned how you were making those decisions and how you'd like to make those decisions.

Allan: Yes, exactly. I think it's good to be able to clearly communicate to people that this is your preference.

Pod: I completely agree. The new leader simulation process and for anyone who's listening, who doesn't know what that is, we'll attach an information document around that in the show notes here, because it's a simple process. It was generated, I think, out of Honeywell or GE or one of engineering type companies. But you know, the thinking behind it is very simple. How do you accelerate the understanding of working with new leader as quick as possible? Typically, it can take up to eight months to really understand leaders thinking patterns on decision making, processes and preferences, and indeed, for the leader to learn the same of all of their team. And if you could achieve that in your first month, everyone's accelerated. The speed of competency is increased.

It strikes me that you came into the new role. I understand he wants to go faster, understanding to a fair degree what was important for you and how you like to lead. And you give yourself, like a three- or four-month timeline to get all that set before you then drove the organization to where you wanted to go to. So, let's move forward a few months. So, you have set the team up. You've articulated where you want to go. You've got you've got buying and process around that What were some of the signs to the wider organization that you took to signal? Hey, we're going somewhere. We're doing something as different and yes, the organisation is used to leaders leaving every nine months. But I'm here and we're doing something for also what kind of things that you do or say to give that sense of confidence to the organization.

Allan: So, recently, before I started the organization that got into this tempo of having monthly a town hall meeting. So, we continued the town hall meetings and what have you, But I started to think about how can I use these town hall meetings to communicate some of the key themes here in addition to that? Early on, I'm thinking it for maybe five months into my tenure, we had an important offsite meeting as a senior leadership team, and I wanted to communicate to the broader business some of the key themes that had and messages that came out of that off site. And what had become very, very clear to me is that the business was operating at a very, very high tempo. Lots of people doing lots of work, doing lots of hours, and this is not unusual for a prescription generates company. But people were working to do things heroically, rather than necessarily doing things smarter.

Pod: And we say lots of hours. That doesn't mean they're worthwhile narrative. Just lots of hours, yes

Allan: So lots and lots of busywork, lots of not so busy work, and so one of the things that came out of that off site was we agreed as a leadership team that we would have what we called a stop month, and I launched this at one of the town halls and basically I said the team, We're doing lots of work, right throughout the organization, no matter what function people are doing, lots of work, lots of hours. And I said, I want you to take time just to do a critical assessment of the work that you're doing and if you don't think it's adding value, I want you to stop it.

I want you to stop doing what you're doing. If it's not adding value now, there a couple of caveats here. Number one, I said. "We cannot compromise the good

governance off this business”, I said, “I’m absolutely committed as an individual that with the results that we deliver, are delivered in the right way. So, we want to behave properly in terms of the way we address the market and the way we do business. So, if it’s not compromising good government within the business, and it doesn’t have on a flow on effect of somebody else. As in, I’m not going to do a B and C, but that means that somebody else is picking up the load somewhere”. I said, just stop it. And so, we did that for a month.

Pod: So, you announced to the whole organization?

Allan: Exactly.

Pod: What was the immediate reaction?

Allan: Well, stunned silence, because I don’t think people fully understood, so I related a story to the organization to try and get them to understand where my thinking was coming from. And I said, in my two roles previously, I said, I can still remember when I had my sales managers in for a meeting and it was one of these rare occasions where they were pouring out their hearts and truly telling me what they thought. And they said, We’re just so incredibly busy. It’s just, you know, we’re all overwhelmed. So, my response to that was to say, I completely understand. I can empathize with you, but here’s the reality. It doesn’t matter whether you worked 168 hours a week, you would still be too busy. You’ll still have work to do.

So, I said we must focus on those things that are actually going to deliver a tangible impact to the business and forget about those other things and actually become comfortable with the fact that you’re not going to get everything done. I said It’s about priority sitting, and it’s one of the hardest things to do. But that’s what we need to do. And so that’s what I was sharing with the Sandoz business.

Let’s set some priorities, and it is difficult to do. But I wanted to do something that was symbolic.

Pod: Wow that’s symbolic, that would grab everyone’s attention. What strikes me as you’re talking is everywhere you go everyone you talk to everything you read around being busy. Somebody gives the wise advice of stop doing something. What you did there was get a guideline going. If it’s not adding any value, if it’s wasting time.

Allan: And within these caveats, as long as we stuck to the caveats, you got for permission to just stop it. And one thing that happened that I showcase, which was this was a really powerful outcome. But ahead of supply chain uh had a dotted line reporting to the head of supply chain in our Singapore office, and he was saying to me he couldn’t believe the demand, the reporting demands that were being replaced, placed on the local affiliate. There was one report that they wanted every month, and it took 3.5 days to compile the information for the supply chain team members. And so, we discussed this at some length, and I said, Well, you know, when you’re dealing with the regional team, it’s not

really productive to say to them, No, I'm not going to do this. So why don't you frame the discussions differently and share with them that the report takes 3.5 days, 3.5 days of man hours to deliver because he had also shared with me that I can give them 80% of what they want in about half a day. But that extra 20% is an additional incremental three days. So, he posed that question to the head of supply in Singapore and said, I can give you what you want in 3.5 days. I can give you 80% of what you want in half a day. And lo and behold, they said, give me the 80%.

Pod: Three days, saved straightaway every month, every month. Forever. Were you ever able to calculate how much time you saved by saying to people to stop doing it?

Allan: So, we did a check in after we did the stop month and we saved around 200 man hours per month.

Pod: Wow, that's the almost 2500 hours per year for the organisation

Allan: And save doesn't necessary mean we just stopped working. We refocus that time and prioritise the things that matter, things that matters.

Pod: That's great. It's a simple idea, and a very profound idea, but I love the caveats you put around to give people guidance. I would imagine people felt they were given permission to be an adult in their role by what you did.

Allan: Well, it was really interesting when we got to the Q and a session of that town hall where I launched this. The nature of the questions gave me a very clear indication that they were not used to being given some headspace, given some leeway to make their own cause here. And so, I had to be very, very clear as to what you just said. You have permission to act on this, you know? So as long as you admit those caveats, you have open slather. You have to do this. It sometimes given people for permission, is also is overwhelming when they never had it before.

But again, as you said, you put some guardrails around that and then therefore give you permission to walk through. And indeed, because it's your job, let me see me. You know your job really, really well, and I'm giving you permission to be an adult discerning about your job.

Pod: Fast forward to the end of your role there at the time you finish. Sales are up 100% year on year of when you started, profit had increased by almost 160%. The year you finished there, the team you led on the whole organization that won the highest performing country in the region.

And you also won the most Collaborative Leadership Team award on extraordinary changes over that time period. If you take the team that you were leading when you won those awards and contrast it to the team that you walked in on some of the members with the same people, some weren't for some contract. The difference in how the team worked together at the end of that

three years to when you first met that team and then therefore, why they got those outcomes in those awards something off alluded to part of it already.

Allan: And that is that the team that I inherited was a team of broadly, very competent individuals and very competent in their functional area. And that's where their focus was- in their functional area. What changed and certainly what impacted both collaboration and performance was an increasing orientation towards the leadership team. Their first team as opposed to their functional team being their first team. So that was really important to get this shift in mindset to say, Well, I'm part my first team and it is the team that oversees this entire business and so a move towards an enterprise type mindset, and what I saw in some of the interactions was an increasing capacity and increasing predisposition to contribute to challenges that one team member was experiencing in their area of the business, even when that contributor didn't have functional expertise or a great level of experience in that area. And that helped a lot that that started to break down some of the set ways of looking through set perspectives, of looking at problems and to be introduced a more creative way of addressing these issues. What was also really important is that when you know, when you make changes and address problems, there's invariably flow on effect throughout the business. And if we're aligned as a senior leadership team, when some of the potentially unintended consequences came to the fore, there was less pushback as a consequence of the fact that we had taken this decision.

Pod: Collectively, it sounds like you're able to elevate the level of thinking amongst those leaders from when you met them first, for all the reasons you have explained, and you know it's understandable.

Allan: In hindsight, the level of thinking was, I'm protecting my function and I keep my head down because who knows what's gonna happen next time? Just take care of that on your next level. We are the team. We lead the business together, and the next level was not only a way the team, we are co responsible for what happens even if it's not our mistake. Outcomes inadvertently were part of our wider ecosystem. Therefore, we're leading in a bigger system than ourselves. And one phrase I shared with the team, which sounds a little hackneyed. But I said, you know, our responsibility as the leadership team is to lead this business. It's not to take care of my function. It's not to be just the technical expert. It is our responsibility to lead this business on that subject. Subsequent to the offsite that we had early on in my tenure, I would share this at town halls to say, you know, we have committed as a leadership team to lead this business, and it is quite okay for you to call us out if we're not doing that

Pod: So very open, very vulnerable to the wider organisation. What happens when someone on that team doesn't make it? Not everyone does for a range of different reasons. Sometimes people choose to leave as per your earlier example. Sometimes people tap out with their capability or more whatever. Have you had experience off someone on the team that you wanted to stay? But for whatever reason, that it didn't make sense. He had to take action.

Allan: So, I think one of the things for it's true for CEO roles. I think it's actually true for every level of people leadership that you have is that in many instances where you have to make that difficult people decision, that means that the person's going to leave the organization. In hindsight, I think most leaders will say that they were able to come to that conclusion much more quickly than they actually came to make the formal decision and act on that decision. And that would be true for me in many incidences as well. And what I found interesting is, you know, I learned that early on in my career that if you know you prefer people decisions, it's not going to change the fact that ultimately at point in time you're going to need to make that decision.

So, I think there I contracted the time between when I felt in my bones that this was a decision that had to be made and acting on it. But I also found over time that it was a cyclic thing and that there were times where I was good at contracting that time, and then I might actually let my myself back slide a little in terms of that. So, it's really difficult. I suspect that for most leaders, they've got plenty of examples where they haven't made the decision as timely as they would have liked to in hindsight, and that's true for me as well.

Pod: I in a previous career, as you know, I worked in corporate head hunting, where I interviewed leaders for specific roles in other organizations and I was predominately working at country CEO level or a regional based level type role. On over a four-year period, I interviewed about 4000 leaders across the whole health care sector. One of the most common questions that I would ask everybody is what your regrets in your career are to date, I would suggest about 95% if not 99% of the answers were always the same, and that is as a leader I regret not taking action faster on the people based decisions when I already knew what the answer was instinctively I just didn't want to take action.

Allan: Yes, because it's hard.

Pod: It is very hard, and particularly if you've been through the trenches with some people over a number of years, you might have even grown up together in the same organization. For whatever reason, yes, and in some cases, you might have grown up together and your kids are in the same school because you've seen in the same village in 10 years. It's very, very difficult.

But that's the biggest regret that came through, was not acting faster, indistinct when they instinctively knew what the answer was. Way. This stage of transition into your first-year road in a new company transition to a different company, a second see a role, and now you've transitioned out of corporate life. To a degree, you have a portfolio career where you've went away into the master's degree in executive coaching, and you also chaired the board off the industry association board that you came out. Let's not let's start with the chair role a second. What's it like chairing the board when you have a CEO reporting to you? And indeed, the membership is your former competitors?

Allan: Yes, yes. So, it really is quite an interesting dynamic in some respects leading the CEO and it's true for the other members of the board, the principles of leadership actually hold true. Now some of the personalities may be more

challenging because 80 you know, the each typically in the association, the members sitting on the board were the most senior commercial person within the organization. So, these people with very strong opinions, very strongly held points of view and have no problem in expressing those views stridently. So strong personalities and what have you but really the same principles of leadership held true but maybe the best way to describe the difference is it was just scaled up a bit, dealing with very powerful personalities and people who had the power to make some pretty important decisions, so I would say that that was probably the biggest challenge for me.

I guess then the other thing that comes into this is that it took me a little while and I knew I had to do this was to establish my credibility to lead that team because, you know, who am I? I'm one commercial leader versus another six commercial leaders and a person with the title of CEO. So, what gives me the right to lead that team? And it was important that I established that credibility pretty quickly.

Pod: Most board chairs that I've met over my career. But I will say that the biggest skill that they have to learn when working with either group CEOs like you did or indeed their chairing a public company is the art of facilitation and really learning to facilitate dialogue, to get lots of opinions around the room, understanding that intellect and arrogance often come from the same place and therefore how do you shape that into a worthwhile dialogue? That was your experience by sounds of it?

Allan: Yeah, and I think one of those things I did to try and accelerate that was that I would be in touch with these CEOs from other organizations in between board meetings, not only to get a sense to check where their head were that on certain issues, but also to prompt them to participate, to contribute and you're right. One of the things I thought my role was to do was to ensure that equal voice was had around the table and, you know, because even at CEO level, you have different levels of forceful personalities and what have you. So yes, getting the contribution from everybody was really, really important. And that actually accelerated the collaborative approach within the board. And the impact of that was really quite palpable cause during my time is chairing the GBMA.

We were going through to very, very significant negotiations with the Department of Health and the Ministry of Health, where we were negotiating incredibly important policy settings around the generic prescription market and also the emerging biosimilars market, and the feedback that we got from these external parties was very much pointed towards the cohesion and the alignment off the GBMA board.

Pod: Excellent. Your last transition was moving into the space of executive coaching, and you had previously done an MBA in your career. But you chose to do a Master of Business coaching at Sydney Business School and then move into a full-time role where you now are coaching CEOs and GMs etcetera. What's that been like for you?

Allan: Well, it's been a really interesting journey. Probably the backdrop to making a decision of this nature was that if I was to continue in the corporate world, the next step would have been for me to move to a regional role that could have been Asian, it could have been European, North America, something along those lines. From a personal point of view. It's really interesting. How about how have you some of your long-held beliefs challenged from time to time and proven to be wrong? And so, for me, what that meant was, I had always wanted to work overseas when it became a tangible opportunity, shared that with my wife and she said, No, I don't want to leave, our kids are in Secondary School. They're doing very well, and I realized that the preceding three years of her telling me that she didn't want to move overseas was telling me that she did not want to move overseas. No means no.

So, that Penny dropped quickly over this three-year period and then so that that forced me into a period of reflection to say, Well, what is it that I really like doing on what you want to do for the next 10 or 15 years? And I realized it wasn't really, you know, I've been in the CEO role for about 10 years, and I didn't really want to do that for another 15 years. So I said what is it about the work that I'm doing that I really, really enjoy and occurred to me that over the last sort of four years had really got a kick out of seeing the senior people who reported to me develop and either move up the corporate ladder or expand the breadth of experience, and that was a really energizing and exciting thing to see happen.

So that's what got me interested in the in the executive coaching. So, I then asked the gentleman who was my executive coach, what might I do to prepare for something like that? And I was expecting him to come back and say, well, here's a two-day workshop that you can do, and I ended up doing a three-year master's degree.

Pod: Wow, that that sounds like it was not only three years long in duration full on master's degree but would be a deep insightful understanding of your own leadership, as well as learning the whole range of techniques to help you in your new role.

Allan: It was three years of deep reflection, really. And what I found really interesting was I wasn't sure how I was going to ring, embrace and engage academic learning after so many years of not doing it. But the power in this particular course was the theories, the frameworks, the models. I had an opportunity to overlay the academic nature of all of that with my own experience as a senior leader. So, I feel very, very privileged to have been out to do that, and I was able to explore the good the bad and the decidedly ugly of my own leadership.

Pod: Never, never a perfect time for that whole process over three years. And yeah, I got two questions to had to bring it to the end of the other two questions that I love to ask almost everybody. The first one is what is your favourite song? Well, my favourite song is My Way by Frank Sinatra. I've always liked that song; it's resonated with me for quite some time.

Pod: Is it something you pull out at karaoke nights or Christmas Eve parties or anything like that?

Allan: Well, I can tell you that I was in a karaoke bar in Manila one time and having sung that song at the end of it, I had a standing ovation as people got up to the dance floor. They were going to dance, but I thought it was my ovation.

Pod: You have spent so much time in deep reflection, particularly in recent years. With all that that you've learned now, with all the wisdom you've gained and old experiences you've been through What would you now tell the 35 year old version of you the 40 year old version of you who's still aspiring to move into the senior roles?

Allan: Become comfortable with being uncomfortable and lean into that discomfort.

Padraig: On that note, you definitely have done it your way. There are not many people I know who have moved into one CEO role followed by another CEO role, followed by a board role followed by full time master's degree into executive coaching, there's a few, but not many. You've definitely done it your way.

Allan this has been a powerful and insightful conversation today, much appreciate you being here for anyone who wants to contact you and find out more would have links to your website and LinkedIn pages and anywhere you are on the interwebs in the show notes. But I much appreciate your insight.

Allan: Pleasure's all mine.