



Leading
Transformation

The New
Fundamentals





**Leading transformation:
the new fundamentals
for leaders with
ambitious agendas.**

Introduction

‘To get lost is to learn the way.’

Swahili proverb

Learn, neither ‘find’ nor ‘set and forget’, but ‘learn’ the way, as part of a continuous iterative experience.

If we know anything it is that things, people, the world, and businesses, are constantly changing. Iterating and flexing.

To design the future, we must let go of the past. As Ralph Waldo Emerson said: “Do not follow where the path may lead. Go instead where there is no path and leave a trail.”

So, first let go and get lost. Explore, discover and learn.

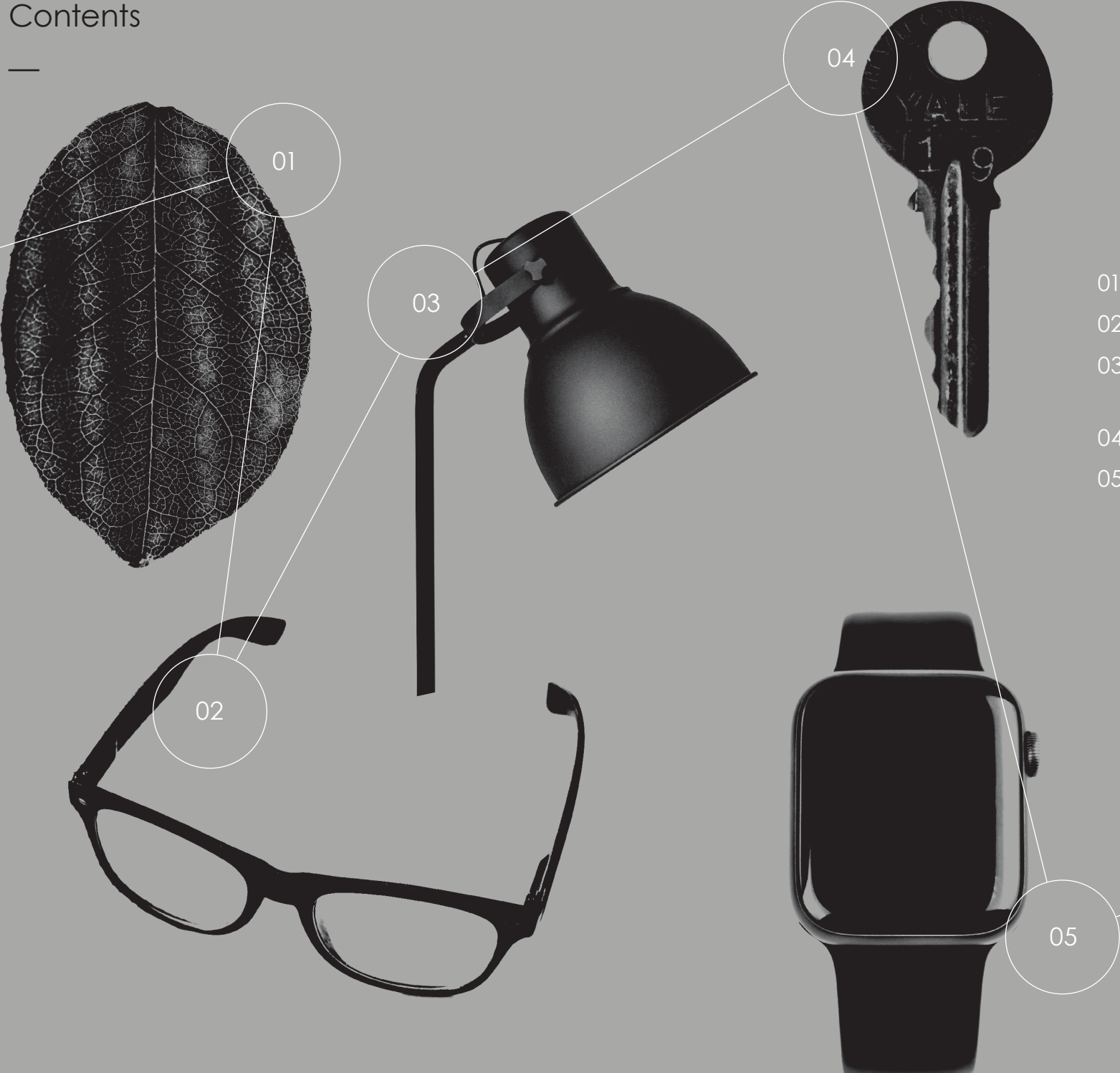
Iterative strategy demands it.

The constantly changing dynamics of leading transformation require it.

Leaders with ambitious agendas, brave enough to make choices and bring about change, will lead into the future.

The Real. The Curious. The Resolute.

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In developing a new narrative about your organisation, be personal. Show you care. As you reflect on what has been, and what is, open the doors to what could be.

‘People don’t care how much you know until they know how much you care.’

Theodore Roosevelt

An archetypal Australian wants honesty. Anecdotally Australians are known to have, as the original BCA and AQC global archetype surveyⁱ described it, the finest ‘bullshit detectors’ in the world! They want the truth and will do the ‘hard yards’ once told it.

Yes, they want to build on achievement. But they can deal with a crisis.ⁱⁱ The COVID pandemic has shown us that.ⁱⁱⁱ It is notable that in Mandarin the symbol for the English word ‘crisis’ also means opportunity. Your task is not to waste it.

To lead transformation, your people need purpose.^{iv} They need your conviction and clarity, and the end in mind.

They need you to paint them a picture of where you’re headed.

Otherwise, you run the risk of repeating 20th Century versions of transformation. Incremental, process-driven change, that was linear in nature, costly and tightly controlled.

21st Century transformation demands agility, flexibility, iterative strategy and above all your heart and your wisdom. It needs your vulnerability and your empathy.

Your people need to know you really care. That builds trust, and according to February 2021’s Edelman Barometer on Trust (in Australia)^{vi} that trust is yours to lose. This current barometer shows that behind scientists and people in the local community, ‘my employer is the second most trusted societal leader and will need to continue to step up in order to preserve this newfound trust.



‘Leading has to start with the human within. If you don’t intrinsically know who you are, you cannot permissibly expect others to follow.’^v

Vanessa Gavan
Founder & Joint Managing Director, Maximus

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Employees know they have your head and your critical thinking. They need to understand how much heart and 'skin' you have in the game. That must inform your narrative to build 'buy-in'.

A story that helps to transform has to be personal. It needs substance and a clear and differentiated purpose. It needs to demonstrate what will be. And it needs you to state clearly what will be different.

It must also be couched in a different language to the words of the 'old way'. A new purpose has

to both look and feel different. To turn your business into a movement, your narrative has to inform, inspire, engage, and also entertain.^{vii}

You need to clearly articulate the duality of transformation – how to change the core and invest in new growth. It isn't simply applying new 'bells and whistles' to existing processes. It is creating something entirely new, like transforming a caterpillar into a butterfly.

Your task is to invite your people to join you. Inspire their ambition, their optimism, and their hope.



As you acknowledge the enormity of the task ahead make it clear that transformation is a mindset not a single process. Each aspect of the transformation narrative has to be relevant to each part of the organisation.

‘Leaders have no choice but to get comfortable living with – and within – paradox.’

Brent Duffy
Joint Managing Director, Maximus^{viii}

Continuous communication is key. As is conviction and clarity.

Each part of the organisation needs to know how they can participate. What is expected of them. How to iterate and collaborate. How to continuously adapt. How to be a high-performance team.

And thrive in the uncertainty of a paradox.

Use culture to supercharge your transformation. Make sure your teams have high-performance leaders. Invest in upskilling them to be able to make and take calculated risks.^{ix} Focus on the future and use scenario-modelling effectively to make better choices.

Become familiar with divergent thinking and design thinking. Continuously iterate to broaden the options and consider entirely new solutions.

Building confidence demands strong leadership.

The exciting thing is that there are pioneers in this space. Leaders who have delivered enterprise transformations that we can learn from.

Strategic leaders benefit from gaining outside-in-perspectives. What worked. What didn't work. And why.

By working with executives and board members with lived



experience of similar transformation outcomes,^x and by using the experienced, guiding hands of Maximus Commercial Directors, psychologists and leaders, it will be possible to accelerate and sharpen individual talent, performance and commercial edge.

Reshaping mindsets requires an approach based on key psychological principles that bring existing thinking patterns to the surface. Challenging individuals to learn quickly, to iterate ideas and approaches, to replace closed and binary thinking with a growth-oriented mindset, will build

confidence, courage and intent.^{xi} To fundamentally shift mindsets, it is important to make peace with the impossibility of perfection.

Transformative leaders can't win by trying to do and be everything to everyone. They need a growth-oriented mindset as a guiding aspiration towards a clear and deliberate intent.

It is worth reminding ourselves of the seminal quote attributed to Albert Einstein: 'Everything should be made as simple as possible, but no simpler.'



**A transformation strategy
is nothing if not executed well.
To reposition the core and
invest in new growth, requires
a laser-like focus on outcomes.
It demands accountability.**

Democratising accountability and demanding it, delivers agency. The new fundamentals require leading with such 21st Century values.^{xii}

Today's hyperconnected world values context over control. Transformative leaders cannot own everything. By using the new narrative and mindset, and constantly working on the leader within, you can make the space for your team leaders to continue to evolve and learn in the flow of work.

Transformative leaders listen to the beat of the market. They zoom in and zoom out. They use data and make decisions to continue to simplify the operating model with the longer-term vision in mind. By acting with clear intent and deliberate choices towards this

vision, the current requirements for the business fall into line with future opportunities.

Time matters. Pace matters. It is important to learn quickly. Give permission to fail fast and iterate further. In this way you constantly build agility and confidence.

As catalysts and stewards of change, leaders are charged with creating legacy. Intelligent workforces don't want the thinking done for them. They want to experience the process and understand the complexities to be able to bring their own insights, capabilities and independent thinking to the business.

Being accountable demands courage.^{xiii}



From the leaders setting the agenda for the future, to the leaders charged with delivering it.

To get accountability right, is to move from a push philosophy to a pull one, through regular forums for collective engagement. Passion has little place in push programs. But it has everything to do with transformative ones.

People with passion want to pursue uncharted paths in their quest to achieve new levels of performance.^{xiv}

The mechanisms we at Maximus use to achieve this balance of

accountability and freedom, include sprint cycles and forums where leaders are charged to deliver, receive timely support and constantly adjust and iterate.

These established cadences of executive focus require proof of outcomes and have clear rules around delivery and programs of work. They are tied to explicit scorecard metrics, and have a proper understanding of ethics and governance.

Their purpose and outcome is to create lasting value.

‘In any moment of decision, the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing.’

Theodore Roosevelt



To understand the drivers of lasting value you must continue to hone your commercial thinking with curiosity and wisdom. This will define the strategic thinking of the organisation.

Anticipating the market, adjusting the agenda of the organisation, and building its rationale around appropriate options and trade-offs, allows transformative leaders to distil the complexity of the business.

With clarity around the core, the collective leadership can explore scenarios that will create lasting value. This needs strong independent thinking across the enterprise to understand assembly, and the confidence to reach out and leverage the ecosystem.

We frame value creation around stewardship. Both internally and externally. The way leaders show up impacts shareholders, fellow executives, leaders, employees and the communities in which they engage. It needs judgement to understand what you require to reach new business frontiers,

to explore their possibilities and potential.

In our view, judgement is one of the most undervalued capabilities for leadership. When clarity of ambition and purpose are combined with clarity of judgement and strategic execution, people can really connect with the way forward and add to their leader's conviction.

We've all heard of #FOMO – The Fear of Missing Out. But in business, a more apt anxiety hashtag is #FOBO – The Fear of Better Options!

At Maximus time and time again we've seen leaders postpone decision making because they think that the more time taken and the more options explored, the better the chance of finding the perfect option.

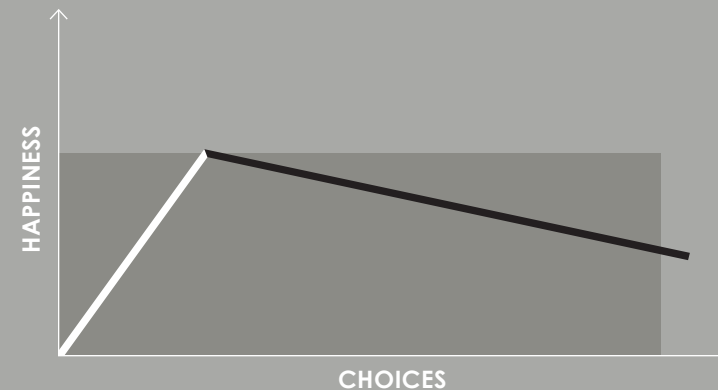


‘There are problems to which we simply don’t know the answer yet, but there are some things we can take actions on now, which we should take actions on now.’

Herbert Simon^{xv}

Paradox of choice

Less is more – too much is stressful



The reality is that more options do not guarantee better decisions or greater satisfaction. #FOBO likely leads to constant prevarication and putting off some of the decisions that we could, and indeed should, make today.

Herbert Simon looked at the personal detriment of those chasing 'better options', known as maximising people, who on one level and in a 'stable' environment usually do make the best decisions. However, on a personal and a leadership level, are never satisfied.

As such they project neither strength, clarity nor conviction.

Having put the work into considering and simplifying the core, making peace with the impossibility of perfection in uncertainty, and having done the intellectual and collaborative thinking around intent and deliberate choices, purposeful leaders will shift the organisation from good to great. And supercharge transformation into a lasting legacy.

New technology fundamentals



Now with a clear constantly evolving narrative, a new mindset of ambition and value creation, a disciplined program of accountabilities and performance, and a culture of strategic execution, the new technology fundamentals need to be in place.

To be able to iterate strategy to create the future, leaders need flexible IT architectures. They need agile methodologies, rapid funding mechanisms and carefully curated ecosystems of partners that are also shifting to the new frontiers.

As you build your hypotheses, recent breakthroughs in Artificial Intelligence and data can rapidly extract the right value. Your job is to test these hypotheses. To effectively use scenario modelling to look to Horizon 2 and Horizon 3.^{xvi}

The early days of the 21st Century allocated equal resources to the three horizons model. To maintain and defend the core business aka 'keeping the lights on' (H1), to nurturing emerging businesses (H2), and to creating genuinely new businesses (H3).

The COVID pandemic changed all that. We discovered we could pivot to H3 quickly. All the agile, flexible, digital transformation thinking that was waiting on the shelf to be funded, took-off.

In a matter of weeks, COVID forced radical changes in customer behaviour. It moved significant portions of the economy online, and increased customers' comfort and willingness to engage digitally. For many organisations the pandemic stripped away many of the barriers that organisations traditionally faced in realising their digital promise.^{xvii}

The speed with which disruptive products and services got to market was breathtaking. It changed the game and changed our confidence in our ability to execute change. The new technology fundamentals support this dynamic operational world.

As data from each line of business – risk, finance, customer, product, and price – comes together, you can perform real time advanced analytics to assemble new business models, new innovations and new revenue sources.

To Market-Make, demands the confidence to iterate in flight and the digital tools to enable rapid adjustments. To do this you need the capacity to take pieces out and plug in new functionality. You need modular tech stacks that you assemble and adjust as needed.

This is much more than just changing the enterprise cost structures and turning repetitive tasks into digital ones or simply just automating the business. It is where successful transformation leaders have the fundamentals in place to clearly and deliberately reimagine the future.

Executives have the choice right now. Stand by and follow others.

Or build the momentum to transform the business, to shape the market you want to be in to create a lasting legacy of proven value.

‘This year enterprises are expected to invest \$1.3 trillion (USD) in digital transformation initiatives. Tragically, research tells us that 70% of these initiatives will not reach their stated goals. That equates to over \$900 billion worth of spend that will miss the mark.’

Forbes^{xviii}

How much of this shortfall would be attributed to leadership readiness and mindset?

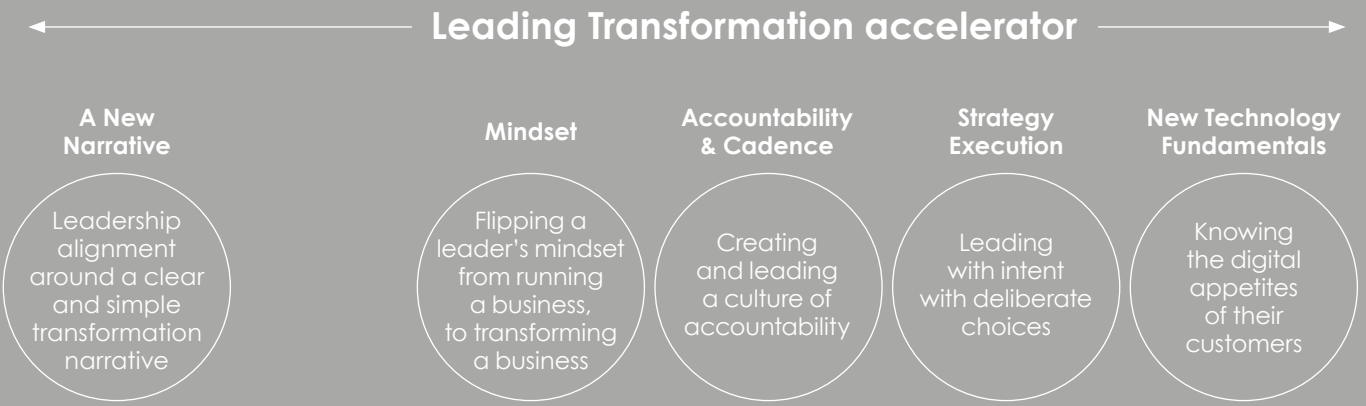
Questions you might be asking yourself:

1. Are your business leaders aligned around the transformation narrative – are they telling the same story, and with the same level of conviction?

2. Do your leaders understand the difference between running a business and transforming a business – are they comfortable with imperfection – can they navigate the paradox of opportunities?

3. Are you creating a culture of accountability – powered by leaders who experiment and iterate?
4. Are your leaders getting stuck in FOBO – do they use collaborative thinking to drive intent and deliberate choices?

5. Are you and your leaders attuned to the market and digital appetites of your customers – do you sufficiently understand technology principles to pivot quickly?
- The Leading Transformation – New Fundamentals from Maximus delivers capabilities required by today’s leadership to drive and sustain change and transformation initiatives:



How to make better decisions

You can simplify the decision-making process by following three basic steps that assist you to narrow your options and make better decisions.

Step 1

The **clarifying question** 'What do we want to achieve?' This helps you narrow your options to bring you closer to your **goal**.

Step 2

Identify the **tools, time,** and **motivation** needed according to your options.

- What tools do I need (see New technology fundamentals, page 24)?
- How much time do I have?
- Do I have enough motivation to make this decision and choose this path? (see Mindset, page 12)
- What is the first step I should take? (See Strategic execution)
This step will help you create an **action plan** to keep accountable through sprint cycles and forums (See Accountability and cadence, page 16).

Step 3

Examine the decision's **long and short-term benefits**. Using scenario planning and the discipline of your forums and sprints, you will figure out the pros and cons to adjust your possibilities to be fit-for-purpose for your unique circumstances. This will avoid decisions being based only on current **emotions** and immediate needs and help shape the market ahead.

With these simple steps, you'll be able to optimise and simplify your decision-making to make better choices to bring you closer to your goal.



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"The future of leadership is not about old-fashioned validations of success. It is about growing your impact, with a focus on a bigger purpose beyond yourself, backed by the capabilities to match."



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"I'm passionate about finding the right opportunities to bring our global thought leaders and heads of industry together to share ideas, collaborate, and co-create for a better future."

**Get to know our team to better
understand the skills and experience
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"I build trusted relationships that allow me to curate the best of leadership, technology and psychology to empower people and teams to create sustainable change."

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ⁱⁱⁱRoy Morgan's snap SMS survey on Victoria's Stage 4 restrictions shows >70% approval of Premier Daniel Andrews and most measures <http://www.roymorgan.com/findings/8503-views-on-stage-4-restrictions-in-victoria-august-27-2020-202008260908> and WA Premier Mark McGowan returned to a second term in an unparalleled mandate <https://www.abc.net.au/news/elections/wa-election-2021/>

^{iv}<https://www.mckinsey.com/business-functions/organization/our-insights/the-psychology-of-change-management> Published in: European Journal of Operational Research (2004) See Four conditions for changing mind-sets – A purpose to believe in

^vThe Leader Within - <https://www.maximus.com.au/manifesto/>

^{vi}<https://www.edelman.com.au/trust-barometer-2021-australia>

^{vii}"Anyone who tries to make a distinction between education and entertainment doesn't know the first thing about either." Marshall McLuhan https://en.wikipedia.org/wiki/The_medium_is_the_message

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**Maximus exists to move minds,
transform businesses and
leave a legacy of proven value.
Maximus is focused on bringing
a unique, holistic leadership
offering to the market.**

**We create leaders who have
the capabilities and conviction
to have great impact on the
companies they lead, the people
they connect with, and the
communities they influence.**

Our Manifesto

The Real. The Curious. The Resolute.

Industry makers.
Independent thinkers.
True believers.

These are the leaders with whom we partner. They're committed to leading with purpose and authenticity. Brave enough to bring about change. And we are privileged to work with them.

We are for leaders with ambitious agendas.

We exist to move minds, transform businesses and leave a legacy of proven value. We turn beliefs into a movement, transforming organisations, and the leaders within.

WE ARE MAXIMUS.



M A X I M U S