



PwC's CEO, Bruce Hassall

# Navigating stormy weather

PwC's chief executive, Bruce Hassall, took the helm in September, in a tough 2009. But, with some strategic help from technology, he's set fair ahead...

By Johanna Bennett

It wasn't the easiest time to take over as chief executive of a major company, but PriceWaterhouseCooper's newest CEO in New Zealand, Bruce Hassall, took the helm in September last year.

Mind you, as the company's recently released 'CEO survey' shows, by October things were definitely looking up as far as the New Zealand economy was concerned.

"We surveyed 1,200 CEOs worldwide in our Global CEO Survey. This included 72 New Zealand CEOs. The survey showed that from October there has been growing 'cautious optimism' and people think the worst is over. This is especially so since January", says Hassall.

"Some industries are seeing an upturn, while others are bumping along the bottom, but the general view is that 2010 will be a better year."

He says PwC's acquisitions and private equity units actually saw business activity levels start to slow two years ago, when the US sub-prime mortgage crisis started to impact. Now, well-managed organisations, with low levels of debt – the "lean and mean" – are taking first mover advan-

tage' and gearing up for new activity, says Hassall.

The downside of this for a company like PwC is it does well when the economy is thriving or when it is faltering. "So, when it's bumping along on the bottom, like it is now, we do less well," says Hassall. "We feel the impact at the end of the recessionary cycle."

"In 2008, we were doing fine when the banks were being badly hit. Professional services do well when there is a lot of activity. June to September 2009 saw activity tighten up."

## 'Character-building'

PricewaterhouseCoopers (or PwC) is one of the world's largest professional services firms, and one of the Big Four auditing firms, along with KPMG, Ernst & Young and Touche Tohmatsu. Formed in 1998, as the result of a merger between London firms Price Waterhouse and Coopers & Lybrand, it enjoyed global revenues of US\$28 billion for the fiscal year 2008. It employs over 146,000 people, in 150 countries.

Hassall is a PwC career man, joining the firm as a young graduate. He



## Blogging and the GFC

Hassall's blog is all about the life lesson he's learnt to "listen more and say less."

"I think as a leader you realise the importance of communication and how it can be more about what you don't say ..."

"One of the lessons that's come out of the GFC (global financial crisis) is how important communication is, both in personal and professional life," says Hassall. "How people communicate with their staff and their teams."

The blog grew out of this insight. It is presently being trialled internally. "The previous CEO thought I was crazy," says Hassall, with a smile.

The nascent blog includes personal comments on various issues from Hassall, as well as a more upbeat section celebrating employees' and client successes. A staff member came in the top 10 of the recent 'Coast to Coast' South Island multi-sport championship race. So that went up there, as it's quite something, says Hassall.

On a more serious note, the PwC Global CEO Survey has been posted on the blog, and this has contrasted with some of the Prime Minister's recent statements on the economy.

Rather bravely, for such a conservative firm, the blog

features a comments section that's actually being used. This has proved to be an informative experience, says Hassall.

First of all, staff only sent comments – usually of the 'I agree' variety to Hassall's personal email. But, lately, people have become more comfortable posting comments on the blog itself. And, with growing trust and confidence, they're posting extra information too, not just registering 'agreement'.

"Posting is becoming more the done thing."

Hassall thinks social networking is growing in importance – PwC has a Facebook page, which it mainly uses to recruit young "talent", for instance.

I think it's all a little bit lateral. But, we're taking baby steps, so people can get comfortable with it first, says Hassall. "You've got to take people along with you."

However, at the same time, the people PwC employs have degrees; they're educated and articulate. Many of them are also quite young – the average age of the company is 27.

"We have this history of being a professional services company, but the world is changing and we have to change with it," says Hassall.

cut his teeth on the local auditing track, before heading off for PwC London.

He was made a partner in 1987, at the relatively tender age of 29, just in time for the hard New Zealand recession of that year. An experience he describes as "character-building".

Now sitting in the chief executive's chair, he's actually a little unusual for a CEO as, while describing himself as definitely "not a geek", he is hugely switched on to the fact that technology can be used to leverage business and seriously boost productivity. For Hassall, this realisation started with data cards.

They maybe rather boring technology-wise now, but five-to-six years ago, when Hassall first latched on to them, they were quite new and were being used by only a few people in a lack-lustre way to access email while on the move and to help meter-readers in their work.

What fired up Hassall's interest in them was discovering PwC staff were plugging their laptops into the back of clients' fax machines, while out on jobs, to download audit data to the computer back at the office.

Not only was this not a good look, but it was inefficient too.

"A lot of our staff work out of the office and deal with large amounts of data that they would download on to their laptops," says Hassall.

"To do this, they were physically attaching their machines to the back of clients' fax machines, which would then take 15 minutes to download the data."

When Hassall discovered what was going on he thought it was ridiculous, which is when he got interested in wireless cards. He started off using Telecom's T3G cards. PwC now primarily uses Telecom's XT network cards, of which it currently has 590. It also uses 40 Vodafone data cards.

Using both mobile carrier networks allows for national coverage as well as high speed data transmission. Staff can send 4-5 Mbs/per/sec of data using the cards.

"I was looking into this when virtually no corporations were using them," says Hassall.

The T3G cards fit Hassall's "simple philosophy". They also made people more flexible and productive.

"Technology needs to be easy to use and intuitive then people will come and use it. That's my philosophy."

### Expensive but worth it

The data cards were quite expensive early on, says Hassall. We had 250, and straight away became the largest customer for them, as we were moving a quantum level of data. PwC currently sends 300-350 Gigabytes of data per month over wireless networks, and over the last few months this has been increasing by 10 percent every month, as staff find new uses for them.



We can use technology to change our business. It's not just about shiny machines; it's about what will be best for the business. But it has to be easy to use or else people won't use it.

However, Hassall initially had trouble convincing senior management that the company should use them. Not everyone was keen to embrace the technology leap moving to using data cards represented.

The response was: "I don't think this is the right thing to do; it's an expensive waste; people will use them to access the internet!" says Hassall.

And then, when he'd persuaded them it was a good idea, the response was, "Well, they can't have a phone and a wireless card."

Needless to say, he won the day – it's probably one of the reasons he's now CEO.

"It's been an astounding success," he says of the cards. "They've transformed the way people work. They can access information at any time and are very flexible. They're particularly good for our female staff with young children, as they give them the ability to work from home."

### 'Not a geek'

Despite his obvious ability to latch on to certain technologies' business potential, Hassall describes himself as "a user not a geek". He was alive to the potential of mobile technology to improve business processes early on, something that is only now being latched on to by other organisations.

"You do need to be innovative in your use of technology," says

Hassall, who then proceeds to tell his fishing story.

### Gone fishing – almost

Hassall says he experienced the joys of data card flexibility himself when he took a conference call while fishing off Cape Brett, in the Bay of Islands. Despite being 2kms off the coast, he was able to make a presentation on his laptop to the CEO of a large organisation.

"I didn't let on that I wasn't at the office but was actually fishing... then their network crashed and I had to admit where I was."

It became clear PwC's 'network' was much better, because I was using a wireless card, he laughs.

"It shows how you can use technology to change how you operate. Ever since then – and coming from a non-geeky perspective – I have been looking for ways to use technology to improve our service to our clients. Our people use it all the time in a value-added way."

As a result of these experiences, PwC set up a technology innovations group, which deliberately includes young people, to look at ways of embedding technology more deeply in the company's culture, as it can be such a useful tool.

"We specifically look at how we can use technology to improve the quality of the service we offer to our clients."

Technology also plays a big part in facilitating company communication. >

## CEO GADGET WATCH: 'Not a crackberry'

Hassall says his "key gadget" is his BlackBerry Pearl, because he finds it so very functional. "But I don't think I'm a crackberry. I turn it off for meetings or don't bring it," he laughs.

He thinks people answering phones during meetings is "unprofessional".

The Pearls' main value for Hassall is in helping make use of those otherwise dead blocks of 15 minutes or so in taxis and airport lounges – he travels a lot – to check emails, do follow-ups and keep in touch with his PA.

"It's a productivity tool. Before BlackBerries I had my laptop with me at all times."

Beyond this – and his obvious interest in using technology to support the business – Hassall says he's not terribly interested in technology as a toy. "I have an iPod, but I hardly ever use it."

However, there is the blog, which he has just started and is enjoying greatly. The idea behind it is to improve communication with staff, as there are 1,300 of them. (See *blogging story*.)

tions, in particular internally, as the company employs 1,300 staff who work at eight locations around the country. It's actually the largest private sector employer of graduates in the country.

This means it also boasts one of NZ's largest networks. We're currently looking to take a technology leap with our network too, says Hassall.

"But we want to be leading edge, but not bleeding edge," says Hassall, who concedes, with a smile, that perhaps the data card initiative was closer to the bleeding edge, but it did pay off handsomely.

The company is presently reviewing its WAN (Wide Area Network) with the aim of moving the whole network to an "in-house cloud", says Hassall. This will offer us an amazing jump in speed and quality of performance; up to 10 times what we have at the moment, for the same cost.

Hassall says he's always looking at ways to use technology to leverage the business and improve the service PwC offers its clients. "The wireless cards – that came out of frustration. There had to be a better way."

"We can use technology to change our business. It's not just about shiny machines; it's about what will be best for the business. But it has to be easy to use or else people won't use it. They'll go off to one side if their current system isn't providing them with the tools they need to do the job.

"An example we see is clients' running their core information through spreadsheets. This is high risk. The system can crash, and there is a lack of control and quality, especially around who can change the formulae."

## New network in the 'cloud'

PwC is currently moving to what it describes as an "in-house cloud service". This will see it provide services to the country's eight PwC offices via a dedicated private network operating out of the company's two main offices, in Auckland and Wellington.

Using SAN (Storage Area Network) architecture, the new network will allow for proper virtualisation, which will mean big savings as it will be able to access under-used server resources.

Although the network is a private one, to protect client information, there will be gateways to the public internet, to allow for portals, browsing, research and emails etc.

The company is also upgrading its main desktops to Windows 7, having bypassed the ill-fated Vista, which was not well received by the world.

On the custom software side, PwC uses iPower, a proprietary practice management system developed in-house, by PwC Australia, which is a centre of excellence. This is used as a client-billing and time-sheet application by 80 PwC offices around the world.

The company uses Microsoft Office for its desktop applications and Lotus Notes for email and workflow systems, and as a prime audit tool.

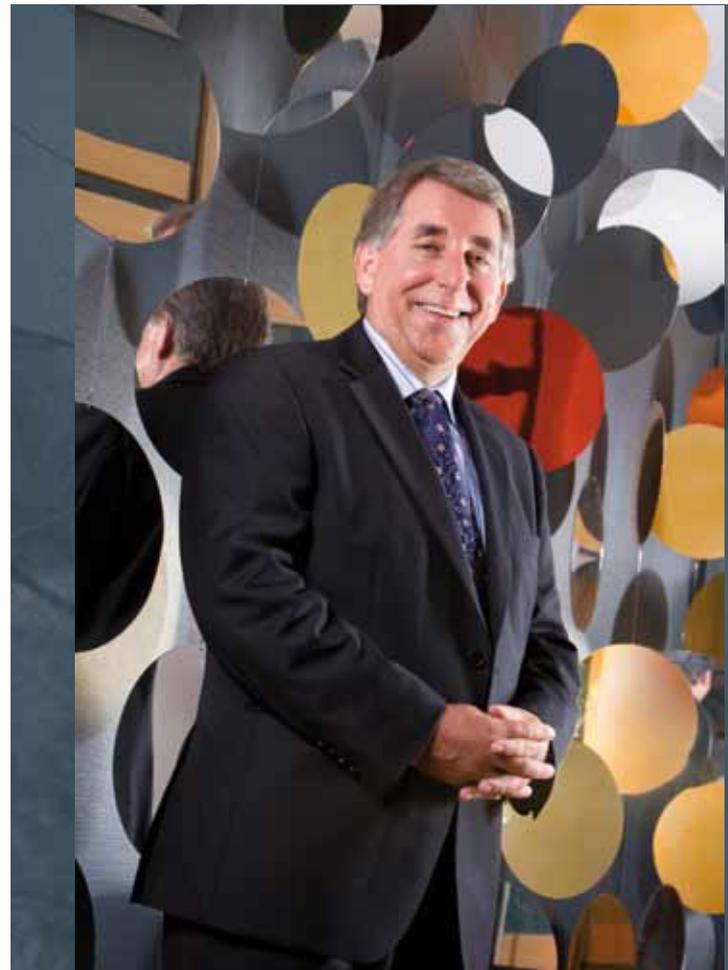
## 'I can still get up there'

Despite being somewhat older than the company's average of 27,

“

I think as a leader you realise the importance of communication, and how it can be more about what you don't say...

”



Hassall is a water-skier in his spare time. “I can still get up there,” he laughs. He’s also keen on fishing, of the salt water variety, chasing snapper from off the coast of his “beach place north of Tutakaka”. Sometimes he’s even game to chase marlin.

A family man, he has three grown children. One of his sons has followed him into the professional services industry, while the other is of a more academic bent, he says, and is currently studying at the prestigious University of Pennsylvania, in the US. His daughter is at school in Auckland.

Hassall is an Auckland boy himself. He attended Auckland University, after school, before joining PwC as a graduate. He was made a partner in 1987, at the youthful age of 29, just in time for the jarring New Zealand recession of that year, which devastated the NZ stock market.

But, he says, “It’s held me in good stead. People are surprised at how calm and collected I’ve been this time around.”

And on that note, the BlackBerry-less – it was a meeting – Mr Hassall took his graceful leave, with the reassuring comment, echoing PwC’s CEO survey, that we are now coming out of this recession too, although it will be a slow road. 

## Velocity and Clearlite. We just clicked.

With its growth in scale and staffing levels consequently increasing to over 120, the 30 year old company, Clearlite Bathrooms knew it had to ramp up its IT capabilities. They evaluated three business solutions in-depth.

“PRONTO-Xi was the best fit for our business. Installation was completed on time and within budget. It’s a testament to Velocity Global (NZ distributor for PRONTO-Xi). The proposal Velocity presented to Clearlite was right on the mark. They understood us and we understood them.”

*Gene Sanford, Business Process Manager, Clearlite Bathrooms*



To find out more, call 09 358 4445 or visit our website for further information at [www.velocityglobal.co.nz](http://www.velocityglobal.co.nz)

