

COMMUNITY NETWORKER

ROTARY CLUB OF PARRAMATTA CITY, DISTRICT 9675

Rotary Four-Way Test

The Four-Way Test challenges Rotarians, in everything they do, to ask themselves:

Of the things we say or do:

1. Is it the **TRUTH**?
2. Is it **FAIR** to all concerned?
3. Will it build **GOODWILL** and **BETTER FRIENDSHIPS**?
4. Will it be **BENEFICIAL** to all concerned?

Meeting 11 November 2013

Our guest

President-elect Ron Edgar introduced Linda Sirol, Business Director for Corporateyes, a Baulkham Hills-based consulting company. Linda started her career working in engineering, then, found herself in management roles within established businesses and start-ups, reorganising their human resources, operations, business development and administration. She moved from that to establish her own practice called Corporateyes, which deals with “business succession planning”, specifically: how organisations continue following the departure or partial withdrawal of individuals who have been key players in those operations. She has been working those organisational “transitional phases” for four years.

President Keith

President Keith reminded the club that there would be no regular meeting on Monday next week. Instead, there would be a meeting at the Epping Club. On 25 November, the club would be hosting an important guest speaker, John Surian. On 9 December, we would hold our Annual General Meeting and he called for nominations for the positions of President-elect (2015-2016), Secretary, Treasurer, and five Board members. President-elect Ron would be keeping a good eye out for the people he specially wanted to work with. On the Thursday prior to the AGM, 5 December, Rotary Health would be holding its Christmas party.

Keith said the website was now up and running and it was now possible to see who had looked into the member’s only section and who had opened email attachments.

The Bunnings barbecue on Friday last week was a non-event because Bunnings had double-booked us and the Northmead Fishing Club had got there first. Profuse apologies from Bunnings and they would buy some of our perishables. The rest – sausages etc – we were keeping and putting into the freezer.

The Philippines

President Keith said he had sent emails to our sister club, Ramon Magsaysay, in the Philippines asking whether there was anything we could do for them. He had received acknowledgement but as yet no requests for help.

Past President Johnny Ching said the situation in Leyte was very serious. There was limited access to the province. Only the bigger boats could get in at all. Airports were non-operational, there was shortage of food and there was widespread looting. Hopefully things would be put right with assistance from the Philippines military but here was a clear case where people of good faith should be helping others out.

Christmas trees

Secretary Joy Gillett said the first load of Christmas trees would be delivered on Thursday, 5 December and we would start selling the following day. There was need for some of us to put our names forward to do the selling. On Saturday 30 November a group would be required to go to former president Dick Smith's home and prepare the shed where trees were to be delivered.

Guest speakers

Ron Edgar said the committee organising the guest speakers had made arrangements til the end of the year and next year they would be arranged on a thematic basis.

Transitions

In her presentation, Linda shed light on key considerations when it came to succession planning. It was important, she said, to think how saleable a business was and what happened when there was a change in ownership and management, and for the person thinking of selling and retirement, how much they were going to receive to put towards their next payment or retirement. "The value of the business depends on what arrangements are made for the business to keep operating successfully," she said. "That requires a robust strategy, a lot of in-depth thought and choosing the right people to transfer the knowledge and/or ownership. Making last-minute changes for the market, she said, was like putting lipstick on a cow."

Businesses whose owners did not prepare for lasting, positive change were stuck on a "treadmill". Linda mentioned she had seen the problem and, being in the engineering profession which was "outcome-driven", she worked towards finding solutions. "What we know is that more than half of all business exits are due to some form of failure," she said. "I also know that there are a lot of business owners of retirement age who see their business as a big part of funding their retirement." There was a vital point that needed to be made: "Two-thirds of business owners are 50 years of age or older and an alarmingly small proportion of them have a plan. Half have no plan for how ownership will transfer and one-third have no plan for a successor. They have not got a solid plan for sharing those things [their corporate knowledge] with the next person to take it up. Only one-third of chief executive officers or owners of family business have an exit or succession strategy ready."

Linda said that with the baby boomers now reaching retirement age, the first batch having turned 65 in 2011, there was more need than ever to look to these questions. People were now retiring, or stepping back in their businesses and changing gears. If they were planning on selling their business, then it was now time for some really hard thinking. Questions worth asking were: Who in the organisation might want to buy the business? And if so, how could that be structured? Talking about transfer of good will, Linda said that at one end of the spectrum might be the medical specialist who received referrals from other doctors based on a first-hand relationship. He (or she) completed the surgery himself. It was very difficult to transfer that good-will because it was tied to an individual. At the other end was the company that had systems and solid systems and processes – for winning sales, training staff and delivering services – so that if the CEO took a break, the business continued to make a profit and keep clients happy.

Corporate services included going into a business and conducting a complete evaluation of what is happening and working with the owners to devise a plan for the future. The process involved understanding the objectives of each business owner. She referred to a case where a middle-aged woman and younger man running a business had different objectives and were at loggerheads, with the company stagnating as a result. The solution included designing a strategy that tied in with each owner's preferred timing to exit. In this case, the woman had an earlier exit and the younger man was staying on. Linda said it was "all about giving control back to the business owner and getting some certainty and security about when they make an exit". It was about avoiding stressful situations and a personal situation where the company has its "back to the wall". "Our focus is about transferring value into the business rather than leaving it in the individual," she said. "It is much better to have options rather than having no way out than to fire sale the business."

Dates for Diaries

November 18th - No lunch meeting. Rotary Foundation Dinner at Epping Club in evening

November 25th – Club Meeting, speaker John Surian. 'Parramatta Today and in the Future'

Apologies and Guests

Apologies to Joy Gillett on 8837 1900 before 9.30 am on Monday morning.

This is the latest time apologies can be accepted as numbers must to be given to the hotel by this time.

If you are bringing a guest please also advise this to Joy by that time to ensure a meal is prepared.

The Club is required to pay for the number of lunches ordered. Invoices for the cost of a meal will be sent to members by Vandana if you do not apologise for non-attendance by the time stated.

The Horror Storm in the Philippines

It has been predicted now that with climate change, which is overwhelmingly considered to be man-made, will produce more extreme weather conditions: droughts, bushfires, floods and typhoons. To my mind, the Philippines disaster, in which thousands are presumed dead, is just another instance of that. The bushfires in New South Wales, where more than 200 homes were destroyed in a spring blaze, the devastating floods in Queensland in 2010/11, all point to a world where the natural climate control is out of whack. There are plenty of other indicators: the shrinking of the ozone layer, the evaporation of the polar ice caps, the shrinking of glaciers, the acidification of the seas.

To my mind, the world is similar to a biological organism. It has control mechanisms in place to remain fit and healthy. But if it suffers long-term abuse, it eventually cannot handle it and the system breaks down. The world is running a temperature, which in biological terms is a symptom of sickness. Any biological system that sustains long-term abuse will work hard to try to accommodate it. If a person drinks too much, his or her system will work overtime to process and eliminate the toxic substances. But after enough time and constant drinking, it will break down, with resultant sclerosis of the liver, heart disease. The body can sustain inappropriate levels of food for an extended period, storing the fat and trying to keep the system going. But eventually it will succumb and the obese person will develop a condition, such as diabetes and heart congestion.

And that is the problem. The world is infested with humanity. It cannot sustain the constant output of carbon dioxide, the destruction of rainforests and whatever else. It has done its best, but like the body of the alcoholic, it has become sick. A world-renowned ecologist, the late Professor Charles Birch, has said that the optimum world population was about a billion people. At the beginning of the 20th century, it was two billion, now it has gone to more than seven billion, with projections of more than 10 billion by the year 2015. Birch said that the optimum population of Australia was about two million. It has now exceeded 22 million. Birch was concerned about sharing the world with other creatures, all of whom had, in Birch's view, a right to live and enjoy a quality of life.

That laudable ideal not being adhered to, and efforts to control pollution and population spasmodic and largely unsuccessful, it will be a matter for Nature to take matters in hand, with war, pestilence, famine, and tidal surges sweeping over hopelessly populated island groups in the tropics.

Malcolm Brown