

NEW ZEALAND

Management

management.co.nz

THE LEADERS' MAGAZINE



THE LEADERSHIP ISSUE

**THE HILLARY INSTITUTE:
GLOBAL LEADERSHIP FROM NZ P26**

**INCLUDING LEADERS
A PUBLICATION OF LEADERSHIP NZ**

JULY 2013 \$7.10
INCL GST



9 421902 251030

ANZ & NATIONAL: MERGER LEADERSHIP LESSONS P32

Business leaders do battle on safety p40 Fingers in the till p54

Derek Handley: a young leader's story p24

“It is not the mountain we
conquer, but ourselves.”

Sir Edmund Hillary



**GLOBAL
LEADERSHIP**
FROM OUR OWN
BACKYARD

New Zealand has spawned a global leadership organisation that bears the name of our most famous son – Sir Edmund Hillary. The Hillary Institute of International Leadership has impeccable credentials and links to some of the best-known and most influential people in leadership roles in the world today. It is another example of a ‘world class’ initiative springing from these small islands, that is better known and recognised outside the country than at home. Executive director of the Institute, Mark Prain, explains the vision and impetus behind the organisation he co-founded in 2006

With Sir Ed as its inspiration and with his and June, Lady Hillary’s support, the Hillary Institute of International Leadership saw little point in aiming low when many leadership challenges are global in scale. And, for a very small country, we have managed to generate more than our fair share of movers and shakers.

So, with a board of heavy hitters – the Hillary Summit – spanning five continents, Prain and Hillary Senior Fellow Matt Petersen (President of Global Green USA), scour the globe for exceptional mid-career leaders, ultimately selecting one Hillary Laureate annually from a global ‘watch-list’. (See box for details.) The Institute’s goal is to provide its laureates a platform – a community of peers and other leaders to engage with and additional resources to scale their efforts for greater impact.

MARK PRAIN ON THE THINKING BEHIND THE HILLARY INSTITUTE

Food security, energy security, poverty, inequality, the leap to the gun rather than the negotiating table. ..the list is lengthy

and salutary. It’s arguable that our institutions are failing us – whether they be partisan-paralysed federal governments, commercial organisations captured by market inertia and/or vested interests, or well-intentioned, weak international alliances.

We live in an age of media ephemera, much of it ‘white noise’, void of depth. We work in a business landscape of quarterly financial dictates, of shareholder rather than stakeholder value and of (largely) blindly, awaiting the next, inevitable bubble, tomorrow’s GFC. We are all part of a hyper-connected world, but data volume doesn’t necessarily produce quality outcomes.

Leadership is more vital than ever. Without focus it’s no panacea but it can be a universal resource. Crises bring it out in spades – but sustained momentum is more difficult. No individual can lead effectively alone, but we can all take notice and loosen the ties that bind and craft long-term change that matters and delivers. And in terms of triggers, as President Obama’s former chief of staff Rahm Emanuel famously put it, “Never waste a crisis!”

Climate change induced by human activity is one such



Above: Xingu River, Brazil (June 15, 2012) Three hundred indigenous people, small farmers, fisherfolk, and local residents demanding the cancellation of the \$18 billion Belo Monte dam project.

Right: Amazon Watch 1500 person human banner at Rio + 20, Flamengo Beach.

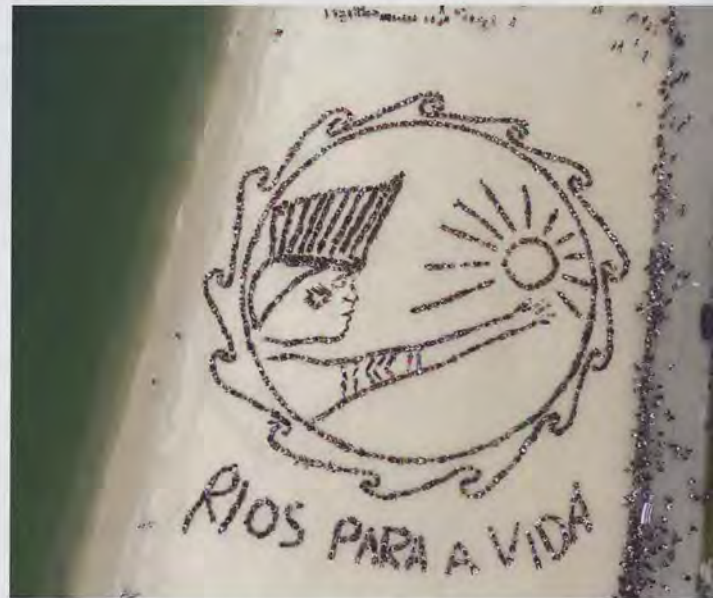
'trigger' – and as with issues of similar weight, we humans provide the greatest barrier to confronting it. We have the science, common sense and moral authority, but that doesn't mean that Jo Smith – in Wellington, Warsaw, Wuhan or Washington – hears or even wants to listen. Or worse, is in fact perversely inspired to take a comforting, denialist position. And so we stumble blindly on, trumped by a sense of it all being too hard, with much hand-wringing guilt about the state of the planet we're leaving our children.

However, as a militant optimist, my privileged focus most days (thankfully), is 'Leadership that matters'. And indeed last month's issue of *NZ Management* celebrating our World Class Kiwis, reminds us of exceptional leadership here at home, and amongst the fabled one million (or fifth population share), of 'gifted and gone' who form one of the globe's most interesting diaspora.

How might we ensure, as KEA's Sue Watson points out, that their influence and leverage offshore continues to enhance NZ Inc., while concurrently addressing the other elephant in the room: the health of New Zealand's environment, economy and society? Is it attractive enough for those in New York, London, Dubai or Melbourne to choose to spend part of their productive years 'back home'?

The Hillary Institute seeks to honour the legacy of Sir Edmund's extraordinary leadership on the world stage. It does so by selecting, leveraging and supporting one extraordinary leader in mid-career each year – the annual, global Hillary Laureate – and every four years with the NZ\$100,000 Hillary Step prize.

Leadership in what however? Our international board of governors, the Hillary Summit (see box), chaired by Hon David Caygill, was free to choose any major area of global impact at its inception – so long as it reflected the spirit both of Sir Ed's extraordinary exploits as our best-known 'global citizen', and his enduring contribution to improving life quality and opportunity for the Sherpa people via the Himalayan Trust over 55 years. In turn their selection is ratified by the institute's operating board



here in New Zealand, based in battered Christchurch, within sight of the maunga (mountain) where Sir Ed did much of his early mountaineering, Mt Aoraki Cook).

'Climate Change Solutions' was the governors' choice in 2008, as perhaps the zeitgeist challenge of our age, where our modest charitable efforts might make a difference. Upon review in 2012, they resisted the temptation to leave the field and focus instead on poverty, or food security, or gender equity .. and remained with Climate, but nuanced more towards its social, economic and inter-generational impacts. 2012-15 is therefore focused on Leadership in 'Climate Equity' What the institute is not, is a research-led Brookings Institute, an advocacy Beltway lobby or a CEO school like Fontainebleau's INSEAD co-founded by institute governor Manfred Kets de Vries).

There remains a profound, psychosocial challenge; how do we change hearts and minds, reach deep into the fear of losing our fossil stock-invested pension and sovereign funds and build a global coalition of the willing for action on critical global issues? CO2 measurements have just reached 400+ parts per billion, which our species has never experienced. This century's already seen 11 of the warmest years on global record. Yet despite the camera-friendly New York super storm, Sandy; Hurricane Katrina; June's inundation of Prague's ancient city centre and the rapid emergence of a summer passage through the Arctic ice sheet; the temptation is to continue to bury our heads in the

The Hillary Institute of International Leadership

The Hillary Institute of International Leadership was launched on January 22, 2007 during his last trip to Antarctica, by Sir Edmund Hillary. He was accompanied by the institute's patron, former Prime Minister Helen Clark (now Administrator of the United Nations Development Programme) and principal philanthropic investor Jan Cameron (founder of the Kathmandu brand).

From a global search watch-list, the institute selects one Hillary Laureate annually, an exceptional leader in mid-career who also resonates with the humanitarian commitment of Sir Ed. In addition, the inaugural Hillary Step prize (valued currently at NZ\$100,000) was given in 2012. Named after the final, almost vertical 40-foot cliff-face that Hillary and Tenzing Norgay scaled in reaching the summit of Everest, the Hillary Step is a metaphor for the challenges innovative leaders face.

The institute is a charitable foundation based in New Zealand and advised by an international board – the Hillary Summit – of renowned thinkers and strategists from five continents, chaired by Hon David Caygill. Summit governors include a number of players with links to New Zealand, including Saatchi & Saatchi worldwide CEO Kevin Roberts, Australian Collaboration chair Dr Helen Sykes, director general of the UK Institute of Directors, Simon Walker, Intergovernmental Panel on Climate Change chair Dr Rajendra Pachauri and *Natural Capitalism* author and US environmental poet-laureate Paul Hawken.

Climate Change Solutions (2008-11), and the institute's second (four year cycle), leadership topic, Climate (Change) Equity (2012-15) were determined by the Hillary Summit which also chooses the annual Hillary Laureates and ultimately the Hillary Step recipient from short-lists provided by key staff.

Atossa Soltani (Amazon Watch) is the fifth annual global Hillary Laureate and the second for Leadership in Climate Equity. Her predecessors were: CEO of Europe's largest solar energy business and renowned author Jeremy Leggett (UK) in 2009; 'China-Dream' creator Peggy Liu of JUCCE (Joint US-China Collaboration on Clean Energy) in 2010; climate deal-broker and Beltway veteran, Aimee Christensen (US) in 2011 and closer to home, the indefatigable champion of front-line, small island nations, President Anote Tong of Kiribati (2012) – facing the harsh reality of losing his entire sovereign nation to sea-rise within his children's life-time.

The first recipient of the Hillary Step was 2010 Hillary Laureate Peggy Liu, who was awarded the prize to assist in her 'China Dream' programme. The institute also holds annual symposia both in New Zealand and internationally, usually in the communities of the laureates, bringing thought leaders together and forging connections around the chosen leadership topic.

The institute's co-founders were executive director Mark Prain; Chairman David Caygill; the late Christopher Doig; former Ngai Tahu CEO, Anake Goodall and Dr Andy Pearce.

www.hillaryinstitute.com

proverbial sand. That in turn puts minimal pressure on politicians and business to better direct their capital.

Enter Atossa Soltani, founder and executive director of Amazon Watch, announced in June as our 2013 Hillary Laureate. A native of Iran, Soltani moved to the US at 13. Multilingual, she speaks Spanish, Portuguese, English and Farsi. Her influence over two decades supporting indigenous people's rights to self-determination, natural resources, culture and way of life, brought her squarely on to the institute's radar.

Contributing 20 percent of the earth's fresh water, the Amazon is the planet's largest weather conveyer after the oceans. Amazonian rainforests function like a massive heart that pumps columns of heat and vapour into the atmosphere, thereby driving global weather systems. This remarkable oasis of biodiversity and carbon capture, 'the lungs of the planet' pours 300,000 cubic metres of wet-season, fresh water into the Atlantic every second.

But the Amazon is under attack, exacerbated by the multiple sovereign claims of Peru, Ecuador and Brazil. De-forestation, mineral and oil exploitation and climate change impacts, particularly drought, are now leading to the threat of large scale forest fires with potentially devastating consequences on the Amazon basin's ability to regulate weather, thereby further destabilising our global climate.



Exceptional leader
Atossa Soltani.

Against this sobering backdrop Soltani and her savvy team of campaigners took on Chevron in support of 30,000 indigenous and rural plaintiffs recently winning a US\$19 billion (NZ\$23.6b) verdict for the environmental and social harms to forest communities caused by the company's oil extraction in the Ecuadorean Amazon – earning Atossa the moniker of the Amazon's 'Erin Brockovich'. Typically, Chevron appealed but lost again in the US Appeal Court and a judgement of this size cannot be ignored by shareholders and industry peers.

Soltani also contradicts Brazilian claims of hydro 'clean energy'. Unlike New Zealand, large dams in the tropics cause methane emissions, decomposing vegetation and soil in reservoirs. Amazon Watch is promoting instead a wind and solar energy direction for the entire region. An outspoken critic of the massive Belo Monte Dam, Oscar-winning director James Cameron has travelled to the Brazilian Amazon three times since 2010 at Soltani's instigation, expeditions embedded in the DVD edition of his epic *Avatar*.

From Quito, Ecuador her immediate response to our call was: "I am honoured to join such a truly exceptional group of leaders and to be connected to the spirit of Sir Edmund Hillary, whose courage, determination, and passion for service has inspired so many of us"

We're honoured to have her join an equally remarkable cast of former laureates (see box). Laureate search via the maintenance of a global watch-list, and then selecting, recognising and leveraging further their leadership, is our core business. The institute's contribution to NZ Inc. six years on, as a reputational asset, is already significant (with MEAT event-hosting support on four continents), and long-term it could be a great deal more so. We welcome more dialogue with Kiwi influencers in that vein. Without getting too excited about our modest achievements to date, the positive impact of the Nobels on Scandinavian economies and reputation 110 years on, is vast.

The stories of our small cast of laureates are all instructive, however I'll reference two more only. Inaugural winner (2009) and renowned author Jeremy Leggett is a force majeure in the UK where his GBP60m turnover Solar Century is one of Europe's largest renewables companies. Leggett's work on Peak Oil and Carbon Tracking keeps him close to key influencers and the headlines of media from the *Financial Times* to the *Huffington Post*.

Originally a geologist peer of disgraced BP (post Gulf of Mexico spill) CEO Tony Hayward, Leggett's knowledge of the energy landscape and reach into its future 'stocks' is difficult to match. The Rockefeller Foundation funded, Carbon-Tracker Report's (<http://www.carbontracker.org>) prediction of the collapse of fossil stocks is only far-fetched if we are self-destructive

enough to go on burning current assets without constraint. The International Energy Agency agrees – market capitalisation of the top 200 listed oil and gas companies is around US\$4 trillion and their debt US\$1.5 trillion. That's Mum and Dad's retirement savings at stake, never mind banks and revenue authorities' exposure.

Interestingly this '100% Pure' nation of ours with a proud history of innovation and punching above its weight is now on the front-line of deep-sea exploration for more such 'assets', with recent industry safety assurances stretching credulity. The bottom line is: one third only, of proven fossil fuel reserves can be consumed prior to 2050 if we're to achieve the 2 degrees C goal the world's governments, including New Zealand, signed up to in Cancun in 2010. Leggett's contention is that a good part of the alternative solution has to be investing in the extraordinary growth of future-focused renewables.

2010 Laureate Peggy Liu's story features the rapid emergence of China. If China goes where we've been, again, it's arguably, game over. Her answer; 'The China Dream'. Winning the first Hillary Step prize (NZ\$100,000) to assist this project in 2012, she and her JUCCE colleagues in Shanghai have set about architecting a desirable and sustainable lifestyle for the 300 million (growing to 800 million) middle class Chinese consumers by 2025 – a metaphor also for those of India, Russia, Brazil and the emerging powerhouses on the African continent.

Preposterously ambitious though this appears, one of Liu's responses to her social engineering aspiration is to point to her own, double-educated (Fudan and Harvard) young staff, 90 percent of whom are products of China's lone-child policy. And as Econet Wireless founder Strive Masiyiwa reminds us, 10 percent of a population holding an unshakeable belief can be a tipping point for the whole of society. And as I write this, he, Sir Richard Branson and Jochen Zeitz, former Puma CE and current director of French luxury goods giant Kering (formerly PPR), have launched a new global collaboration to drive transformational change in business.

Founded on generating long-term value, The B Team brings together an initial 14 leaders from major global corporations including Unilever, Natura, Celtel and Tata. 'Future bottom lines', the 'Future of Incentives' and the 'Future of Leadership' are initial targets while seeking collaboration from around the globe. And as with all good stories, there's a New Zealand connection. The founding CEO is young Kiwi serial entrepreneur, Derek Handley, now 35 and based in New York. Alongside similar efforts like those of lobby group Pure Advantage here at home, the game is serious and changing. Let's raise the bar! **M**

The views expressed herein are those of the author.