



**DIRECTING GROWTH - HOW TO TAKE  
YOUR BUSINESS FROM GOOD TO GREAT**

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# FEATURING



**NAOMI SIMSON**  
**Founding Director**  
**RedBalloon**



**ALISTAIR GORDON**  
**Chief Executive**  
**HCL**



**BRETT WHITFORD**  
**Founder**  
**Vocation Limited**

Three respected Australian entrepreneurs share their key business lessons and insights instructive viewing for SMEs seeking to grow and professionalise their operation.

Alistair and Brett are also on the expert panel for the Australian Institute of Company Directors' Directing Growth Program –a one-year program that focuses on four key areas crucial to sustainable growth: risk and compliance; strategy and growth; the director journey and improving performance.

## ***NAOMI SIMSON***

**Founding Director  
RedBalloon**



### **ON BRINGING IN OUTSIDE EXPERTS**

“There’s a point where you have to realise you can’t do it all. And if you want to have a really great business, it’s going to be far beyond the founder. When I started a business from home, I was doing pretty much everything. At some point, I knew I didn’t have the technical HR skills: what are the responsibilities for occupational, health and safety; and people want career development and performance reviews, and so I had to get a HR professional who understood this, and also from a compliance front.

“I love RedBalloon, I absolutely love what we do, but I also didn’t want to be married to it. And that is that I needed to have a life beyond that. After 10 years I appointed a general manager who became the CEO, and I stepped into a directorship role – and that became very important. When I did that, I wanted to understand more about the obligations of larger businesses. It’s fun when it’s all hands on deck and muddling through things as a small business, but at some point you must make sure you’re complying with your obligations. As my profile built, I could never be embarrassed in public – so I had to know what my obligations were.”

## ON CORPORATE GOVERNANCE



“We do business with really large businesses – and they need to have assurance that they’re dealing with an organisation that is robust and is complying with all the laws of the land. So it gives our customers confidence and it also gives our suppliers the confidence – because we’re only as good as our supply community and making sure that they know we have complied, and as a result, our expectation on their compliance ... It’s effectively a guarantee. And when you get to a certain size in Australia, another piece of governance came around audit, and appointing an external auditor. That became very important to us.”

**NAOMI SIMSON**  
Founding Director  
RedBalloon

## ON REDUCING YOUR RISK



“There’s also the issue of risk and risk registers. Small business owners may be thinking now ‘that sounds like a lot of work’ – but it’s all about risk and return. So when you have a risk register and you’re looking at the safety of your workplace behaviours, then you’re mitigating what could be the downside, so therefore you’re increasing your valuation.

“It’s a strategic investment you’re making in the robust nature of your enterprise. However, being risk-free is not the way we operate – it’s taking calculated risks and having looked at the downside and then maximising those for what they are. We take considered risks.”

**NAOMI SIMSON**  
Founding Director  
RedBalloon

## ON BECOMING A DIRECTOR



“When you start a business it’s all operational focus – one minute you’re doing the accounts, next the marketing, next the HR – I like to say the only job I haven’t done at RedBalloon is cutting a line of code ... It’s when do we take off the operational hat and become a director? I found it was after 10 years. Even though I’d been in business for all of that time with my business partner, we realised that we needed a shareholder’s agreement, which meant we had to look at things such as our own responsibilities as owners, and the difference between being an owner and being a director.

“Then we had to look at an exit plan, and who would be the arbitrator. At that point after 10 years we established our shareholder’s agreement and appointed an independent chairman who was not accountable to either of the shareholders.

“There is a murky line between being both an owner and a director because owners naturally have their personal interest at stake. So we had to have somebody who was only interested in the future of the business.”

**NAOMI SIMSON**  
Founding Director  
RedBalloon

## ***ALISTAIR GORDON***

Chief Executive  
HCL

### **ON BRINGING IN OUTSIDE EXPERTS**

“We built a business from scratch – I started off being the major person in the business but then gradually built a team around me to deal with my non-strengths. The transition from bringing someone else in to run the business so the [founder] can step out is a huge achievement for most entrepreneurs because that’s where they get stuck. They get stuck in continuing to do things.”



## ON REDUCING YOUR RISK



“The key message is to start looking at compliance as an enabler of value downstream is a really critical mindshift.

In terms of the key lessons we’ve learnt and one of the simplest things is breaking the business down into its different segments – which all have their different drivers and P&Ls, different margins – so that by the time you get to a transaction, the [history is recorded] it’s a business that’s easy for someone on the outside coming in and understanding. And that reduces your risk and pushes your value up. And you could call that compliance and governance or you could call that getting your business ready to maximise the value out of the business.”

***Alistair Gordon***  
Chief Executive  
HCL



## ON LEADERSHIP



“Our business is about leadership, it’s what we do. We help organisations develop their leaders. Leaders get the behaviour from their associates that they deserve – if they’re giving them clarity and a real sense of vision and what difference this business wants to make on the planet, they’ll find that people jump out of bed in the morning to come to work and they’re committed and they grow it.

“We work with a lot of senior leaders of organisations and self-awareness is a really critical piece. Most senior leaders in particular don’t understand how they’re showing up to the rest of the business and they have blindspots. So it’s a seminal moment when leaders realise how they’re showing up and it’s not the brand that they want.”

***ALISTAIR GORDON***  
Chief Executive  
HCL

## ON BECOMING A DIRECTOR



“If you’re going to realise the asset value of this business you’ve been building, it needs to be sold without you. We learnt to become directors rather than operational the day that we sat down and had our first offer. It created a conversation between the three shareholders on ‘how much is enough’ – we discovered all three of us had completely different timelines, different valuations. So that’s when we sat to down to work out what’s our plan, how are we going to get there and started to put our directors hats on.

“Most of the businesses I’ve bought and sold for other people, that’s the conversation the directors have not had, and desperately need to have.”

***Alistair Gordon***  
Chief Executive  
HCL

## ON THE DIRECTING GROWTH PROGRAM



I'm really excited about this program because it gives people like ourselves an opportunity to step outside the business for a moment, and to work on it, rather than in it. This is a structured opportunity to step out and work on the business with a cohort of people in the same boat. It's about horizons; it's about looking a bit further forward, taking an objective view of the business – we tend to get very subjective about the business when we're in it.

“So the role of a director is different from the role of a CEO or MD – it's a subtle difference but it's a really important one. It's putting a slightly different hat on with slightly different lenses.

“This program is not just about people wanting to make a transaction. The Australian Institute of Company Director's research shows very clearly that lots of people want to continue running their business and growing their business, but if something horrible happens, someone gets ill, etc. you need to be ready to have the option to exit.

These are all very good disciplines for rapidly growing the business – it doesn't have to end necessarily.”

**ALISTAIR GORDON**  
Chief Executive  
HCL

## ON ADVICE FOR OTHER BUSINESSES



“The advice that I was given was to get out of running a business – there are lots of very good people in the business who are capable of running these things.

“The first 12 months of trying to remember not to tell someone what to do because I no longer had the authority anymore is a very hard rite of passage for most founder entrepreneurs.”

***ALISTAIR GORDON***  
Chief Executive  
HCL

# ***BRETT WHITFORD***

Founder

Vocation Limited



## **ON LEADERSHIP**

“The quote that resonates with me is you have to do what others don’t to achieve what others won’t – that will always be my methodology. [Even] if things were hard, if it was late – you lead by example ... Part of it is creating the right vision and things that people can buy into – so there’s no debate or arguments about where we’re going and how we’re going to get there.”

## ON BECOMING A DIRECTOR



“I actually found it more about growth rather than an exit – because I knew where I wanted it to go and we got there in the end. To get there, having those non-executive directors involved, having outside experts come in, really did enhance and expedite the process and make it less of a strain on staff as well. “When you’re looking at transactions, outside shareholders want to investigate you, and all of this is very stressful for staff. So by having staff get that outside scrutiny from someone who’s recently been appointed to the company, we’re minimising the impact on them and making them comfortable with the level of scrutiny.”

“We found that when bankers came to visit us, they felt our staff were across everything, and they were surprised by that. That was able to build confidence in the team.”

**BRETT WHITFORD**  
Founder  
Vocation Limited



## **THE DIRECTING GROWTH PROGRAM**

To address the challenges of the mid-size companies, The Australian Institute of Company Directors in conjunction with KPMG, has created the Directing Growth Program.

This year-long program brings together the latest thinking, an expert business owner panel and a community of like-minded directors to explore the spectrum from governance to growth strategies.

It is a practical and actionable way for owners and directors of mid-sized businesses to find new and sustainable routes to growth and develop as an owner director.

- Draw from the experiences and expertise of the expert business owner panel.
- Connect with other like-minded owners and directors of mid-sized companies on common business challenges.
- Explore new opportunities and strategies to achieve sustainable growth through seminars and online modules.
- Gain a greater understanding of your director role and its importance in directing your business's growth.
- Access a wealth of practical tools designed specifically to support you in developing actionable solutions to break through your growth barriers.

[Find out more here.](#)

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