



2023 Green shoots of change

Reviewing the 2022 bold moves in the boardroom report

CASE STUDY 5: How pairing a digital lens *with* a customer focus creates a visionary board

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.

Lifestyle Communities, an ASX 200 company providing affordable retirement living in Victoria for over-55s, is prioritising digital skills on its board to access potential customers who are now much more digitally fluent post-COVID-19.

Embrace directors with a digital and customer focus to 'uplift' boards

In the evolving land lease property space, Lifestyle Communities recognises the imperative of using digital strategies to streamline its operations and connect in new digital ways with potential buyers of its homes.

Based in South Melbourne, the company has been in business for two decades and prides itself on developing communities across Victoria that enable working, semi-retired and retired people to own their own homes while "living a life of luxury".

Chair Philippa Kelly, an experienced non-executive director of ASX-listed, private and not-for-profit organisations, says Lifestyle Communities has transitioned from "a project and activities based sales and marketing approach, to one that is focused on digital inquiry and using technology to understand customers and their experience."

In line with that requirement, last year it engaged in a recruitment campaign to bring on to its board a non-executive director with elite digital experience. "(Digital skills have) become much more of a specialist skill that boards are really leaning into quite heavily," says Kelly, who has more than 20 years' experience in senior operational and leadership roles within the property sector. "And they were the specific skills that we wanted to find in a new director."

Kelly explains that Lifestyle Communities did not need a director with fast-moving consumer goods or business-to-business customer knowledge. "We were really looking for someone who'd had that high-value, low-volume customer experience. It's a huge decision for

people when they buy a home and it's a huge decision for people to downsize, particularly as they age. So, we really wanted someone who could bring breadth of experience in that area."

The search led to the appointment to the board as a non-executive director in May 2022 of Claire Hatton, who was formerly part of the commercial leadership team at Google Australia and New Zealand. Also a non-executive director of Australian Pacific Travel Group and Tyro Payments, she has worked in digital businesses and boasts wider experience in the travel and technology industries across Australia, Asia and the United Kingdom.

Hatton believes she brings particular value to Lifestyle Communities courtesy of her combined customer and digital experience, especially given that the company is in a growth phase where it is using a strong pipeline of undeveloped land to bring multiple new tech-enabled properties to market.

"The consumer is changing and COVID rapidly increased digital adoption," she says. "It was already happening, but it has ramped up for the over-55 group. Therefore, the need to transform digitally has been really important for us."

Hatton's appointment to the board endorses one of the key recommendations in the Bold Moves in the Boardroom report – that is, that "new operating environments will require greater diversity of thinking to better respond to risks and maximise opportunities".

Ask whether directors' skills are fit for purpose

Hatton's digital skills run deep and it is no surprise that she thinks it is critical for modern companies to appoint directors with specialist digital nous at a time when technology changes are redefining marketing and sales channels. "I would imagine and hope that every board is thinking about bringing at least somebody who has those skills and therefore uplifting the whole board."

Kelly's board experience at oOh!media and Lifestyle Communities has convinced her that digital specialisation is an essential skillset to include on a board's skill matrix. For Lifestyle Communities, it is a skillset which complements the enviable existing breadth of director experience on its board. It is also the reason that Hatton's appointment has been so welcomed.

"We were very, very clear about what we wanted," Kelly says. "We've got property experts on the board, we've got financial experts. Why wouldn't we have a customer marketing and digital transformation person as well?"

The unique combination of digital and customer skills promises to help drive Lifestyle Communities' growth. The Bold Moves in the Boardroom report highlighted the need for future-fit boards to have directors with foundational governance skills, including financial proficiency and operational experience, but who can "also add value through their heightened sensitivity to ESG issues, stakeholder capitalism, social licence to operate, elevated employee expectations, or through bringing digital fluency, an entrepreneurial mindset or systems thinking".

Move on from the debate about generalist versus specialist directors

As for the debate about whether boards should comprise generalists or specialists, Kelly argues that it is an old-fashioned discussion, and one which fails to recognise that every board director has a degree of specialisation.

Hatton also encourages other chairs to match Kelly's foresight and have the confidence to "bring more people like me" with a digital/customer background onto their boards. "I'm quite incredulous that this

debate is still happening because I look around me and I think the world has moved on and boards need to be represented by what's going on in their worlds."

Hatton also advises prospective directors to do their due diligence before signing up to a board role. Seek out a board with an inclusive chair. Make sure you join a board where you can use your skills to create value and have an impact. "Because if you can't, it's not a comfortable place to be."

Final words

In recruiting new directors, Kelly suggests fellow chairs "cast the net widely" so they can weigh up the available talent and skills in the market and understand how they may be able to contribute to the success and evolution of the enterprise.

She adds that Lifestyle Communities' experience with Hatton highlights the importance of choosing directors who are fit for purpose.

"A delightful part at the end of this whole exercise has been just observing how bringing Claire in with the specific skills she's got has elevated the whole conversation across the board table and also lifted everybody's else's knowledge about that aspect of the business," she says. "I think we've got a much better conversation happening around the table, which is more dynamic for the business."

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



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