



## 2023 Green shoots of change

Reviewing the 2022 bold moves in the boardroom report

**CASE STUDY 3: In a digital world, deep tech skills at the board table are a must have**

*The following case study is part of a series entitled 'Green Shoots of Change' which builds on insights from the 2022 report, Bold moves in the boardroom: skills and capabilities fit for the future. That report challenged boards to broaden their composition to include more board members with backgrounds in HR, marketing and digital. The purpose of this series is to highlight recent appointments of non-executive directors from diverse backgrounds so as to inspire other boards to act.*

Innovative payments provider Cuscal Limited understands the value of appointing directors with deep digital expertise as it competes with the major banks for business in an increasingly data-driven financial services ecosystem.

## Bolster the board's "digital fluency" by adding technology depth

For payments business Cuscal Limited, the intersection between finance, digital products and data is at the heart of its vision for long-term success.

Launched almost 60 years ago to support credit unions, it has evolved into the largest independent provider of payments solutions for the Australian financial services sector.

Given that the business' future is closely aligned with digital payments technology, independent chairman Elizabeth Proust AO knew when she took the reins in 2020 that Cuscal's board would have to inject additional specialist digital skills into its ranks to build board members' existing digital fluency.

"It became very clear that what we needed was somebody with technology, data and AI experience," says Proust, the former CEO of the City of Melbourne whose distinguished career as a company director includes current roles on the boards of Lendlease and GQG Partners.

After an intensive search, Cuscal in early 2023 appointed Claudine Ogilvie as an independent non-executive director (NED). Previously the Asia-Pacific director digital and innovation for British multinational foodservices business Compass Group, she brings more than 20 years of digital transformation and cybersecurity experience to the table through former CIO roles for Jetstar and Ridley Corporation.

Proust says all board directors need to be digitally fluent, so they understand technology, cyber, data,

automation, AI and risk management, and in an era when digital distribution platforms are a crucial element in many industries this is even more pronounced. While her existing board members offered significant banking and technology skills and had some degree of digital fluency, they did not have Ogilvie's "deep expertise" in technology.

"That's now demonstrated by the questions Claudine asks at board meetings, by the work she does between meetings, and how she helps to bring people along if they don't understand," Proust says. The result is that, with the combination of board skills that Cuscal possesses, "we're pretty confident when we get to the end of a particular topic that we've nailed the decision".

For her part, Ogilvie believes she brings "nuance" to digital discussions and decision-making in a way that a generalist director cannot, enabling Cuscal to reach more credible answers on its future digital strategies. Not only does she ask questions with more depth and layers, but Ogilvie says she can interrogate the answers. "My core expertise is in digital data strategy innovation, and that's really important to Cuscal," she says. "It's at the core of its value proposition in payments, in data, and it's something that Cuscal feels is really important to its future."

This recognition of the importance of greater technology expertise underlines a key theme in the Bold Moves in the Boardroom report, which notes that future-fit boards require strong governance foundations, plus a broader set of skills and capabilities, including digital, technology and data literacy.

## Make sure the digital skills on your board are fit for purpose

Cuscal flies under the radar of the public. However, through alliances with mutual banks and credit unions, Proust argues that its operations are instrumental to the financial functioning of business across the country. Cuscal's recent acquisition of Basiq, a Sydney-based open banking start-up, further ramps up its fin-tech credentials.

Ogilvie says Cuscal's board has long possessed strong skills that are critical to its business, including finance, banking and payments expertise. "But what was missing and the gap that I think I fill is certainly in that strategic approach to technology, to digital, to data, which is a big part of its future," she says.

With technology morphing from a back-end, enabling function to an asset that is at the core of an organisation, digital depth has become a key component of an organisation's value proposition, and that is where Ogilvie fits right in.

Proust knew exactly what type of skillset she was seeking, and that led to Ogilvie's successful appointment. However, Proust posits that not all

NEDs with digital backgrounds have had a smooth experience. Indeed, she believes some boards need to rethink their approach to recruiting directors from a digital background because there has been a tendency to simply appoint anyone with a broad technology background – "Just get someone" – and this has led to some sub-optimal appointments. Just as finance directors need to be carefully selected, digital directors must be fit for purpose, Proust says.

In the Bold Moves in the Boardroom report, it is recommended that companies recruiting directors should broaden the brief and search in new fields for missing capabilities and skills. "Design a board member success profile, in concert with search firms and investors, which reflects the critical underlying skills and capabilities identified in this report, rather than just past board or executive titles," it states. "In particular, look beyond existing networks and traditional executive roles (such as CEO and CFO) to encompass those with sustainability, STEAM, digital, transformation, marketing, legal and regulatory as well as people and culture experience."

## Make sure you partner with the right executive search firm

Confirming the imperative of getting the search process right, Proust admits recruiting Ogilvie was “not as swift or as easy as I thought it would be”.

Cuscal initially engaged one recruitment company to find a director with technology and AI skills, only to be presented with a list of generalists who did not meet the brief.

“So, we moved on from that recruiter, hired somebody else and they really got the brief and came back with about 13 people, half of whom could fit the bill,” Proust says. “Recruitment firms need to understand the brief they’re given, the discussions they have with people, and then go and find these people. They’re sometimes more difficult to find than generalists, but they’re there.”

As to the issue of whether a board ought to comprise just generalists, or a mix of generalists and specialists, Proust acknowledges the tension, but suggests a third way of seeing things. She states: “In the past, I think people were able to find their way on to boards with one specific skill (such as) ‘accountant to chair the audit committee’ (or) ‘lawyer with deep experience’. Today, boards are looking for a range of skills and they will often specify ‘strategic thinker’, ‘digital experience’, (or the ability to) ‘run a large business or run a large line within a company’ – all attributes that Ogilvie brings to Cuscal. So, the more that people can tick a few boxes, the more likely they are to be on boards, even if they have one deep skill.”

## Final words

As boards consider their composition, Proust says they could take a leaf out of the book of Lendlease, which conducts a skills matrix to identify and verify the competencies of board members. That snapshot is then published in Lendlease’s annual report.

With Cuscal pursuing a public listing this year, Proust says such boardroom best-practice will be more important than ever. “That’s the sort of transparency that I would like to bring to our annual reports as well.”

In counselling other boards, Proust also advocates having a “really good” induction for directors, followed by regular check-ins with the new non-traditional appointee to make sure they are feeling supported and a valuable contributor to the team.

Now settled into her Cuscal role, Ogilvie revels working with her fellow board members, as well as the executive team. “We have a really great diversity of people with deep expertise in industry and in their fields, but also they aren’t just experts in their fields, they are forward looking,” she says. “They have a transformative mindset”, exactly like that of Ogilvie herself.

For more insights on boards of the future, click [here](#) to read the **Bold Moves in the Boardroom** report.



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