



AGSM STAR

August 2011 Issue



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Message from the editor

Time has just flown. The second session is over even before we knew it. The condensed nature of the second session was a clear test of our perseverance. This session has brought the best out of few people who performs under pressure and some had to struggle their way through. Although most of us would not like to be put under too much pressure, we have to realize that this has been an opportunity for each one of us to explore ourselves and find out more about our strengths and weaknesses. Apart from the hundreds of business models and frameworks which we learned during this session, I'm sure that everyone had a lot to learn regarding team dynamics and adaptability. Now that the most tedious session is behind us, it is time for us to unwind ourselves for a few days and get back to what AGSM does best; Impress the employers!

I would like to thank everyone who contributed for the magazine, especially Matt for assisting me with this magazine. I would also like to thank all the club presidents for organising some amazing events. A special thanks to the organisers of the Masters of Business speaker series. Listening to some of the speakers has been a hoot and a half.

I would also like to take this opportunity to welcome all the incoming exchange students to AGSM.

We have some special articles in this edition of AGSM Star. Kindly drop a mail if you have any suggestions or feedback. Happy Reading!



Asif Mohazin
Ed.

Student Society Update

Session 2 is over and we are already halfway through the MBA program! This session was especially busy as we had a 12 week course compressed into 9 weeks, which means tighter deadlines, heavier workloads and higher stress. Even though managing the course work along with club events and personal commitments seemed too much to handle at some points during this session, we learned a lot in the process and are proud to have completed this session with a lot of satisfaction.

Session 2 is the last session that the whole cohort will be together, as our exchange programs will start in session 3 and carry on even during session 4. It has been a great time and we will definitely miss those going abroad on their exchange adventure. On the flip side, we are looking forward to meet the incoming students. It will be a great opportunity to make new friends, extend our professional network, learn about other MBA programs and be great ambassadors for the AGSM brand.

We have also finished our course subjects with the conclusion of session 2. Now it's time for everyone to focus on the areas we are more interested on. As many of us are looking for a career change, this is the time to take a deep dive into those areas of business that will hopefully get us where we want to reach.

The student society has done a number of activities during this session. 'Grading System Project' is an important initiative we kicked off in this session. A group of students researched about this and came up with the limitations of the current grading system.

They came up with a comprehensive list of recommended changes that could be implemented and presented those ideas to the Directors and Dean of the school. Several of these ideas were approved and we will actually see them implemented in the near future. This is a significant milestone for AGSM and a remarkable achievement for our cohort as these changes will have a positive impact on the career prospects for us as well as for the future cohorts in AGSM. This will translate into better reputation and improved brand value as far as AGSM is concerned.



And now, what's coming for Session 3? Right at the beginning we will have the Careers Month. With 3 full weeks of recruiting sessions, we will learn about different companies, hear about job opportunities, get some interviews, and hopefully some attractive job offers! We still have several months ahead before graduation, so this event is just the beginning of our reflection and search for our new jobs as MBA graduates.

Also, there are some new fun activities coming such as movie nights, weekend camp, rugby world cup pool, cultural events, poker tournaments, etc. All with the objective of keeping the right balance of our MBA experience we are trying to make it more enjoyable and strengthen the rapport within the cohort. The journey has been amazing so far and I'm sure the best is yet to come!



Maryfer Martinez
La Presidenta



Independence Day

Beers, burgers, hotdogs, fireworks and fun, what else can you ask for from a July 4th celebration? Well, it was all there at AGSM when the American students dubbed “Team America” (Justin, Jason, Mike and Kristen) decided to throw a celebration to introduce the international students to an American tradition.

Taking advantage of a beautiful “winter” day the whole class celebrated outside in the beautiful afternoon in the courtyard. Everyone crowded around the grill to grab some tasty food, whether it be enjoying some chilli dogs or some of Kristen’s home made apple pies, the whole class got to indulge in traditional American fair.

That’s not all, to bring in an international flair we had rousing games of both cricket (I know it should have been baseball) and fusbol. We even had fireworks as I made the mistake of trying to light the grill too quickly which resulted in a burst of flames that entertained everyone. Not to worry I escaped relatively unharmed with only my eyebrows and hair singed.

And of course in keeping with the history of the day (when America declared its independence from England) we had our own Brit, Matt, working hard at the grill the entire time.

It was hopefully the first of many such cultural events for the class of 2012 and a good way to mark the midway point of session 2.



MIKE MOORE
Alumni Relationship Manager



Malaysian Diary

Admittedly, choosing a holiday destination is no easy task. But having recently come back from my third holiday in Malaysia, somehow the decision is becoming simpler for me as years go by. I know that quite a few people in the 2012 cohort have a similar enthusiasm for the Asian region, I thought I would share my experience in STAR.

So why Malaysia? To start with, Malaysia is easily accessible due to the fact that English is widely spoken, which does tend to make things easy if you happen to speak English too. I also find that Malaysia is not an overwhelming kind of place, probably owing to its relatively small size. Nevertheless diverse enough to keep one entertained regardless of the length of stay. But brushing aside the above-mentioned and the obvious natural attractions of this tropical and exotic destination, the one aspect that keeps me coming back for more is the culture. While I am quite familiar with Malay culture having spent a year living in Indonesia as part of my undergrad in Business and Asian studies, Malaysia's unique racial blend honed my curiosity for cultures from the Indian subcontinent and China as these cultures feature prominently in Malaysian society. For me, the Tourism Malaysia tag line: "Malaysia Truly Asia" accurately encapsulates the essence of the country, and I think that Malaysia provides a more authentically Asian experience than more global and corporate Singapore down the road.

This is one reason I love visiting Melaka (2 hours South of KL), which for me is like revisiting the most inspiring part of my undergrad: the South East Asian History courses. The place reminds me of many a classic historical European town, showcasing an amazingly preserved architectural heritage which you can leisurely explore on foot or on wheels over the course of a day. The Melakan street scape and monuments are like an open history book, illustrating the story of the the Malays, Chinese, Arabs, Indians and Europeans (Portuguese, Dutch and British) who sailed across the world's oceans to fashion this part of the world over the past 6 centuries. As a result, Melaka is also famed for its cuisine, which is a delicious blend of influences from all the cultures cited above. Sure enough I've had some my best ever meals right there.

On the topic of food, my secret reason for repeatedly going back is Nasi Kandar restaurants which are found in most Malaysian cities and dish up a smorgasbord of self-service Muslim Indian/Malay foods and drinks around the clock (think fresh roti, spicy & colourful south Indian & Malay curries, rice, mountains of fried chicken and seafood, and a thousand drink variations).

At this point, I must confess that food tourism (A.K.A. the edible part of cultural tourism) was actually the sole purpose of a previous trip to Malaysia which saw my wife



Malaysian Diary

and myself teaming up to eat our way through the “Star guide to Malaysian street food”; but this could be the topic of a standalone article.

A striking feature for anyone coming from Australia is the shiny new infrastructure that is everywhere to be seen: mostly developed in the last two decades, fast trains, mass transit systems, new stations, new highways, new low cost airport terminals, new sky-scrappers and new shopping malls which all give you an instant feel that this place is highly dynamic and rapidly building its future.

As a Sydneysider, the comparative cost of living is rather low, with housing, food, transport, entertainment, and health, costing roughly a third of what we are used to paying, and with comparatively similar levels of service/quality of product (though I was told that unfortunately locals are also experiencing an increase in their cost of living and reduction of their buying power). Australians and their strong dollar are not the only ones to take advantage of this fact, with hordes of visitors from the Middle-East visiting the country just before the start of Ramadan. I was also surprised to see so many Europeans all over Kuala Lumpur either working in hospitality or operating all manners of successful international businesses (by the way I brought back some delicious bananas for sale - cash only). On the contrary, I found that Australia did not have the sort of presence I expected from a close neighbour, and I did not come across too many references to the lucky country aside from wine lists. Malaysia has obvious affinities with China, the Indian subcontinent, ASEAN and North Asian countries, and Malaysians have a taste for Europe, but not so much Australia. So be it. Maybe the Business in Asia club members could address this shortcoming? In retrospect, this might have been a blessing in disguise, has no one talked to me about refugee deals or cattle export during my holiday.

Finally, as this was my first “family trip”, I found Malaysia was a great destination for a young family, as people were very hospitable and accommodating. And if I had received 1 Ringgit every time someone randomly patted my son, I could have bought the 88th floor of the Petronas Towers.

So AirAsia if you are reading this, please come to Sydney as soon as possible.



Sebastien Robin



Sustainability and Clean Energy Club

Ever since our MBA program started, carbon tax has become the hottest topic in Australia. Every day mass media bombards us with opinions, facts and figures many of which tend to defend either pro or contra carbon tax position. Unfortunately, these opinions lead to debates on the top level politically sensitive issues such as growing electricity prices or tax burden on businesses rather than on the underlying rational of the policy.

One of the main ideas behind the launch of Sustainability and Clean Energy Club was to provide students with the knowledge necessary to understand and form independent opinion on the global carbon policies, markets and economic implications of greenhouse gas mitigation measures. Many educational institutions including UNSW are now offering courses such as Economics of Climate Change and Carbon Markets. As future leaders, I strongly believe, it is essential to understand these topics. But investing four months of study in it is probably unjustified. Short educational sessions and guest-speaker presentations are perhaps more relevant way of learning about these issues at least for the MBAs.

So far we have held three events, which covered plenty of “carbon ground”. At the introductory crash-course on carbon policies and markets we have discussed history of global climate change action, Kyoto Protocol, existing policies & markets and the basics of emission reduction projects. At the second event, co-hosted with Finance Club, Monique Miller from Macquarie Bank introduced us to the world of carbon finance and shared her insights into the post-Kyoto climate change regimes. The third event, co-hosted with Industry Club, aimed at covering economic implications of carbon policies such as carbon tax. Fiona Orton from AGL gave an outstanding presentation, which covered Australian power and gas industries, outlined the challenges of previous regulatory uncertainty, implications of carbon tax for the power generating industry and clean energy opportunities.

Few more events are planned for the third session. These events will complete this informal “carbon and clean energy course” and make us all better prepared for leading successful businesses in a carbon-constrained world.



Maxim
Sharshun President



AGSM Masters of Business Series

Have you ever written a report about a company and thought to yourself that it would be nice to get the inside scoop about what is really happening? Well, one group in our class had such a privilege when John Borghetti, Virgin Australia's CEO, came to speak on campus in the latest installment of the Masters of Business series (MOB) in early August. As head of Australia's second largest airline, John shared his thoughts on the company's strategy and its current position in the market. He also discussed the importance of branding, a particularly important topic given that his company has one of the most recognized brands in the world. As has been the pattern for all MOB events, John was forthright in his assessment of the airline industry. He gave plenty of facts and figures but did so in a way that was just as entertaining as it was informative. Given how much time we have spent discussing this industry in our classes, it was especially interesting to get his insight on how it functions.

Beyond discussing the industry, he also talked about other subjects, including his career. John is in the unique position of having worked for his top competitor, Qantas, for most of his life. He began working for Australia's largest airline after high school and eventually rose to become one of the company's most senior executives. After leaving Qantas, he had no intention of returning to aviation but was lured back by the prospect of running a still relatively new, upstart company. In his time at the helm of Virgin Australia, he has forged alliances with major global airlines and has begun positioning the airline to serve business travelers. Time will tell if the strategy is ultimately successful...one thing on which everyone in the audience could agree is that John is definitely the right man for the job.





The Virgin Australia speaking event underscores yet again the purpose of the MOB. The series is intended as a way to bridge the gap between the academic and working world. It is one thing to read a case study about a company's strategy but an altogether different experience to listen to the CEO of that company articulate it. MOB also enhances the professional development of those who attend.

The wisdom shared by speakers has greatly contributed to understanding of what it takes to succeed in the business world. For more information on the MOB, please read the following link: <http://www.businessbecause.com/business-school-news/australias-top-business-school-welcomes-execs-from-boeing-and-carlyle-group.htm>



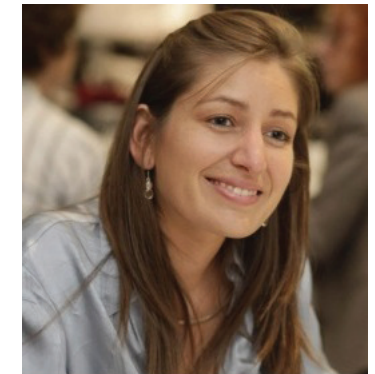
Jason Mihelic



Marketing Club

The AGSM Marketing Club provides students with the opportunity to learn old and new marketing techniques and to familiarise themselves with the Australian marketing landscape. It is very important for people who aspire to work in the marketing industry to update themselves as the media has undergone a paradigm shift with the rise of internet and social media. This gives us tremendous opportunities as more than half the population across the globe is yet to access internet. With the objective of maximising our knowledge about the current industry practices and landscape, we have conducted a series of speeches and presentations given by marketing experts from a range of industries.

Jonathan Nguyen, Social media marketing strategist from Ogilvy Australia, shared with us the key aspects of social media marketing for business and introduced us to the innovative and impressive business of Ogilvy. We also had the opportunity to discuss about the current media, marketing trends, the main challenges for the industry at the moment and how affects the marketers etc. with Tim Burrowes who is the editor of Mumbrella which is Australia's leading media and marketing website Ian Elliot who is an Ex-CEO of George Patterson and also an entrepreneur, delighted us by sharing his experiences in the marketing industry. He talked about some of the strategies for brand building and how to “stop bitching and start pitching”, which I thought was very interesting and inspiring. We have more events upcoming and I urge everyone to participate in this business as marketing is a vital aspect which every business manager should have a strong hold of. We have also started the ‘AGSM Marketing Club’ group on Facebook. Do add yourselves into this group.



Angeles Miranda
President



ICE CLUB

Dig beneath the sun, surf and city life of Australia's vibrant capital and you'll find a hive of start-up activity. Be it in Fishburners tech-start-up studios on Harris street, kick-starting companies with Pollinizer, Friday evening drinks and networking with the aptly named Silicon beach group, or via the rapidly growing investment group Sydney Angels to name a few, the community is thriving.

Though a much smaller start-up scene than you may experience for instance in Silicon Valley, this has the advantage of inspiring a much closer knit community, welcome to new ventures, individuals and investors, and full of enthusiasm.

Notably you will find a distinct Tech / Web focus within the city, my own view being that for many this provides a vehicle to reach a global audience, negating Australia's relative seclusion. However, that said, biotech and energy firms are on the rise, and with diminishing development times, ease of global distribution and location independent production, Murray Hunter of Design Industry gave his insights that product based start-ups are on the rise for the first time in years, with some truly innovative inventions and insights being exploited.

Here at the AGSM, we've had Peter McWilliam, COO of the Sydney Angels investment group come discuss a few of the vehicles young entrepreneurs can use to get their business off the ground. Since this visit, we have placed three students into positions to help the Sydney Angels committee, in exchange for sitting in on the entrepreneurial pitching process and learning to get deal fit.

Together with the Marketing Club we hosted Ian Elliot, ex CEO of George Patterson and serial entrepreneur give his insights and stories into start-up ventures and winning business in Sydney. The new semester brings a number of fantastic speakers including the Creative director of Telstra, Ex MBA Start-up 'Little Heroes', and Andy Macken CEO of Delusion Records to name a few.

Look forward to seeing you all there.



Matthew Barnett
President



Finance Club

The AGSM Finance Club ramped up activity in session 2 to coincide with the core Finance elective taken by the full time MBA class.

In June the Finance Club held a joint event with the Sustainability Club. Monique Miller from Macquarie Bank provided an overview of the global Carbon Trading market. A hot topic in Australia where the government is pushing ahead with plans to introduce a carbon tax for the top 500 polluters in 2012 and aims to move to a carbon trading scheme at a later date.

The AGSM Finance Club continues to forge links with FINSIA (Financial Services Institute of Australia) and jointly hosted an informal evening with Mark Thomas from Access Capital. Mark provided the audience with an entertaining overview of his 20 year career within the Australian financial services industry.

Almost half way through the MBA, the cohorts' thoughts are turning to what to do post MBA. In July we invited a panel of AGSM alumni to share their experience of the Australian financial services employment market. We were joined by many of the executive MBA class to hear from Evert Den Hollander from Macquarie IB, Jill Monaghan from Barclays Capital and Tarek Elrakshy from Sumitomo Mitsui Banking. The panel event was particularly valued by students hoping to change careers and move into the financial services.

Looking forward to session 3, the Club aims to continue to provide the cohort with opportunities to learn more about the financial services industry. We are pleased to confirm a new external elective, Financial Valuation Modelling, will be offered in session 3. In addition we hope to hold a Bloomberg introduction day.

Members will also have the opportunity to hear financial product pitches as part of the Ord Minnett Investment Banking event. Finally, many of our members will be taking part in coffee catch up sessions with AGSM alumni working within the financial services industry.



Daniel Dorat
President



AGSM Consulting Club

Greetings to all my MBA colleagues! Since our last update, the AGSM Consulting Club has held a number of events, including:

- A presentation and wine tasting evening hosted by A.T. Kearney
- The 2nd annual case competition hosted by The Boston Consulting Group
- Case interview skills training sessions delivered by Bain & Company and by Daniel Möllerhenn & Kristen Deaton and Mark van Beuningen (BCG) and Steffen Wilhelm (BCG)
- A “Who is Who” in the Australian consulting market presentation
- A “Consulting Myths Dismantled” presentation
- Alumni panel discussion with Mark van Beuningen (BCG), Phil Tresidder (Booz & Co.) and Oren Danziger (Deloitte)
- Seminar to develop Consulting relevant Microsoft Excel skills
- Student consulting projects with FBi Radio are to be completed shortly. Students were tasked with addressing significant business challenges currently facing the organisation.

These events have been designed to help you learn more about Consulting and determine if this is a career path you wish to pursue. Hopefully many of you have decided Consulting is your destiny and as a result of these events feel prepared for the upcoming Careers Month and the case interviews that will follow!

To wind up the consulting club activities for the session we had a session on “How to Crack the Case” conducted by PwC at their office in CBD. This session was well received and students are now better equipped to crack the case interviews.

Finally, a big thank you to Karen Lewitton and the team from AGSM Career Services (Laura, Rachel, Winnie and Matt) who have been invaluable support to the AGSM Consulting Club Cabinet. Thank you to all those who have attended an AGSM Consulting Club event and contributed to their success. Consulting Club wishes everyone good luck during the careers month.

If you are not already on the AGSM Consulting Club mailing list and would like to join, have any ideas, feedback or suggestions please drop us a note at agsm.consulting@gmail.com.



Fletcher Trowse
VP of Events, AGSM Consulting Club



Business in Asia

In the middle of 2008, when the fall of Lehmann Brothers had gripped the financial world and further tightened the availability of credit, ANZ Bank announced its plans to advance its expansion into Asia. The fallout of the GFC meant an upward pressure on the LIBOR and a greater difficulty in availing funds. I had a sense of happiness in my mind, given that my employer and ANZ's competitor Commonwealth Bank of Australia (CBA) would gain from ANZ's policy shift. While CBA strengthened its position to become Australia's largest player in the mortgages space, ANZ is reaping the benefits from its geographic diversification.

This is a perfect example that an organization shall look at Asia while seeking growth opportunities. The announcement of CBA's new chief signifies CBA's shifting focus towards Asia. Mr. Narev who has spent most of his time in a top tier-consulting firm is a specialist in Mergers and Acquisitions. Mr. Narev pioneered the acquisition of BankWest by CBA. Though there hasn't been any official announcement by the executive board about a policy shift towards Asia, the appointment of Mr. Narev to the job over the likes of veterans like Mr. McEwan explain the Asian route that CBA would probably acquire in the years to come.

This focus on Asia has strengthened and the decision by Mr. Alan Joyce to launch two airlines in Asia – Jetstar Japan and a full service carrier in SE Asia are a testimony to this. While the Corporate world has its eyes set on Asia, it was interesting to spot the upbeat mood on the streets on Singapore in my last visit to the heartland of Asia about 4 months ago. I could not believe that I could evidence such a large difference in the public sentiment and economic outlook in a place just 7 hours away from Brisbane. The Asian growth story doesn't just confine to China and India. The recent improvements in the macro-economic data of Indonesia have led to many economists coining Indonesia as the second 'I' in the BRIC economies. The million-dollar question however is 'how long will this growth sustain'?

In my opinion this growth is there to stay for many years to come. The main reason is the tremendous amount of opportunities offered by these countries. Historically, many of the markets / industries in the developing nations are in the growth phase whereas these markets have already attained the stable phase in the developed nations. One example is 'Internet'. While analyzing the growth opportunities for Amazon (I know you don't want to hear this again), we noticed that though the internet penetration was significantly lower in Asian countries than in US and Europe, the Internet penetration

growth rates were much more promising. This made it a great qualifier for Amazon's future opportunities.

While Australia, is better off than most of the other developed nations (thanks to resources demand from China and India), a lot needs to be answered in terms of its economic state in the absence of resources sector. It is frightening but real that Australia's economic state would only be a notch better than that of UK or US. Thanks to the two speed economy that the east and west shores have become polarized not only in terms of costs of living but also in terms of unemployment, consumer sentiments, consumption trends and performance of the construction and retail sectors. Though many detest the two-speed economy, we shall be thankful to it (and indirectly China and India) for the resource demand that have kept our economy going.

In our Master of Business series, we had repeatedly heard of Asia's importance be it from the President of Boeing, Australia or Mr. John Borghetti. It would not be surprising that in the years to come, we will see an increasing number of Australian companies entering the Asian market.

As we move into the second half of our MBAs, there would be rising levels of anxiety in the minds of many about the job opportunities they are going to end up with. The question that arises is that if the banks, airlines, telecom companies can make a shift towards Asia to capitalize on its growth potential, could it also be a point of consideration for many of us.....only time will tell.

The BIA club is hosting networking event with the Singaporean employers on Friday 26-Aug-2011. Please make sure you attend the event.



Swapneel Mudholkar
President



Sports Club

Session 2 saw emphasis being laid on the individual sports rather than team sports. So there was tennis and squash being played by a few of us (and a little soccer!). This was majorly because of our hectic schedule that did not allow a lot of people to come together and play a sport as a group. The major attraction this term was a golf outing that some of us went for. We practiced our golfing-skills on the driving range and were ably guided by Bryan, the official golf-coach for the cohort! Although it was a bit windy which was making it difficult to control our hits, we had a fun outing nevertheless!

Another major hit this term has been the first ever AGSM foosball tournament that is currently underway. 17 teams (34 players) are currently locked in intense battle for top honours! The round-robin stage saw some exciting matches being played wherein several underdog teams gave their more fancied opponents a tough fight. The tournament on the whole is progressing on the expected lines with no upsets reported so far! The last week of IEX will see the tournament moving into the knockout stages and we hope to see even more exciting matches as it draws to a close!



Amarpreet Singh
President



Murphy's Law

Phew!! What a session it was; looked like it is never going to end. Last nine weeks have been one of the busiest times of my life. Getting up on Saturday morning after last exam on Friday, I was wondering what I should do now. I have been so used to studying on the weekends that this free time was making me uneasy. Soon my 3 year old son got up and I found myself playing freely with him after a long time. He had a funny look on his face, as though he was thinking where this good old dad was for last few months. Going through MBA journey has made me believe in Murphy's law even more than god. Just to give an example last month my son's child care centre decided to increase the fees – another blow to my already messed-up finances. Unbelievably, the same day I got a call from UNSW discounted child care centre for an available vacancy. I couldn't believe my luck and thought god is finally taking care of me and things are finally getting on track. But I just had to wait for few more days for a complete turnaround. Just before the mid-term exam, my son got conjunctivitis. My wife being in a new job could not take leave from office, and I had my finance exam to take care of. It set me thinking whether Murphy's law is more powerful than god!

One of the learning from MBA is to juggle multiple tasks at the same time. And being in such difficult situations many times, I now believe that however tricky may be the situation, there is always a solution – be it life or work. I am sure such situations would be faced by senior executives daily. Staying calm in pressure situations, looking at vast number of issues and pinpointing the problem and making quick decisions based on data (and not only intuition) is key to success. An MBA from a top b-school like AGSM is the only place where you can learn such tricks of the trade.

Now that session 2 is finally over, I am looking forward to end of session get together. The weather has been amazing all throughout the exam week and we were eagerly awaiting the weekend to celebrate – a class BBQ at Coogee beach. But just at the most inopportune moment Sydney weather decides to do a turnaround. With warm winter sunshine giving way to clumsy rain, a thought again passed by my mind – how can we escape the Murphy's Law?



Amol Chavan



FINANCE CLUB Exclusive: Chat with Mark Richardson

Mark Richardson is the Co-Founder and Managing Director of Wolseley Private Equity. After graduating with an MBA from Stanford's Graduate School of Business in 1988, he had a successful career at Bain & Company, rising to the rank of partner. Approximately 12 years ago he decided to build his own business and co-founded Wolseley.



Why did you decide to do an MBA? Why Stanford?

I graduated from Leeds University in Chemical Engineering and was working at Shell as an engineer in Holland. When I was 26 or 27 I felt the need to accelerate my career into operational and business management as lots of engineers do. Shell understood but in those days (1984/5) they were not really thinking outside the box, so it was up to me to make the move. I knew I wanted to be a real manager and under no circumstances did I want to be a consultant! No way!

I knew I wanted to go to the USA if I was to do an MBA and all my library research (yes, this was pre-World Wide Web) and letters to business schools highlighted Stanford GSB and HBS as the top two, so I decided "What the hell! Might as well try".

My wife was an English teacher and she schooled me through about 12 months of preparation for the GMAT on all the English and comprehension aspects. To my intense satisfaction in early 1986 I was accepted to both schools.

By May that same year we were expecting our first child. I was really concerned about two major aspects: the weather and accommodation. It was that simple really; Stanford GSB guaranteed us a two bedroom house on campus while HBS said "if you are smart enough to get accepted at HBS you are smart enough to find accommodation"

As things turned out we arrived at Stanford in August 1986 with a three month baby and left Stanford in June 1988 with a three month old baby. Fun times, very hard to cope with the MBA, but I was just 28 and we just did it.

Looking back 23 years after having finished the programme, was it worth it?

Without any doubt Stanford changed my life. Just like the revolving door style of movies that we see quite regularly. In order to make sure I was 100% committed I paid my fees upfront, which took up all my savings, and borrowed enough money to pay for our first year living expenses from family and friends.

I am so glad that I paid up fees because in that first term of core accounting and analysing financial statements I would willingly have left and gone back to Shell.

Going to Stanford was the right decision in so many ways I often have to pinch myself. It suited my love for the outdoors and open spaces, it provided a wonderful on campus environment for my wife and young daughter and it was close to San Francisco, which has become my second home nowadays.

Of course, like every other MBA student, I quickly realised that 80% of the first year curriculum was based around Harvard case studies! We all spent a hell of a lot of time wondering why we hadn't just gone to HBS. But then December arrived and we would post the Boston weather up on the hallway boards (snow) while we were still in shorts and tees.

I clearly remember, about half-way through the first quarter term, going to the Dean and making the point that I couldn't hope to be as academically on top as I had always been, the workload was so intense that it was unbelievable and in a language of accounting that was totally new to me. I had a 6 month old baby and a wife to support and I was really, really struggling. Will I make it through? His reassurance and guidance were critical to me getting through that first ten weeks. After that, everything else seemed a lot easier. Furthermore, financially I was put into a great position by a surprising and totally unexpected outcome.

Please tell us about your experience at Bain & Company.

I was smiled upon by someone because Bain & Company looked at me positively and offered me a summer associate position in the London office.

I had no idea who Bain were before Stanford, although I had heard of McKinsey.



I was prevaricating about Bain vs. McKinsey when the head of Bain's London office called me at home one night and spent at least one hour with me answering all my questions. Then asked to speak with my wife in the event she may have any questions (which was another hour) – at the end of which he came back to me and said “It's all about people”. I accepted the Summer Associate position which was all-expenses paid trip to the UK, \$1,000 per week and a promise of a job offer at the end of the ten-week period if I was good enough.

Today Wolseley lives the phrase “It's all about the people”. It is at the very core of our DNA.

It turned out I loved the Bain experience and, at the end of those ten weeks, I accepted their offer on the spot to join after graduation. I was immediately given a \$10,000 signing bonus (which was almost enough to live on for the next year at Stanford) and promised a day's work a week in the San Francisco office at \$50 per hour if I wanted it. Did I or what!

My second year at Stanford was a wonderful time. The class seemed so much more interesting and easier. Running every day through the foothills, engaging very well with my family and deciding to go for our second child.

Mind you, the crash of '87 almost changed all of that, as a lot of firms – particularly the investment banks – simply cancelled the job offers they had made, and so did a lot of the consulting firms.

For whatever reason, Bain's London office held firm and maintained the jobs they had offered. So, after a nervous few months of finishing my MBA, I graduated (just outside of the top 10% – like everyone who wasn't named as the top 10% group!) and we head back to London.

What's the best Job in Bain? An MBA summer associate. What's the worst job by far in Bain? A returning MBA summer associate in their new position as a new consultant! I had never worked so hard in my life as in '88/'89 when I spent those 18 months in the London office, 80- to 90-hour weeks, all Saturday and quite often half of Sunday as well. Travel all over Europe, hugely intensive client work, cancelled holidays at the last minute, triple allocations and the like. I didn't realise it at the time, of course, but the reality was that Bain was flat broke during those years and we were working

so hard to generate the revenue required to keep the firm afloat.

In late 1989, Greg Hutchinson asked me to be part of the very early team to come to Sydney on a two-year temporary visa and develop the fledging Bain business which he and Jim Hildebrandt had started in April 1989.

Sunshine again! The outdoors! Beaches! A great new country! Accommodation paid for the first 12 months! A promise of a longer-term position if I was good enough! I jumped at the chance and arrived in December 1989 when the Bain office was in level 67 of the MLC building and consisted of 6 people – that was it!

Over the next nine years, I loved every minute of the Bain explosion and was hugely satisfied with my role in that process. In addition to the normal client service and development, I was responsible for all the recruiting and for professional development of the consulting staff for most of the period from 1990-1998.

The only down side was that my first marriage had already dissolved – partly because of the intensity of my work effort – but mostly because we were not suited to each other.

I became partner in 1993 and developed a reputation as a “people person” committed to the development of our own teams and the clients’ leadership teams to better implement the strategies that we had developed together and, sorry to be immodest, I was very good at what I did – particularly in medium-scale companies like Optus, ADI, Motorola, Mothercare, Tubemakers and alike. I loved working on the “full potential” type of projects, where we also had to implement the strategic changes after the initial strategy, where we had a relatively short (say four- to six-month) time frame, but equally implement the initiatives.

I focused on manufacturing, telecoms, defense contracting, radio services and some retail and never did like financial services or banking. Still to this day, these are my own personal favorite areas and strong suits.

After eleven-and-a-half years at Bain, the day came when I simply had to scratch the itch of creating my own company. I was 39 and had met Polly (my future wife) who I knew I was serious about and who I knew equally would not put up with my Bain work and travel habits.

My financial affairs were in very good order and I knew that if I was ever going to start my own business this was the time to do it.

Well, that's the post-decision rationalisation anyway!

When did you decide it was time to build your own business?

A long time ago. I think I genuinely saw Bain Australia as part of my own business – which, of course, it wasn't in any equity sense but very much in a holistic and emotional sense. It actually took me about three to four years to fully depart Bain, even after I had left to retire and then start Wolseley. Such was my emotional commitment and attachment to that business.

In March 1999 I realised that there are only so many days that a man aged 40 can spend walking hand-in-hand on the beach with his wonderful fiancé – six months was about the limit of that – for both our sakes. I realised that happiness requires a purpose, that a balanced life is a requirement for happiness, and that “work” is one of the five areas that need to be present if happiness can be achieved. By the way, the five areas that I believe need to be in balance are: Work, Health, Spouse/Family, Relaxation and Spiritual Development. I have tried to incorporate all five of these into all aspects of my life, especially in the development of Wolseley.

How did Wolseley come to life? What does Wolseley do? What deals have you done?

James and I started as a “do anything” boutique with an emphasis on making capital return in March 1999, so we have been evolving and developing the firm over 12 years now and a lot has changed.

From 1999 to 2004 we invested our own capital alongside other investors into deals that we originated, developed and completed.

We had two wonderful successes in Stream Solutions and Transonic. In addition to these two investments, we acquired about 15 minority positions of 10-15% in lots of other businesses, which proved conclusively that we were not suited to being minority passive investors.

Together with the founding CEO (Andrew Price), the management team, and backed by the Patrick Corporation, we built Stream into Australia's largest print management business, turning over more than \$150M and very profitable. I was Chairman all the way through from 1999 onwards and we progressively achieved a better and better investment outcome,



eventually returning a 3.6X cash on cash and a 31% IRR to investors. At Transonic we backed Peter Lacaze – our first bankable CEO – into the acquisition of Australia’s largest travel wholesaler from the then owners (who were British Airways and the local management team). We sold transonic for 2.8X cash on cash and a 111% IRR, which was a great result. These two deals allowed us to raise Fund I in 2005, which is a fully-invested \$107M fund, and Fund II in 2008, which is a half-invested \$235M fund. By that time we had already learnt that it’s always all about people, We needed to be controlling investors. Growth can take longer than we think, a deal can take a long time to come to fruition, a great CEO is essential and our role as investors is very, very hard work indeed!

What are the main challenges in the PE industry?

Having great people inside Wolseley and inside every investment at the entire “C suite” – not just the CEO, but also the CFO, Chairman, COO, head of sales and the head of IT and systems (also known as CTO). This is 150% critical because “stuff happens” all the time and in a broad and complex portfolio there will always be huge and significant challenges to deal with. As investors there is very little we can do on a day-to-day basis to fix things in a company. “Managers build companies, not investors” is a phrase we are very conscious of.

Both BCG and Bain studies of Private Equity have proven time and time again the correlation between Private Equity success and three key “must haves”: a great CEO and senior management team; an empowered Board, which can change the team and strategy if required; and a great dynamic Strategic Plan. These are Wolseley’s guiding principles from inception and to this day.

If you could give few advices to current MBA students what would they be?

I would give them the same advice to anybody who is pursuing a challenging road with the aspiration of making it a success: work hard and have a very positive attitude. I know it may sound extremely simple, but it’s quite difficult actually. Finding one’s vocation and area where you can be passionate about success and understanding what success is for each individual is not



always easy. If you are in the right environment, whatever that environment might be for you, and work hard and have a positive attitude, more often than not you will be successful.

A second piece of advice would be to explore and investigate those areas that you think might be suitable for you and once you find them work hard and have perseverance. Give them a reasonable period of time before you might say “I’m in the wrong place”. When we are looking for CEOs for our companies and look at their careers, if someone has chopped and changed continuously from one place to another we usually ask ourselves what’s going on here? But if they have good long-lasting periods of time in the areas that they have chosen – I personally think five years is a good period of time – we know they have had the opportunity to make something relevant and important within that organisation.

A third and final piece of advice would be that you can do whatever you want to do. There is no predetermined road for success. Just make sure that whatever it is you decide to do you are happy doing it, hold on to that and it will automatically determine quite a few doors you won’t go through.

On behalf of the AGSM Finance Club, I would like to thank Mark for sharing his compelling story with us and for providing valuable information to MBA students.

*Interviewed by Daniel Dorat O.
AGSM Finance Club President*