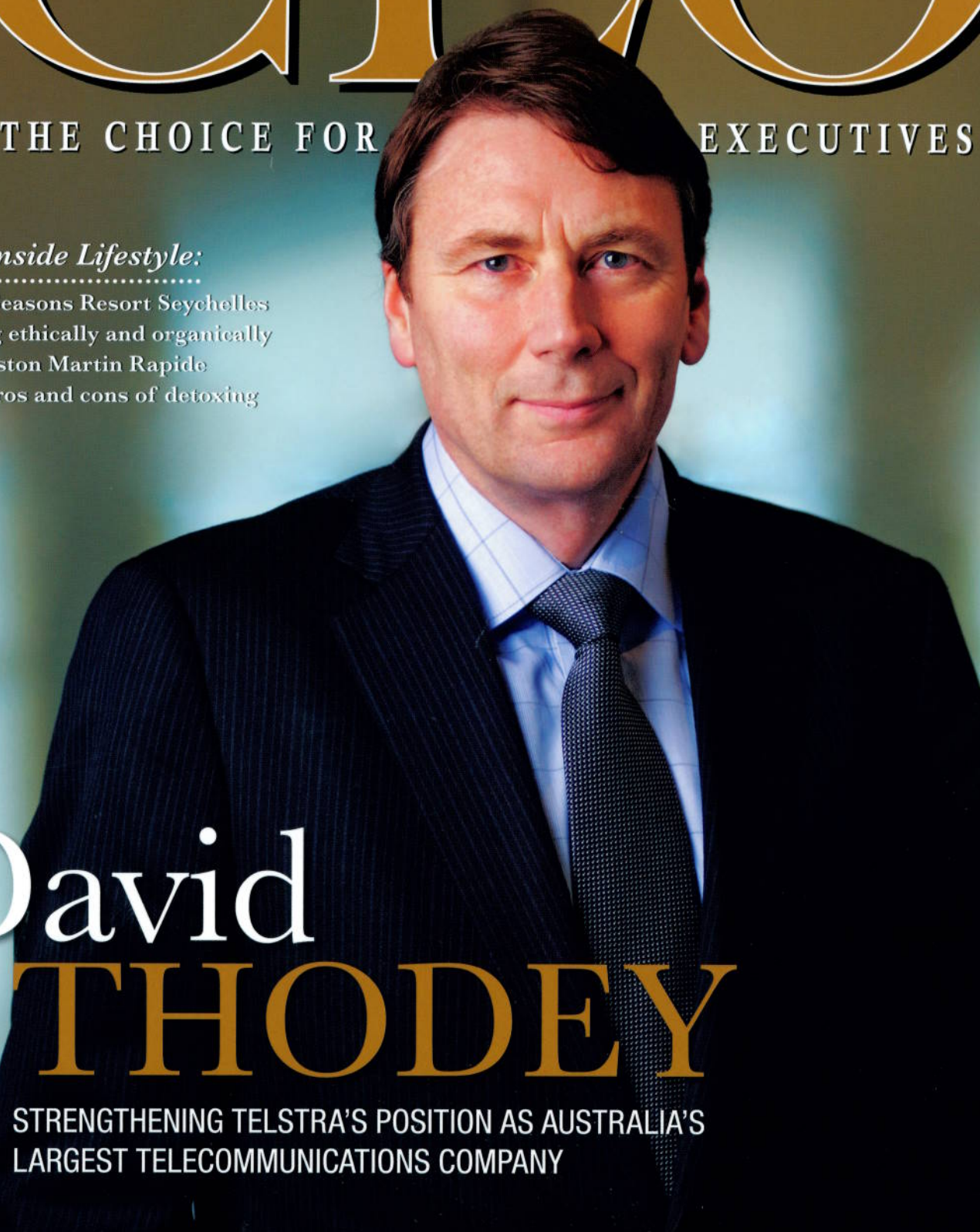


CEO

THE CHOICE FOR EXECUTIVES

Plus inside Lifestyle:

- Four Seasons Resort Seychelles
- Eating ethically and organically
- The Aston Martin Rapide
- The pros and cons of detoxing

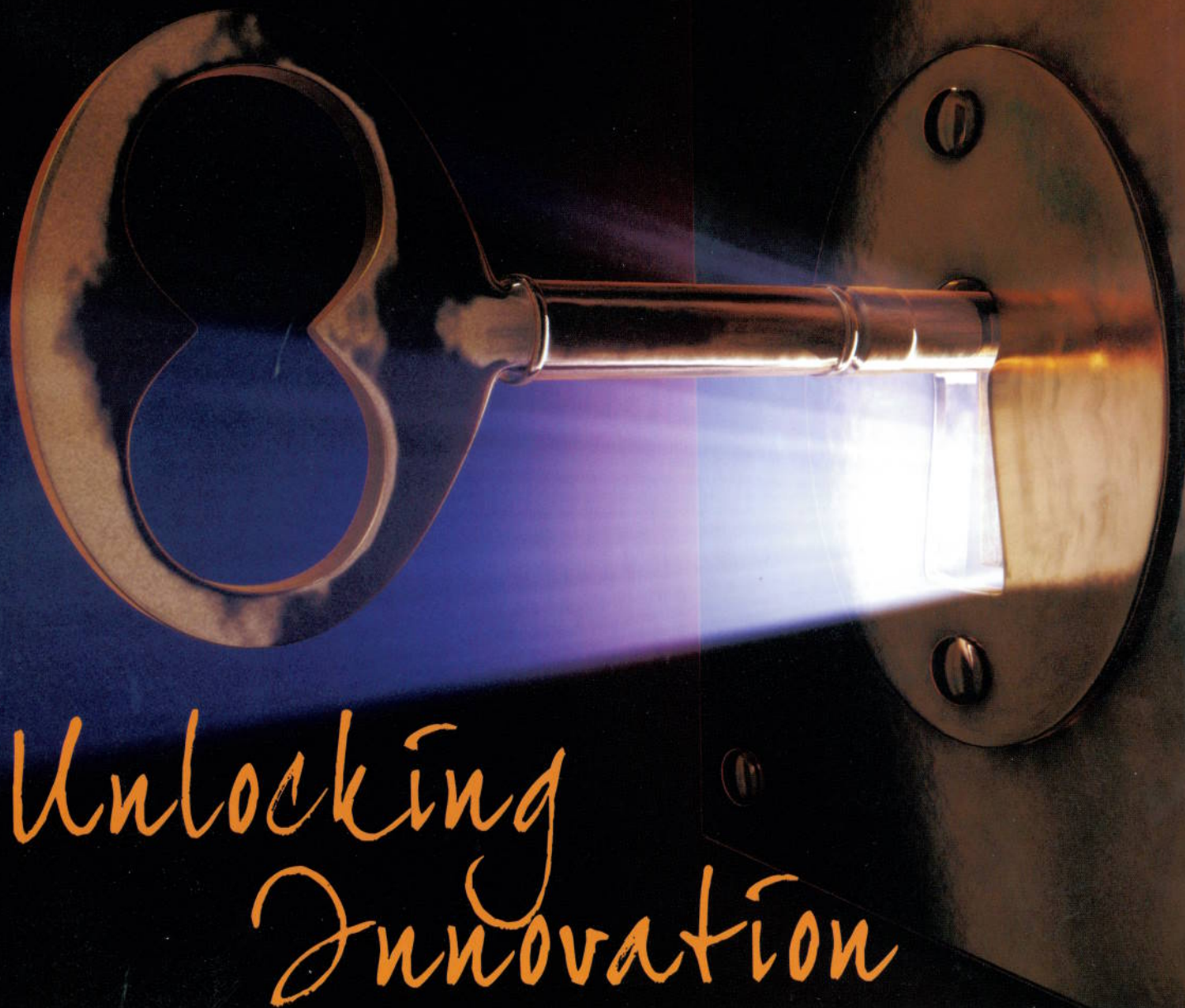
A portrait of David Thodey, a middle-aged man with dark hair, wearing a dark pinstripe suit, a light blue checkered shirt, and a dark patterned tie. He is looking directly at the camera with a slight smile. The background is a blurred office setting.

David
THODEY

STRENGTHENING TELSTRA'S POSITION AS AUSTRALIA'S
LARGEST TELECOMMUNICATIONS COMPANY

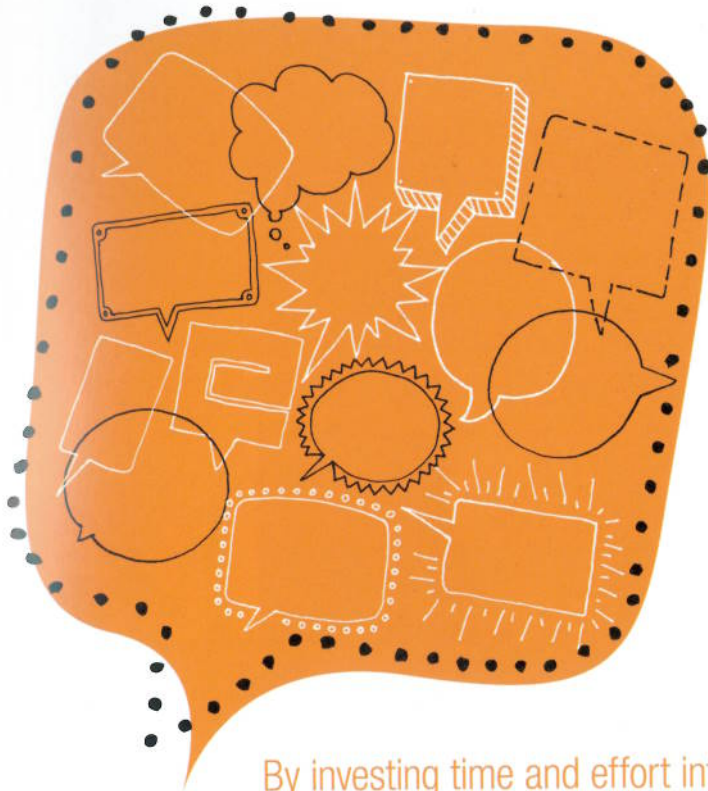


BY VANESSA GAVAN



FOUNDER AND MANAGING DIRECTOR OF MAXIMUS INTERNATIONAL VANESSA GAVAN SPEAKS ABOUT THE IMPORTANCE OF REMAINING INNOVATIVE IN A COMPETITIVE ENVIRONMENT.

In uncertain times, it can be easy to put off innovation as too expensive, time consuming, and risky. Yet innovation that is controlled and driven by the concept of return on investment (ROI) is an essential element of a successful business-growth strategy, and can generate ideas worth millions of dollars. Fresh thinking can take organisations to new heights at any stage of an economic cycle.



ENSURE TOP-DOWN SUPPORT

Innovation is the key to leveraging further growth opportunities in light of an increasingly competitive environment. Any business, from medium to large, can work to create a platform for bottom-up innovation that aligns with its overarching business strategy and helps manage its risk profile.

Because innovation means different things to different organisations, each innovation program should be customised to meet the needs of the business. It is necessary to start at the top, because executive leadership support is essential for true culture change. Every senior executive must share the same belief about the balance of innovation and risk.

By investing time and effort into channelling smart, results-focused thinking, you can gain a competitive edge to secure a sustainable future for your business.

Australia was founded on innovation, and natural entrepreneurial spirit is now part of our DNA. Every day, innovative people generate ideas in all Australian organisations. Realising the value of these ideas is something that few businesses do well; they lack formal processes for collecting, qualifying and prioritising ideas based on strategic and financial returns.

By investing time and effort into channelling smart, results-focused thinking, you can gain a competitive edge to secure a sustainable future for your business.

You should aim to create a culture of innovation, with robust processes that underpin and crystallise the value of ideas. Innovative businesses grow, regardless of how the economic landscape looks. Why? Because they are clearly differentiated; they invest cleverly through different market cycles; they seize growth opportunities and respond quickly to changing markets.

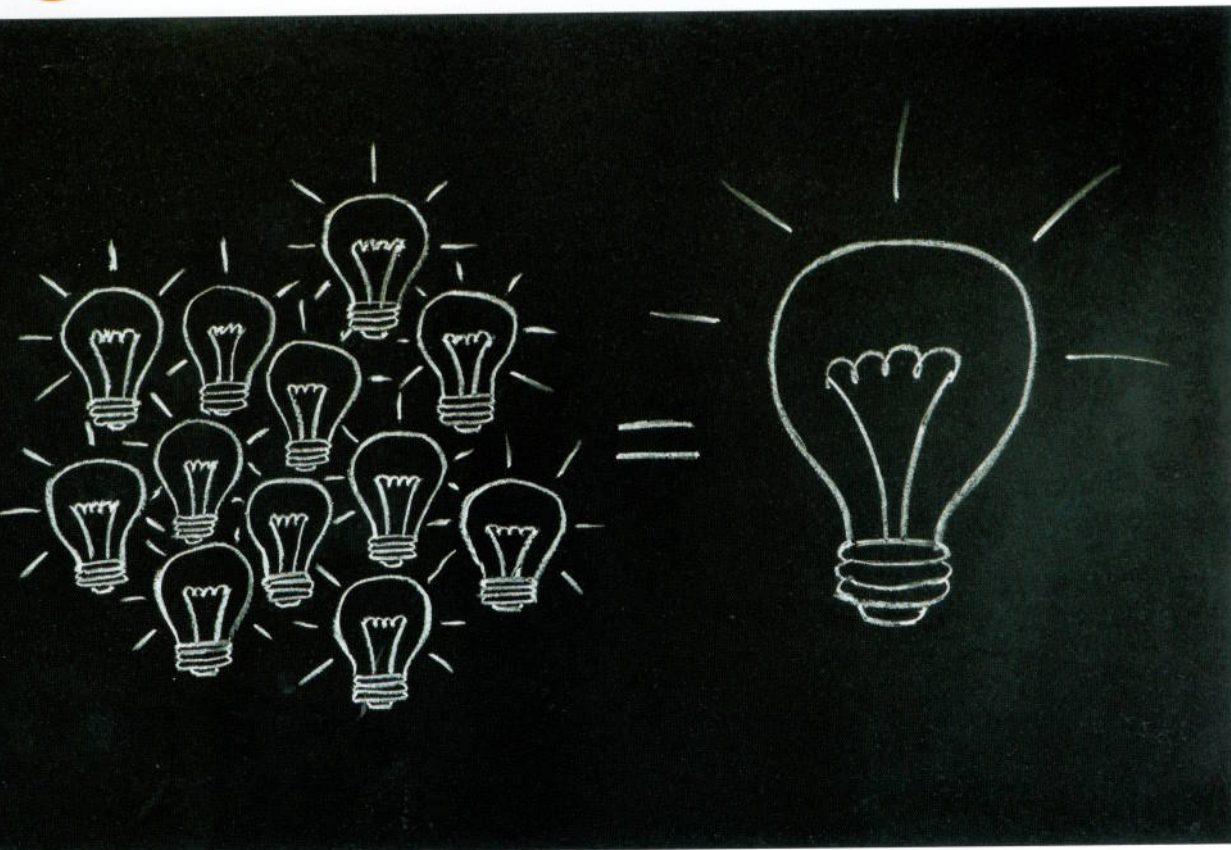
But how do you turn a reactive, risk-aware operation into a proactive, progressive, entrepreneurial enterprise?

Clear parameters must be defined to empower different business areas and teams to step outside their comfort zones, ultimately encouraging entrepreneurial skills and lateral thinking that may otherwise be regarded as too risky. This must be balanced with the 'business as usual' requirements of meeting KPIs (key performance indicators), targets and performance initiatives.

Leaders within innovative cultures have to be able to operate across three horizons: the here and now, the next horizon of growth and, ideally, the horizon beyond that.

DISCOVER MILLIONS IN EXTRA REVENUE

Recently, a leading insurance company identified new initiatives worth more than \$10 million using innovation as a catalyst for improved business performance. In an industry that is highly competitive, this organisation was looking for immediate, credible and unique ideas to make it stand out and create new platforms for growth and business improvement. ➔



Given that the insurance industry is naturally averse to risk, their approach was to engage a cross-section of key business leaders across the top two layers of the company to focus on 'business unusual' initiatives. These would either return improvements to the bottom line within a certain time, or create value within a predetermined period through business growth opportunities.

The approach used spanned several months. It involved intensive, innovation-oriented sessions with executives and senior leaders, integration with the organisation's strategy and planning team, and alignment to ROI. This resulted in the generation of 16 new ideas that supported their business strategy and had a strong financial payback. Seven of these were developed into business cases with an estimated total revenue potential of \$12.7 million, year on year, with several of these initiatives being immediately put into action.

Tackling innovation uncovered nearly \$13 million of previously hidden revenue-generating ideas, which in turn prompted a focus on change that cascaded throughout the whole company. The organisation now has a pipeline of other ideas that can be put into action in the future, as well as a framework for identifying, fostering and applying new ideas, and a workforce that understands their ideas are valued. In other words, it is well on its way to being an innovative organisation.

Right now, innovation should be high on every company's agenda. Over the next decade, fundamental changes in demographics, consumption, lifestyle and technology will transform the whole world, including Australia. We will all be forced to rethink the products and services we offer and how we deliver and market them. In this environment, organisations that take a strategic, commercially focused approach to innovation will thrive.

HOW TO HARNESS INNOVATION

- Define what innovation means to your organisation.
- Ensure members of your executive team understand and accept what good innovation looks like for your business.
- Engage your broader leadership group to brainstorm innovative concepts regularly and build a bottom-up culture of idea generation.
- Influence your strategy teams and business experts to work with your potential leaders to turn concepts into strong business cases.
- Prioritise good, ROI-focused ideas and gain executive agreement on value-based investing.
- Create a culture that supports the continual flow of new ideas and strong feedback. •

About Vanessa Gavan

In 2001, Vanessa founded Maximus International, an innovative and insightful business consultancy that offers unique solutions to maximise the performance of people and the potential of organisations. Maximus's client organisations include News Limited, CCA, 3M and Caltex. Maximus consultants work closely with clients to ensure alignment to current strategy and growth objectives, and to determine relevant return-on-investment models and financial measures of success.