



PERSPECTIVE 2020

# Adapting to change

A playbook for business leaders

I bank with Macquarie



MACQUARIE BANK

# Foreword

When we held an event for 600 business leaders in February, we were yet to comprehend just how prescient the event's theme of 'adaptation' would become.

At that time, we did not fully appreciate the scale of the pandemic, and that its impact would incite change at an extraordinary pace. As well as the very real and devastating human toll, COVID-19 has impacted every industry and businesses of every size.

Having worked with small and mid-sized businesses for over 30 years, we have seen many successfully navigate challenging situations and environments – building more adaptive organisations that continue to thrive. Our reason for being is to help businesses grow, change, capture opportunities, and realise their value, aligned with the owners' objectives.

And in a year like no other, Australia's businesses are meeting the challenge.

This period has tested resilience and ingenuity. Many are using the opportunity to improve customer and employee experience, driving innovation in their businesses that will change the way they operate – potentially permanently. They have accelerated plans, once considered years away, into action, within weeks or months.

In this report, we share frameworks for consideration when assessing the momentum of change in a rapidly shifting landscape, inspiring stories of resilience and adaptation, alongside insights from experts in their fields.

How do you prepare your business with an eye on the horizon, while also managing the impact of today? If you'd like to speak with one of our industry leaders, we'd welcome learning more about your situation.














Greg Ward

**HEAD OF BANKING AND FINANCIAL SERVICES**

**Macquarie Group**

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## Look out for interaction points



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# Our perspective

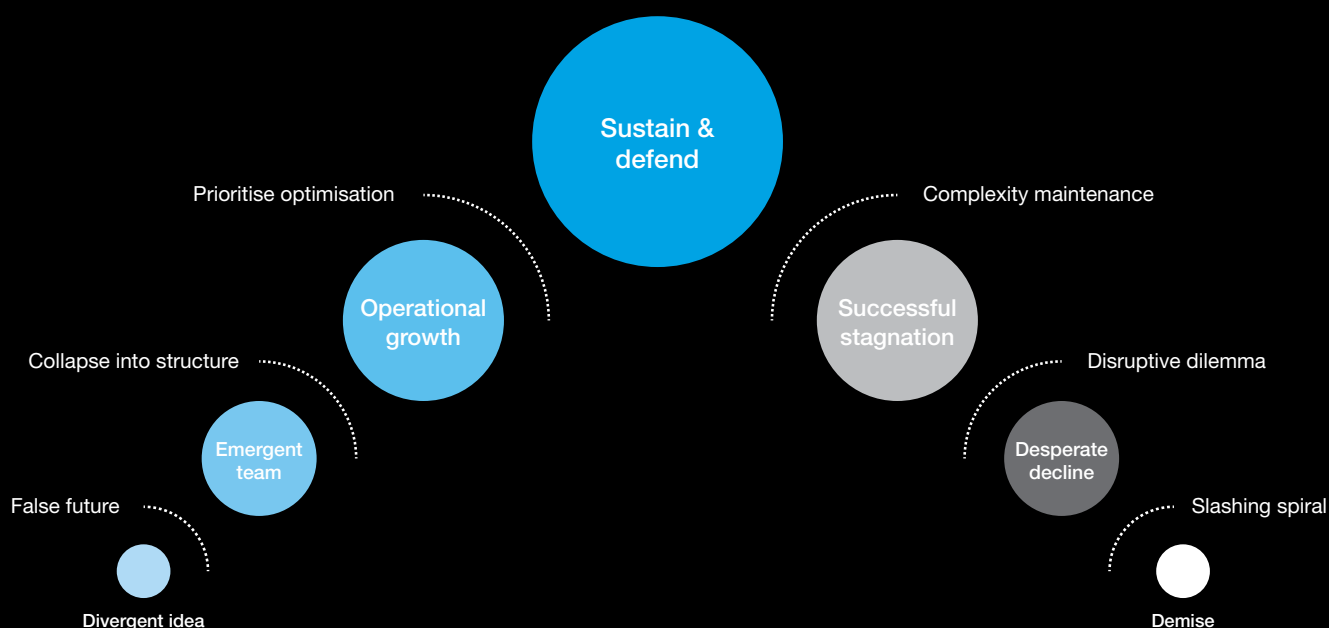
In times of business stability, there's lower incentive to change. But when a crisis emerges, the things that made a business successful in the past may no longer be relevant.

COVID-19 has become a catalyst for change, accelerating the next decade of innovation.

More than 90% of US business leaders believe that COVID-19 will fundamentally change the way they do business over the next five years, according to McKinsey's recent survey of over 200 organisations.<sup>1</sup> And while the majority see it as incredibly challenging, they also agree it will provide opportunities for growth.

In this way, COVID-19 has created a burning platform across every sector – an unanticipated 'disruptive dilemma' trigger point, as Subculture co-founder Michael Maness would define it. His research uncovered a Universal Arc pattern that repeats across businesses, institutions and even societies - from a 'divergent idea' through growth, and then eventually into stagnation, decline and demise.<sup>2</sup>

## The Universal Arc



Digital disruption accelerated the momentum of movement through this arc over the past few decades. But according to Maness, “with COVID-19, we’re seeing that arc become a rollercoaster. It’s moving fast, and you have to prepare to ride it.” [3](#)



To navigate successfully through periods of rapid change, businesses need to harness an adaptive culture. Macquarie Bank has distilled its years of research of business success into an adaptive business framework, identifying core elements that generate momentum for growth:

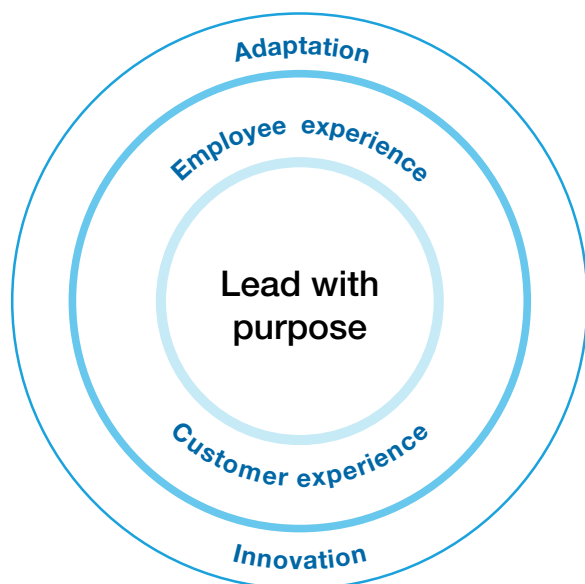
- Leadership with purpose
- Employee experience
- Customer experience
- Innovation.

The initial impact of COVID-19 was a test case for this framework. We saw businesses hold true to their purpose, with leaders focusing efforts on both employee and customer experience. They empowered their teams to seek out innovative ways to get products and services to market safely, and solve for shifting customer needs.

“To navigate successfully through periods of rapid change, businesses need to harness an adaptive culture.”

In some cases, the restrictive nature of containment policies necessitated the removal of legal or regulatory barriers to keep essential services running. For many businesses, COVID-19 became a catalyst to embrace new technologies and rethink flexibility and convenience for clients and employees alike. Others began to rethink traditional business models and look for new ways to diversify their revenue streams, while also lowering costs.

Adaptive business owners haven't waited for the pandemic to abate to innovate. In the words of one of our clients, "when you have a sense of urgency and you don't have a choice, it's incredible what you can do."<sup>4</sup> Examples of innovation include the rapid move to reimbursed telehealth consultations for medical specialists, or digital signatures for contracts.



This report explores how any disruptive change – from digital transformation to a global pandemic – demands a more adaptive business response.

There is little doubt that the rapid change we have seen in 2020 will continue, and we may need to operate within its constraints for some time. However, constraints can inspire creative solutions – providing the momentum for positive change.

## Turning challenge into opportunity

In a previous paper detailing thriving through change, we analysed the impact of four core truths in business today. These drivers of change have only accelerated as a result of COVID-19.

- **Digital technology** is now essential to operate in a remote working environment
- **Customer needs** are taking centre stage – with businesses having to adapt to new ways of providing products and services safely
- Urgent regulatory change has further dissolved **barriers to market entry**, opening the door to new competitors
- **A business' value** is no longer determined by its historical success, so much as its ability to adapt to changing market conditions.

## The Universal Arc

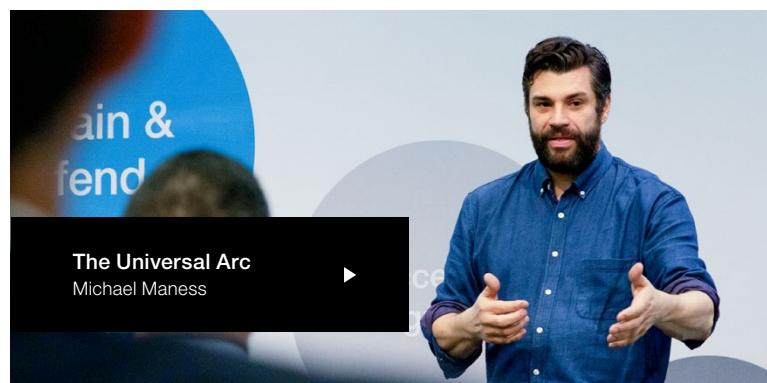
When considering the lifecycle of a business, especially for those whose business is mature, a useful framework to consider is the Universal Arc of organisations. Any business will be positioned somewhere on the arc, and it may be important to challenge widely held views when assuming that the trajectory of growth will continue unabated.

So, what is the Universal Arc of organisations? How can it be explained? How can the momentum that builds the value of an organisation be harnessed to its reorganisation, to avoid stagnation and decline?

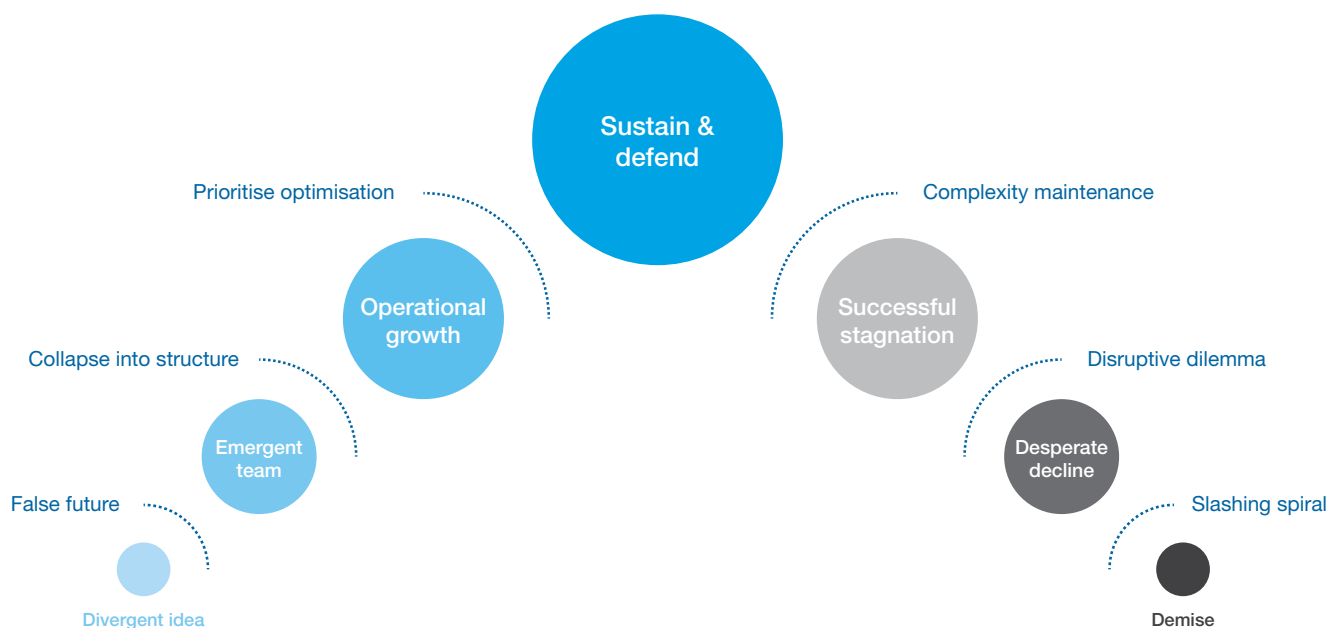
Businesses start out their life cycle with a **divergent idea**. Entrepreneurs then develop that idea into something profitable – entering a phase of **operational growth**. They then build structures and processes – optimising for efficiency as they **sustain and defend** their position.

Business models once considered successful can become less profitable over time; particularly when they are relationship driven. As more customers are acquired, more staff are needed to service their requirements – plus additional infrastructure to support growing teams, such as: physical space, technology systems and management apparatus. This can trigger a **collapse into structure**.

During a period of **successful stagnation**, the business may still be profitable, but this is more likely due to cost cutting and efficiency drivers. If a **disruptive dilemma** impacts market share, the business can spiral into **demise**.

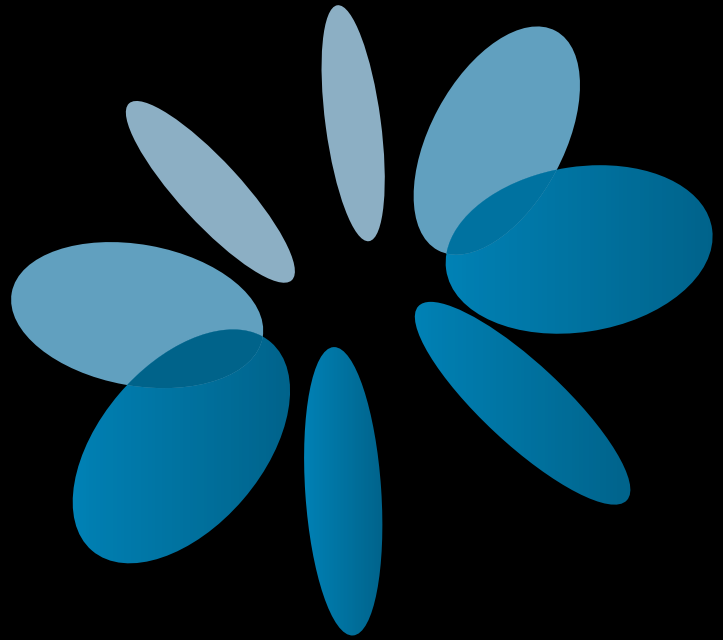


At each stage of the arc, business leaders must be alert to critical inflection points – moments where their assumptions should be tested, and where opportunities for change could be realised. How leaders respond to these moments could determine their business' future.

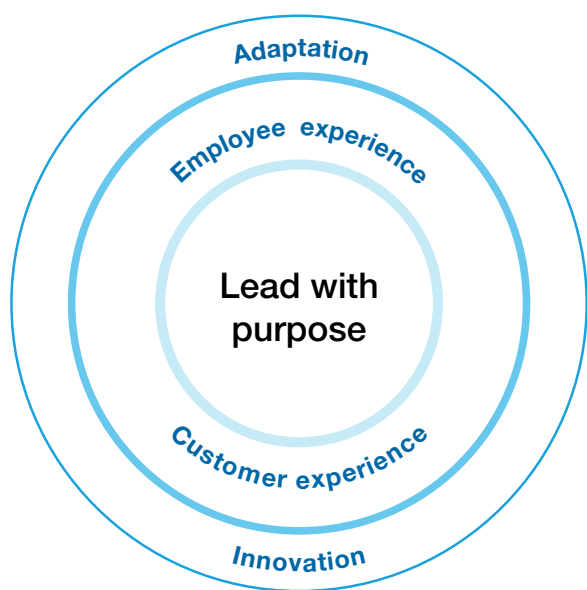


# The adaptive business framework

What makes one business outperform its competition? How do some organisations respond quickly to opportunities, turn setbacks into solutions and thrive through uncertainty?



Through benchmarking surveys, proprietary research and our ongoing dialogue with clients, Macquarie has observed common traits and behaviours within high-performing organisations, underpinned by the essential components of an adaptive business. The result of these learnings is a framework for an 'adaptive business'. We believe strong leadership creates a ripple effect that amplifies the impact of these essential components.



## Leading with purpose

Adaptive leaders are able to articulate a common purpose, providing clear principles to guide decision-making. This allows them to anticipate and respond to change, rather than holding fixed on a static strategy.

## Employee experience

These leaders consciously invest in finding, hiring and nurturing great people – creating an exceptional employee experience that empowers and inspires teams to perform at their best, driven by the purpose and values set by leaders.

## Customer experience

Highly engaged staff create better client outcomes, by going beyond customer service, to consider a more holistic view of a customer's 'jobs to be done' and how they interact with the business.

## Innovation

By deeply connecting with customer needs and emotions, staff feel empowered to seek out better ways of providing them with solutions. This creates a mindset for change and innovation at every level of the business.

All these factors interplay to expand the impact across and beyond the organisation, so it can adapt and flex as demands and requirements shift. This creates the capacity to respond and identify new opportunities. Additionally, when others are empowered, and heard, efficiency improves.

# Lead with purpose

“The biggest differentiator between failure and success is when people are doing something bigger than themselves.

DR ANDY WALSH  
CO-FOUNDER, LIMINAL COLLECTIVE

Adaptation starts at the top. High-performing business leaders are responsible for ensuring the collective vision, purpose and beliefs of the business drive every decision.

Companies that endure through the Universal Arc are motivated by a core set of values. In their research for *Built to Last*, Jim Collins and Jerry Porras did not find a single company that stated ‘profit maximisation’ or ‘maximising growth’ as its driving force – instead, these leaders articulated the organisation’s role in society and how it creates value for others.<sup>5</sup>

Done well, purpose becomes part of the business’ DNA. Leadership coach and director of Mojo Crowe, Ben Crowe believes the most important thing a business can do is define its purpose as this will be the ‘north star’ that guides their decision-making, particularly in times of uncertainty and change.



**Why your business  
needs a good story**  
Ben Crowe

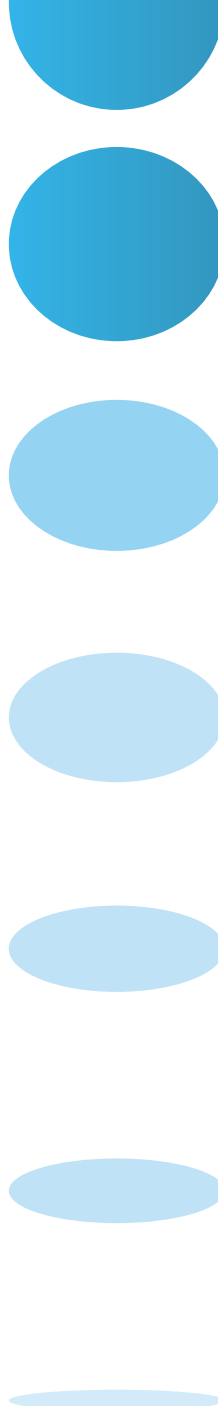
If strategy is a series of conscious choices, then purpose guides leaders to embrace change as a strategic opportunity. It also provides hyper-focus: effective leaders are not afraid to say no to ideas when they don't align with their values and core beliefs.

Amazon's mission is to be 'earth's most customer-centric company', gives it licence to operate a number of seemingly unrelated businesses with the commonality of solving customer problems.

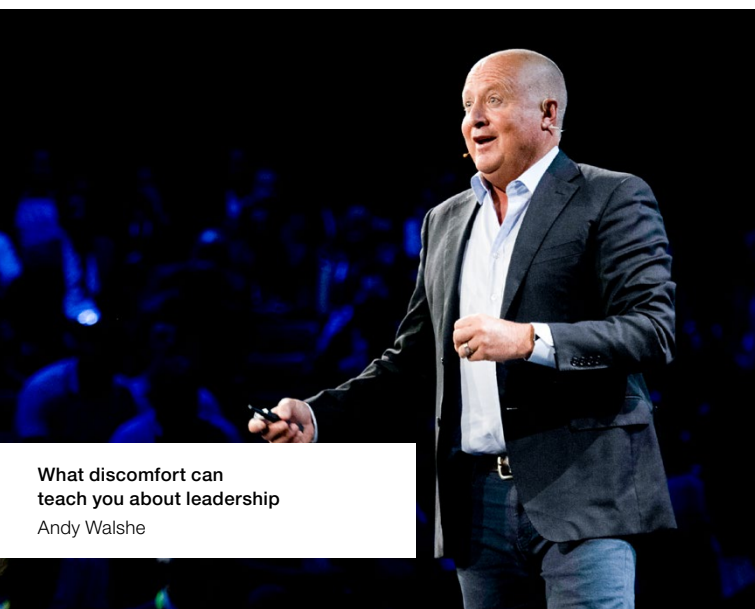


This purpose is underpinned by 14 leadership principles, such as a mindset of 'working backwards from the customer' in every decision.<sup>6</sup> Take Amazon Prime, which addressed online shopping's friction point: customers were reluctant to pay for shipping.

It's important not to forget the human element of a business' purpose. When the Red Bull Stratos project launched its mission to take a human to the edge of space, the team shifted its focus from an obsession with technology and data to a higher meaning.



“Once we realised why Felix Baumgartner was prepared to do this in the first place, it became a powerful hero’s journey we could all rally around,” says Dr Andy Walshe, the project’s High Performance Director. [7](#)



What discomfort can  
teach you about leadership  
Andy Walshe

He believes leaders need to step outside their comfort zone to learn and grow. By reframing what is in front of them, they change the narrative from threat to challenge. And as custodians of their business, leaders also need to nurture their own performance. “Understanding your own purpose will help you as an individual, and as a leader to navigate the most complex situations,” says Dr Walshe.

“Great businesses  
don’t make you  
feel good about the  
business. They make  
you feel good about  
yourself.”

BEN CROWE  
DIRECTOR, MOJO CROWE

## Adaptive leaders

- clearly articulate and stand by their purpose
- reframe crises into opportunities
- make quick and effective decisions aligned with purpose.

## Learn more about how to lead with purpose



Three things holding your business  
back, Ben Crowe



Perspective and performance  
in uncertain times, Ben Crowe



Changing behaviour by design,  
Dan Gregory and Kieran Flanagan

# Empower your people

“It’s really important to connect employees and customers as one.

ROS COFFEY, HEAD OF PEOPLE, CULTURE AND CUSTOMER EXPERIENCE  
MACQUARIE BANK

Employee experience measures the way staff perceive their interactions with the company they work for – the emotional aspects of ‘what it’s like to work in that organisation’. It might include a sense of purpose and accountability, a feeling of being valued or an inclusive culture.

Employee experience goes far beyond a human resource function. It’s a holistic view of how people can be empowered and engaged to deliver on a business’ purpose and strategy. In a year when nearly half of Australia’s working population has had to suddenly adapt to working remotely,<sup>8</sup> it has never been more important.

Research indicates employees have adapted well to the challenge of working outside of an office environment. Feedback has been generally positive, and many employees say they expect to continue to work remotely – at least part time.<sup>9</sup> It takes additional management effort and empathy to maintain team connection and collaboration in a remote environment. However, by proving the case for productivity out of the office, employees see COVID-19 as having opened up a conversation about the nuances of work/life balance, challenging long-held assumptions about ‘flexibility’, ‘9-to-5’ and the importance of ‘facetime’.

According to Rosalind Coffey, Macquarie Banking and Financial Services’ Head of People, Culture and Customer Experience, employees are more engaged when they feel empowered to do their jobs, believe their work aligns with the business’ strategy and when they have pride in their organisation. Ultimately, this all comes down to leadership. If employees feel there is genuine investment in their potential, it motivates them to invest their talents within the business.

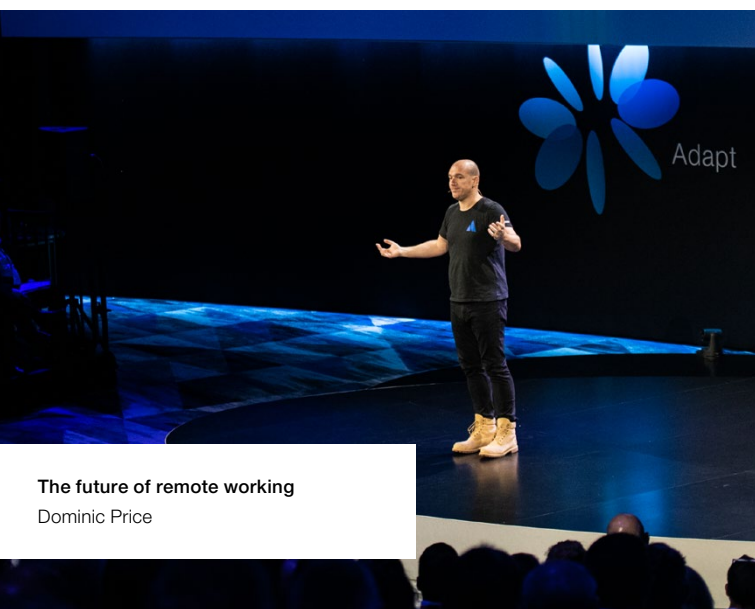


**Drivers of sustainable  
employee engagement**  
Rosalind Coffey

Adaptive businesses define, measure and continually look for ways to improve employee experience. They seek feedback, monitor staff retention rates and set performance metrics to manage behaviours, values and culture.

Employee experience investment has taken different forms in the face of changing work constraints. Helping people work productively from home “is more than a technology solution,” according to Atlassian’s Work Futurist Dominic Price.

He suggests focusing on three things: mindset, processes and the physical environment. “It’s not a natural skill set for everyone, and you can’t expect to copy and paste the work environment into a work from home environment – some things will need to change or be dropped.”



**The future of remote working**  
Dominic Price

“It’s not a natural skill set for everyone, and you can’t expect to copy and paste the work environment into a work from home environment – some things will need to change or be dropped.”

DOMINIC PRICE  
WORK FUTURIST, ATLASSIAN

Atlassian also gave all staff budget to set up their work from home space,<sup>10</sup> and conducts regular pulse surveys to check in on mental health – because engagement is also a by-product of wellbeing.

Coffey describes employee experience as a “virtuous cycle” that improves customer experience. “Studies show employees who are highly engaged deliver much better services and experiences to clients, and those clients themselves become highly engaged and more loyal.”



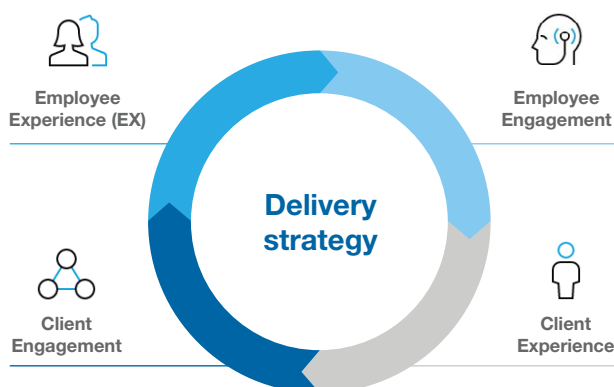
**EX and CX -  
The Virtuous Cycle**  
Rosalind Coffey

“You’ve got to care deeply about your employees, because you need them to deliver to your customers.”

DOMINIC PRICE  
WORK FUTURIST, ATlassian

## Adaptive employee engagement

- prioritises flexibility and inclusion
- requires clear and consistent communication
- is driven by a belief in leadership values and purpose.



# Create exceptional customer experiences

“The customer is far more disruptive than any technology we’ve seen.

TIFFANI BOVA, GROWTH AND INNOVATION EVANGELIST  
SALESFORCE

Customer experience encompasses all the ways customers perceive their interactions with a company. Focusing on the customer can generate a 20 to 30% uplift in customer satisfaction, a 10 to 20% improvement in employee satisfaction and economic gains ranging from 20 to 50% of the cost base.<sup>11</sup>

The bar on customer experience is constantly rising. Globally, 73% of consumers and business customers say one extraordinary experience raises their expectations of other companies.<sup>12</sup>

Customer experience is more than simply providing good service. It starts with recognising the customer’s needs, concerns and broader aspirations. To do this, Harvard Business Review suggests it’s essential to understand the ‘job’ your customer is trying to get done.<sup>13</sup>

For example, a real estate agent might think they’re in the business of selling houses – but from their customers’ point of view, they are in the business of moving lives. By reframing the social and emotional circumstances behind that ‘job to be done’, businesses can improve the experience – either by adding more value or removing more stress at every stage of the customer’s journey.

When PEXA first launched its online property settlement platform in Australia, the team assumed everyone would want to use it. However, after going with a ‘build it and they will come’ strategy, PEXA’s then CEO, Marcus Price, realised they also needed to give users a more compelling reason to trust the system and make it easy to adopt the new process into their existing workflows.<sup>14</sup>



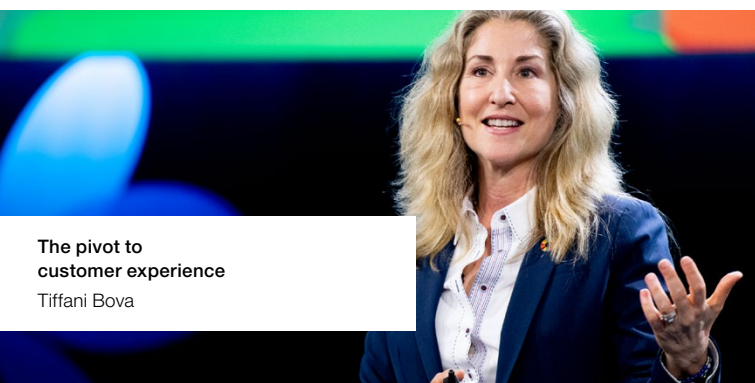
A 2018 study into innovation within law and consulting engineering found a mismatch between innovation activities and what clients want and value.<sup>15</sup> Although automation was the most cited example of innovation, this had the least influence on a client's choice of firm – despite helping the firm reduce internal costs.

By looking at a customer journey through a lens that combines customers, employees and technology, you can shape a stronger value proposition, improving loyalty and advocacy. There has never been a better time to do this. As Michael Maness notes, the organisations that are proving to be the most resilient throughout COVID-19 are the ones deeply engaging with their clients by listening and responding to their unmet needs.

Understanding the customer journey can also help businesses build value beyond the transaction.

"We only remember the price we paid when it's painful – when we don't feel we got enough value," notes Salesforce's Tiffani Bova. Time and effort can also negatively impact a customer's perception of value. If a business demands customers complete an unnecessarily laborious paper form, it sends a message to the customer that their time isn't valuable.

This disconnect is usually the result of misaligned performance metrics. If customer experience is not measured and rewarded, it will not be prioritised.



“Really, we’re in the business of change. And to do that, we need to be able to listen to our customers.”

TONI KNOWLSON  
DIGITAL INNOVATION LEAD  
AMAZON WEB SERVICES

## Adaptive employee engagement

- prioritises flexibility and inclusion
- requires clear and consistent communication
- is driven by a belief in leadership values and purpose.

## Learn more about how to create exceptional customer experiences



[How to pinpoint customer disruption, Tiffani Bova](#)



[Building a modern growth company, Tiffani Bova](#)

# Create a culture of innovation

## “Innovation happens in T-shaped moments

MICHEAL MANESS  
CO-FOUNDER SUBCULTURE

Adaptive businesses recognise innovation isn't a process: it's a mindset of relentless pursuit towards better ways of doing things. Owners know that while innovation involves risks – not all ideas will prove successful – the greater risk is not acting at all.

New ideas are more likely to be successful when they solve problems. This is why a deeper understanding of client challenges and 'jobs to be done' can catalyse innovation – beyond the current products or services provided. Michael Maness suggests innovation is “about generating delight or utility – and even better if you can accomplish both at the same time.”<sup>16</sup>

Research indicates innovation today could be the key to post-pandemic growth. In the US, organisations that maintained innovation through the 2009 financial crisis outperformed the market average by more than 30% and continued to grow at a faster rate over the following three to five years.<sup>17</sup>

Maness says it's important to have a 'portfolio' of innovation – revenue streams at different stages of the Universal Arc to avoid the risks of complacency with your core service. “If you only do one thing and that gets taken out, you're really exposed. This is a really important opportunity to experiment and take more risks, because we don't know what the answer will be.”

According to Maness, innovation happens in 'T-shaped moments' – engineering collisions where you can bump into someone with an idea that builds on your own.

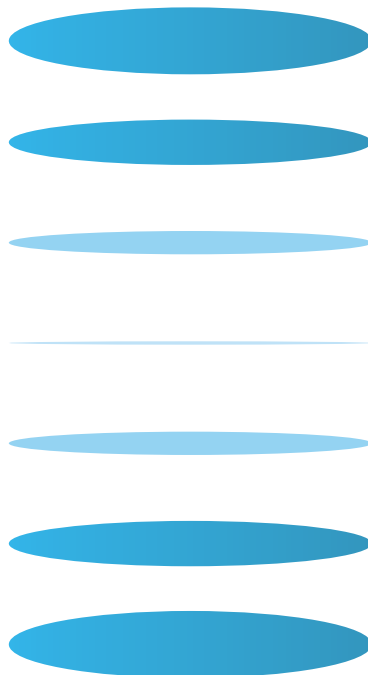


**Innovation  
post COVID-19**  
Michael Maness

This can be challenging, so he suggests a strategy he calls 'discover the other'.<sup>18</sup> The process involves asking someone you barely know – a second-degree connection on LinkedIn, or someone you met at a conference – for a 30-minute call, and using that time to share ideas, challenges, and experiences.

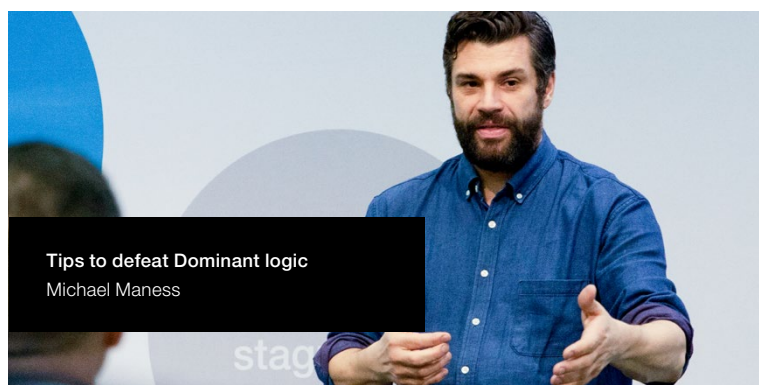
"Eventually, you'll have a conversation that opens up a potential new line of business," he says.

Innovation can also require stopping old behaviours and 'unlearning' traditional solutions, to see problems from new perspectives. Atlassian's Dominic Price is a firm believer that it's dangerous to assume that the things that got us where we are today will make us successful in the future.

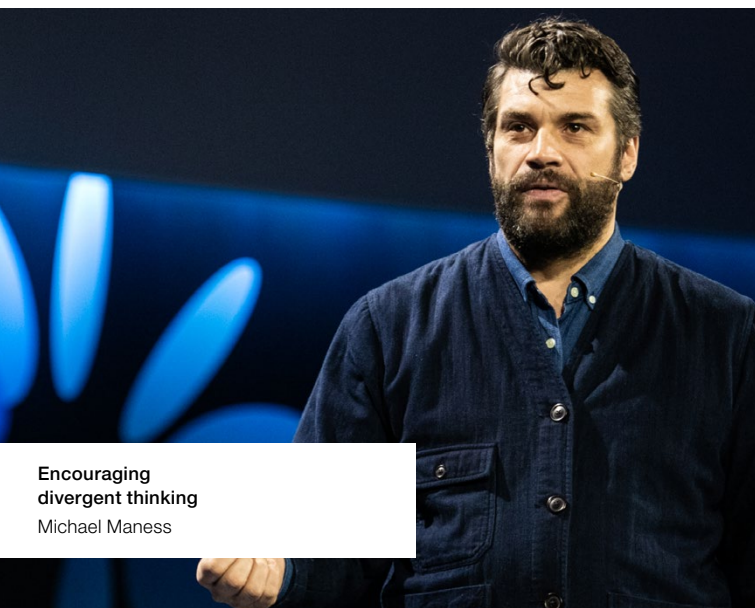


Consistent with this notion of 'unlearning', Maness urges businesses to become more aware of what he calls 'dominant logic'. Dominant logic encompasses the rhetoric a business or industry tells itself about itself. This could be long-held ideas like 'technology will never replace human ingenuity' or 'my clients will always want a human to help them make their biggest decisions.'

These cultural norms are built up over the years through success. But as technology advances and expectations change, those assumptions become flawed, or limiting.



To move beyond dominant logic, leaders need to embrace both convergent and divergent thinking. Convergent thinking is instinctive: as a business grows, leaders become better at the things they know. They look for ways to eliminate unnecessary complexity, or routines that don't add value. Divergent thinkers, on the other hand, embrace the unknown and thrive when they're allowed to explore and test assumptions. Above all, they listen – because they never assume they have all the answers.



Encouraging  
divergent thinking  
Michael Maness

Ultimately, divergent thinking helps leaders anticipate what's next: helping them see around corners. This is the key to adaptation.

“How do we foster an environment where ideas get to rise? Ideas are the new currency and can come from anywhere: it's not about where you sit on the organisation chart.

DOMINIC PRICE  
WORK FUTURIST, ATLISSIAN

## Innovation

- is a mindset that accepts there might be new ways of providing solutions to customer problems and constantly experiments
- reduces the risk of exposure by diversifying revenue streams
- challenges dominant logic through 'unlearning'.

Learn more about how to  
create a culture of innovation



[Building a culture of innovation from scratch, Dominic Price](#)

## The momentum of adaptation

No one could have predicted the scale and impact of COVID-19. It is an extreme example of a disruptive change. Businesses are now contemplating the need to charter these complex and ambiguous conditions for the longer term – just as they need to prepare for the next unforeseen event.

This is the art of adaptation. It is not a one-off, full-scale, resource-intensive transformation. It is about testing new ideas and making incremental changes - solving small problems, frequently. It requires a mindset of learning and iterating: what is working, what isn't and what else can we do differently to shift the dial for our people and our customers?

“When we’re thinking about adapting all the time and learning, it’s always just a series of steps of ‘just enough’ and never perfection,” explains agile consultant Alex Sloley, who supports Macquarie’s human centred design approach to innovation. “It just needs to be enough to get you to the next step.”

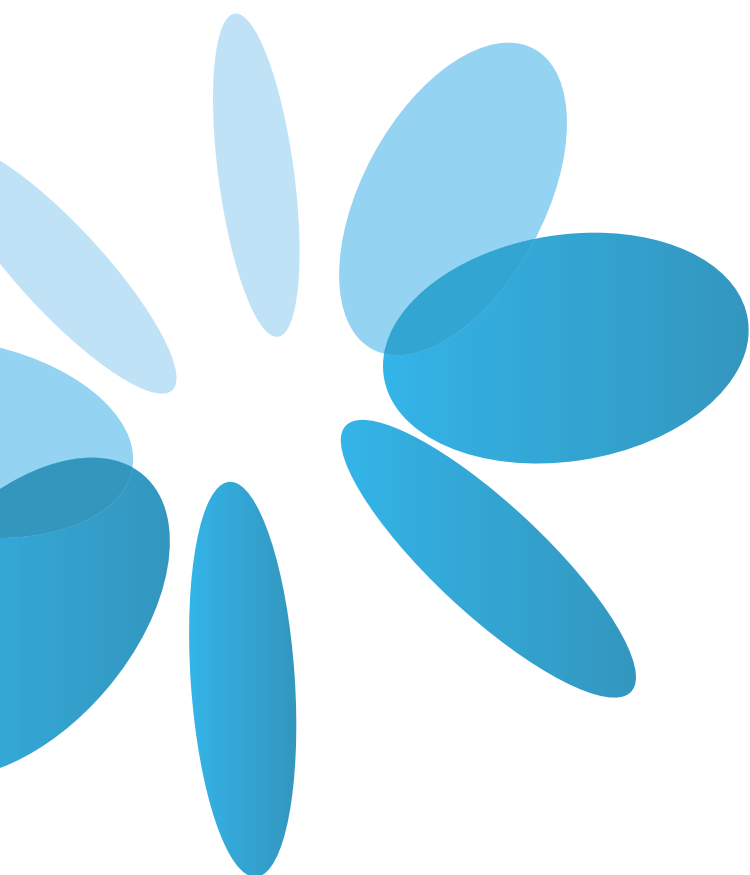


Encouraging ideas  
in your business

Alex Sloley

“Change creates a disruptive opportunity to reimagine how our businesses respond.

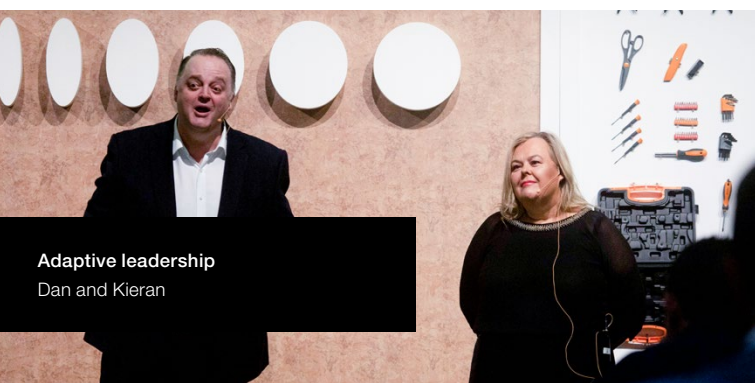
SHEMARA WIKRAMANAYAKE  
CEO, MACQUARIE GROUP



The impact of each experiment can build over time, compounding into a major shift – and, potentially, an improvement in financial performance. As the pandemic has demonstrated, time can be compressed by sheer necessity. Universal telehealth was considered years away, but more than 10 million telehealth consultations took place during the first two months of COVID-19 in Australia when Medicare funding was extended.<sup>19</sup> Adaptation has its own momentum.

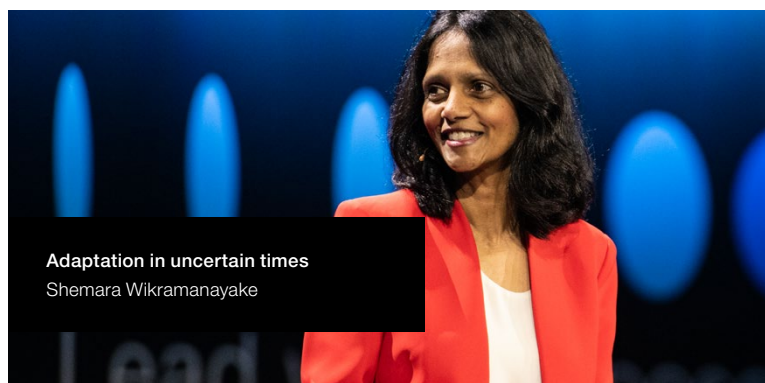
The art of being adaptive requires a behaviour shift towards creativity and resilience, and needs to be consciously designed into business operations. The most extraordinary customer and employee experiences are intentional: they must become ritualistic to become part of the workflow. They also need to become embedded into the way employee performance is measured and rewarded.

“What we’re really trying to encourage is a cognitive agility in people – how do you solve problems before the problems show up?” explains Dan Gregory, co-founder of The Impossible Institute.



Adaptation may also take the form of self-disruption – of completely reinventing the model, pivoting into a new business with a robust idea that fills an immediate need.

This starts with leadership. When leaders can view constant change as creating opportunity, when they set a guiding purpose with an expectation that every employee is accountable, and when they both empower and listen to their teams, they are able to realise the full potential of the talent within their organisations.



“The power of adaptation is going to be the skill that businesses will need in the future

DOMINIC PRICE  
WORK FUTURIST, ATLISSIAN

## Adaptation

- is a constant process of ‘just enough’ iteration, not perfection
- re-thinks where and how business gets done
- requires creativity, resilience and cognitive agility

## Adapting to ongoing change and ambiguity

Adaptability is an essential skill in today's economic environment, but it isn't straightforward. It requires leaders to continuously scrutinise the behaviours and beliefs that might have made them successful in the past – to assess whether they're relevant for the future.

COVID-19 has created an urgent imperative to shift our mindsets. It has created a rare opportunity to make meaningful and, in some cases, overdue changes to the way we work in a short period of time – to test what happens when we overturn assumptions and try something new. It offers the potential to accelerate digital adoption, empowering customers to self-serve, while better preparing teams for the future of work.

Most of all, it has forced leaders to focus on what matters most: people. By having to reimagine traditional ways of keeping employees engaged and customers satisfied, the best leaders are returning to their purpose and values to encourage a culture of flexibility, diversity of thought and innovation.

The adaptive business framework is built around these core principles of purposeful leadership, staff, customers and innovation. The framework's strength is in the simplicity of the ripple effect and it can be put to work quickly in organisations of any size and in any sector. The framework is fundamental to the way Macquarie evaluates its own businesses and how business leaders empower their teams to realise opportunity in disruption.

With this framework in place, leaders have a playbook for confronting challenges head on, seeing opportunities where their peers might see uncertainty and building resilience to face whatever the future brings.

In times like this, you also need an adaptable partner. If you'd like to discuss ways you can apply these principles to your business, we'd be happy to talk.

## Learn more about adaptation



[Reflecting on ways to improve, Alex Sloley](#)



[Behaviour by design and the belief, break, bridge model, Dan Gregory and Kieran Flanagan](#)



[Visualising work flow and prioritisation as adaptive techniques, Steve Wilson](#)





## Acknowledgements

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Co-Founder, Liminal Collective

**Ben Crowe**

Director, Mojo Crowe

**Dan Gregory and Kieran Flanagan**

Co-Founders, The Impossible Institute

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**Michael Maness**

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# Case studies

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## Adapting to change

Many businesses in Australia have shown ingenuity and resilience through the unexpected challenges of operating through a global pandemic. Some have adopted new technology sooner than planned, with a sense of urgency. With necessary regulatory change, digital tools have been able to replace manual processes in some sectors. And we have seen some leaders put their organisations' purpose and values to the test, completely shifting operating models and revenue streams.

Here are just a few stories that demonstrate the way leading with purpose, focusing on human experience and prioritising innovation can lead to enduring and positive change.



# Case studies

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the centre of quality  
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# Leading with purpose

## Putting people at the centre of quality healthcare

Australia's healthcare system is usually relatively immune to economic disruption – but a global pandemic puts it on the frontline of response.

For Nexus Hospitals' CEO Andrew Petering, a collaborative culture has never been more important. Digging deep into purpose – putting people first as a positive force for change in private healthcare – he ensured his team felt supported and all staff maintained their hours and income.

"It's been an amazing journey; our leadership focus has been on investing in support for our team members in a rapid evolving environment where there are no clear answers." When elective surgery was temporarily banned, operating volumes dropped by 70% across Nexus' 15 hospitals around Australia. "Other private hospitals quickly moved to cut costs by reducing nursing hours, but we felt strongly that we needed to support our people through a difficult time."

Nexus also prioritised the wellbeing of staff and implemented a counselling helpline for nurses, doctors and their family members. Fortunately, the impact of the pandemic in many states has not been as significant as initially feared, and Nexus was able to return to 100% operating volumes in July.

"We believe that for our people to deliver the best care to patients, we first need to care for our team. If we run a business that takes care of our people, profit will follow," Petering says. He is excited to pursue the next part of Nexus' journey: "helping fix the private healthcare model, providing a better experience for patients and a more efficiently-run hospital network that will ultimately reduce costs for health insurers and the government."



# Employee experience

## Flipping workplace assumptions

The last three months of the financial year is peak period for financial advice and accounting firms. So DPM Financial Services had to move fast to equip its team of 170 to work entirely remotely when COVID-19 lockdowns were introduced. Within three days, their laptops were secured and they were meeting via Teams.

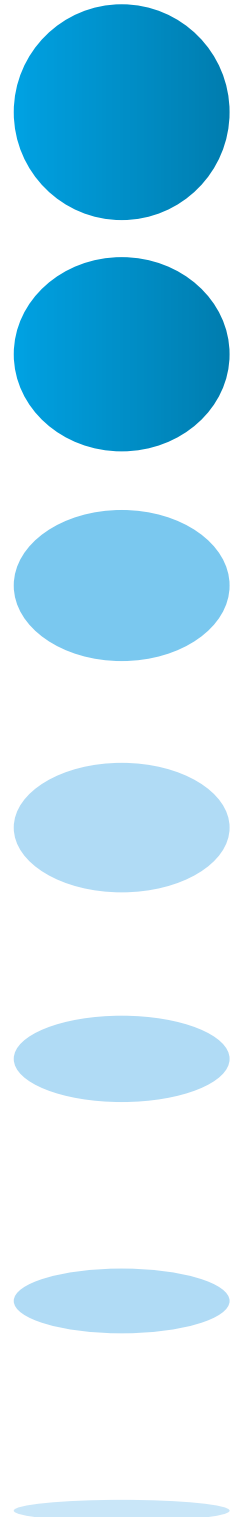
As this was the first crisis that had a material impact on his clients' finances – primarily medical professionals – the team was soon busier than ever managing the regular EOFY workload as well as government support packages.

"It's been more positive than we ever thought it could be. Sometimes change needs to be rushed through – in this case we had no chance but to adapt," says Paul Grubb, DPM Financial Services' Executive Director. Staff surveys suggest many people feel more productive.

"An overwhelming number said experience has been good from a work perspective, even though it was imposed on them. They can get through more work because there are fewer interruptions and people are listening better during video calls. One-third say they'd now like to work from home at least some of the time."

He sees this flexibility as an opportunity to improve employee experience and give DPM a recruitment advantage. "We can cast a wider net geographically to find the right talent," Grubb says. It may also provide an opportunity to reduce occupancy costs in the medium term.

Sustaining the rhythm of collaboration and communication has been vital – and Grubb says the business' values of teamwork, collaboration, passion and respect "have all played out in the most positive way."





# Customer experience

## Necessity drives car dealership changes

Car dealerships were facing profit pressures before social distancing restrictions forced them to adapt the way cars were sold and serviced.<sup>1</sup> This included robust hygiene measures onsite, contactless home delivery for a service or test drive and adding sanitation cleaning to the service schedule.

Chris Dinsdale, Managing Director, Subaru Australia, says “the crisis has forced us to reconsider how we engage with customers,” and believes investing in digital will help dealers reduce ‘fatigue’ in the car buying process.

“Some customers would rather have fewer physical touchpoints. For example, they can check their repayments through our online quoting system before a test drive, and then we have all the information to pre-populate their forms,” he explains.

Car deals may no longer involve lengthy face-to-face negotiations. And this may mean challenging traditional roles and remuneration structures to facilitate an ideal customer experience. Macquarie equity analysts found the propensity for US car buyers to buy online nearly doubled to 61 per cent as a result of COVID-19, and car use is now experiencing a ‘V-shaped recovery’ thanks to public transport avoidance.<sup>2</sup>

<sup>1</sup> [Preserving cash flow in a crisis: implications of COVID-19 for car dealerships](#), Macquarie Bank June 4 2020

<sup>2</sup> [Forget panic buying, panic driving is next virus fad](#), Elizabeth Knight, Sydney Morning Herald, May 26 2020

# Innovation

## An experimental mindset for engineering

Technically-minded and risk-focused, engineers are not typically known for divergent thinking. But when leading engineering, design and advisory company Aurecon required 95% of its staff to quickly adjust to working from home, an unexpectedly experimental mindset emerged.

“Those first three months showed we can also be creative and respond quickly to challenges,” Aurecon’s Chief Executive for Australia & New Zealand Louise Adams says. “We achieved things people would have thought impossible six months ago, in terms of the way we work, keep our people safe and collaborate.”

These changes were often relatively simple – but transformational in terms of operational efficiency. For example, instead of sending a team of 12 to a site visit, they could send two people with an iPad and link experts in via Microsoft Teams to assess every aspect of the location.

This has longer-term implications for staff safety and travel budgets. “We may have previously flown people in to do a progress meeting and look at drawings. But we’ve upskilled to run workshops virtually much more regularly and efficiently,” says Adams.



# Regulatory change enables strata gains

PICA is Australia's largest strata management company, with 265,000 lots under management. Its managers attended around 4,000 strata committee and annual general meetings between March and May 2020 – just as they would usually do.

This was partly thanks to the necessary legislative changes across states and territories, which have enabled significant efficiency gains for the strata sector (and convenience for owners corporations) by allowing electronic signatures and online document witnessing for management agreements.

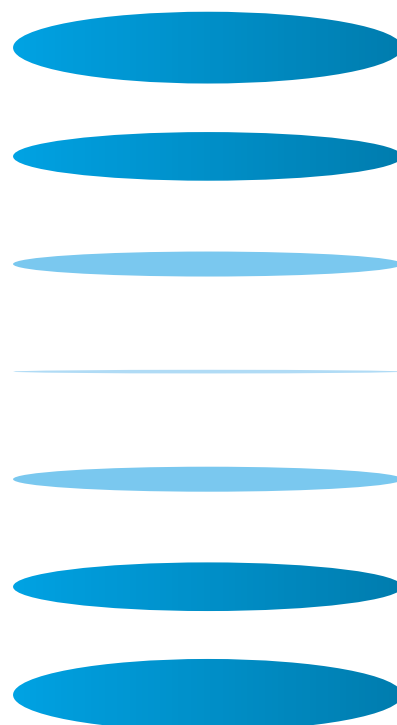
Group Managing Director Wayne Walker says he has been “amazed by our ability to effect change at speed.”

“We use Strata Vote to automate meeting agendas and enable online voting on decisions. The meetings have been more focused and effective, and they're no longer always late at night.”

PICA had also been planning to roll out a new cloud-based contact centre, Genesys Cloud. “Pre-COVID, we thought it would take us six months. But when the crisis hit, we accelerated implementation across all 30 offices in just two to three weeks.”

The platform provides an expanded service offering, so everyday queries can be handled by his team remotely. This frees up more time for Walker's team to respond to new client needs.

“Our clients were hungry for information at the start of the crisis. They wanted guidance on how to manage their buildings safely,” explains Walker. He is now looking at new opportunities for ‘behind the door’ services – such as apartment repairs and maintenance and energy services.



## Pivoting a platform to support visitor tracking

Aged care providers are responsible for those most vulnerable to COVID-19.

During the lockdown, aged care technology provider Mirus quickly realised its platform could be adapted to help manage visitor scheduling, tracking and tracing.

Mirus already supports around a third of Australia's aged care sector with revenue management, admissions and workforce management solutions. Every new solution development is informed by customer needs. For example, conversations about the new challenges presented by industry reforms in 2015 led to the creation of its occupancy and admissions management platforms.

"When COVID-19 hit, infection control became a serious risk and concern for our clients," says co-founder James Price.

The facilities use rosters to plan and monitor staff presence, but managing other visitors – including allied health workers, contractors and visiting families – might involve little more than a handwritten visitor book, error-prone spreadsheet or an invoice after the event.

Rarely would there be the same consistency in process for external visitors when compared to rostered facility staff.

"So we quickly pivoted our rostering platform to help clients manage this with a GPS signature on every clocking event."

He's now using the same platform to manage Mirus' dispersed team, who continue to work remotely.

"It has potential for any business with a remote workforce – or for a landlord wanting to manage flow in an out of a multi-tenanted building.



# Adaptation

## Brokers quickly flex to virtual meetings

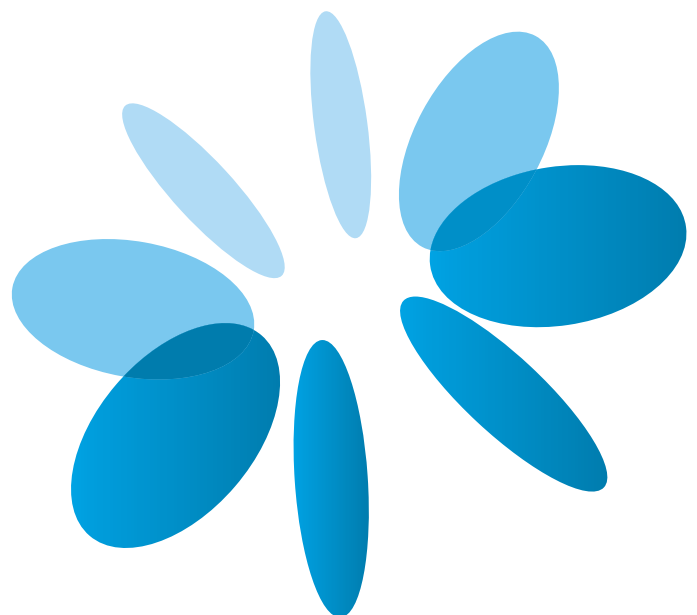
Insurance brokers are fortunate to have a recurring revenue business – it gives them a natural hedge against major disruptions.

“I think Australia’s small businesses have proven remarkably creative in finding ways to keep trading. And our primary role as brokers is to help clients through this,” says Edgewise Insurance Broker’s CEO Richard Coloretti. His own business is “fairly resilient” because it is diversified.

“We have an online business, Express Insurance, as well as our traditional client engagement business. And we’re not really exposed to any one client or sector. We already had robust, secure technology, and we now know just how important those systems are, along with the flexibility to adapt quickly.”

His team and clients had to quickly adopt video conferencing, and he expects that change to be permanent. “Now everyone, across all generations, is comfortable using that technology as an alternative to physical meetings.”

“I’ve always maintained that there’s opportunity in an environment of chaos,” says Coloretti. “Our business is all about our networks and relationships, and if we’re helping clients there’s no doubt we’ll get a benefit from that down the track.”





# Ready for the next generation of learners

Education providers were forced to quickly adapt to remote learning, adopting new digital tools at lightning-fast speed. And student management systems provider ReadyTech was ready, with a culture that allowed it to move fast to support such rapid change.

“We are fortunate to be in a business with ‘mission critical technology’, which has proven to be extremely resilient,” says CEO Marc Washbourne. “Through this extraordinary global experiment, we’re seeing increasing confidence in the ability of organisations to change and adapt, which is likely to lead to enduring change.”

ReadyTech’s software is the student administration ‘engine room’ for over 1,600 educators. It can manage the increasingly contactless interactions, from student registration and enrolment to self-service platforms, right through to graduation credentialing and alumni communication.

“We’re now doubling down on how digital learning and assessment will be managed in the future – it’s a trend we really don’t think is going anywhere, and that means inflexible legacy technology will need to be replaced.”



- <sup>1</sup> [Innovation in a crisis: Why it is more critical than ever](#), June 17 2020 McKinsey. Data source: McKinsey Innovation through Crisis Survey, April 2020
- <sup>2</sup> [ACCE Webinar: Divergent Leadership](#), Michael Maness October 2017
- <sup>3</sup> [COVID-19: surfing the wave of disruption](#) (video), Michael Maness, July 5 2020
- <sup>4</sup> [A catalyst for positive change](#), Macquarie Bank, June 2020
- <sup>5</sup> [Building a Startup That Will Last](#), Hemant Taneja and Ken Chenault, Harvard Business Review July 2019
- <sup>6</sup> Toni Knowlson, Lesson's from the earth's most customer-centric company, Macquarie Perspective Event February 2020
- <sup>7</sup> Dr Andy Walshe, Leadership without limits, Macquarie Perspective Event February 2020
- <sup>8</sup> [ABS 4940.0 - Household Impacts of COVID-19 Survey](#), 29 Apr - 4 May 2020, 46% of all Australians who were working in late-April to early-May said they were working from home
- <sup>9</sup> [Re-thinking the way we work](#), Macquarie Bank, May 2020
- <sup>10</sup> [How responsive is your crisis response strategy?](#), Tami Rosen, Atlassian May 21 2020
- <sup>11</sup> [What matters in customer-experience transformations](#), McKinsey July 2019
- <sup>12</sup> State of the connected consumer, 3rd edition Salesforce 2019
- <sup>13</sup> [Know Your Customers'](#) "Jobs to Be Done", Clayton M. Christensen, Taddy Hall, Karen Dillon, David S. Duncan Harvard Business Review, Sept 2016
- <sup>14</sup> Marcus Price, PEXA – Macquarie Perspective event 2020
- <sup>15</sup> Beaton compass study, March 2019
- <sup>16</sup> Michael Maness, Fighting against Dominant Logic, Macquarie Perspective event 2020
- <sup>17</sup> [Innovation in a crisis: Why it is more critical than ever](#), June 17 2020 McKinsey. Data source: McKinsey Innovation through Crisis Survey, April 2020
- <sup>18</sup> [COVID-19: surfing the wave of disruption](#), video transcript with Michael Maness, July 2020
- <sup>19</sup> [Where next for healthcare? How the healthcare industry can help reboot Australia](#), PwC, June 2020

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