



THE UNIVERSITY OF
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Pearcey
FOUNDATION

The Past and Future of Australian Innovations in Information and Communication Technology (ICT)

Oral History Interview

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John Grant

Interviewed by:

Sebastian Boell

Interviewed on:

Thursday 11 August 2022

Project Summary

This interview is part of a series of oral history interviews undertaken by the Pearcey Foundation and the University of Sydney as part of the project 'The Past and Future of Australian Innovations in Information and Communication Technology (ICT)'. The series interviewed recipients admitted into the Pearcey Hall of Fame from 2003 to 2020. The hall of fame recognizes outstanding life-time contribution to ICT in Australia in business, research, and government. Each oral history captures a short biography of individuals who made an outstanding contribution to ICT in Australia. They also collect insights on aspects that had a lasting effect on ICT innovations in Australia, positive as well as negative from approximately the 1960s to the 2010s. Interviews lasted about 60-90 minutes and were conducted by Sebastian Boell, Graeme Philipson, Peter Thorne, Kai Riemer, Sandra Peter, and Belinda Wang. The complete set of interviews in this series is archived by the Pearcey Foundation.

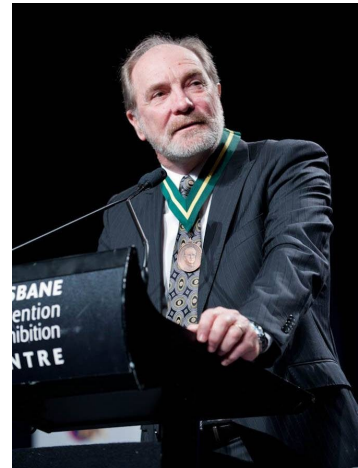
Key Points Covered in this Oral History

1. The successful international expansion (to the Singapore pathology management system) is led out by meeting the approached customers' needs, but not by government support (e.g. Austrade).
2. The government was the biggest customer of Data#3; however, dealing with the government for support is hard. Being in an advisory role to the government helped with building the personal profile and significantly influences the stock price of the related listed company (being the CEO of Data#3 back then).
3. Industrial bodies helped the success of businesses in terms of human capital, their specialisation resources and interwoven networking; however, herding the talents with a mutually understood community for the public good is tough.
4. IT industry is no longer presented as an industry, it is more worked as the foundational enabler of sectors, which thus makes the IT industry increasing difficulty to monitor and regulate.

Biography

John Grant

Co-founder and CEO of Data#3
Chair of the Australian Information Industry
Association (AIIA)
Pearcey Medal in 2010



Entrepreneur, Government advisor

John's professional career started after graduating in 1971 with honours as a Bachelor of Engineering (Civil) from the University of Queensland. Thereafter he spent nine years with the Brisbane City Council in various engineering roles. During the period he was involved in quarry management, he took responsibility for a project to computerise the quarry's costing and management systems; this led him to a move into the ICT industry in 1980.

John joined IBM's General Systems Division specialising in computing solutions for the local government and construction industries and then in 1982 joined Powell, Clark and Associates, a 16 person Brisbane-based software company and the forerunner to Data#3. From this time, he provided application software solutions to a diverse range of customers across many industries throughout Australia. In 1984, Powell, Clark and Associates acquired an office-supplies retail and service organisation and formed Data#3.

John was one of the founding Directors and in 1996 was appointed Managing Director, which position he retains today. Since Data#3 was listed in 1997 it has grown to be one of Australia's largest listed ICT companies. John was elected to the Federal Board of the Australian Information Industry Association (AIIA) in November 2004. AIIA is Australia's leading ICT industry association. His subsequent high visibility on the national ICT scene coincided with his election as AIIA Chairman in 2007. He was asked by Senator Kim Carr, Federal Minister for Innovation, Industry and Science to chair his National ICT Innovation Council. However, John's interest in ICT industry issues commenced back in the mid 1990's in Queensland.

Amongst other roles he has chaired the Queensland Minister's (for ICT) Advisory Committee building wide consensus across this State's diverse ICT sector, embracing academia, government as well industry. He also was the driving force in the establishment of the current ICT Workgroup which is an exemplar of industry-government cooperation in Queensland.

In addition to his professional interests, John has been an outstanding sportsman representing Australia in Rugby League at the 1972 World Cup and Queensland between 1972 and 1975. Today he maintains a keen interest in all football codes and sport in general. John is a member of the Australian Computer Society (ACS).

Interview Transcript

Date of interview: Thursday 11 August 2022

Can you briefly summarise your biography, where did you grow up, what was your education, and what were the names and years of different organisations that you were involved with?

Sure, okay. So I guess I'm Brisbane born and I spent the vast majority of my time in Brisbane, I've had a spell in the UK and I've had spells in Sydney and Melbourne, but all short-term stuff, so primarily in Brisbane. I was born in a suburb called Northgate to a dad who was a proof reader at the *Courier Mail* and a mum who later on worked as a telephonist at the Queensland Abattoir Company, I think, something like that. And I have one brother, he's about 18 months younger than me, I have a sister that's about five years younger than me as well, so I'm the oldest. Went to school originally at Mudgee State School when I was a five-year-old, six-year-old, and then mum and dad moved across to the other side of town, so Northgate is on the north-eastern side, and we moved over onto the south-western side, so couldn't have been more diametrically opposed, but we moved to a suburb called Yeerongpilly, which is about 8 kilometres from the city. We lived in a little Tudor house that happened to be owned by my aunt and uncle before my parents bought it from them, on a railway line on a main road. But it was a big block of land, and it was the perfect place to grow up. We had 36 perches they were called in those days, which I guess is around about 810 square metres in today's terms, and my brother and I close enough to play, I think we counted it one day, we played 21 sports in the backyard, so it was a very... It was a time before television, before PCs and mobile phones and all that sort of stuff, and we spent our time outside. I went to school at Yeronga Primary School initially in grade 2, and then Yeronga State School from grade 3 until grade 8, and then Yeronga High School from grade 9 until grade 12. And those schools are situated side by side in one street in Yeronga, about a kilometre and a half from where we lived, and we used to walk to school or ride to school. I was a pretty good student, had a lot of fun at school but I was a pretty good student. I did well in my junior or year 10 exams, very well, and did very well in my senior exams as well. I got a scholarship, both a Commonwealth scholarship, and a scholarship from the Brisbane City Council to university because I wanted to study engineering. And so, I went to the University of Queensland and was still living at home at this time with my parents. Went to the University of Queensland...

Roughly what year was that?

Good question, 1968. Did Civil Engineering, that was a four-year course. I passed that course with honours. The scholarship that I had from the Brisbane City Council gave me three things: number one, it paid all of my books and any fees that needed to be paid in those days, although we didn't pay fees for education in those days, which was very fortunate, but we still had to buy some books and some other odds and sods, they paid for that. They also gave me an allowance, and I remember graphically in fourth year, I'm 20, going on 21, probably turned 21 in fourth year, and I was living on \$13.50 a week. And I was running a car, had a girlfriend, and had a life, and surfed, we surfed every second we'd get, and I played rugby league during the winter. But I came out of uni and the third thing that they offered was not only work during the holidays, which was good coin, but also they offered, or the deal was they'd put me through uni but I had a five-year indenture to the Brisbane City Council. So I started with the Brisbane City Council when I finished university, started in the design office doing civil design and then, after about 18 months, I went to their construction office and started supervising day-labour construction. That's where we had our own workforce doing it

and contract work as well, and did a huge amount of road construction, draining construction, and bridge construction over the south-eastern suburbs, south-western suburbs of Brisbane. Really loved the job, it was fantastic, we built a reputation for getting through jobs very quickly. Because I had a really simple rule, I thought if there's a job to be done let's get as much equipment on site as we possibly can without them getting in each other's way; but let's build quickly. And the foremen loved it, the workers loved it, the plant operators loved it. And we worked so fast, we actually put the design office in a situation where they couldn't get us design work fast enough. It was really good fun, we had a lot of fun building a lot of really good stuff. I then got assigned to one of the quarrying operations for the Brisbane City Council in the Brisbane area, they had two big quarries, one at Mount Coot-Tha, which is a blue metal, so it's a very hard rock and it doesn't crumble, it doesn't produce fines, and the other being a very clayey rock at Mount Gravatt. So on either sides of the city, but I started running those quarries for them, well, managing those quarries for them. This is what, now, this is 1979, and I kicked off a project with Council's approval, to computerise the quarries, the entry and exit. Because when trucks come in to pick up quarried material they come in at a particular weight and then they leave at a particular other weight, and that weight of course is the weight of the material that they've got in the truck, and that of course can then be costed. And we had verification by way of cameras, cameras taking photographs of licence plates, and this was really, really, really early days stuff for integrated computing of this type and there was none available. So I wrote a tender and then I hawked the tender around the major computer companies. In those days the ones I hawked it to were Burroughs, ICL, IBM, and NCR, all people in my vintage, all well-known companies. And I remember it so well, I went to IBM and here I turned up in the reception area in my engineers outfit, which is shorts, long socks, boots, and a shirt to meet an IBM sales rep who came out in a blue suit and a white shirt and a lovely blue tie, and he gave me about three seconds when I told him what I wanted to do, because it wasn't something that he's selling off the shelf. But it was a very interesting experience. However, we did get Burroughs to do the work for us, and the project worked out very well. But what happened was I got really attracted to this whole sort of information technology environment. I just thought it looked so exciting, and so at the ripe old age of 30, in 1980, I decided to change careers. I should parallel... go ahead, sorry.

Before we go there, was it the first time you came across computers or where did you get the idea of computers, did you see them at university in '68?

Yeah, so we had them at university, we used to do some FORTRAN programming in year four, so I was familiar with technology at that level, but not in the sort of everyday use of it. In '70 there were no PCs or anything like that, so it wasn't commonly understood or known about, and so it was very, very early stage. So, I'm just about to leave the Brisbane City Council and I made the decision I'm going to leave the Council. And then I need to parallel my career with my sporting career. So when I was at state school I started playing AFL, which was the Australian sport, started playing AFL as a ten-year-old for a local club, and I played club football until I was 17, and when I went to school at Yeronga it was a rugby league school and I decided to give rugby league a crack. So I ended up in year 9 started playing rugby league, and again, went away, way back to my very pre-school days when we had a big block of land where we lived at Northgate, and my dad used to mark a field out on that block of land and all the kids from the neighbourhood used to come over and we used to play rugby league on this block of land, it was just fabulous. So I really wanted to give it a crack. Anyway, I was quite successful. I played all the way through from grade 9 through to grade 12 and played in the firsts' side in all those years at school. And then when I left school in year 12, I had to make a decision about whether I continue to play AFL, as I had been on

the weekends, or whether I actually moved over and played rugby league, and I made the decision to play rugby league, and then history sort of sets itself from there. So at 18, I was playing under 18s, and then I played under 20s, and then I made first grade for my local football club, which was in those days Southern Suburbs Rugby League, which was one of eight clubs in the elite competition in Brisbane. I ended up at 20 playing first grade for them and I played all the way through until I was 28 and retired at 28 playing first grade. I played for Queensland and represented against New South Wales, and I also played for Australia, I did an Australian tour with the Kangaroos to the World Cup in 1972. So I had this parallel career going on, and the Council were really, really good, because I was working for them when I left uni as well and I was able to get time off to go on tours. I was able to get time off to go to training, and they were fantastic, but when I finished my career at 28 and I went back and I look at my opportunities for engineering in the council particularly, I decided I needed to get out of that sort of local government environment. So here I am at age 30, and I've decided I'm going to leave the Council and I've just had this sort of taste of technology. I remember really well, I applied for about five or six engineering jobs, one I think in Brisbane, some interstate, and a couple overseas, because at that time I was married with two young kids, so it was going to play quite a significant change.

Anyway, I did all these applications and sent them off and just waited, and one week passed and two weeks passed and no acknowledgement even. And then two and a half weeks passed, and IBM had started running this advertisement on Tuesdays and Thursdays for mature graduates to join the computer industry, and I'm looking at this advertisement waiting for the engineering firms to respond and no response from the engineering firms. And so I thought: bummer it, I'll go and have a talk. So I went down to talk to IBM and then three interviews and ten days later, they offered me a job which I took. So I ended up getting into the IT industry via a job with IBM. And it was a job in sales, and they saw that I had a construction background and a local government background, and they were pretty heavily into those two sectors and they thought there was a real opportunity for me to help build that sector for them. So I joined IBM, and then for the first 12 months, which no-one does these days, they trained us. I joined what was called the Class of '80, and they had a proper 12-month education program which involved weeks away at a time in Sydney in 99 Walker Street and then back into the field. And when you went back into the field it was all about cold calling. So I spent 12 months learning how to sell and 12 months supplying it on a cold-calling basis back in Brisbane. And look, the best, best foundation for a career, just fantastic. I think it's so important to understand how to sell, because it connects you with organisations and individuals' real needs, and it forces them to talk about it. It gives you an opportunity to craft outcomes that will meet the expectations that they've got, and good outcomes for them and their business. But the foundation that IBM provided, which as I said before no computer company provides that these days, no-one does that, but that foundation stood me in good stead for the rest of my career right through until today.

Did they put you through an aptitude test that you had to pass in order to join them for the program?

Yeah, there was an aptitude test, yeah there was, that's right. It's interesting, I had an aptitude test when I decided to do engineering, because I remember the career's officer came to the high school. We sat down and we did a test and it was simple stuff: show you a picture what do you associate, word association. I remember saying what's that a picture of, that's a picture of a wrench, you should be a civil engineer. I mean it just like blows your head apart really. But no, there was psychological testing as part of the process of hiring, and clearly I

shaped up okay and they gave me a job. So I started in IBM's General Systems Division, reselling what was then the entry-level multiuser computer system, first multiuser computer systems that were available. Everything had been single processing before that, mainframe oriented products like the IBM 360 and the IBM 4950, I think it was, and then smaller equipment like the System/32 which was still single station. And then they brought out this System/34 which had dumb workstations, multiple workstations and multiple printers connected over an operating system to a CPU. And it really changed the landscape of business computing, it was just such a breakthrough. So just as IBM broke through with the IBM 360 in the mainframe area, they broke through into the midrange or the midmarket with the IBM System/34, and subsequent to that of course they brought through into the home market with the personal computer. So huge leadership stuff from IBM and I'm very, very lucky to be part of that sort of momentum that was being created with new things to new marketplaces and it was just fantastic. But what they didn't have was any software, so they had some basic accounting packages and they didn't really have any front-end software, so we as sales people needed to find organisations that we could work with, ala you'll collaborate. We found organisations we could work with who had software and software expertise, who could build solutions for customers. And I ended up partnering with three firms, one of them was a company called Powell Clarke & Associates, which was ex-IBMers and they were writing software based on the IBM standard accounting packages for a whole bunch of industries. I worked with them and particularly in the local government sector, and we were very successful, we implemented, well we sold the dream and we developed and implemented systems for a whole swag of local government organisations in Queensland, and it was very successful.

At the same time I again, got a bit frustrated I think, with seeing a career in IBM because it's just a big bureaucratic beast and I didn't look at this clinically, In fact when I think about it, I didn't have an intended state to go from engineering into IT, I just happened to come across technology and then happened to put myself in the situation and there happened to be an advertisement that I actually went and responded to, and there I changed careers. And similarly, I was only at IBM from 1980 to midway through 1982, so only for two and a half years. But I didn't really see where I was going to go to, and I started working with these software guys, and that was really good fun. But a mate of mine, who was also at IBM at the same time, he decided to leave and he went into real estate, and he went to the north coast, he went up to Noosa, subsequently owned the Noosa Ray White franchise up there and did a whole bunch of stuff after that. But he said to me: why don't you come and join me in real estate? So I said, "Yeah, what a good idea" So I ended up interviewing and I was offered a job to be the agent running a development that was being done in Maroochydore for the Ray White network. And I was offered the job, and the word got out that I was actually leaving IBM and anyway the software guys from Powell Clarke & Associates knocked on the door and said, "Well if you're thinking of leaving come and join us and here's the deal." And they gave me a great opportunity to join their company, it was only a small company, it was only about 14 people at the time, so four principals and maybe 15 people, but all developers, developing software. And I ended up taking that offer and ended up not going the real estate way. But again, I didn't necessarily chart my career and say: this is where I'm going to go, here, here, here, and here. I just happened to be in a situation where there was an opportunity to given to me and I decided to take the opportunity. It's a really sort of interesting parallel to most people's careers I think too. Some people, but I think few, really, can architect their career over multiple years. I think what happens is they get themselves in a situation and they just see logic, logic sort of takes them from one to the next to the next to the next. Seldom, I

think, do people change their whole career, move entirely out of something they've been educated into something else, and then moved from something else to something else. There's not a lot of people who do that. But I do believe that I've always done this, if you see an opportunity and you think you should follow it, then you should. Because you'll never, ever forgive yourself for not. So I just kept taking opportunities as they presented themselves. When I joined this little company, they gave me an opportunity to be their sole salesman, so a sales manager and sales rep, and I ended up just running the business from a sales and control of delivery of work across the programming team, and it was really great, we had a fantastic time. Sold a lot of computer systems, all IBM by the way, we were reselling IBM, we were one of the first resellers of IBM mid-range computers, the System/34 and subsequently the System/36, and subsequently AS400, etc. So, I joined them in 1982 and in 1983 I was offered a partnership which I took, and I paid for my shares in the partnership, but it was a very, very, very good deal, so I was very lucky. And then in 1984, IBM released their PC and we just looked at this and we said: "This is going to change the world." Which it has done of course, which it did do, just as the iPhone changed the world again, it changed the world. And we moved very quickly, and it was because of the sort of impetus, from one of the partners in particular, we acquired a typewriter dealership which had two retail outlets, it also had workshop facilities and break/fix facilities. We acquired that and merged that, and we started a PC reselling business as well. And we hired two guys out of IBM, the lead guys out of IBM and they came on board as partners as well. At this sort of stage we had, I think, seven partners in the business and quite a small business, it was pretty, what do you all it: well there were a lot of chiefs, not a proportional number of Indians. But we worked very, very, well together, and into a marketplace that was just ready for what the computer industry was delivering, both at the mid-range end and at the individual end.

And was it mostly then accounting and local government or was that just how you started and they...?

That was how we started, and from a software point of view we developed specialisations in retail, particularly as it applied to the hardware industry, ala the Bunnings industry. And also as it applied to the tourism industries, using point-of-sale terminals interfacing with retail systems that we built, and IBM point-of-sale systems. We developed other specialities in transport and in local government of course. But eventually we sort of narrowed our whole focus, but the biggest play for us was in healthcare and we had developed a back-office accounting and financial management systems for hospitals, and that system we ended up installing in 40-plus hospitals around Australia. Then we did a deal with Sullivan Nicolaides, who were a big pathology firm in Brisbane, to write their systems for them on what was the new System/38. We did that work, and then we got an opportunity to take that software and install it in Singapore General Hospital, which we did in Singapore. So we went offshore, and we took that software, the whole suite of software, including the hospital management system and the pathology systems, we took that into Asia, and we had an operation out of Singapore selling into a lot of the countries around Asia. Where you could actually do a deal acknowledging that some part of it was going to be a brown-paper bag under our table, but that's the way business was, but we built a very, very strong business in that healthcare sector.

Yeah, can I follow up here a little bit, when you grew overseas initially what was the trigger, was there some support, did you work with Austrade or how did this happen?

It happened because we had a customer who wanted us, basically. So we had a pathology system we developed with Sullivan Nicolaides and Singapore General Hospital needed a pathology solution, so we took Sullivan Nicolaides and the system that we co-owned, we

took that system to Singapore General Hospital. When we got to Singapore General Hospital they installed the pathology system, then we also sold them the hospital management system. So, we didn't have the funds to put big teams on the ground and break into new markets, we could only go there via customers, and that's how we built the whole software business. We didn't build a lot of software and then find someone to buy it, we found a customer who had a need and we convinced them that we could provide them with a solution which we then delivered, which we then subsequently on-sold. So it's a totally different model from the sort of software models these days, where you've got to build a whole product before you take it to market. So we didn't have the funds to do that, and that's really what happened in the healthcare area. We needed to invest heavily into the healthcare system to take it to the next level, so to speak, and we weren't prepared to do that. So we ended up carving off the healthcare system, including the two founding partners of the business, carving that off and selling that. And we sold that to a company that was called Travenol, but subsequently Baxter Healthcare. And Baxter healthcare is a major supplier to the healthcare industry from a supplies point of view, in everything, other than medicines themselves, everything else. So software became one of theirs, and interestingly that software, in a sort of revised form, is still operating in many of those hospitals that we implemented it in, in the 1980s and early 90s, it's amazing. So but they bought the business from us and our people had to go over there, we took the software development team and our two principals over there, they had to work there for two years as part of a deal. What that did for all of us, it provided us with some return on our partner equity, and it allowed us, certainly allowed me but I think all of the then partners, and I think there were only five then, allowed us all, allowed me to pay off my mortgage, right. Which was a big deal, a really big deal to get to a situation where you can pay off your mortgage, so that was a really good outcome.

Meanwhile back in the Powell Clarke was the Data#3 business, which it was, because we changed, the original name of the partnership was Powell Clarke & Associates, when I first joined them in 1982. But in 1984 when the PC was launched, we formed a company called Data#3 which still exists today, it's a listed company worth about a billion dollars market cap, but the interesting... I'll tell you, this story is a good story right, so how did you come up with the name Data#3, everyone asks me how did you come up with the name Data#3, because it's D-a-t-a, then it's got this hash thing, and then the number 3? We commissioned a guy who'd previously been a journalist but he spent some time in marketing as well, and we commissioned Neil to find a name for us. We gave him this wonderfully exotic brief, right, we wanted to be breakthrough and leading and we wanted to be conservative and stable, like widely opposed, right. Anyway, I remember he said: "Well I've got it." He brought all the partners in and he had this little office in the city and he had this veranda which was probably one and a half metres wide, and he had this table, he had us crammed around this little thing, and he had this little flip chart on the end of the table. Anyway, he flipped over the first thing, and he had this word "Data", right, and we've gone: "Oh, poo, old word, we're not going to do anything with that." And he had a cut out on it, then he flipped over the next one and he had #3 in this cut out, We said; "What, Data#3? What's that mean, Data what? Data, 3, why #3?" He said, Well, the #3 is from the IBM keyboard." The IBM keyboard had the number 3 and the # on the same thing. So, he said: "Data#3". That's how the name came up, it's just bloody amazing, really, so anyway, that name stuck, and that #. I remember, I was the CEO for a long time, I'll come to that in a moment, but I remember having a disagreement with my marketing team at one stage when the internet first came because # wasn't a symbol that was recognised by the internet until Twitter came along. Anyway, they tried to get me to drop the

from the Data#3 and I had just about gone ape with them: that's what everyone remembers, that's the conversation piece, anyway, science term.

So, when we sold the healthcare business and the two principals went off, there were four of us left in the other business. One of the guys took the position of CEO of the other business, the other business then, was still software reselling and hardware reselling, mid-range computers. Another part of that business then was the PC business, it was a reseller of PCs, and also a reseller of typewriters, so we had sort of those three prongs to our, which also matched the Data#3, right. So we had software, hardware, and personal computers, and we had recruitment as well, interestingly enough. We started a recruitment business, one of the first to start an IT recruitment business, which still exists in Data #3 today and it's a very successful part of the business. So, we're Data#3 and there's four of us running Data#3 and there's two partners over at the other business running in the healthcare business. And we started to build this business, and the market was good, for the things that we were doing. I remember so well we made one of our first big PC sales, I think it was four PCs, 15 grand each, that's 60 grand, and we made 35 percent margin, which is just ludicrous, right. It was never going to stay, but that's the way the industry was, and that's one of the reasons why that period through the late 80s and 90s was just such a purple period for the technology sector. It was huge, everyone was making money, there was a huge market, there was plenty of margin, there were Friday lunches that would start at 10 am and finish at 10 pm. It was just a huge time of being part of something that had real momentum and was really exciting with really good people, and that's the one thing, I think, the industry just had really good people. I've been very fortunate, there are very, very few people who I've done business with or been associated with who aren't good people. Maybe I've been very lucky and maybe things have changed now, but anyway, that's the circumstance. So, we were building this business.

After two years the people who went with the health venture came back to Data#3 and there was a bit of a shakeup at that time, and the guy who was running as CEO, in fact, left the business. Well, performance hadn't been as good as it should have been, I suppose, but anyway, circumstances. But the two founders came back in, and we then went through a process of growing the PC business, growing the equipment business, and growing the mid-range reselling business, and very successfully right through the 90s. We came to a period then, sort of mid-90s, '95ish, the partners were varying ages and therefore they had varying needs from the business. And how do you satisfy these sorts of needs? You've got to find money, how do you find money? Well you either sell your business or you get an investor or you do something else with it. And we went through all those options of what we could do, and what we decided was that no matter, if you sell your business, part of your business or your business, ultimately, the business is probably going to be listed, so we just decided to go straight to the listing. So we made that decision in 1996, we listed in December 1997. I think there were three, maybe four, listed technology companies on the ASX at that time, so we were one of the breakthrough organisations. We raised the phenomenal amount of \$13.2 million, I remember that so well. And the partners were able to take some of that off the table, which we did, which paid off our other mortgages that we still had on our houses. But we got something out of our listed company and we had shares in our listed company. But there needed to be a CEO and we're running as a partnership, and while there was clearly a senior partner, he was one of the founders of the business. It was made very clear to us by the brokers that you had to have number one, independent people on the board, and number two, we had to have a CEO and managing director to lead the business. So, there were one, two, four of us, five of us, in fact. One of the partners was going to retire, so he wasn't considering

himself as CEO, but there were four of us. We went through a process; we hired an independent psychologist who ran us through a program to pick who might be the most suitable CEO. When you think about it, well how else would you do it? It was a very democratic process in weighing up from scratch, like some had been here longer than others and all that sort of stuff, but that doesn't matter, who is the most qualified to run a listed company? And I got the gig, so I became Chief Executive and Managing Director, took it to the listing in 1997, and then finished 19 years later in 2015, still as CEO and Managing Director. I've got to fill in this place, these 19 years right, but that's sort of the sequence of events that ended up my leaving the business in 2015 but I really liked challenging myself to do different stuff. My wives, my ex-wives, I've had two of them, would say that I'm a bit of a masochist, in that I tend to take on things that are pretty damn tough, and I sort of think there's a degree of truth in that. I do like hard problems, and I do like hard work, and I do believe that mostly you can work your way through difficult situations, I believe tenacity and the ability to just hang in is just so important. I've found out most people can't hang in situations for as long as I can, and at the end of the day he who remains standing wins, sort of thing. So there's been a large part of me, and I think this came from my rugby league background...

Yeah, I just was about to ask...

Yeah, it's a hugely confrontational sport, right, it's in your face all the time, you're being hit all the time or you're hitting people all the time, and you're going to ground all the time, so it's a full on contact sport, and I think there's a large lump of training in that for the mind as well as the body. And so I think getting tackled down and getting up quickly and moving on is the name of the game, and I think I acquired that or learnt that lesson from a sporting point of view. I think it's played into the way that I've sort of played my professional life, but I've always played within the rules, and I've never taken advantage of people if they're in a position of weakness, and I always help the other person try to be as successful as they can be in everything that I've done. That's the way I played rugby league, that's also the way I've sort of conducted my business life. So 1997 the company listed, we then... this is what happens to everyone who gets listed, you get this: your sails are full of the wind, the wind of opportunity and you're now going to go on and conquer the world. And the brokers feed you all this stuff, right, because what they want you to do is they want you to grow the business, because if you grow the business then the shares are going to sell and they'll get the transaction fees. And you're going to go and raise capital and they'll get fees for raising capital, so yeah, you might do some acquisitions. So they really give you a dose of this is how this is going to be fantastic, you've got to go for it. So, we ended up doing two acquisitions, we acquired a business in Sydney which had five outlets, but very, very similar to Data#3, no software development capability, all around technology and related services. We acquired a business called CIC Technology which came with five partners, two of whom joined the Board, and we acquired a business in Melbourne called Beethoven Systems which was a technology and to some degree a software business with about 50 people. The CIC business was about 125 people, so we had big licks here, we had big businesses, but we needed to get a big footprint outside of Brisbane and Queensland. While we had interstate clients the business was really coming out of Queensland.

So when you had the health business, you grew overseas, but once you sold this off you were back to a Queensland-based business?

Yeah, when the health business was going around the other business was just occupying itself primarily in Queensland. The first acquisition with CIC, what we ended up with was on the

Board, I think we had two non-executive directors and five executive directors, and I'm one of those as managing director. CIC, while it was a good acquisition from sort of getting a real footprint in New South Wales and building our business outside of Queensland. We made all the mistakes in the book across these two acquisitions, we ended up with a million dollars' worth of stock that was valueless, we ended up with two systems that didn't talk to each other, we couldn't get a consolidated set of financials even though we were a listed company for nine months. I mean it was just diabolical really, and we got to a position where, I'll just make sure I know what happened, because this is 1999, around about 1999, because we made that CIC acquisition in 1998. So this was about 1999, maybe the year 2000, but what of course came with the year 2000 was Y2K. What happened to us was that we had this issue with stock, this issue with debtors, and this issue with systems that didn't talk to each other, couldn't give us a consolidated set of financials, and we went backwards pretty damn quickly. We lost money in two halves, the last half of one financial year, and the first half of the next financial year, so really ruined two financial years. But as we ended this very difficult period, I said to the Chairman at the time, that I just can't make the decisions that need to be made, because we need to take cost out of this business, and I can't make those decisions because I've got four other executive directors sitting around the table. So I did a little flipchart presentation for him, he was down at the Gold Coast. I remember this really well, it was a Saturday, I said: "I've got to see you," I went down the Coast and he was there in his board shorts, he had a beachfront house at Surfers Paradise, beautiful. We sat down in his lounge room and I ran him through the flipchart and I basically said: "We're not in a good place, we need to make decisions that are very difficult to make with the Board the way that it's constructed, because everyone's equal when they sit on that board as they were in the partnership previously, someone needs to be able to make some calls and if it's not me then you need to find someone and I'll leave the company." He said to me: "Well, I think you're absolutely right, we need to get all the executives off the board and I'll step down as Chair, we'll appoint the other non-executive as Chair, we'll do a clean sweep of the Board, totally clean, and we'll get two non-exec directors on the Board." Which we did, who were associated with the company, and we converted the governance structure of the Board literally overnight. It was a huge upsetting time for the former partners in the business, but it was an absolute necessity.

What we then did was we took cost out, a significant cost, I think we let about 45 people go, which is a lot of people, in a business that probably had about at that time maybe 250, so we're talking about sort of 20 percent of the workforce. But we had no choice, so we did that and we narrowed the focus of the business down very, very, as narrow as we could. We had a software reselling business, a hardware reselling and support and services business, and an applications software business (enterprise applications), and they were the three businesses that we had. We restructured the leadership of those, we made people accountable, and we drove that responsibility through those, drove down through those three businesses. All of those businesses then started to prosper, and so we had a purple run from about 1991 all the way through to 2008. We went straight through the GFC, and this is a good story. So we were growing these three businesses and we were getting leadership positions from the vendors how we were working with IBM, we were working with Compaq, we were working with HP from a technology point of view, we were working with JD Edwards and subsequently SAP from an enterprise applications point of view, and we were doing some licencing, primarily for Microsoft, but also for every other software licencing company too, but primarily for Microsoft. And those relationships were very, very strong, and we were moving into dominant positions with all of those vendors in Australia, which is exactly where you need to

be, you need to be number one and number two, otherwise you need to go and find something else to do where you can be number one and number two. And so, we were getting very strong, and then we came to the GFC.

There was another business, called Commander Telecommunications, which acquired a very large technology reseller and services company very similar to Data#3. That was about the mid-2000s, I guess, maybe 2004, they acquired them then they hit the wall and they decided they'd close this 600-person IT reseller and services business down across Australia. So, Laurence Baynham who is current CEO and managing director of Data#3, Laurence said: "Here's an opportunity we won't get again." And we ended up hiring 65 people or something from this business, but all the key people, all the key leadership members, all the key salespeople. We went from the major operation in Queensland, and a solid operation in New South Wales, and a very small operation in Victoria, to an operation in Perth, significant operation in Perth, significant office in Adelaide, boosted the size of the office in Melbourne considerably, added to New South Wales, and ended up with a much stronger business. We call that the Clayton's acquisition, the acquisition you make when you're not making an acquisition, right. It's the cheapest acquisition, because you don't pay anyone for it: you get the people to join you because they want to join you, and all of a sudden you're in a totally different league, and we just sailed through the GFC. We got to positive with those 60 people joining us in six months, we went from all the cost to revenue, a gross margin positive, and it was a huge step in Data#3's growth, and good on Laurence, he was the one who saw the opportunity and we put it together and it was really terrific. There's a couple of other stories along the way, and I sometimes get this out of sequence. But if I go back to the pre-listing days, what's the culture, how do you build a culture of a company? You build a culture of a company through experiences of individuals that then rub off onto other individuals.

Way back before we listed we had a crisis point in the original partnership where we literally ran out of cash, and it was after we acquired the typewriter reselling and maintenance business to form the PC dealerships, and we moved from a business that was used to invoicing maybe 40 clients a month for software to invoicing thousands for typewriter refills or maintenance and service, all this sort of stuff, just a totally different environment, plus there was a lot of stock involved. So we never had an inventory before, so we didn't know how to manage inventory either, but we ran out of cash, and we did a run around the partners and all the partners basically took no money for a period of time, about six months. I ended up moving out of my sales lien and moving into accounts receivable department, so collecting debts from customers, and it was just the most fantastic experience. We did two things, number one, I put together a little telemarketing team and we started to sell PC maintenance contracts. Because PCs were new no-one ever sold maintenance contracts, so we started selling PC maintenance contracts. In a period of eight weeks we sold \$1 million in cash of PC maintenance contracts, which is just a huge amount of money, this is probably 2001/2 maybe, So put a million dollars in the bank account and then I started managing the accounts receivable group and sort of we didn't have any process about collecting our debts, we didn't have a process that made our customers understand that they owed us money, number one, and number two, made them understand they needed to give a commitment to us about when they're going to pay it. So I actually built this little process in spreadsheets, followed all of our customers, and we'd have conversations, and I was on the phone and others were on the phone having conversations with customers. They'd say: "Well, the cheque will be in the mail," and we'd say: "No, we'll come and pick it up, can you have it at reception this afternoon." So we just changed the dynamic. The result of that was we started

to understand what cash, the old expression cash is king, it's absolutely bloody true. There's nothing truer when you are building a business than cash is king and you have to actually manage your cash, and when other people owe you money you have to collect it from them, because otherwise you're funding them like a bank, and you can't afford to be a bank. So anyway, that was the sort of start of a culture that had been.

Today, Data#3 has built a \$1 billion... what did it do, they did over \$2 billion in revenue this year, it has no debt, its working capital is generated by the difference between its accounts receivable, which it collects averaging 25 to 26 days, which is unbelievable, and its accounts payable which it averages 42 days. So, you've got this 16 days of cash and that becomes working capital and because both of these, great, you get this great pile of working capital. And it's just a fantastic example of why cash is so important, and if you manage cash really, really well a whole lot of other good things can happen. So that was one lesson really well learned. The other lesson, when we were a listed company, we had a partnership with another local technology company. We put together a partnership which had won two contracts in Queensland government, whole of government contracts, one for the sale of software licences, Microsoft predominantly, Microsoft software licences, and the other for the sale of personal computers. This other company called Sunrise Computing, very good people, good friends of ours, we had a very good partnership, we established a joint venture. We established some rules around the joint venture, for example, when you give a whole shipment of PCs to a government department, and they pay you, then that money comes back to the joint venture and it goes back to the two partners. And when the invoice has to be paid to the supplier you call back for the partners to bring the money back into the joint venture and then pay the invoice to the supplier. It's a well understood and very common joint venture process. But what it does do is it causes the entity which has got the reselling agreements, it causes them to lose control of their money, because you pass it back to the two partners and you rely on the two partners passing it back to you, which was never a problem with Sunrise. Sunrise got acquired by a listed company whose name eludes me because I've just dispatched it to my forgotten memory. But a listed company that did something like, I don't know, 45 acquisitions in two years, totally lost control of his business. We had a particular transaction with one of the government departments, it was a \$16 million cheque for the supply of PCs, so that \$16 million cheque, the PCs were supplied, customer paid us \$16 million, \$8 million went back to the two partners and then we had to pay the supplier \$15. something million. Our \$8 million came back but the other business's \$8 million didn't come back and they put an administrator into that business and closed it down and took the money back into their holding company. So, we're 8 million bucks short and this is a listed company right.

So this is early 2000s and this is like dead man's time, we didn't have the money, we had to pay our suppliers, which were a range of suppliers. There were PCs but there was also Microsoft software and there were micro-peripherals, there was a bunch of major providers, and they were major partners with us, and we didn't have the 8 million bucks. Anyway, Laurence and I divided the work, right, we agreed that he would go and he'd take the contracts that we had with the government and he'd get them all passed over to us exclusively, over to Data#3. So out of the joint venture, the government reassigns the contracts to Data#3, so he successfully did that so Data#3 got all of the revenue that was going to come from those software and hardware contracts and we cut out the joint venture, which was in administration anyway. And then I would handle the administrator of the other firm, and the receiver. In fact there was a receiver involved because there was a debt to a bank, and the way that this works in this sort of receivership and administration is receiver

gets first crack at the money, because he's got the guaranteed creditor, and so the bank is first cab off the rank in terms of paying. He acts on behalf of the bank and he will find the money wherever he needs to find it, he'll do that, and he'll exit and then it'll just go into administration. So what do you do under circumstances like this, I'd never seen this before, I'm CEO of a business, I'm going to do something about this. What do you do? You call the lawyers, right, don't you, you always call the lawyers because you're in trouble, so you call the lawyers and so good, guys, anyway, we spent in a period of about four months we spent I think it was \$484,000. And we didn't have that money either, so I just said: this is not working, right. I was trying to understand why we were not getting anywhere. What was happening was that the lawyers were doing their job, they were giving me the alternatives but they weren't giving me any recommendations, so it was up to me to sort of make the final decision, and I didn't know what I should be doing, really, how to sort my way through with a Receiver. Anyway, the Receiver called me up and we agreed we needed to have a chat, so Receiver flew up from Sydney, he brought his lawyer with him. I went to meet him, I brought my lawyer with me, we sat in this room and for about the first 40 minutes the lawyers debated elements of whatever they needed to debate. I looked at the Receiver and I said: "I think you and I just need to talk." So, we asked the two lawyers to leave, and we sat down and ten minutes later we had a deal, I was going to pay him \$1 million, and he was going to disappear, and we were going to take over the whole business. So, we did that, we had the \$1 million to pay him, we had \$8 million then needed to pay our suppliers. Laurence and I then went to all of our suppliers, and we did deals with all of our suppliers. Microsoft, they were fantastic, and I can remember we had a \$900,000 debt to Microsoft, I think it was, or maybe this was \$1.9 million, it was the largest. I can remember sitting down with the guy who led the country for Microsoft and I said: "Here's the situation." Explained it to him in full, here's what we need to do, explained to him about all the creditors, and frankly, in order for us to continue our business you guys need to do a deal with us to settle the outstandings. And we did deals with all of them and they forgave very large percentages of their debts. I guess it was times which were much more collaborative and much more friendly and relationship oriented in those days, and so you could actually do a deal. And we did these deals and we got out of this, and this was the making of the business again. Because we now knew, and I personally knew, that my job as a CEO is to take action and make the decision. You couldn't rely on others to do it for you, you had to do it, and you need to make the tough decisions, you need to get the crap out of the way, you need to give yourself clear air to go and do the things you can do. And Laurence and I did that, we did a very good job both of us, him and his part, and me and my part. Me clearing the way for him to actually then take the contracts forward. And the best thing then was that the business that came from those contracts was huge. We went then on this journey of growing revenues and growing profits and growing dividends to shareholders from that early 2000s all the way straight through the GFC, straight into 2008/09/10/11/12, etc. It was a really purple time for the business, we were very, very strong.

We did a couple of things then; we still had an enterprise business selling SAP software and working with partners on an SAP. We had never made any profit, but it was one of our original partners who was running it and I just had to make a decision that that couldn't continue. We went through a difficult process of exiting, and it's difficult emotionally and from a friendship point of view of exiting him, which would happen. We gave him the business anyway, he could take the business. He subsequently built the business into a very successful SAP consulting business and sold it for a motser. And I said "Yeah, wow, good on you", but we had to get it out of our business, as we'd been really focussing in on being a

technology and a technology service and software licencing business, and that's what it still is today. What other lessons did I learn along the way? You can't do things yourself, it's very interesting, when you're back in that 14th position software business, I used to run the business with a little worksheet that had clients down one side and weeks across the top and all the potential work on clients that we can do mapped into the people that we had to do the work. And when I saw three or four or five weeks out gaps opening up, I'd go to a client and sell a bit of work there to fill up that gap. So you could actually manage it through your own endeavours. When you get into bigger businesses you can't do that, you can only manage it through people. So you've got to get the best people on the team and you've got to make sure all the people are facing in the same direction and all acting with the same intent to get the same outcome. And that's, I guess, one of the things that I was very big on in my time as a CEO. I believe, really solemnly believe, in vision statements, I believe seriously in a sense of purpose, I believe seriously in the values of a business because when the crap hits the fan and you need to figure out what to do, your values are the guideline by which you make the decisions. So I believe in those things and I believe in articulating those things inside businesses, so people really clearly understand why it is they're doing what they're doing and why it's going to be good for them because it's going to be good for the company, because they're going to be part of a successful company. And that's the sort of simplicity I guess that I take. And the other thing that is absolutely fundamental, is I believe in the numbers before I believe in opinion. I get lots of people with lots of opinion, when you ask them to substantiate it invariably it's difficult to substantiate, so I look at the numbers. And because I'm an engineer by profession so I'm mathematically inclined. But I can look at a business through the numbers and I can understand pretty quickly what's actually going on, and I think that's a learned trade, that if you're going to be a CEO it's an absolutely vital capability that you've got to have. You've got to be able to look at the numbers and understand what's going on in the business.

So, whenever I go into, and I've been working for a lot of businesses since then, I chair four companies now, first place I start is with the financials, because the financials tell the real story. Everyone wants to tell you what's actually going on, but it's not actually going on, it's the financials that will tell you the real story, so I believe in that. I believe that people think it's always better somewhere else and it's not, it's only better where you put in the effort. And so I believe the grass is greenest where you water it most, and so continuously putting and re-putting and remaking the effort and building what you've already got and making it the best that it can be, is a better thing than going to try and find a new thing to do. So there's always new things that organisations and individuals can do and it's very enticing and intoxicating to think that you can do something new and challenging, but if you just do what you're doing really, really well and continue to work hard on making that the best it can be it's a really solid foundation, and then maybe exploring different things. Data#3, right through from the early days, we were a very innovative company, we looked at the whole healthcare thing. How do you take a healthcare business and build it out of Brisbane and end up all over Asia and end up all over Australia, how do you do that? You do that because you're willing to take a chance, you're willing to have a crack. And we started a lot of new businesses off the foundation of the strong central businesses, and one of the most successful recruitment companies on an ongoing basis inside an IT company ever. We've never not looked at opportunities, but we've never ever looked to opportunities to be the secret gate, if you know what I mean, the next way forward, it's always been complementary to and adding to. So, I was CEO and managing director of the business then through from 1996 until 2015 when I finished up with the company. When I left the company, I think we were doing just under a

billion dollars in revenue and about 1100 people right across Australia, four warehousing and delivery centres, and a good business, and culturally invested in the sorts of things I've just spoken about. Even when I catch up with people, they're still talking the same way, they're still saying the same things. I find it very gratifying, frankly, that you can create something and then others can build on that but you can actually be part of creating something that's got this resilience about it. I go back to my first comment about when I joined IBM and the 12 months they spent then investing in me teaching me how to sell. Data#3 as a business is sales focused, while it's absolutely customer focused it's a sales culture. And the number of people in the sales business is the biggest of any business in Australia, and they are touching more customers every day of the week than anyone else is touching. Because clearly they've been able to continue to build a business through the strong relationships with the vendors but by touching customers, more customers than anyone else is touching, more frequently. And that comes back to my point about when I think of sales, sales experience, being in a position where you've actually got to find your next dollar by selling someone something, is a really, really solid background for a lot of things, and that business is culturally just the soundest and strongest sales business in Australia, I reckon.

So and that's a clear influence from IBM, you would say?

Yeah.

The focus on sales.

And the people who led the business, who were all, except for one, were all out of the sales businesses.

Yeah, and now can you comment a little bit on your situation being in Brisbane and that you started in Brisbane. Do you think that was to your advantage or what was the role of the multinationals that were present in Brisbane at the time, were they big competition or what was their... can you explain a little bit the situation in Brisbane at the time?

Yeah sure. Well so Brisbane was a small market, we're a big fish in a small market, we had a lot of capability here and we had strong relationships with the local multinational vendors here. All the people that were locally based here, all of those businesses ran their businesses through state businesses, so there were state managers and state sales teams and states, so you can actually build very strong relationships and do a lot of business. When we got outside of Brisbane it's much harder. It's really hard to build businesses in new markets, even though we got a footprint in Sydney through the acquisition of CIC and in Melbourne through the acquisition of Beethoven, we really struggled for a long time to build growth momentum. Why is that the case? Because our sort of business model is that you need to have a position of value to our major vendor partners, in order to be able to get included in their go-to-market programs and get your fair share of business. When you're new at a marketplace, big marketplaces like Sydney and Melbourne where CIC was a small company and Beethoven was even tinier in Melbourne, you've got to really work that hard, and it takes a long time. But you can eventually get there because you hire the right people, you're dealing with things I've spoken about, but it needed... the operation in Queensland I still think it's the biggest part of the business in Data#3, so it's delivered a lot to Data#3 in financial terms. It's allowed it to invest to build its businesses outside of Queensland, because it has had to invest. For a long time we were making scant or no profits in all of our locations outside of Queensland, it's not the case today, I know that. But for a long time, but it took us real time to get through and start to break even and then start to get money and then start to build businesses. So I the

people that I know were leading businesses out of Sydney predominantly but also Melbourne. They started businesses like we did, but they were in such big markets, so they built big businesses in those markets, and there's no difference really. I mean the markets are slightly different, I mean the Brisbane market place is very relationship based and still is that way, the Sydney marketplace was sort of dog eat dog, so you had to compete at that level, the Melbourne marketplace was sort of very conservative, so you had to play that sort of game. Adelaide was very like Brisbane but a tiny market, and Perth, long way away. You had to have a standalone operation in Perth that could do everything by itself because it's just such a long way away, and the customers don't like people coming in from the eastern states into Perth, they want to deal with local people. So, each of them has got their own idiosyncrasies, but our business model is the same at all of them, and that business model relied on the relationships with the vendors and then having a good, focused sales team, identifying customers, winning business, and then building the relationship with customers over time. So, it takes time.

And the availability of people to work for Data#3 in Brisbane, was that a different situation because you didn't have that many big companies as you had in Sydney or Melbourne?

Yeah, I think that's right, big fish in a small pond, I think you are attracted to people, I think it's very different today, by the way, I don't know about Data#3 these days, I don't know whether they still remain attractive, I think they would do. If someone wants to be in that sector of the marketplace then Data#3 is the leader in that sector, around Australia. So if you're going to play in that sector then you want to be going to the company that's going to be the most successful, with the most influence over big customers and over big vendors, so Data#3 has always been an attractive business, and that's really been good. We've worked very hard at making it attractive, and that's where values and a sense of purpose comes into it. When you talk to people in those terms and people understand in those terms and they start believing in those terms that's a good thing.

Okay, then maybe let me quickly go into some more specialized questions.

Sure.

So looking back over the whole career, what would you describe was the most innovative product or service that you were involved in? And I know in the original interview you mentioned something about that you eliminated one million minutes of wasted time with a product.

Well, it was actually we had an internal productivity drive and we set ourselves a target of saving a million minutes inside the business in productivity terms. So we didn't necessarily have a product, what we did was we got the people in the business, we set up a competition, we're chasing a million minutes, you get to name processes or things that are happening inside the business that are not working efficiently. We get to look at those and we get to make decisions about which ones we're going to implement, and you get a prize. And it was fantastic, and the change, I mean we blew the million minutes just off the landscape right, with the number of engagements that we had inside the business just to get this million minutes achieved. And we did it in a very short period of time, it was a great initiative, but it made everyone focus on how they were doing things and question the way that we're doing things. I see it in all the business I'm associated with today, they just get used to doing things in a certain way and they don't put themselves in a position where they look at it at 90 degrees, and they say is that actually the way it should be, because it's just a comfortable way

of doing things, so I guess it's something that I've always tried to do. I try to make people a little bit uncomfortable, because I've got a little property about myself that I'm a positive paranoid, right, so I've always been paranoid that things are going to go wrong, but I try to look at that through a positive lens of what can you do to make it right. So this was sort of part of that, so it wasn't a product that we developed, it was actually a process that we put in place inside the business to identify opportunities to make the business more productive.

And at the same time encouraged your employees to look at the business from...

Oh yeah, great, that's right. And business is about process, right, when you're doing the sort of volumes that we were doing it is all about getting the process right, otherwise it's a shit fight from start to end.

And when you look back at your career in hindsight do you think there are things that, apart from the two obvious big learnings, that you think that could have helped you to go further, like growing interstate sooner or are you quite happy with what happened? I mean hindsight is such a great thing.

Yeah, hindsight's a great thing. So hindsight, value of hindsight, so towards the end of my time at Data#3 we acquired a company called, it'll come to me in a moment, doesn't matter. But it was different to what Data#3 was doing, it was a software company ... Okay, it was a Wi-fi company that had developed software which allowed digital devices located in shopping centres or any sort of retail footprint, to connect to this wi-fi and be able to download into these kind of display devices, advertisements or various sorts of other things right. You see them everywhere now... Discovery Technology was the name of the company. But we bought this business because there was an opportunity to link the technology area that we were doing in Wi-fi with an application that could actually control the way information is distributed over the Wi-fi network. Anyway, we did it with some reluctance of the Board, we did it. And then we had some real difficulties, and then we finally identified an opportunity in digital signage to take this software that could actually manage the distribution across a wi-fi network of data. We identified an opportunity for that to be digital signage data and to create a digital signage environment. We partnered with an organisation that sold that sort of signage in the shopping centres, and when we needed to acquire this company and we put together a deal to acquire this company and basically, I got knocked back at the Board. And this was right as I was finishing, and I ended up staying on as Chairman of that company, after I finished, for about a period of eight or nine months to help Data#3 out. But at the end of the day Data#3 just didn't have the appetite for it, and I understand that, because it was back into the software business that we'd gotten rid of back in the early 90s, or the early 2000s at least. So it was a big sort of mental shift for them to go back to there. But because it was associated with the Wi-fi technology, I thought it was a leap we could take. That company is still within Data#3, still doing something in that area but the partner that we partnered with, that we were going to acquire, was just last week sold for \$100 million. That was the opportunity, because I had a guy in this business who was running as CEO who'd had a long history in the telecommunications business, he was a bit of a brash guy, he now actually runs Unity Telecom and they've just done a huge transaction to sell the business to another global telco, and he's going to continue to run the business. So this guy had a real vision, but he was very abrasive. So that was a difficulty but that's what also got him outcomes, but he and I could see the vision of this business, this digital signage business and where it could go to and how valuable it could be, but I couldn't convince the Board about it. I had to leave the company because it was the end of my term in 2015, and it just withered, but the partner has sold for a bucket load of money which is what we thought we could do.

So learnings, I think that it's a real pity that I didn't have the time, had it been three years earlier I might have had the time, to actually run it to ground. But I didn't have the time, so that's just something that you look back and you say "Gee whiz, it's a pity", because that could have been of real value, but look, say that and it's hard...

So what I hear is it's not just identifying the ability for a future business opportunity but also having the time to really implement it which you can't do overnight, it takes time to execute opportunities.

Yeah, everything takes time, right, so here's my rule, everything takes more time, more money than you think it's going to take, end of story, everything. So it doesn't matter what you think, it's going to cost a lot more money and take a lot more time.

Can I also ask you did you get any kind of government support, grants, tax deductions or other initiatives that helped you, other than government as a customer, obviously?

Not that I can recall, no, same with the export market development grants, no, not that I can recall, but government was our biggest customer, so yeah.

And did it help to be in Queensland to start growing government as a customer at the time?

I don't think it matters, it's a bit like, as I said before, they're all different markets right, you have to earn your stripes in every market and you just have to focus on investing and building. And that's the same with any company, once you step outside where they've started, so I don't think it necessarily..., I think the experience helps but how do you deploy that experience when it's experience of individuals inside a business in Queensland? How do you deploy that experience into New South Wales? You can do it in an advisory way, but you can't actually do it on the ground every day, you need to get people on the ground every day to do that.

I guess what I'm trying to say is did it help that Brisbane is a relatively small market where it's easier to establish these kinds of contacts into government compared to when you look at Sydney?

No, I think they're all the same Sebastian, I just think government is government. And it's hard, government is hard. I mean one other aspect of my career, which I haven't spoken about but just really quickly, I spent 25 years (from almost after I first joined Data#3, so I was at Data#3 for 36 years, so 25 years, mid, whatever it is, from early 1990s) in representative advisory groups to government. So the first one I got was a member of an advisory committee to the Minister for Technology in Queensland, I subsequently took over Chair of that advisory group reporting to the Minister and advising the Minister. I then joined the AIIA and became a Director of the AIIA and was Chair of the AIIA for three years, at the time when the NBN was launched through the Labour government and we were like this with the Labour government, we were really influential. The Institute was very influential through the AIIA with the Labour government, and in fact Stephen Conroy, the second time Rudd went to, when he was first elected, his next election, he would say that the AIIA made the difference in them being elected, because we were able to prosecute with them the case for the NBN, so that was a very exciting time. I chaired an Innovation Advisory Group for the Minister for Innovation, Kim Carr. I sat on a whole bunch of industry advisory boards. In Queensland we established a working group which sat above all of the industry associations and brought all the industry associations together with government. We rewrote the government strategy for IT with them, we were that close working with them, we rewrote the

procurement guidelines, we put in rules around procurement. Governments can't go to markets with procurement between the 10th of December and the end of January. Because they always used to put things out on the last day of the year before Christmas, and then want it back on the 10th of January, so we changed it. We did a whole bunch of stuff which had not, I don't think it still exists, but we did a whole bunch of work which tried to change that sort of, the way the government works with the industry and in a lot of ways we were successful and in some ways we failed, because that system in government is just so embedded. So that was another part of the career. And in fairness I think that when I was on the AIIA and chairing the AIIA my personal profile rose significantly, but the profile of Data#3 went with it as well, because I was on that Board. I had the leader of Microsoft, the leader of IBM, Glen Boyle was the Deputy Chair to me when I was Chair. So I had all of the major vendors, local CEOs on that Board. It was a very powerful Board, and I got a relationship with them, and I must say my stocks rose but also the stocks of the Data#3 business rose as well. And I think that was all part of, it's all in my view part of the CEO's role in building a stakeholder landscape that can make the business more successful, as well as doing things that are good for the business and good for the industry in that case.

So you think the importance of industry bodies such as the AIIA is critical for success of a business? Or supportive...?

I'd like to think so, I'd like to think so. I think the industry is like herding cats, because it's such a broad industry and plays into so many sectors from a technology point of view, and these specialisations that just don't run across sectors, and so I think it's very hard to herd them as one, so when you want to talk to... It's a bit like the indigenous community in Australia, and I spent a lot of time through my whole rugby league career. I haven't got onto the rugby league thing because I chaired the inaugural rugby league commission as well. But I spent a lot of time working with the Indigenous communities in rugby league, genuinely understanding communities, and the Indigenous communities they're tribal, right, and none of them, not all of them agree with each other. It's the same in the IT industry, we're tribal, we're sector oriented, we're specialist oriented, we're individual solution oriented, so bringing those together for the good of the industry is very, very tough, and that was a different thing that I tried to do in rugby league too, trying to bring the clubs together for the good of the game but that was pretty tough.

Do you think it became more difficult over time as IT becomes used in more and more industries, in more or more difference settings?

Yeah, so I think that's right. I think also the decisions were being taken away from the information technology officers, right, back into the businesses. So IT is an enabler for everything, it's not a sector in itself, it's actually an enabler of sectors. And we've seen that in spades through this COVID thing, right, with the change in the way that we are now working, *ala* this Zoom call, the change in the way that we're now working around the world. And it's just so accelerated the use of and adoption and confidence in technology that that's what it is now, it's an enabler of everything that happens. So we're a sort of underpinning foundation, technology is just an underpinning foundation for everything that happens in the world.

Thank you so much for taking the time to talk to us.

All right, thank you very much, Sebastian, I really appreciate it.

End