

THE ROAD FROM SUCCESS TO SIGNIFICANCE

After a very successful high profile career in the investment management industry, at 46, Chris Cuffe decided to move from mainstream commerce to the non-profit sector.

Many concluded that he'd decided to 'give something back'. Nothing could be further from the truth, as Chris Cuffe himself explains.

MY DECISION to move from the commercial sector to the non-profit world hasn't been about 'giving back'. This sounds to me like some forced obligation once you reach a certain point in your life or career and it doesn't sound like a sustainable or fulfilling motivation for anyone. My decision is much deeper than that. It's anchored around words like satisfaction, fulfilment, relevance, happiness and significance. It's about stepping outside the square, being in control, and walking the talk. It's part of my life journey of different experiences. But it

wasn't an easy decision and it wasn't taken lightly.

I began my professional life as a Chartered Accountant, working for Peat Marwick Mitchell & Co, now KPMG. Five years later in 1985 I entered the fledgling investment management industry, and in 1988 joined the newly formed investment management arm of State Bank NSW, then called First State Fund Managers. During my 13 years as CEO, I led Colonial First State Investments (as it was later renamed) from a small start-up operation to become Australia's largest and most respected investment manager.

When I left the company in early 2003, it

was valued in excess of \$5 billion, managed nearly \$70 billion of investment funds on behalf of more than 500,000 investors, and employed more than 1,000 staff.

I then joined what is now known as Challenger Financial Services Group in early 2003 as Group CEO. A period of intense restructure followed which saw the company recapitalised (via a merger, after which it became part of the ASX100), refocused, and expanded with a new management team.

In August 2004, I decided to step down from the Group CEO role to become CEO of Challenger's Wealth Management

business, a position I held until the end of

June 2006. During this time, we substantially rebuilt systems, products, processes and staff. It grew from around \$3 billion of investment funds under management to over \$12 billion during the period and was firmly established as a significant industry competitor generating substantial profits for its shareholder.

In mid 2006, with my employment contract with Challenger coming to an end, I was faced with what turned out to be one of the hardest decisions of my life.

Do I take up the offer to renew my contract with Challenger? Do I leave to take on other opportunities within the investment management industry? Do I do something completely different? Or do I 'retire' (whatever that means for someone in their mid 40's!). There were a number of factors that were influencing my thoughts.

As rewarding as the investment management industry had been for me, I had lost the passion that kept me so focused in earlier years. I had been in the industry for over 20 years and had achieved all that I could have wished for – seniority, financial security, respect from my peers, influence, significant innovation, participation in industry restructure, worked with and helped motivate great teams of people, and was a director of the peak industry body for more than

a decade. Given this, I felt for the sake of my personal growth that it was probably time to step outside my comfort zone and do something different.

I had no financial influences over what I chose to do next. Although I had never felt my career was driven by money (I was lucky that I had always enjoyed my job while at the same time it was in a well paid industry) I had earned more than I would ever have dreamed of which now provided a life-long security net for myself and my family.

Doing nothing was not an option for me. I am one of those annoying 'Type A' personalities that can never sit still (a close colleague once called me a 'machine', a curse I have learned to live with!). But more importantly, I have come to understand over time that I need to operate in a team environment. I need energetic and passionate people around me to give me that intangible 'buzz' and sense of belonging.

My DNA has me programmed to want to do things that matter. I have often said to people that when I am in my twilight years at a nursing home sitting in my rocking chair that I want to be able to reflect on a life that mattered.

I was at a point where lifestyle had become more important than career. Whatever I did next had to fit into a life where I was

in control (rather than other people, circumstances and imposed 'priorities' dictating what time I had left over). I wanted to maximise the time I spent with my children before they headed out into the world on their own. I wanted to continue to take Mondays off to spend with my wife as 'our' day, something we had done for the last 18 months and which had now become sacred to us. I wanted to ensure I always had the time to exercise regularly.

I was increasingly conscious of something I had heard others refer to as 'capitalism myopia', that nothing else of significance matters or exists outside of the pursuit of commerce, and how blinkered that could make you become. In my view, wealthy western countries like Australia have long since passed the point where increases in living standards have much bearing on the basic human dimensions of life such as how long we will live, what diseases we will suffer, the number of children that die at birth, how many of our citizens will be malnourished etc. When a society is strong then it is most likely to advance in 'matters of the community' such as democracy, tolerance, fairness, opportunity, arts, education – basically how we interact with each other beyond just commerce; I wanted to keep learning – keep the grey matter active!; And finally, I had come

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to accept that I had a relatively high media/public profile (something that has never sat easily with me) and that whatever I did next I should aim to use this as an asset.

As I sifted through possibilities for my future – including being a forensic cop (ie a white-collar crime fighter), a corporate regulator, or a financial planner – the turning point for me came as I listened to a speech by the CEO of a charitable organisation. I was so moved. This guy was talking about something that really seemed to matter. I thought how proud he must feel whenever he described to others what he did. If I did something similar I could see it being a move from ‘success to significance’. It would tick the boxes I had set for myself.

The die was cast for me after some deep naval-gazing about what really makes me happy. There is no evidence that suggests an increase in economic prosperity leads to an increase in happiness. In fact, there is plenty of evidence to suggest the opposite is true, though I suspect many are slow to work this out. But as I thought about my life and what really makes me feel worthwhile and contented I kept coming back to the same conclusion. It was helping other people.

IN MID 2006 I was fortunate, through a mutual friend, to meet up with Michael Traill, the CEO of Social Ventures Australia. Five things in particular made a very strong impression on me as a result of that meeting:

Firstly, that Michael had transitioned from the financial services industry (Macquarie Bank, where he had been for 15 years) to the non profit sector some five years ago – so there were parallels with my own situation which gave me comfort that other people who speak the same language as me had successfully made the journey before me (safety in numbers!).

Secondly, that the SVA model sounded very unique while at the same time being so obviously needed – a model based on applying business disciplines to a portfolio of other charitable organisations to assist them in pursuing their missions more effectively and efficiently.

Thirdly, that a key focus of SVA was on assessing and measuring the outcomes and longer term impact of programs to change peoples lives, something that I think the non-profit sector needs more of.

Fourthly, that SVA worked with social entrepreneurs – individuals with innovative

solutions to society’s most pressing social problems – a term that rang a chord with me given my own entrepreneurial footprint.

And finally, I had the opportunity to read the standard six-monthly report prepared by SVA on one of the charitable organisations it worked with – it was impressive in structure, clarity and granularity – something I hadn’t yet seen in the non-profit sector.

After a number of subsequent meetings I asked Michael whether there would be room



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for me at SVA. Since then there has been no looking back. SVA has hit the mark for me and I think I have been able to add value to them.

The people at SVA are smart, energetic and ‘driven’. The philanthropists who support us feel engaged. They can see their ‘investment’ in the social sector through the work of SVA making a difference. They are no longer just ‘writing a cheque’. They are on a journey with us, and one that emphasises accountability and reporting and has a firm eye on the value of the output of the portfolio of charitable organisations we support.

One of my early ‘on the job’ experiences with SVA was attending the launch of a particular project of one the charitable organi-

sations in our portfolio – ‘The Social Firm Generator’ – a joint initiative of Social Firms Australia (‘SoFA’) and SVA.

The Generator provides information, support and resources to organisations who wish to set up ‘social firms’ - real businesses with social and economic objectives that provide employment to people with a mental illness or other disadvantage in a supportive, integrated working environment. I came to learn quickly that people with a psychiatric disability are one of the most disadvantaged groups in terms of return to work, with a greater than 70% unemployment rate. The social firm model allows for modifications required to support this population to be built in the design of the workplace, where up to 50% of employees will have a disability or other disadvantage.

The particular Generator project that I attended the launch of involved the acquisition of an existing wholesale bonsai nursery business in Victoria. The acquisition, steered by the staff of SVA, comprised land, stock and goodwill and associated costs including working capital, modifications to the workplace and transactional fees (all totalling around \$800K). The acquisition pioneered a partnership funding approach, also coordinated by SVA, which included private, philanthropic and government funding as well as commercial debt. The success of this project paves the way for a roll-out of the model across Australia.

This early experience showed to me the power of the work of SVA, the skill of its people, and the critical role of the social entrepreneur – the innovator – helping to solve intractable social problems with new ideas and methods.

I have come to learn quickly that the currency of the non-profit world is passion. Extraordinary people committing extraordinary amounts of energy to make society a better place for all to live. To label that world as ‘non-profit’ is entirely wrong. It is merely that the measurement of profit is not money – it is happiness and inclusion.

The non-profit world is extraordinary. I compare it to the ocean – it is vast and what most of us ever see is only the surface, a two-dimensional view. But underneath it is a wildly varying habitat. It’s not perfect. There’s a need for continual improvement, for better channelling of resources, for more efficient use of scarce capital, for increased transparency, standard reporting and improved measurement of outcomes and impact.

Sounds like a worthy challenge doesn’t it? ○