



MACQUARIE

# VAN Satellite 2019

## Session summary

**Session: Ensuring your business is resilient to change**

**Speaker: Dean Gilkison, ADAPT by Design**

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**How do you create the conditions for scale in a rapidly changing environment?**

**Bigger isn't necessarily better. Why would you want to scale?**

- Build resilience during a period of industry overhaul
- Create economies of scale – larger firms (can be) more efficient
- Remove the onus from you – if you own the business, a lot of the torch light is on you a lot of the time, which becomes a challenge
- For re-founders – create your own company, have a crack at something, get rid of that 'comfortable apathy'
- Gain the financial resources to invest in emerging technology to improve the client experience
- Create better pathways for your people
- Go on in perpetuity while maintaining your roots

But creating scale is tricky. Scale requires you to manage an astronomical number of relationships. In a small company of 10, you have 45 unique relationships (before clients). When you get to 30 people, it's 435!

**Key ideas in creating the conditions for scale**

- **Separating Role from Soul** – Before you can handover your role, you need to define your 'role stack'. Which hats are you wearing: HR, marketing, IT service, sales, collections, bookkeeper? This is not just about your job description but all the areas you touch. TIP: If a team member is struggling, help them look at their 'role stack' and figure out what they could handover.
- **Total system succession and total system leadership** – If you make a decision in any part of your organisation and you don't understand its impact on other parts, you've got a problem. TIP: You can't be a director without being a total system leader.

- **Succession journey (in and on)** – Understand the three stages:

**IN – Role, Function leader** – People working in the business and being involved in current operational demand.

**ON – Total systems leader** – People researching and developing the business for the future, moving from an operational to strategic role. TIP: Work bottom up to create the capacity before opening the funnel. Don't move anyone up until someone's doing what they were doing. Don't be surprised if someone taking over one of your roles is better at it than you.

**OUT – Elder** – Founders who have moved away from the business with no authority or accountability, yet still connected in an unofficial advisory or support capacity.

- **Trust and psychological safety** – This is the cornerstone in finding next generation of leaders. Why would anyone want to be a leader if current leaders are struggling?

- **Model resilient behaviours** (see Luke's session). This isn't just about your ability to survive or bounce back – you must be resilient enough to 'bounce forward'.
- **Create a space where the team can share their stories and their values.** This is where you identify future leaders with aligned purpose, vision and values.

#### Why the All Blacks only lost 5 games in 5 years

Feed forward not feedback      No sulking      Culture of completion

Ceri Evans, All Blacks' mental skills consultant

#### Dean's tips

- **How to identify which hats to give up.** Cluster what you're currently doing into great, good and bad work. Figure out how many hours of each you're doing each week. Where are you spending your time? Transition to more work you love doing, want to do and are great at.
- **How to progress team members.** SEE. DO. TEACH. Getting someone to shadow you isn't the whole picture. First, they watch. Then, you watch them. (Don't empower people to make decisions before they're ready. If they make a mistake, get them to shadow you again.) When they're good enough to teach it, they can do the role.
- **How to check in.** I. WE. IT. Make sure you have different conversations about individuals, teams and the business.
- **How to make your teams more resilient.**
  - **Check in regularly** – Gilkison uses a quarterly self and peer rating system to measure how people are doing in terms of: professional fit, personal fit, recognition, financial, training, cultural fit and mentorship. All the recorded narrative is available to anyone in the business. Each check in takes about an hour. "It's a big investment of time, but it's transformed our business," says Dean. The process proved confronting at first, resulting in several exits. But those who stayed started taking more personal responsibility.
  - **Expect the best** – According to the Pygmalion effect: "If you take someone as they are, you'll make them worse. If you take someone as they should be, you'll make them better."

#### The Gilkison story

When Ray became a re-founder of his father's business in 1995, he recognised it was a well-paid job – not a business. He didn't want to be like his dad, who never had time for holidays. He wanted to create a more resilient organisation. But, even though he built the business to ten times the size of the organisation he'd inherited, he struggled to hand tasks over to his team. "I wanted to honour my father's four-decade legacy and preserve our small family business feel. But, at first, I did a poor job of being clear about what roles someone was performing when I handed them over."

A break-through insight was the need to realign for purpose. "Just because I wanted to do it didn't mean anyone else wanted to," says Dean. "If people only agreed superficially, it wasn't going to end well." Eventually, he identified two future leaders (including a 28-year-old who'd started as a receptionist), financing them in because he knew they were the right people. Then he used the role-stack system to handover his former roles to allow growth to occur.

*I was stuck in preserving, I had to get out of the way.*

*Dean Gilkison is a Financial Adviser with Gilkison Group, a self-licensed Financial Advisory firm founded in 1979. He is also the co-founder of Broadleaf Financial Group and ADAPT Financial. Dean holds a Certified Financial Planner designation, has a Diploma and Graduate Diploma of Financial Planning, a Master of Applied Finance and is an Alumni of Harvard Business School.*