



Transform Aid
INTERNATIONAL
For a world without poverty

Episode 1: Introduction

Impact Leaders

Leigh Hatcher: Hello and welcome to impact leaders for a world without poverty, supporting and equipping business leaders to grow their business, give purpose to their people and make a transformational impact on global poverty. I'm Leigh Hatcher. Sooner or later in most people's lives and in organisations we start thinking about legacy. How will we be remembered? What have we done to make a difference to other people's lives in our world in an organisation or business? Is it just about making a profit? These questions have been part of the life and career of John Hickey, the CEO of Transform Aid International. John has had a long career in management leadership and strategy including banking. He says the question of how businesses are regarded and remembered, and employee engagement is heavily influenced by what they give away. John, thanks so much for joining us.

John Hickey: Thank you, Leigh. It's great to see you.

Leigh Hatcher: I think a good place to start is to explain the rationale behind this, I think, pretty unique podcast series. It's a two-way street between a humanitarian organisation and the corporate world. What's going on here?

John Hickey: Well, I think a few things are going on here. One is that we're really passionate about change and change is common across any organisation, whether it's a charity or a cause or a corporate entity. It's about how you can have more impact in what you're doing. So we feel as part of us trying to influence people that connect with us. That's a very broad group of people. It's people in the corporate world, churches, many other places. So we want to share some of what we're thinking about that as part of eventually having two way conversations.

Leigh Hatcher: I must say though, when I first heard about this whole idea, I was a bit skeptical about how a humanitarian organisation can contribute to the corporate world, but knowing the stories that we're going to be presenting, there is much to learn here.

John Hickey: Well, yes, and I think, say for me, my background is in the corporate world.

Leigh Hatcher: Yes, yes.

John Hickey: The last eight years of my life has been the great privilege of working here with Transform Aid International, but you know, I'm now at a certain age where I've got a few decades of experience and that experience, the, sum of that experience has helped me to lead here. And it's come from being in the private sector, in all sorts of other sectors as well as doing this sort of work.

Leigh Hatcher: Yes. And your people have been out and are out in the real world and often in circumstances of life or death where issues like leadership and change can be life or death for people.

John Hickey: Well that's right. If I think about a lot of the places around the world where we work, it's all about empowering people. And it's not about helping or serving them or doing things for them. It's helping them find their voices, find their skills and facilitate them learning leadership to affect people in their communities and their regions and beyond. That's the true transformation that we get to be a part of that's not ours to own, it's theirs to own

Leigh Hatcher: So when you talk about, as I said in the intro, legacy, again, the whole aim here is that it's a two way street. A legacy on both parts

John Hickey: There is so much to learn. For those of us that think we have all the power and influence, there's so much for us to learn from those people that can take a small little seed of something and make a difference. Often here in the West we've forgotten that we don't know everything.

Leigh Hatcher: Funny about that!

John Hickey: And so it is a hugely humbling experience but also a really exciting experience to see people who are motivated making a difference in life maybe in different contexts to the way we might think in our normal western society and yet really lessons that we can learn in that process.

Leigh Hatcher: And they are mighty lessons actually.

John Hickey: That's right. When you think in the business world here it's so much is driven around profit. And of course for businesses to sustain themselves, they need to have profit, they need to have capital and so on. But you go to places around the world where people are surviving on much less but a far happier, far more sustainable in what they are doing, far more balanced and diverse in the way they think about their context in life and what they're doing than often what we do. So it's not just about learning business leadership principles, it's learning life principles

Leigh Hatcher: They've got a lot to teach us.

John Hickey: Absolutely, yes.

Leigh Hatcher: In the corporate world. Can I ask you about your own experience in banking where I'm sure you learned some major lessons of life and business. Tell us about your experience and switching leadership roles from one bank to another. Cause that's an interesting story.

John Hickey: For me. Getting into the banking world was not by design. I didn't have a great desire to climb a corporate ladder. I always had a bit of a social justice mindset, but it was one of those things. I was finishing uni. I wanted to get out and start earning money and for reasons I still don't quite understand. I ended up in the merchant banking world in the 1980s a pretty tumultuous time to be in that place. And I think for me, my career was not really built around, you know, money and status. It was about I've been given a responsibility, do it well. And it led me to different places around the world, amazing experiences, some good, some bad, all of them are great learning experiences, and as I stepped into more senior roles and had more leadership responsibility, I found for me that was something that I seem to be comfortable in. So we all have our talents. That was a place I found myself learning and go, Oh wow, this is, this seems to be working for me. Of course, one example, I was with a large international organisation, in the mid nineties I helped set up their operation in Australia. I was on their executive board for seven years and we took massive market

share from the major banks in Australia. And the reason we did that was because we decided to be very true to who our real clients and customers were. Whilst the major banks were thinking about costs and how can we extract more dollars, we actually became hugely profitable and took great market share by being very customer focused and having values around honesty and integrity.

Leigh Hatcher: Mind you, all the banks say we are customer focused!

John Hickey: Well, I can say, you know, in a competitive space against those banks, they weren't. I can be bold enough to say that, but it's counter intuitive, really, to think customer and think that that's actually going to give you a better result than think costs and think about how I can maximize profit from the customer, so to speak.

Leigh Hatcher: How and why did you do that? Because in that world is is counter intuitive.

John Hickey: Well, I think it's a case of listening, so if you choose who you're going to engage with, customers, clients or whatever, and you go and listen to them, and what we heard was an enormous amount of dissatisfaction with those that we were dealing with the major banks and the messages weren't a surprise to us. What they were looking for was a partner, let's call it a partner who would listen, who would be honest, who would be reliable, who would provide products and services that they could actually understand and they could share with others. It wasn't rocket science, it was just against the grain of what the industry was really doing. Once the fly wheel hit, we started to get our momentum with this. We got multiples of growth year on year as a result of that sort of approach and market share and I think the big banks at the time, it was a bit of a boom time, particularly in the retail banking industry, for them, they were still doing well. They weren't really noticing for a while there that they were losing big chunks of market share that we were able to take.

Leigh Hatcher: So what led you from that world to this world? Because they're pretty different worlds too.

John Hickey: Yes. I think that a lot of people define themselves by their career. There's a great book by a fellow called Bill George called True North, and he was an ex tech entrepreneur in the 1990s in the US, joined the staff at Harvard, and what he looked at in the book, true north, was that those people that focus on their success in life around status, material results, and so on, we're not necessarily as sustainably successful as those that set up an ethical

framework around how they operated in all areas of their life. And even if they had reversals, they tended to be far more resilient and able to be far more successful in the longterm, not just in career, but in all aspects of life. That resonated so much for me because I don't want to be defined as a person that is a success in a business per se. I want to be a good husband, I want to be a good father, I want to be a good friend, a community giver, all these sorts of things. Bringing those all together of which my career fits into that very, very well.

John Hickey: So to me, taking that journey about thinking how do I develop my whole self with a good ethical moral framework around how I take on any responsibility I take has been really, really a strong base for how we operate

Leigh Hatcher: And you don't do it because it's good for business, but it is good for business.

John Hickey: Yes. Once again, counterintuitive because in the long run in business, particularly in these big sectors like banking and we hear it in the don't want to bash the banks, but here at in the Royal Commission results, what is a common theme is that ethical principles were compromised and decisions were made that were about profit and often a very short term approach to profit that might get the bonus but wasn't long term sustainable. If I go back to the global financial crisis that came to a head in 2008 same thing, I looked at what the patterns were there and I saw that these were repeating patterns 20, 30 years before it was the same cycles of a moral compromise that lead to certain results that had really bad impact.

Leigh Hatcher: Yes.

John Hickey: Whereas the organizations that survive long term, like if you look in books like good to great that talk about long term outstanding success, there is a common thread of leadership and those organizations sticking to really strong principles really well.

Leigh Hatcher: Part of the reason why we're here, as I said in the intro is to make a transformational impact on global poverty. How open do you think people are to consider the plight of the poor? There's a well worn Australian saying I'm alright Jack. Are we that open to it?

John Hickey: If you look at a number of studies looking at global poverty, it sits well down the ranking of charities that groups participate in supporting and I think there is a little bit about that. It's not so visible when you're thinking about, it's over there. It's out of sight for most people. Occasionally if there's a major disaster or famine,

we'll see the media pick it up and there's those images that really get people so concerned, it does raise their passion. We're all capable of getting compassion and passion about things. But often if it's not visible, it's not easy to stay engaged with it.

Leigh Hatcher: Yeah. When you talk about poverty, it's such a familiar term. Rolls off the tongue so easily. I actually think it's helpful to ask what is it? How do you define it? How do you quantify it and what does it mean not to be in poverty, an interesting question.

John Hickey: It's a very interesting question. When I go around the world and I hear particularly leaders in Western nations describe poverty, they focus on the economic. Economic is only one element of poverty. So the World Bank and the UN used to use a measure of US \$1.25 a day as a measure of whether somebody was in extreme poverty. There are many people learning much more than that, that live in extreme poverty, not just because of the lack of money. It can be lack of food security where you can't get access to food. You can feed your family, your children are dying of diarrhea because there is not basic sanitation and decent water available. It could be marginalization. You come from a tribe or a clan or an ethnic group that is marginalized by others that you don't get access to services and support that the main tribal groups might get in that area. There are many things, conflict, exposure to natural disasters, famine, drought and all these sorts of things. But it's also just that lack of access to resources, that right to use them and, yes, the economic element as well. Put them all together. And what you have is a whole bunch of things from different contexts that can draw into people being hugely stressed, lacking hope. We're talking about billions of people around the world in that state.

Leigh Hatcher: That's a really helpful definition. Why should we be concerned in our comfortable western lives with the poor John?

John Hickey: If I focus on Australia for a minute on some of the big international ratings on a per capita basis, we sit somewhere between second, third or fourth on a per capita wealth basis globally. And I understand for most people they can feel like life is a daily struggle here just as they might in Bangladesh, India, parts of Africa, parts of Asia, whatever. But that's a sense of perspective that we need to have really, that we are in a much better position that we can think not just globally, locally, that's the neighbor next door or in your community as well. We're not as advocating for a generous spirit overseas, it's everywhere, we can do some of this in different parts of the world. The need to participate on a global scale, I think is a huge opportunity for us to contribute into that.

Leigh Hatcher: But again, why? Why should we do that?

John Hickey: Well, I'm just a real believer that we need to look beyond ourselves and what is just in front of us. The world is much bigger than that and I know that there is a strong trend towards a nationalistic viewpoint at the moment, but I think when this nation has been greatest is when we've stepped beyond just thinking about ourselves in our very tight framework with people that we know and we're familiar with and actually get out of our comfort zone a bit and look beyond.

Leigh Hatcher: I think you're dead right. Now here's a question, there are many worthy causes and many well meaning humanitarian organisations doing great work here and around the world. What do you see as the distinctives of Transform Aid International in this space? Why should I consider engaging with you John Hickey?

John Hickey: Oh, this sounds like sell time.

Leigh Hatcher: It's a fair enough question. In the minds of our audience.

John Hickey: First of all is to say we collaborate with many of those other different groups, ones that you might think we compete with. We also collaborate with. It's interesting because we're like minded. We have a strategy, really a mission about saying, well, on our own we can only do so much, but there are a lot of like minded people through collaboration, through partnership that working together we can achieve far more. It's a fundamental of success in many things. Collaboration brings a great leverage in results. We strategically at our core do that so we work nationally and globally on many alliances and partnerships to try and achieve more. It's all about impact. What's key to achieving impact is also I don't want to have a transactional relationship with the support or were you just give us a few dollars and you feel like your duty is done. And we go away and spend the money. We want you in hands and feet with us. We want you to go through a learning process about why it is important to connect with the issues of poverty globally. We want you to learn what it is to be an advocate, to have a voice, to actually speak out on issues. We do a lot of work in the advocacy space because we know if we can get, for example, a group of people in the local community or businesses together to talk about issues of poverty, to speak to their local politicians, politicians listen cause they're listening to voters.

Leigh Hatcher: That's one of your distinctives. The advocacy thing. Give us a good example.

John Hickey: Well, I think, we're well known in Australia for our work with the ethical fashion guide that we started back in 2013 and that was really looking at an industry that was problematic because the supply chain for so many of these fashion products is in the developing world. It's in Asia. There's an estimate that about 40 million people work in the supply chain in Asia, some of whom do so under slave labor, most of whom have less than living wage conditions and have awful working conditions. And for a lot of Australian companies and global companies, they weren't necessarily thinking about the conditions of the workers were in, in the supply chains. They just wanted to get a fairly cheap product that they can offer in a competitive marketplace here. Our goal was to start rating companies and what they were doing in this space, but not just to name and shame actually to start building a collaborative process with them. So we use consumers and other supporters to talk to companies - we like your product, we want you to be ethical. And of course the companies would listen to that, but also collaborating with those companies, they started talking to each other and saying, what can we do together to improve conditions of workers in supply chains?

Leigh Hatcher: I'm sure Australians are thinking more along those lines. I think we care more today.

John Hickey: Absolutely, and we've done that in other industries. We helped through campaigning, sending postcards to some of the major chocolate manufacturers, international ones in Australia. We saw big change in how they dealt with raw material suppliers in the developing world, say with cocoa and so on because of people power. That's what advocacy is, voice into a particular issue and action that influences change.

Leigh Hatcher: So it's a voice. It's giving the dollars cold, hard cash, but it's also this two way street that I spoke of before. There are actually things that the corporate world can learn from the humanitarian world.

John Hickey: Absolutely, and I think that corporate's talk quite a bit these days around corporate social responsibility. We want that to be more than a tick the box exercise. We actually want that to be an embedded part of corporate organisation culture. Small to large that they actually really not only want to take themselves on a journey, but their staff, even their customers on a journey of understanding what it is to care for others in this world.

Leigh Hatcher: We've be talking about a lot of change. I want to ask you finally about two types of change you've seen in your work. First, how a business or the culture of a business has been impacted by

reaching out and helping like this and second, how you've seen that help bring about real change for people in poverty?

John Hickey: I had the privilege quite a few years ago now to take up the CEO role of a really interesting financial services organisation and it had a heritage of giving money to people in the community, but it wasn't really strategic and quite ad hoc. So one of the things I got involved with was setting up a foundation. The board agreed to a significant percentage of our profits each year being put into their foundation with a very strategic approach about what we supported community organisations, marginalized people, sporting organisations. I know long since I've been involved with it that that organisation puts millions and millions of dollars in to a broad range of community programs year after year after year. It's so exciting to watch how that is continued really now for more than 15 years

Leigh Hatcher: And it's impacted on the people in the business.

John Hickey: Absolutely. That organisation has a huge market share in it's position in its particular niche and a lot of that is around building brand and brand image, including this essence of an organisation that gives and so a lot of their advertising isn't about products. It's about what impact they're having in the community for good, it's for good and it's really exciting to still observe that many years down the track.

John Hickey: For Transform Aid International, one example, one really tangible example is, a couple of years ago some of our staff were actually at a conference in China and it was around supply chains and the CEO of one of the top Australian companies in the fashion industry, huge company, multi billion dollar annual turnover. And the discussion went along the lines of what would it take to pay the staff that work for these contractors in the supply chain for them to have a living wage. So they got a piece of paper out, got the calculators and they worked it out and I won't give you the number, but in the context of the total size of this company, it wasn't that significant. And he said, why don't we just do that then?

Leigh Hatcher: Wow.

John Hickey: And that wasn't just a question that was leading to them starting that process to build contracts with their suppliers to enable that to happen.

Leigh Hatcher: And the impact.

John Hickey: When you see somebody working 12 hours a day in these places and getting injuries, probably not able to see their family for periods of time, not being able to properly see them fed or educated, to have a living wage where they can actually enable food security where they kids do get to go to school. So the next generation is being empowered. That is beyond life changing. That is beyond life changing.

Leigh Hatcher: John Hickey it's gets a great work and I think this series is going to be a very important one for many people on both sides of the coin, both sides of the street. Thank you so much for joining us.

John Hickey: Thank you, Leigh.

Leigh Hatcher: If you'd like more information on how you can care and join the fight against poverty, you can subscribe to receive useful articles and news from Transform Aid International. It's offered to any business leader who wants to grow their business, give purpose to their people, and make a transformational impact on global poverty. Head to our website, transformaid.org/subscribe.