

Podcast:

Purpose in the COVID-19 era

An interview with Shayne Elliott,
CEO ANZ Bank



TRANSFORMING BUSINESS – SEASON 2, EPISODE 1:

How ‘purpose’ can achieve a business recovery that benefits society

This year, COVID-19 has prompted business leaders and workforces to ask some existential questions: What does our organisation stand for? What is our purpose? And really: Why are we here?

Hello, and welcome to our podcast;

Transforming business with MinterEllison: ideas and challenges that are shaping our future.

What’s the first thing that leaps into your mind when you hear this question:

Why does your organisation exist?

- Is it to turn a profit?
- To delight customers?
- To make shareholders richer?
- To serve the community?
- All of the above?
- Or something else entirely?

How you answered that question might say as much about your organisation as it does about you. And really, it all comes down to purpose.

One leader who knows this better than anyone is ANZ Bank chief executive, Shayne Elliott. When COVID-19 first began sweeping across the world, he and his colleagues immediately knew their purpose: to shape a world where people and communities thrive. At the outbreak of the pandemic, that required them to protect their people, customers and essential banking services; while enabling a 40,000-strong workforce to adapt; and engaging with a multitude of stakeholders, to keep them in the loop.

So, how is ANZ Bank doing? What has Shayne Elliott learned? And how will purpose guide him and the bank during and after the pandemic?

To find out, MinterEllison’s Chief Executive and Managing Partner, Annette Kimmitt joined Shayne for a virtual chat.

**Annette
Kimmit:**

Shayne, thank you so much for chatting with us today. I have heard you say before that an organisation that has purpose at the centre of the way it's run is really pursuing the ultimate profitability strategy because ultimately that's what your customers and the community expect. I'd love to hear more about how that philosophy is really guiding ANZ and its ongoing transformation and its culture.

**Shayne
Elliott:**

Yeah. Well, thanks for the opportunity. Actually, I've been at ANZ for 12 years and I've been CEO for almost five. Actually in a formal sense it's partly we were just talking about where our purpose came from, because it wasn't something that I inherited. It wasn't here when I arrived and neither did I write it. There was actually a group of our own people who about six or seven years ago wanted an executive development programme and they were talking to great companies, big, small public, private, family businesses, et cetera.

And they came back really excited. And I was a sponsor of the programme. They came in really excited about what they'd learned about strategies and visions and all these great things and values. And a few of them said, "But one thing that was really common and all these companies that really, they reflected on was they all had a really strong sense of purpose, why they exist, what they're about."

So we set about doing some work and we did some work with some of the great companies of the world, including Unilever, who were sort of famous in this area. They reminded us or told us, look, you don't make this stuff up. ANZ, it's almost 200 years old, you actually have a sense of purpose. Otherwise you wouldn't be with us today.

You have to just find out what it is. It's more of an archaeological dig and that was the term they use. You have to go back through your history and find it. What is it that has sustained you? So for a long period of time, that was probably over adding months of digging and speaking to different people were able to articulate what that was, which has to shape a world where people and communities thrive.

And that has become this foundational piece of everything that we do. And if you really sort of internalise it for our people, it will shape the decisions that you make every day. Who we bank, how we behave and the things that we care about and the areas that we shape in the local communities. That has influenced our decisions every day. And 95% of our people tell us that our purpose actually influences them every day in terms of their decision making.

And of course, that purpose really comes to light in a time of crisis. And this crisis today, obviously it's a health crisis. And communities and individuals worry about their future, their safety, they're stressed and a thriving community needs in our view, support and a bank that can support them through those really difficult times.

And we're also fortunate, I would say it's important that in order to fulfil that purpose, it's nice to have the ambition, but you need to have the capacity and that capacity to do the right thing. The capacity to stand behind those words comes in different forms. It comes in a very physical sense of, are we ourselves a robust organisation? Do we have the capital to be able to do those things? So there's this sort of the hardware, if you will, and then there's the software.

Do we have the people who believe that and actually will act differently as a result of that belief? And that's what we've been working on over the last few years, and it's not perfect, but it's pretty evident. And we can see evidence today that as a result of that sense of purpose, we are acting and behaving differently, and our customers appreciate it. And all I would say about that alignment with profitability, we're not doing it in order to make more money or make a higher profit, but we don't believe that pursuit of purpose comes at the cost of running a good business. And so we believe there's a sense of holistic sort of better performance, both from a quality and a financial sense.

**Annette
Kimmitt:**

Your comment about this being an archaeological dig really resonates because I know in our own firm, which is also almost 200 years old, I, as a new CEO, couldn't come in with the answer to what the purpose was. And we went on a similar exploration of discovery of our history. What was the founding of the firm grounded in? And we looked deep at ourselves and our history to figure out what is it we stand for as a firm and who are we, what are our aspirations about who we want to become?

That really resonates and equally the idea that it is about the hardware and the ability to deliver on that purpose by through the infrastructure and the people, I think is something we've also found through this COVID-19 process has been really important in guiding our decision making as well. You talked about this crisis as being a health crisis. I do think business and government leaders are going to be focused on factoring in the health and social consequences and dimensions and not just pure growth and profitability dimensions into the way they think about how they deliver services, how they interact with the market for some time. Do you think that's going to become a more permanent feature of how we make decisions into the future? Or do you think this is just something of its time?

**Shayne
Elliott:**

No, I think it will be a permanent shift. I mean, from our perspective, we're really privileged. We have a large number of employees. We employ about 40,000 people across 30 odd countries. About half of them live in Australia and about a quarter of them in New Zealand. And then we have about 8 million customers. And in today's world of real time data, which again has really transformed the way we conduct our business, but also our ability to analyse and see what's changing.

We are able to see almost in real time how our customers big, small and whatever are actually behaving, where they're spending, what they're not doing. Are they saving? What are they spending on? How are they spending? Where are they spending all of those things? What we're saying is that there has been an acceleration of some pre-existing trends.

For example, there already was a move towards working from home. We have flexible working. We've had it for a number of years. We allowed people to work part time jobs sharing sometimes at home and the office. This has just accelerated it obviously. Where now we have 95% of our people being forced to work from home, there already was a trend of people moving away from needing to go to a branch and preferring to do their banking on a phone.

This has just accelerated dramatically because the branches, that people don't feel safe being out, or the branches would have to close temporarily. There already was a move from cash to credit cards or debit cards. So anyway, all of these things have accelerated. Humans are amazingly adaptable. I mean, if one of the things we've learned through this is it's amazing how adaptable communities and people are, how quickly people have been able to change their behaviour and sort of adapt and get on with things.

I believe that much, maybe not all, many of those behaviours are permanent changes. We've learned that you can actually order lots and lots of stuff online and it's okay. We've learned that you can work from home actually, and then it's okay. I imagine a lot of these changes will be with us. I think the other thing that it will happen is because of the quite significant shock on the psychology of our customers, people are more stressed. People are more worried. People are potentially more risk averse.

That will also change the way they consider our products and services. So the way they want to interact with them. So we don't deal not really with physical product alone, obviously cash and credit cards you might say, but hygiene is obviously going to be an issue. The way people work, the way that people interact. I imagine that, that will stay with us for quite a while.

That doesn't mean that everybody will be wearing a mask for the next 20 years, hopefully, but I think people will be more thoughtful about hygiene and human interaction. So yeah, I do think it's going to shape the future. I think the difficulty with that is you always have a choice in a company. We could spend huge amounts of time and money trying to figure out and predict what that is.

I would suggest that's probably a wasted effort. I think all we can do is remain adaptable and stay low. It's going to change. I don't know exactly what people will be doing in a year or in five years, but it's going to be different. And I don't know exactly what they'll want from us or expect from us in terms of behaviour or the way they interact from us.

But I know it will change. So that's why we go to the core part of our strategy anyway, which is flexibility or adaptability. Being prepared to change, being willing to change and having the capability to flex then change as the environment shifts. And banks a start they've been really bad at this because we might be 200 years old, but we as an industry we've generally been built on fixed infrastructure, big building, big branch networks, huge data centres, which are fixed in nature.

And so it's quite difficult to move from that old world to a new world that requires speed. That requires fast change and do it in a really safe, important way. Because remember in our business, we're dealing with something that's of massive value to people, their money. You can't get it wrong. You can't say, "Oh, well, we moved to this new office, but sorry Annette, we lost all your savings. And don't worry about it because it was a really fun experiment we ran."

We've got to be able to make change really safely. I think it's all about keeping flexible, keeping on your toes, keeping an eye to the future. But yes, there's undoubtedly going to be as huge amount of change.

Annette Kimmitt:

Shayne, how has all of this impacted the confidence inside ANZ. As you said, 200-year-old organisation, banks are notoriously slow to move, has this really lifted the confidence of your people in their own ability to be agile?

Shayne Elliott:

Absolutely. I mean, probably the most obvious example was the whole move to work from home. I mean, again, we operate in 32 countries, almost all of them literally we had to move our people to working from home. Some we had sort of week or two of a time to do it. In some countries like India we had a weekend to move 7,000 people to working from home and we did it. And we did it and we were able to fully function. We had almost no hiccups.

It was a massive boost to people's confidence. Wow! We did that. And I think if you'd have asked, I think we surprised ourselves to be perfectly honest. And we sort of joke about it here, but I think it's true. If we just sit around the night and then one day you forget COVID and said, "Hey, I've got this great idea. Why can't we just get everybody working from home? And can you do it by Tuesday?" It would never have happened.

I mean, we would have had all sorts of people telling us why it couldn't be done and thinking we've done all sorts of mitigation programmes, all in well-meaning. But in this time of crisis, we were forced to do something, and we did it. So, that was one. I think that has been enormously? boosting confidence. The second one was, and again, it goes back to the early question about purpose and also culture of the firm.

In a time of crisis and good cultures anyway, people actually bind together. And so they actually become much more supportive of each other and actually much more respectful and empathetic of their team members situation. We actually saw an increase in that sort of collaboration, that care of people on the team and also the respect for the reliance on others. I'll just trust that this other person is going to do what they need to do, et cetera.

I think trust went up, their collaboration went up, and this is general sense of capability. Now, like a lot of firms, we survey our people to death probably, but we survey them a lot. And we had a huge boost in our engagement. Like most institutions there's some sort of a rally in a time of crisis but we've actually seen that we've been able to sustain that. Now people tell us the things that I just went through in terms of what they've learned about it.

Now the real challenges I think for an organisation like yours or ours is, how do we retain that? Because what we don't want, when things go back to normal, whatever that means, there are some things that we want to hold on to. So we deliberately went and had sessions. We encouraged all of our teams, take time out, whether it's on zoom or whatever, and spend time. And we actually had a formal, we gave them some templates to have these conversations.

What have you liked about the change and you want to keep? What are the things you don't like about it actually and you don't want to keep? And how do we actually consciously learn and hold on to some of these things for the long-term?

What people like is clarity of purpose. In a crisis it's really clear what we have to do, and we have to get everybody working from home. That's what we have to do. People love that clarity. And so in more normal times, we're not always very good at doing that for our people. We tend to overwhelm people with lots and lots and lots of competing priorities and messages. And so I think some of those things have been really great lessons.

And also, the other point that came through is that what's also great about clarity is a clarity about who's doing what. What am I doing? What are you doing? And I trust you to get all of those things. So there's a bunch of learnings we've had. And then what we did is we tied all of those things up together at a group level and said, "Okay, how do we sort of group-sweep all those learnings into piles and actually have a group wide response to it around retaining some of these things that we've learned in this time."

Annette Kimmitt:

Shayne, one of the things that I think banks, in particular ANZ, but all of the banks have been singled out for through this crisis has been a purpose-led response. Do you think that's gone some way or is going some way to offsetting some of the reputational damage that came out of the Hayne Royal Commission?

Shayne Elliott:

Well, I'd hope so. I mean, I've been asked that question in slightly different ways and way people have said: 'Is that why the banks responded in that way?' This idea that somehow, we were worried about another Royal Commission or et cetera. I can tell you that and didn't, I actually, I believe that's true of the industry. I don't think that's what drove people. Clearly, we learned something in the Royal Commission. No doubt about that.

But I'm not sure that it's been as sort of thoughtful as that as a funny way. Because actually the other thing that comes to the fore and in a time of crisis it's sort of, in a funny way, we don't have time to think, actually. You go back to your core instincts. The true character of people and organisations and cultures comes to fore, good and bad. Under any stress. Well, we were under stress. What I'm proud of is the good things about ANZ came to the fore.

Care of customers, the care of each other, and willingness to do the right thing by the community. And so I think that's really reassuring as a senior leader. What is our purpose? What are our values? What are the things that we care about and how do we make sure that we get on the front foot and do those things?

Remember our purpose is to shape a world where people and communities thrive. Well, obviously we hope that through our actions, we shape the world. And in this case we hope we are supportive of those people who need it. But it's not to get brownie points, but it's really to say, now we want to have an impact.

Annette Kimmitt:

Prior to COVID hitting I think it's fair to say CEOs, not just in banks, but CEOs right across the board were really grappling with navigating increasingly divergent shareholder interests. Do you think there's going to be a greater attention coming out of this crisis in terms of different shareholder expectations? Do you think shareholder expectations are going to change as a result of this crisis?

Shayne Elliott:

It goes back to what we talked about before. I think those trends were already there and this has just accelerated them. I mean it feels like ancient history, doesn't it? But pre-COVID, which is only six months ago. I mean, there was an accelerating conversation globally about the role of business and how business, whether it was around the single pursuit of shareholder returns. And how do we think about other stakeholders?

I think what we've learned here, this has just accelerated that conversation. It's brought forward other parts of the whole ESG conversation, if you will. I think it's probably in that thing. I think it's accelerated. I don't think it's necessarily new, but it's made us even more aware of what is the role of business in a time of severe crisis. For example, how do we think about time horizons differently?

It's pretty clear that as the CEO of the bank, if my job was to run the bank for tomorrow, I mean, Saturday, Monday, as opposed to next year or five years or 10 years out, you would make different decisions. And I think what we learn in these sort of times of crisis, again, your horizon has to be much longer because you need to be able to see your way through. And therefore, that's why things like reputation matter. Yeah.

Because then, in the long term, that sense of purpose and reputation will sustain your company and the value that you create for the community over a much longer periods of time. I think COVID has probably reminded that many of us, some of those questions and being more thoughtful, we've had to be more thoughtful about that with our boards and with those various stakeholders.

**Annette
Kimmitt:**

How do you think that will manifest ultimately in the way that organisations report? We've been seeing increasingly for some years, focus on environmental reporting, alongside financial reporting. Do you think this is going to see changing or evolving or accelerating expectations around other forms of reporting, like reporting on; social issues, supply chain issues, human rights workforce practices. How do you see this playing out in a reporting sense?

**Shayne
Elliott:**

I think there are two ways to think about that. It's probably more but at least two. Again, we already, we're moving into a world where we sort of had a very simplistic level dual reporting responsibilities. We have our financial reporting which is very set, you know: annual results announcements, AGMs et cetera. And then, we launched a couple of years ago at ANZ, an ESG reporting timetable as well.

Which is at a separate time where we have the same: where we hold ourselves to account around our performance on a whole range of ESG metrics. I think it's going to accelerate. And we were, without being arrogant, we were sort of a leader sitting in Australia in having that and having that day and another, a few other major companies are followed and now have similar ESG days sort of hold ourselves to account. I imagine that will accelerate.

I think people will be asking more questions about what it is as a company, what is your role in the broader community? What is your role around environmental sustainability? What is your role around health and hygiene and all of those other things that come about? So, yes, I think that will continue. On the other side and perhaps it's probably very pronounced as a bank, but it's truly sure of all companies. What this has raised is bigger questions about the risk profile of companies.

How do you think about supply chain? How do you think about your employees, your ability to work from home? How do you think about your dependencies on outsourcing services to other markets? How do you think about your global reach or the nature of your networks and all of those things? Many of those things, to some extent we took for granted. I can tell you that the businesses like we had a pandemic plan.

We've identified pandemics amongst our big list of things that can go horribly wrong. But what we didn't ever have, and we operated, as I said, in 30-odd markets, our core assumption was that there would be a pandemic somewhere, not that there'd be a pandemic everywhere. And so, now we have to think more broadly in terms of risk management. I think again, we'll learn to be more considered about some of these other risks.

So yes, there's an ESG. There'll be more demand about your social purpose, your social licence. How do you behave? Are you behaving well and to the long-term community interest? I think there's going to be a big debate in Australia and globally just about that sense of the social responsibility of business and social licence and that's going to increase. And then the second point is there's sort of the more hard-edged piece about how you think about risk management. And a lot of that will be the sort of not financial pieces, but how do you think about some of those risks and the way that you run your business around supply chain and other things.

**Annette
Kimmitt:**

It's interesting. We had a similar experience where we're dusting off our pandemic and our business continuity plans, which are all grounded and your single office going down. We've got offices in Beijing and Shanghai. We were dealing with the pandemic in those offices and had started to think about what if we had to shut down one of our Australian offices. Our plans didn't contemplate shutting down the entirety of our operations and moving to remote. So, it has also for us caused us to almost go back to ground zero in rethinking our approach to thinking about risks.

**Shayne
Elliott:**

But what's interesting about that - because it would be easy to be critical and say, "Oh well, why'd you bother having a plan? What a waste of time. It was wrong." But you got actually, the purpose of the plan, wasn't that you had a manual, that said, "Oh, we have a pandemic. Grab the pandemic manual and we'll get it out and it'll tell us what to do." It isn't that, it's the fact of going through the planning and the thinking that said, we've thought about this. We've given some thought or what happens if we had people were unable to come to work? What would we do?

Now, it's much better to have that thinking, even if you kind of got the detail wrong about where it was or what it was. So I think that idea of, again, people doing scenario planning and sort of what ifs. And I think the other point I would make on that, which I think is easy to lose in this sort of COVID discussion is quite understandably everybody is focused on the risk and the downside and sort of survival and how do we get through this. But there is opportunity.

And we shouldn't forget that history tells us that it's actually in times of crisis that new leading firms emerge and those firms that are able to transform extra, go into leadership positions. It's interesting if we go back over the last 50 years, many of today's leading companies were founded in a time of economic recession or crisis.

Microsoft, Apple, Amazon came to the fore and is again, growing through this point of view. And we've seen a lot of rotation and it's not just in the tech industry, by the way, it's right across the board. So there are opportunities because what's happening is there is a shock to the system. Consumers change their behaviour and they suddenly have new needs as a result of that. And new companies come along and satisfy those new needs, or old companies were able to transform and flexibly change at pace are able to identify those new needs and do something about it.

I don't mean to diminish the devastation and the terrible outcomes that this is having on so many people, but you also as a business need to look and say 'But there is opportunity; opportunity to support our customers who are going to grow and do really, really well. And also for us as a firm. How do we pivot so that we can actually make sure that we're flexing in the right areas, so that we're actually provisioned for longer term?' Even more success in growth as a result of this.

**Annette
Kimmitt:**

As we think about coming through this current crisis and a focus on how we drive economic growth, and when you think about the policy levers available to government or available to business, how important is having a purpose focus going to be in driving economic growth?

**Shayne
Elliott:**

I'm not a politician, I'm not a public policy person. The impact has been on businesses and people who've done nothing wrong. In more normal sort of financial crises while bad things happen, generally it's because businesses were over leveraged, or they were too concentrated or so they'd made some poor decisions. That's not what happened here.

I think it's going to be of sufficient shock that people will question the very nature of our system at some level capitalism, but also at as sort of more practical level, the role of business and the role that we play in the community. And again, I think there'll be a greater demand for balance between yes, I understand we need to generate profits to pay dividends which has encompassed so many people in our home markets, but also the need to be able to do that, to support the community in times like this, for the long term.

I think that's going to have quite, I imagine, and profound is maybe too strong a word. But I think it will have political consequences about what the electorate and what people are looking for and seeking. So when we talk about economic growth, what does that mean? And growth at what cost and what constraints and what conditions and how people think about that. What do we hear everybody talk about working from home?

Yes, there's all these difficulties. Yes, all these bad things, but people reflect on actually, it's quite nice to spend more time with my family or my loved ones or my partner or whoever, those things. So there are benefits. That will be interesting to see, I'm not sure that everybody wants to give that up. The fact that people like you and I are, I imagine, aren't travelling like we used to. And there's a wonderful upside in travel, and it's lovely to go and see people and all of those things.

But I imagine people will think twice a little bit about a lot of that. About the time that people were commuting and now filling up, I don't need to do that. I think a lot of people will not just be questioning the way things are and the way things are done. Now, I'm not suggesting it's going to be a radical change on every aspect of our lives. But I'm just saying, I think lots of these things will cause a rethinking, a questioning of the sort of system, the role of business in the system, how government interacts with industry. The expectations of senior leaders, how we behave, what we talk about. Your question about what do we report, how do we articulate success to the community, et cetera. So, yes, I think that'll be a dialogue that'll probably go on for some years.

Annette Kimmitt:

Shayne, what have your customers and your people been looking to leadership most for to get them through these crisis?

Shayne Elliott:

Well, one of the priorities for us has been our framework for dealing with it, which is our sort of, protect, adapt, engage, prepare framework. I mean, we get asked a lot in it about from business, our customers. Well, one of the interesting observations that as I mentioned, in a time of stress, which is what this is, people whether it's our people or whether it's our customers feel overwhelmed. 'I am overwhelmed because I'm dealing with my own stress, working from home, having home schooling, whatever, financial stress, whatever my worry about my job. And I'm getting completely overwhelmed with information.'

'There's all these things telling me about the crisis, about the number of people infected. There are all these wacky theories about what it is, what it isn't, et cetera.' At a time like that people actually want clarity. And they want, almost, somebody to tell them what to do. It's a little bit like the old theory of management, right? There are various styles of management and one of them is a directive style. Tell me what to do. I'm going to tell you what to do. I'm your leader.

That actually gets dismissed a lot as not very modern and all those things, but actually in a time of crisis it's really effective. So people say, "Just tell me what to do even if I'm a business." So we've shifted a lot more into that more directive to give some guidelines. We have this four-part programme called Protect, Adapt, Engage, Prepare.

The first thing you got to do is you've got to look after yourself. You got to protect. And protect is, in a bank's sense, protect our balance sheet, take our deposit base, to protect our customers, protect our people. Are people safe? Hand sanitizers as much as anything else. So protect. That's the first thing. But you to move quickly to adapt. Which as now I've got everything in order.

I need to adapt to the new reality. Working from home, being the obvious one, I need to adapt. Restaurants need to adapt to do takeout. I need to move and figure out how to do delivery. I need to do that. I need to adapt to the changing needs of my customer or my workforce. Third. And it may be more for us but engage. Engage again, in that time of stress, things change really fast.

You need to be engaging with your customers at a geometric rate compared to what you're used to. Because their lives are changing fast, they needed changing. You need to be able to ingest that in much faster time. Plus, people want more data. I don't know about you, but I've probably had more phone calls from customers during this period in the last four or five months than I've had in five years.

People are needing that sense of; I want to know what's going on. I want to understand more. And so the level of engagement increases. And then finally it's about preparing for the future. That's, well, the world's going to be different. I don't know how. It's going to be different and so we need to prepare for that. Because the risk is if you get stuck and protect and a debt you'll survive potentially, but you won't thrive. And that's the real, I think the balance that business needs to get right.

When we develop that framework and share it with people, what was interesting is, we didn't think of that, but people come in and actually it's not a bad personal framework as an individual. The same thing you do about your own, like protect, make sure you're healthy and safe, and you're financially secure. You have to personally adapt Zoom and whatever it is for being at home. You need to engage more yourself with your work colleagues, your family, your friends overseas, all of those things that make it. And then prepare yourself for the future.

What does that mean for you in terms of your future role as in life? Is it about reskilling, et cetera, and just rethinking what you're doing? That has been something that we did sort of on the spur of the moment, but actually it's been really interesting to watch how it's, that most sort of sustained us through this period of time and given people a framework for thinking about what's important.

**Annette
Kimmitt:**

Shayne. Those four dimensions that you talk about in leading through the crisis. I have to say they really resonate for me. We've taken a very similar approach in our firm. As we've really pivoted and tried to pivot quite deliberately now at this point, much more of our attention as a leadership team at MinterEllison to beyond COVID. I'm interested in your views about how your leadership team is dividing its time up between that adaptability, that connection right now, and also that longer term focus. I know we are being very deliberate in trying to spend more time now in that longer term. How are you doing it at ANZ?

**Shayne
Elliott:**

Well, you've got to kind of stay on your toes because the world keeps changing around us. I don't know that there's a formula to it other than clearly at the beginning, you focus a lot on protecting and adapting because that survival is the most important need at that point. But as you get more confident on those things and you can prove yourself, you've been able to do it. We've been able to get all our people working from home. We've been able to keep operating. We've figured out how to get stuff done.

You quickly move into the next phase about thinking about the future. I would say today, for me, anyway, it's much more about thinking about the future than it is about the protection piece. But we're a team and so my team, we're at different stages of that because they have different roles to do so. So the people and technology are still very, very focused around things like protecting a debt.

Why? Because, we're seeing massive shifts in consumer behaviour, therefore driving all sorts of different volumes that we've never seen before. We also know that sadly at a time like this, you're more prone to things like cyber attacks. So again, different horses for courses. So tech, probably more on that. But our business people, our institutional bank, our consumer bank are much more focused about, there's still getting a lot of work on a deck, but much more focused about the engagement and the preparation.

It's quite fluid. And the reason why I say we continue to change, is because we had a bit of a setback here in Victoria, in terms of the lockdown. You sort of need to pivot back a little bit and step back and say, "Hey, we need to go back and rethink about that 'adapt'. What does that mean?" When we did that we really, in simple terms, we literally split the team out.

We have under each of those quadrants, we sort of know who's doing what, and we have a little governance process, if you will, around each one, they're all different. Some of those teams meet every week. Some don't need to, but we're sort of being very conscious, but what we want to do is make sure we stay agile and we don't get locked into things just for the sake of it.

**Annette
Kimmitt:**

What do you think as you think beyond COVID, what do you think some of the big thematic shifts that will come out of this crisis will be in terms of impact on your business model? I know again for our firm, the rise of virtual, the rise of digital, the importance of resilience, not just growth. Some of those things we think are going to have profound impacts over the long term on law firm and professional services business models.

We're starting to turn our mind to how our business model might be affected. What do you think might be some of the big thematic changes that will have the most impact on your business model as a bank?

**Shayne
Elliott:**

I think there'll be three, and then probably more than that, but the big three if you will. One, is just, as you mentioned the digitization. Of course, it was already in place, but clearly there's been a step change in customer expectations. And that's going to drive us even further down the need to digitise and provide online solutions for almost everything we do.

And actually, even in this period we had some roadmaps about how we would do that. We bought them forward. For example, it's not that long ago, literally weeks, if you wanted to open a new account at the bank you sort of had to turn up with your passport or a driver's licence so we can see you. So we had it on the roadmap if you had to do that digitally or remotely, we just brought that forward.

I think that's going to be a profound, but probably pretty obvious. The second one again is for bank, anyway, I imagine it's the same for your business. As I mentioned, we have been through crisis before. This is very different. But we've been through crisis before. What we know is the way that as a bank, that you treat your customer at a time like this will never be forgotten.

I can't tell you the number of customers over the years, way before COVID, when I came into this role who chit chat before we sit down and talk about anything meaningful will tell you, "I remember in blah blah time, '91, when the recession hit ANZ supported me and I will never forget that." Right? Those are told time and time again. So you have this amazing opportunity at a time like this to stand behind the people or your customers who have the character and the capacity to survive for the long term.

I think that will be again, a big profound shift. And remind people actually, I mean, this sounds horrible. I don't mean it to be, but in a funny way, crisis reward those strong relationship based banks like ANZ. Because when times are good people forget the very relationship, because "I can get a loan from anybody. I can do my banking with anybody", but at a time of crisis, it reminds people of the importance of, "Hey, I know my banker, I know who to call. They supported me. They stood behind me."

We see a massive opportunity there. And what we're doing is we've actually undertaken a big programme, cross up to various customer segments. Also, it's also a massive learning opportunity for us. At a time of crisis people behave differently, you see the true character. So we're going through literally name by name of our corporate customers to say: "How has this customer behaved? How did they treat their employees? How did they treat their suppliers? How have they behaved in the community?"

Because at the end of the day in our business, character is everything, and that's when we get this like Petri dish opportunity to see that. So we've got to take advantage of that. And I think that will change the sort of relationship nature of our industry. And the third one is probably a little bit to ANZ. We're a regional global firm. We operate in 32, 33 markets.

We intermediate a lot of Australian and New Zealand trade and capital flow with the rest of the world and vice-a-versa. Clearly this has caused tension geopolitically. More of our customers are thinking about supply chain, thinking about where they have their offices. Do we want to have all of our offices or supply chain in China? Do we want to rethink how we engage with the rest of the world?

And so we have a really big opportunity. I think there's going to be a lot of questioning about that. We have a real opportunity to help guide customers through that. Because there's a big wide world out there of opportunity for Australia and New Zealand customers in particular. And we've been in many of those countries for a long, long time. And so we have the ability to help and actually guide as I say, customers towards those opportunities. I think those are the three things that will digitization, the reinforcing the value of relationships and us being able to again, show the value of our network to our customer base.

Annette Kimmitt: Shayne Elliott, thank you so much for your insights today. It's been an incredibly wonderful experience to get to have a chat with you about your experience leading ANZ through the crisis. I just want to close by saying on your second point about reinforcing the importance of customer relationships, MinterEllison, as a longstanding customer of ANZ, we were on the receiving end of just that experience through this crisis.

Shayne Elliott: Well, thank you. I'm really proud to hear that. I'm blushing actually. I'm really proud of that because we do have really good people and it goes back to where we started and that sense of purpose.

When you look back, you'll be asked about the things that you are proudest of and it is things like that. I think that, that ultimately is the source of your competitive advantage in my view, is your culture and at the root of that is your sense of purpose. And so that'll be the sort of things that I think sustain ANZ for the next 200 years. Anyway, thanks for the opportunity for a chat.

Annette Kimmitt: Thanks so much Shayne.

That was ANZ Bank's Shayne Elliott in conversation with MinterEllison's Annette Kimmitt.

For more information about these issues and more, visit minterellison.com/podcasts

If you enjoyed this podcast, please remember to subscribe so that you don't miss future episodes. And you can rate, comment and listen to our previous episodes on Apple Podcasts, or wherever you listen to your podcasts.

In the meantime:

Thank you for listening.

And goodbye for now.

Note – this podcast was recorded on 31 July 2020.