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Executive Search & Board Advisory

15 LESSONS FROM MACHIAVELLI



"The first method for estimating the intelligence of a ruler is to look at the men he has around him"

Niccolo Machiavelli

The book, *The Prince*, was written some 500 years ago by Niccolò Machiavelli. He wrote the book as a guide for leaders in political realism and necessary pragmatism. It has reportedly been read by Napoleon, Mussolini, Diderot, Rousseau, Thomas More, Frederick the Great and Stalin. Kissinger and Nixon had it as bedtime reading. The Church supposedly banned it at one time. The book presents us to a world viewed without morals or emotion.

Machiavelli puts questions forward such as, is it better to be feared or loved and surmises it is better for a ruler to be feared than loved because love is fickle, fear is constant.

A voracious reader of history, Machiavelli stripped out Christian virtues and ideals and drew examples from history. He argued to ignore reality, and to live up to an ideal would end in failure. He focused on effectiveness against moral considerations and argued the ends justified the means.

He makes his readers confront important questions about morality and politics. He does it in a dispassionate manner e.g. in order to secure new territories, he outlines one need "merely eliminate the surviving members of the family of their previous rulers." It is a ruthless view.

Machiavelli is seen as a divisive and polarising philosopher/writer. However, his ice-cool leadership principles are still revered today. "Machiavellian" is a word we now associate for scheming, knife in the back tactics that get people ahead in life. Others argue he is a realist. His thoughts around business and the political manoeuvres to secure power translate well into today's intense climate of business competition and leadership. While written in 1513 there are some interesting insights from *The Prince*. We will examine 15 of them:

1. “The first method for estimating the intelligence of a ruler is to look at the men he has around him.”

Weak leaders have weak Executives/lieutenants, and strong leaders employ the best at what they do. Machiavelli goes on to mention that leaders should avoid flatterers or sycophants. “It is that of flatterers, of whom courts are full, because men are so self-complacent in their affairs, and in a way so deceived in them... There is no other way of guarding oneself from flatterers except letting men understand that to tell you the truth does not offend you.”

2. “Never was anything great achieved without danger.”

Willingness to take calculated risks is a critical success factor in business and leadership.

3. “Whosoever desires constant success must change his conduct with the times.”

In a world of fast-paced change, digital and international competition, leaders have to adapt.

4. “A wise man ought always to follow the paths beaten by great men, and to imitate those who have been supreme, so that if his ability does not equal theirs, at least it will savour of it.”

Learn from the best; success comes from acquired knowledge. Learning can take the form of reading, having a coach or mentor and placing yourself in a position of wanting to learn from others who have been there and done it with great success.

5. “Where the willingness is great, the difficulties cannot be great.”

Follow your interests, your passions and difficulties will subside. As ex-Apple CEO Steve Jobs declared “the only way to do great work is to love what you do.”

6. “He who is the cause of another becoming powerful is ruined.”

Be careful who you trust and choose your friends carefully as they have incredible influence on your life if you are not mindful.

7. “To exercise the intellect, the Prince should read histories, and study there the actions of illustrious men.”

Devour books and read papers. It expands and sharpens the mind and places you ahead of many others while providing you with more thoughts to explore. If you look at the people who have led business or countries, you will find many of them are prodigious readers.

8. “The wise man does at once what the fool does finally.”

Make decisions and act. Analysis paralysis prevents many readers moving forward or enables competitors to seize the opportunity first.

9. “Everyone sees what you appear to be, few really know what you are, and those few dare not oppose themselves to the opinion of many, who have the majesty of the state to defend them; and in the actions of all men, and especially of the princes, which it is not prudent to challenge, one judges by the result.”

Appearances matter, dress to impress. Machiavelli goes on to say “men judge generally more by the eye than by the hand, because it belongs to everybody to see you, to few to come in touch with you.” Perception is reality and success is a mindset that leads to actions and results.

10. “A wise Prince ought to observe some such rules, and never in peaceful times stand idle, but increase his resources with industry in such a way that they may be available to him in adversity.”

Complacency destroys leaders, careers and organisations. It is argued that during times of success, one should change business models and attempt to implement new ideas as opposed to times of dramatic economic decline or when facing aggressive competitive forces. As a leader, move forward with resolve, don't stop. It is at these times one can excel. Be prepared for the worst, accept the best.

11. “We shall find that it is easier for the Prince to make friends of those men who were contented under the former government, and are therefore his enemies.”

Your enemies may sometimes be your friends. Look at the way the digital market has blurred the lines with manufacturers coming together to combine their efforts to penetrate new markets. This agile collaboration is leading to innovation. Companies entering into strategic alliances were once fierce enemies. This collaboration has moved to a level where companies seek out a variety of partners to generate new offerings and create previously untested business models. This includes the use of big data analytics which has led to accelerated expansion across traditional boundaries. CEO's are considering partnering with business networks, firms from other industries, academics, and competitors.

12. “I'm not interested in preserving the status quo; I want to overthrow it.”

Leaders, true leaders see things differently, they respect the status quo but want improvement. They want to make their mark and have their team, company or political party leave a legacy.

13. “There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things.”

This rings true in mergers and acquisitions. In a large proportion of company acquisitions, the increased value gained is minimal. One could argue a similar view of major corporate initiatives, a change of CEO's, where we see the shift from a centralised to the decentralised structure, from product line to regional line, and with enormous cultural upheaval, how much is achieved? This is where Boards need to determine the gap between the Chief Executives ego to business outcome rationale. It is a powerful, but a very relevant observation.

14. “The more sand has escaped from the hourglass of our life, the clearer we should see through it.”

Wisdom comes with experience. In the discussions around Boardroom diversity, we forget that having some Board members with battle scars who have lived through more than one business cycle is valuable. Having ex CEO's on Boards can also make a great deal of sense. Experience is a valuable commodity sometimes lost in the boardroom composition discussion.

15. “If one is on the spot, disorders are seen as they spring up, and one can quickly remedy them; but if one is not at hand, they are heard of only when they are great, and then one can no longer remedy them.”

To lead, you have to be across your responsibility; you have to be engaged; you have to be informed, you have to show the way. You have to be present or in the present. This is not easy to achieve if your responsibilities are international, regional or across a business unit. Being present is an interesting point. It comes as no shock that many CEO's are up at 5am to start sending emails, exercise at 6am and have dinner at 7pm with family and resume work after the meal. CEO's have to be present, and across the business, if they are not engaged, according to Machiavelli they are doomed.

“Machiavelli's writings may be 500 years old, but his thinking is relevant today. He brings an ice-cold pragmatic approach which needs to be tempered, but the essence of his message resonates,” said Gregory Robinson, Managing Partner, Blenheim Partners.

AUSTRALIAN EXECUTIVE MARKET DIVERSITY AND TENURE SNAPSHOT, AS OF 30 JUNE 2017



"Nothing pains some people more than having to think" Martin Luther King, Jr.

Diversity and Tenure of Current ASX100 Chief Human Resource Officers

- Twenty CHRO's have over five years in their current role (20%).
- Seventy-three CHRO's are female (73%).
- Four CHRO's are non-Caucasian (4%).

Diversity and Tenure of Current ASX100 Chief Financial Officers

- Thirty-eight CFO's have over five years in their current role (38%).
- Four more CFO's are approaching five years in their current role (4%).
- Nine CFO's are female (9%).
- Four CFO's are non-Caucasian (4%).

Diversity and Tenure of Current ASX100 Chief Executive Officers

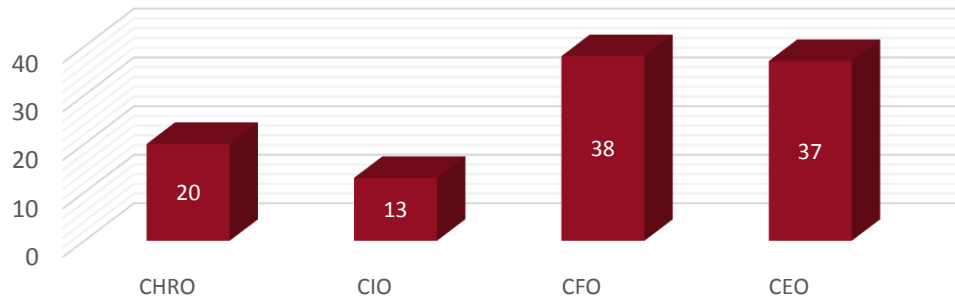
- Thirty-seven CEO's have over five years in their current role (37%).
- Five CEO's are female (5%).
- Four CEO's are non-Caucasian (4%).
- Forty CEO's are born Offshore (40%).

Diversity and Tenure of Current ASX100 Chief Information Officers

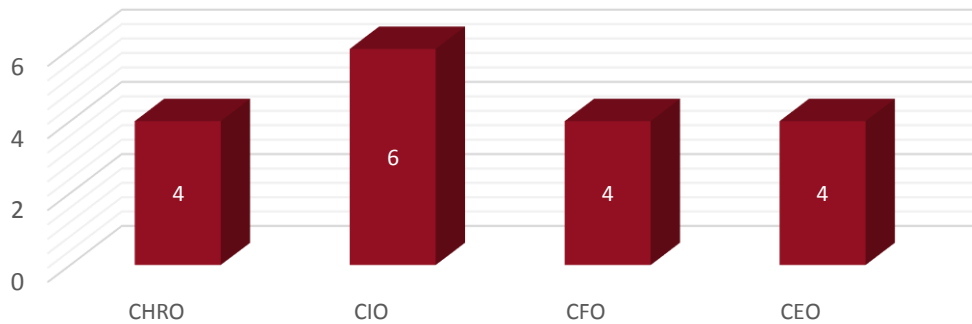
- Twenty-one CIO's have over five years in their current role (21%).
- Thirteen CIO's are female (13%).
- Six CIO's are non-Caucasian (6%).

AUSTRALIAN EXECUTIVE MARKET DIVERSITY – GRAHPIC SNAPSHOT AS OF 30 JUNE, 2017

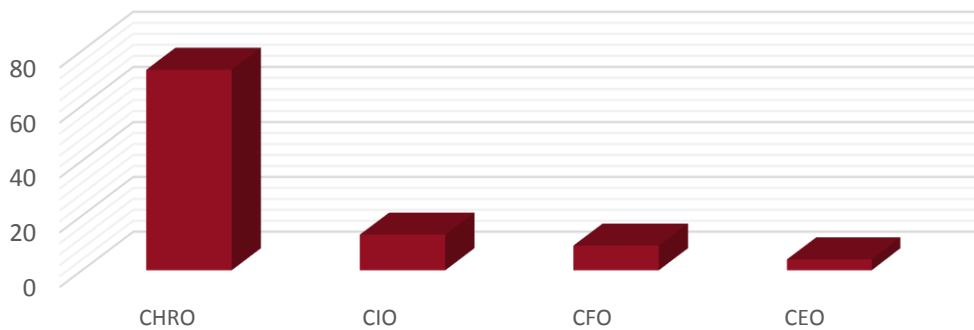
Tenure over five years in current role in ASX100 (%)



Non-caucasians in ASX100 role (%)



Females in ASX100 role (%)



A REFRESH OF DIRECTOR COMPETENCIES AND DIRECTORS CALLED FOR!



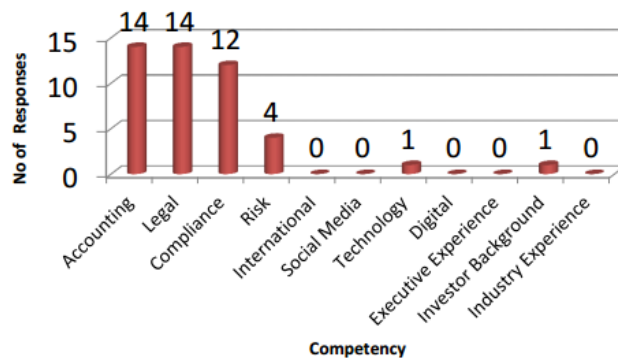
"If everyone is thinking alike, then somebody isn't thinking" George S. Patton, Jr.

A recently published Blenheim Partners Paper demonstrates that there is clearly a shift in thinking as the competencies that participants think are required of Director of Boards. The paper is the result of a unique study of over 85 leading Australian chairman, Non-Executive Directors and Chief Executive Officers.

This shift in thinking is evident with participants referring to an "old" set of competencies required of Directors in the past, which some described as "vastly overrated" in today's world. The participants' responses in Figure 1 clearly show the view that the traditional Board competencies of accounting, legal, compliance and risk, in many respects the mainstays of existing Director competencies, to be somewhat over-represented on company Boards. Participants generally are not saying these competencies are not required on Boards, but rather the increased regulatory and governance environment has resulted in "a creep" of these competencies on the Board. Others express the view that there are alternative means for Boards to access these skills as opposed to Board Membership.

"Boards need to be functional. I don't agree with the need for a lawyer on the Board or a former auditor. We can outsource these skills."

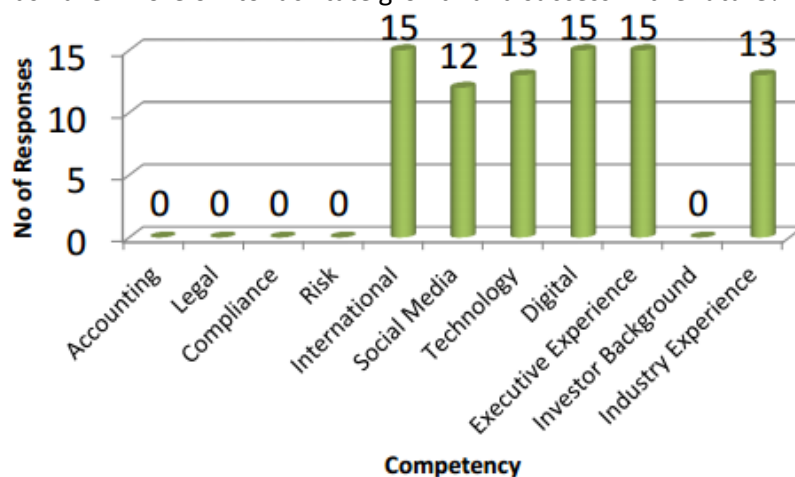
Figure 1: Participant Responses to the question “Which of the following competencies should Boards have “less of” to facilitate growth and success in the future?”



Note: response numbers vary as participants may not respond or may respond to multiple competencies

But what competencies should take their place? Figure 2 provides a window into what participants believe are potentially the new Board competencies, or competencies there should be more of on our Boards. As highlighted by Gregory Robinson, Managing Partner of Blenheim Partners, “these competencies of international, social media, technology, digital. Executive experience and industry experience fall into the category of what may be termed experimental competencies, or those involving or based on experience and observation – an interesting shift from the traditional education/professional based competencies”.

Figure 2: Participants Responses to the Question “Which of the following competencies should Boards have “more of” to facilitate growth and success in the future?”



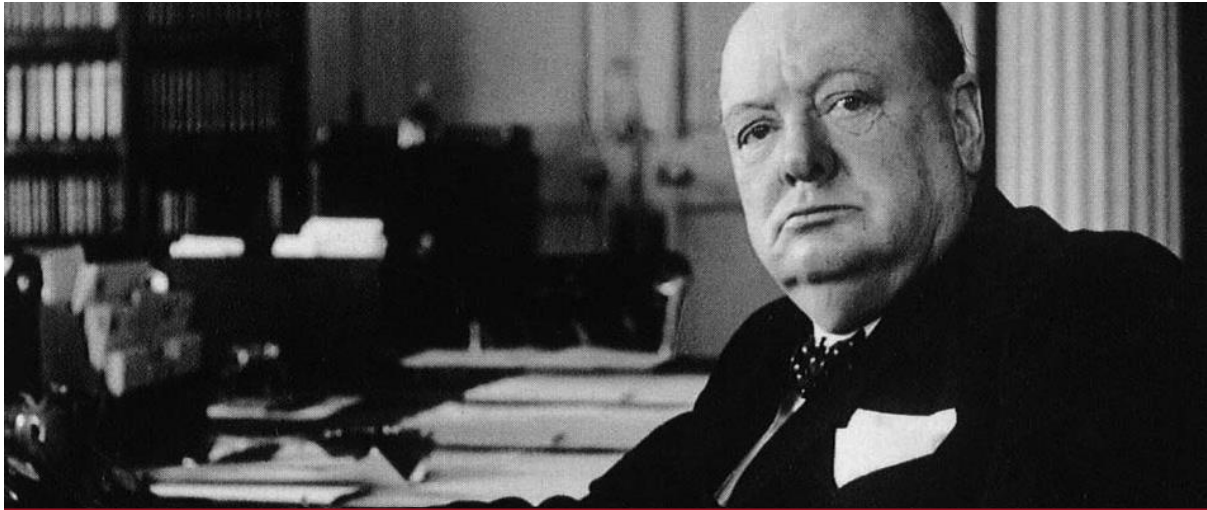
Note: Response numbers vary as participants may not respond or may respond to multiple competencies.

The comments in the paper reflect the view that even those competencies where it was identified that “more of” was needed were underpinned by the view that having this competency was not enough, and not primary for Board membership. Subject matter experts or specialists knowledge is not enough to force a director out of a silo, indeed it reinforces silo mentality if the Director does not have the all-round general competence to contribute on the broader spectrum of issues. Board

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members who sit there and wait for their specialisation to arise on the agenda or steer the agenda to this are not the preferred Director. “The ideal Director must be capable of contributing on all items that come to the Board”.

SOME LEADERSHIP LESSONS FROM SIR WINSTON CHURCHILL



"No crime is so great as daring to excel" Sir Winston Churchill

Sir Winston Churchill is widely regarded as the greatest leader of the twentieth century. In his ninety years, he spent fifty-five years as a Member of Parliament, thirty-one as a Minister, and nearly nine years as Prime Minister.

He had been present at or fought in fifteen battles, and had been awarded fourteen campaign medals, some with multiple clasps. He had been a prominent figure in the First World War, and a dominant one in the Second. He had published almost ten-million words, more than most professional writers in their lifetime, and painted over five-hundred canvasses, more than most artists. He had reconstructed a stately home and created a beautiful garden with three lakes and built a cottage and a garden wall. He was a fellow of the Royal Society, an Elder Brother of Trinity House, a Lord Warden of the Cinque Ports, a Royal Academician, a University Chancellor, a Nobel Prizeman, a Knight of the Garter, a Companion of Honour and a member of the Order of Merit.

Many towns made him an honorary citizen, dozens of Universities awarded him honorary degrees, and thirteen countries gave him medals. He hunted big game and won many races. Estimates are that he consumed close to twenty-thousand bottles of champagne and the number of cigars is not recorded but would be voluminous. He had a family and many friends.

Churchill was a giant in world history and actually stated, "History will be kind to me for I intend to write it."

Some Leadership Lessons from Sir Winston Churchill:

1. **“Broadly speaking, the short words are the best, and the old words are the best of all.”**

Leadership in any endeavour requires communication. Leaders are speakers. Leadership requires convictional, bold and clear communication. As Edward Murrow summarises, Churchill did not just lead a nation by sending troops to war, he also “mobilised the English language and sent it into battle.” Churchill later noted “British people themselves had the heart of a lion – I had the luck to be called upon to give the roar.”

2. **“I never worry about action, but only about inaction.”**

Leaders need to keep moving, not get caught in a rut. Action requires energy and momentum. If you want to achieve, keep moving forward.

“Success is not final, failure is not fatal; it is the courage to continue that counts.”

3. **“The first quality that is needed is audacity.”**

For Winston Churchill, he viewed audacity as the willingness to take bold decisions. Risks can be uncomfortable because with them comes the possibility of failure. Churchill felt that risks were necessary to achieve great things and balanced his audacity with the understanding that not all bold risks will be successful. When failure came he learned from it. His greatest failure was in World War One as the First Lord of the Admiralty. He oversaw the horrific mission to take control of the Dardanelles, which led to the slaughter at Gallipoli. He lost his office; he then went to France and served in battle. When he returned to public office he applied the lessons he learned to make him a better leader.

4. **“Kites rise highest against the wind, not with it.”**

People do not want to make the difficult or tough decisions, they do not wish to be contrarian or go against the tide of thought. Leaders who come forward, who have the courage of their convictions, who expose their true character, are defined by their decisions. Winston Churchill argued against the policy of appeasement and said, “An appeaser is one who feeds a crocodile hoping it will eat him last.” Originally ridiculed for his stance on Hitler, he was later proven to be correct. He had the willingness to stand his ground and present his thoughts that went against the populist rhetoric of the day.

As a leader, do you follow the policy of company appeasement or do you truly lead?

5. **“Attitude is a little thing that makes a big difference.”**

Churchill’s attitude and steely conviction that Britain would not fall to Nazi Germany galvanised everyone, young and old, fit and unwell. Everyone believed in the following words:

“We shall defend our island, whatever the cost may be, we shall fight on the beaches, we shall fight on the landing grounds, we shall fight in the fields and in the streets, we shall fight in the hills, we shall never surrender.”

6. **“If you’re going through hell, keep going.”**

All of us will go through difficult times, and we can either stop or as Winston Churchill suggests keep moving forward before you are burned beyond recognition. You may be singed, but keep moving. He knew the hell Britain would be going through when he addressed the House of Commons.

“I would say to the House as I said to those who have joined this government; I have nothing to offer but blood, toil, tears and sweat. We have before us an ordeal of the most grievous kind. We have before us many, many long months of struggle and of suffering. You ask, what is our policy? I will say, it is to wage war, by sea, land and air, with all our might and with all the strength that God can give us; to wage war against a monstrous tyranny, never surpassed in the dark and lamentable catalogue of human crime. That is our policy. You ask, what is our aim? I can answer in one word, victory. Victory at all costs—Victory in spite of all terror—Victory, however long and hard the road may be, for without victory there is no survival. Let that be realised, no survival for the British Empire, no survival for all that the British Empire has stood for, no survival for the urge and impulse of the ages, that mankind will move forward towards its goal. But I take up my task with buoyancy and hope. I feel sure that our cause will not be suffered to fail amongst men. At this time, I feel entitled to claim the aid of all, and I say come then, let us go forward together with our united strength.”

7. **“You have enemies? Good. That means you’ve stood up for something, sometime in your life.”**

Doing the right thing sometimes will create ill will and enemies. The character of the person is displayed during these times when fortitude is required when human nature or the easier way is to care what others think and fall in line with consensus. It is more difficult when you have worked hard in your career or area of expertise to meet with disapproval of those around you.

After winning the war, a general election was held in Britain and stunningly Winston Churchill was defeated. However, living by his principles he returned as Prime Minister in 1951. Churchill had critics throughout his entire career and did not waiver from his beliefs and his determination to express and present them. He didn’t seek others approval and validation, he believed in pursuing what he felt was the right course of action and performing to the best of his ability.

8. **““Never give in. Never give in. Never, never, never, never—in nothing, great or small, large or petty—never give in, except to convictions of honour and good sense. Never yield to force. Never yield to the apparently overwhelming might of the enemy.”**

Churchill’s words are obvious in their meaning. Don’t give in or give up because the task seems too difficult or the obstacles too great. Think through and exhaust the possibilities.

9. “We are all worms, but I do believe that I am a glow worm.”

Churchill had a most unhappy childhood which would have led to many people looking for excuses and self-pity in their later years. Instead he drew strength from it, and recognised to do things as a leader and in life, you need audacity, iron will and confidence in oneself. He believed in his abilities, he believed he should glow and as such he achieved against many odds, against many critics and against at times the tide of history.

10. “Courage is rightly esteemed the first of human qualities... because it is the quality which guarantees all others.”

Churchill was a leader of world courage. When he spoke, a nation was given the hope and determination to fight a war that simply, against tremendous odds, had to be won. In fact, many of his friends and colleagues felt that Britain's future was lost in the very early days of the war. He refused to accept their opinions.

Churchill reminds us that leadership is impossible without true conviction even in the face of hostile opposition.

SOME LEADERSHIP LESSONS FROM GOLDA MEIR



Golda Meir was Prime Minister of Israel from 1969 to 1973. Known for her intellect, she was an activist, risk-taker, tremendous fundraiser, eloquent advocate and in many regards visionary. She was also one of the founders of the Jewish state.

She was born May 3, 1898 in Kiev, Ukraine. At eight she moved with her family to Milwaukee. At fourteen, she graduated from the Fourth Street Elementary School as class valedictorian but had to challenge her parents for the right to go to high school. She wanted to be a teacher; they wanted her to find a husband. "It doesn't pay to be too clever" said her father. "Men don't like smart girls". She defied her parents and ran away to live with her sister and brother-in-law in Denver and attended school before returning to Milwaukee to study teaching after receiving a letter of apology from her parents.

In November 1917 Britain proclaimed the Balfour Declaration supporting "the establishment in Palestine of a National home for the Jewish people." A few weeks later on Christmas Eve, Golda Mabovitch married Morris Myerson on the condition that they would immigrate to Palestine and live on a Kibbutz. She became a model Kibbutznik and an expert on breeding and feeding chickens. Her husband contracted malaria and as a result they moved to Jerusalem where they had two children.

After settling in Jerusalem and establishing herself, Golda then joined the Women Workers Council and moved to Tel Aviv. With the establishment of the State of Israel in 1948 it was clear that conflict with the border neighbours was inevitable. A large amount of money was needed to supply the defence forces and because she spoke perfect English Golda volunteered to go to the United States. To everyone's surprise she was able to raise \$50m. In 1949 she was elected to the Knesset, Israeli Parliament and appointed by Prime Minister David Ben-Gurion to be the Minister of Labor in charge of creating roles for the seven hundred thousand immigrants following World War II. She later

changed her name to Meir and in 1956 was appointed Foreign Minister, the only female foreign minister in the world.

Unlike others in Government positions, she dropped many formalities, she flew tourist class, entertained foreign dignitaries in her kitchen serving home-made food and refused to support inequality in Africa.

In 1966 she retired from government and a year later was diagnosed with lymphoma which she insisted on remaining secret.

Golda was encouraged to become Secretary General of her party and in February 1969, Prime Minister Levi Eshkol died and she became the fourth Prime Minister.

Her retirement plans were put on hold until June 4, 1974 when she resigned. In 1975 she published her autobiography, *My Life*. She died December 8, 1978, a history-making leader and regarded as

One of the most accomplished women of the twentieth century.

Some quotes by Golda Meir include:

"I must govern the clock, not be governed by it."

"One cannot and must not try to erase the past merely because it does not fit the present."

"You'll never find a better sparring partner than adversity."

"Don't be humble...you're not that great."

"Trust yourself. Create the kind of self that you will be happy to live with all your life. Make the most of yourself by fanning the tiny, inner sparks of possibility into flames of achievement."

Gregory Robinson, Managing Partner "For many Golda Meir was an ordinary and extraordinary woman. She was described as the Iron Lady and on one occasion as the only man in the Israeli Cabinet. She is the first and only female Prime Minister of Israel and was the third female Prime Minister in the world. She rose from a humble beginning to a position of significant leadership and met with many world leaders to promote her vision of peace. She also led the country when Israeli athletes were killed at the 1972 Munich Olympic Games, authorising the Operation Wrath of God and was also the leader during the twenty day Yom Kippur War in 1973. Golda Meir has been described as exceptionally intelligent, balanced and understanding with an ability to see things precisely as they are with a force of nature personality and determination that was boundless. She was asked to be leader in a community which respected the traditional role of women in a male-dominated environment. As a leader, like all leaders she had her critics, but was noted for ability to balance diplomacy with action, to listen to others, to make decisions and accept the responsibility."

11 LEADERSHIP LESSONS FROM THE FIRST HISTORICAL GREAT – CYRUS THE GREAT, KING OF KINGS



What we know about Cyrus the great comes to us through an ancient book, the education of Cyrus, by the Greek Philosopher, historian, soldier, mercenary and pupil of Socrates, Xenophon of Athens. The book was supposedly a favourite of Machiavelli, Rousseau, Thomas Jefferson and Montesquieu.

Cyrus was born to nobility in the small tribe, the Achaemenes in central Persia 590 BC and during his lifetime founded the Persian Empire which extended from the Mediterranean Sea and Hellespont in the west to the Indus River in the east. During his lifetime he created the largest empire the world had yet seen. He was given numerous titles, King of Persia, King of Anshan, King of Media, King of Babylon, King of Sumer and Akkad, King of the four corners and King of Kings. His reign lasted approximately 30 years.

He stands out from all previous leaders and many since as he respected customs and religions of the lands he claimed. Due to his policies in Babylonia, he is regarded by the Hebrew bible as Messiah 'anointed one' and is the only gentile to have been called so.

He is acknowledged for the achievements in human's rights, politics, military strategy, and influence on both western and eastern civilisations.

In the 1970's, the Shah of Iran supported 'Cyrus's proclamation inscribed on the Cyrus cylinder as the oldest known declaration of humans rights. Some historians have argued in scope and extent Cyrus' achievements ranked above that of Alexander the Great. Iranians have regarded Cyrus as 'The Father', the title used during the time of his reign.

On December 10, 2003, in her acceptance of the Nobel Peace Prize, Shirin Ebadi said, “I am an Iranian, a descendant of Cyrus the Great. This Emperor proclaimed 2500 years ago that he would not reign over the people if they did not wish it. He promised not to force any person to change his or her religion and faith and guaranteed freedom for all. The Charter of Cyrus the Great should be studied in the history of human rights.”

In the annals of history, his reign is seen as exemplary leadership. We have summarised some of the many leadership lessons from Cyrus the Great.

1. Learn from those who came before you

It is a common sense approach. Examine what your predecessors have done, what has worked, failed and why. The aim is to limit potential errors of judgement and why sully your reputation by misguided decisions when there is the opportunity to learn from history.

2. Lead from the front

Cyrus led from the front. He believed his soldiers, or team would gain confidence from watching their leader lead. Cyrus felt he was able to inspire his army by “stepping disdainfully over the spent arrows and javelins and stones.” He called to his men, “Forward now, bravest of the brave! Show me how quickly you can close with the enemy!”

When circumstances are challenging and outcomes unknown, leadership teams rise to the occasion when they witness their leader in front and in battle with them. Being at the front also provided Cyrus clear sight and perspective of the enemy, terrain and as such, allowed them to position their forces to manoeuvre effectively and defeat the competition. It can be difficult to see from behind the pack.

3. Understand that the motivation of your followers is self-interest

“The loyalty of followers comes from self-interest. When they determine that their leader is no longer acting in their self-interest, their sense of loyalty collapses”. Good leaders make time to understand their team, they find out what their goals and aspirations are and ensure the leaders goals and the teams are aligned.

4. Don't overpromise and under deliver

Cyrus' father explained to Cyrus “you must never arouse hopes that you cannot fulfil.” Leaders who over promise lose credibility. People follow those they can believe in and trust. Integrity is essential for the leader to succeed. Your team have to believe in you and your judgement.

5. Question the level of hierarchy

Cyrus was unique in that he questioned “distinctions of rank” to exist between leaders and followers. “Living together on equal terms helps people develop deeper bonds and creates a common conscience. Those who live together are far less likely to desert one another in a crisis, those who live apart are more likely to pursue their narrow self-interest.”

Leaders have the common touch, they know without a team they will achieve nothing. They spend

time with their executives and create a level of engagement that a tight/rigid structure based on rank may not necessarily achieve.

6. Take care of your team

“Success always calls for greater generosity, though most people, lost in the darkness of their own egos, treat it as an occasion for greater greed” and “we can gain a fortune in that precious stuff called loyalty by being generous to our allies... it will bring us far greater rewards tomorrow.”

Leaders acknowledge and share the credit of success with their team which can be in terms of accolades, visibility, financial payments and career advancement. Cyrus was concentrating on the far greater rewards of tomorrow, that is, the culture and loyalty created to achieve consistent, sustainable and long term success.

7. Create a reason to compete

Cyrus defeated enemies which outnumbered his forces because he motivated his forces, he was passionate about his vision and he instilled confidence in his followers. The chapters of history are littered with stories similar to David and Goliath, where the self-assured outnumbered forces defeated the larger opposition.

A leader in business inspires their followers to dream with them. Entrepreneurs have disrupted markets because they believed in their people, product and outmanoeuvred the larger less agile organisations to steal market share.

8. Don't get emotional

Cyrus didn't make decisions in an act of rage or frustration. He was able to remove his personal feelings and make decisions based on information he had in front of him through rationale and objectivity.

9. Don't stop

Cyrus didn't pause for long before liberating more countries. He knew that once you achieve momentum, it is essential to keep moving as he was very much aware of the hazard that boredom or complacency brings.

As a leader, one of your greatest concerns is complacency. Complacency has been the disease that has ended many iconic brands market dominance. Leaders keep their teams moving forward, they continue to challenge and inspire others to reach new levels.

10. Real innovation

Cyrus broke with all leaders before his time and many since. He ended slavery, paid for work and allowed his followers the freedom to practice their own religion. This was unheard of in antiquity. “Among his many achievements, this great leader of wisdom and virtue founded and extended the Persian Empire; conquered Babylon; freed 40,000 Jews from captivity; wrote mankind's first human rights charter; and ruled over those he had conquered with respect and benevolence.” As a leader, he was not afraid to break traditional thinking and the status quo.

Innovation is an overused word and true innovation and thought is rare. As a leader you have to encourage a culture that supports your team being courageous enough to truly innovate and take acceptable risks. If you stand still, the competition will destroy you.

11. Believe in people

Cyrus is known as the Father of Iran for good reason. Unlike rulers before and since who have subdued their subjects, he believed in the good of people, something to this day that stands him out as one of the greatest leaders in world history and why he is worthy of the title, “The Great”.

He believed that people on the whole are good, “there is a deep and usually frustrated desire in the heart of everyone to act with benevolence rather than selfishness, and one fine instance of generosity can inspire dozens more.”

Gregory Robinson, Managing Partner, Blenheim Partners said, “Cyrus lived over 2500 years ago, his lessons captured in Cryopaedia by Xenophon is full of many great thoughts on leadership and original thinking and one can see why the likes of Machiavelli were so impressed. His ideas are as applicable and important to the leaders in his era as they are for us in ours.”

14 LESSONS FROM SAM WALTON



"There is only one loss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else" Sam Walton

Sam Walton is the founder of Wal-Mart. He was born in 1918, in Kingfisher, Oklahoma. As a teenager, he experienced the hardships of the depression and the need to be careful with money. Returning from service in World War Two, he bought a Ben Franklin variety store in Newport, Arkansas. He set about buying in volume, and selling at a lower price than his competitors but in greater volume. He grew his business to 15 stores becoming the largest independent variety store operator in the United States. He opened his first Wal-Mart July 2nd, 1962 in Rogers, Arkansas. By the time of his death in 1992, he had 1,960 stores and employed over 380,000 people with annual sales of approximately \$50bn. He built the world's largest retailer and was noted for his folksy style and people first ethic.

Some lessons we can learn from Sam Walton:

1. He had and shared a vision.

His vision was to reduce the cost of living for people who shop in Wal-Mart stores and do it with a group of people who believe in his vision. There was an absolute alignment of people and purpose.

2. Have Curiosity.

Sam started experimenting in the Ben Franklin stores, he learnt what does and does not work, and began to develop outstanding sales records. As a result, he was offered more and more opportunity with Ben Franklin, always honing his skills and applying them later to his own stores, Wal-Mart.

3. Stick To the Basics.

Sam Walton held himself to a set of values and wasn't one to follow the newest management fad or lingo. He believed that hard work and adhering to his principles would pay off. He committed to his

business, loved his work, brought passion to his work and it obviously rubbed off. Sam Walton listened to others but importantly to himself. He chose to ignore the negativity from critics, trusted his intuition and listened to his customers.

4. Working Together.

He believed people are the most important asset and genuinely cared about people. His simple philosophy was ensuring that if you want the people in the store to look after the customers, the leaders have to make sure you're taking care of the people in the store.

5. High Standards and Motivate.

Sam Walton had high standards for himself and for those who worked with him. According to Sam, "high expectations are everything". This goes back to his vision; he didn't cut corners or go for the quick fix. He recognised money wasn't the only driver, he set high goals and encouraged competition amongst his staff and kept score. He liked to keep everybody guessing and up for the challenge, creating excitement and passion.

6. He Didn't Have All The Answers.

Sam Walton had a reputation for walking the floor and for engaging his employees at all levels and listened intently. He wanted to understand what they were seeing, what their perspectives were and what they felt the customer was experiencing. He also followed his competitors closely, finding out what was working for them and if appropriate adopting their ideas. He was a student of his industry.

7. Provide Opportunity, Share Your Profits.

Sam Walton shared profits with his staff, in the belief they should be treated as a partner, and together the business will unite, and outperform the competition.

8. Communicate with your team.

Sam Walton continually communicated with his staff, thinking "the more they know, the more they'll understand, and the more they'll care". Information is power, and it can empower the workforce, and was a critical element of his success.

9. Let Your Team Know Your Appreciation.

Sam made sure that his employees knew that he valued their contribution. He felt it kept everyone motivated, ensuring they felt important and part of the Wal-Mart team. He would instil confidence and was of the opinion if his associates believed in themselves "then it was amazing what they could accomplish".

10. Celebrate success.

Sam Walton recognised if he was to fulfil his dream then he had to work incredibly hard, take risks and never quit. He mortgaged his home and borrowed to open his first Wal-Mart store. He experienced challenges along the way and failed, but knew with persistence, good people and sticking to a clear vision, obstacles would be overcome. He found humour in his failures as he expected them as part of the journey, and did not let them deter him from his goal.

11. Listen to your staff.

Sam Walton was a firm believer that his associates, on the shop floor knew what was going on. They were in front of the customer and as such were his ears and voice. He wanted a culture that encouraged news being shared. With that, he encouraged accountability and responsibility, and was able to have information passed up and down the corporate structure. Tactics could be altered at speed to beat the competition and achieve success.

12. Exceed expectations.

A very simple thought, but not always easy to execute: give the customer what they want and a little extra. Make sure the customer knows Wal-Mart appreciates them. In his words, “the two most important words I ever wrote down on that first Wal-Mart sign, Satisfaction Guaranteed, they’re still up there and have made all the difference”.

13. Control your expenses better than your competition.

Sam’s thoughts were “You can make a lot of different mistakes and still recover if you run an efficient operation.

14. Swim upstream.

Go the other way, ignore the conventional wisdom. If everyone else is doing it one way, there is a good chance you can find your market by going in the opposite direction. He believed in innovation; he encouraged technology, he thought about the customer and stuck to the basics. He was prepared to think differently and had confidence in himself and his team.

Gregory Robinson, Managing Partner, Blenheim Partners commented, “Sam Walton had a vision about a discount retail store and had a reputation for a tough and demanding style. He was known to start work at 4:30 am and had high expectations of others. He was not afraid to alter his tactics, take risks and change his staff if they weren’t delivering on their numbers. He had a clarity of mind and purpose and a tremendous ability to execute his dream. He had conviction and incredible self-belief.”

LESSONS IN HARD WORK, ENTREPRENEURISM, INNOVATION, AND RISK-TAKING



By his 50's Sir Sidney Kidman owned more land than anyone else in the British Empire and potentially the world. He worked incredibly hard for every hectare of his property.

He ran away from his home in Adelaide in 1870 aged 13 and took with him a half-blind horse, Cyclops, five shillings, a blanket, and a dream to join his brother who was employed on a cattle station in New South Wales.

After two days in his journey he met some drovers headed in the same direction. At the first town they came to they sold his horse for ten shillings and drank the returns. They lent him another horse and he went on his way a little more world wise.

He arrived at the station and took a job as a shepherd for a nomadic cattle owner for eight shillings a week working from sun up to sun down. It was tough going, and his only company was Billy, a fellow shepherd, and an expert of the land who taught Kidman about surviving in the bush and about working with people. It was a learning that Kidman would say was invaluable and served him well throughout his life.

The cattle owner moved on, and Kidman, out of work walked toward Broken Hill and stopped at the Mount Gipps cattle station. It was 1400 square miles in size and Kidman became a rouseabout earning ten shillings a week. He saved his first three pays and bought an old horse, fattened it up and swapped it for two horses in bad condition. It was the beginning of thousands of horse trades in his life.

He was sacked for asking for a pay rise, so moved on and established a business delivering fresh meat by packhorse to the far flung stations. He then invested in a team of bullocks to cart food,

perhaps an early version of Amazon in the bush! When he heard of a copper strike in Cobar he moved there, built a shed and established a butcher shop for the many miners.

Kidman was prepared to seize opportunity and was always willing to innovate. Soon, everyone was buying from him. He diversified and bought two bullock teams and carted copper. He moved to Adelaide to establish a base but spent 11 months of the year on the road building his business of horse trading, a coach mail business, and investing in BHP. He also supplied the British Army in India with horses.

In 1890 a half share in a cattle station, Owen Springs came on the market. It was 2200 square miles of poorly managed land in the centre of Australia south west of Alice Springs. He bought it. There were times in his first few years when it was touch and go and he came close to over-extending himself, but like other great business leaders, he was tenacious, and held out.

Kidman realised that droving cattle from the Northern Territory to South Australia was harsh. With little water, and poor grazing along the journey his cattle lost up to 50% of their value at sales. So Kidman decided to do something that was incredibly ambitious, to acquire land along the cattle route from the Northern Territory to South Australia. He would over the next 30 years purchase more than 100 stations from the Northern Territory and Queensland to the New South Wales border then into South Australia, some 150,000 square miles.

Thinking laterally, he bought drought stricken cattle from smaller landowners at low prices and moved them to rich land under his control and ultimately sold them when the price was high.

He was known to be well mannered, a person of endless high energy, who would not tolerate wastefulness and was not afraid to sack employees who were guilty of it. He was a dealer, an opportunist, a risk taker, an innovator, and an achiever.

When he retired he was acknowledged as the 'cattle king' and the greatest pastoral landholder in modern history. He was later knighted.

Gregory Robinson, Manager Partner said, 'With his high level of curiosity and his willingness to learn from experts like Billy he quickly developed an outstanding knowledge of the country. With his boundless levels of energy, tenacity, commercial savvy, raw determination, and clear vision he was able to build a business of such scale in one lifetime that it has never been matched. He was prepared to take calculated business risks. That is, he moved cattle from Alice Springs to Adelaide ensuring high quality for his customers. To achieve this he created and owned a route spanning 150,000 square miles, an amazing achievement.'

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