

SE Feature
HD **'Shy' AMP boss throws away calculator**

BY Exclusive: DAMON KITNEY, PROFILE

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Craig Meller is putting a lot of effort into softening up

WHEN Craig Meller left Richard Branson's financial services group in London in 2001, his staff at Virgin Direct gave him a very special farewell gift.

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"When I left Virgin, they stole my calculator and framed it. They put something like 'this is a very intimidating calculator' on the frame," Meller says. "I don't have the calculator any more. The great thing is it has been replaced by the iPhone. Now they think I am texting when I am really checking their numbers," he adds with a wide grin.

Meller is referring to his historical penchant for regularly pulling out his calculator during staff presentations. For the now chief executive of AMP, the nation's fifth-biggest financial services **company** and one of its iconic blue-chips, the numbers have always mattered.

"I am good with numbers. I am quite numerical and sharp on them. And I am happy to let that be known within the business," Meller tells The Weekend Australian in his first in-depth media interview since taking over from Craig Dunn on January 1 .

But the frame on Meller's Virgin gift showed another side of his obsession with numerics — that people also found him intimidating. It's a label often mistakenly applied to leaders who keep their own counsel and prefer to let their actions speak louder than words.

And Meller does just that. The now 52-year-old came to Australia from Britain for the first time, to work, when he was 40.

You will find very little written about his past.

Short in stature, softly spoken with a southern English accent and a willingness to be self-deprecating, Meller openly admits he is an introvert by nature.

"I am someone that shows quite a narrow emotional range. I am quite introverted and quite shy," he said. Perhaps it is the scientist in him — he graduated with honours in Science from London's Imperial College, majoring in biochemistry.

In moving through his various career roles at Lloyds TSB in Britain, Virgin (then 50 per cent owned by AMP), then AMP itself, he was not a natural communicator. "When I got in a lift, I didn't naturally spark up a conversation with people. And that is fine when you are in a junior role in an organisation," he said.

Fast-forward to his more recent roles in senior management at AMP, and Meller has learnt the consequences of staying silent. And the calculator has now been put away.

"If you don't spark up a conversation with people when you are the boss, you are aloof and you are intimidating," Meller said.

"I have to put a lot of effort into being extroverted. So when I get in a lift now, I'll speak to everyone in the lift. It is amazing how many different conversations about the weather you can have across 24 floors," he said with a wry smile.

His shyness has not stopped him and two of his children from abseiling down AMP's 25-storey headquarters overlooking Sydney's Circular Quay in the name of charity, nor prevented him from throwing himself into his first big chief executive role.

But he has done it the way he likes best — methodically and out of the media spotlight — focusing on cost-cutting, improving the performance of AMP's life division and developing its digital platforms.

A rare bit of publicity came in a single speech to CEDA in late September about the current state of the industry and with the later completion of a deal set up by his predecessor where AMP secured a 20 per cent stake in China's largest pension group, China Life Pension Company.

So, being a natural introvert, does he find constantly playing the extrovert emotionally draining?

"Um, yeah, yeah," he says quietly after a pause, with a slow nod of the head. Without prompting, he rattles off the engagements in his diary over the past three days: two nights away from his Sydney home in Canberra and Melbourne in wall-to-wall meetings with politicians and staff, as well as lunches and dinners.

"I am a bit over socialising by the end of it. So I have pretty quiet weekends," he said.

His chairman, Simon McKeon, when asked to reflect on Meller's public psychoanalysis — rare for a top chief executive — simply can't contain his glee.

"Can I just say, hallelujah for honesty!" McKeon said with his characteristic energy. "As the chairman, I am overjoyed we have an honest CEO," noting quickly that his comment should not be seen as a reflection on Craig Dunn or any other AMP boss before him.

He says it is simply an expression of his respect for Meller as a person. Being brutally honest appears to be a Meller trademark. When asked what is his greatest weakness, there is a brief pause before he remarks dryly: "I have quite a long list for you." But there is one which worries him most. It has for his entire career. "Because I am quite unemotional, people can think I don't care," he says curtly, the frustration clear in his eyes.

"People say in times of stress they love dealing with me. When things are going well, I need to put effort into showing I am pleased and excited. In my career, being calm and quiet when things are going well has been translated into: 'He doesn't care'." The frustration for Meller is that the reality is the opposite. Over the past year, his methodical style has underpinned two solid profit results. The AMP share price has risen from a low of \$4.20 in February to touch almost \$6 earlier this month as the market has grown confident that the group's life insurance division is turning around.

It is music to the ears of AMP shareholders after two profit downgrades due to the poor performance of the beleaguered life business.

In May, celebrated Bell Potter analyst Charlie Aitkin even declared that AMP — a stock he had termed a "multi-year dog" — could be a buying opportunity.

"It is going to be a volatile road but we have made good progress," Meller says of the life insurance business. "If anything, it has gone slightly better than we said to people (at the start of the year)." But he also adds an important industry caveat: "I think there will be another four or five years before people are saying that the life insurance industry is healthy. There are not many people making a decent return." AMP did not help itself by overpaying for rival AXA at the same time as the industry has been hit with a deluge of claims.

Some fund managers still describe the company as a "big fat goose" and point out that Meller was a senior executive while AMP shares posted double-digit declines in the five years before he took the top job.

But fund manager Angus Gluskie of White Funds Management, which holds AMP shares, says the performance of Meller's management team so far had been "encouraging".

"They are doing the right things to address the overall industry issues," Gluskie says, applauding the moves to adopt a different claims-management approach and address high upfront commissions in the life business.

Over the 12 months, McKeon says Meller has also grown strongly into the chief executive's role.

Prior to taking the top job, Meller was managing director of AMP Financial Services for five years.

"Everyone on the board has seen the most wonderful graduation from the 2IC role to the top job," McKeon says. "He is a deeply cerebral guy. Craig is a quality you can really appreciate." It is wrong to call Meller an accidental chief executive. But ask whether being one was always his ambition, and the reply is telling.

"No, I don't think it was," he says softly. "I listened to Richard Branson once — he described Virgin as a strategic opportunity — you get yourself into a position where you can exploit opportunity strategically. So I basically have sort of not focused on career. I've just looked and said: 'If an opportunity has presented itself, is it one I want to take up?' " When Meller addressed AMP's Tomorrow Fund Awards Dinner at Sydney's Town Hall on November 20, he initially looked nervous on stage. But he quickly warmed up, his quick wit and dry sense of humour keeping the audience entertained during his time at the microphone.

"I am sure that over time Craig will become totally 110 per cent comfortable getting out there. That has not been his life before," McKeon says of his chief's initial nervousness that night. "But I can say that in the business he had displayed more than sufficient outgoingness, if that is the right word, at the times it is required." While Meller has learned to put the calculator away in the office, he stresses that he hasn't changed as a human being from his younger days, but has simply become "a bit softer".

"If everyone is scared to come and talk to you, you are not going to get much done," he said.

But overseeing a cost-cutting agenda running into the hundreds of **millions** of dollars, Meller has still had to play the hard man internally at times, even if he finds it tough. "Do you know anybody who finds it easy?" he says rhetorically, noting that he actually has "to work to show people that I am disappointed".

"I don't find it easy but you have to hold people to account. You don't get to do the job I am doing if you don't hold people to account. But you need to be humanistic about it." Picking the right people for the right roles is a Meller mantra and one he has learnt from his career experiences, both good and bad.

"Life insurance went wrong under my watch. Should we have picked it up earlier? Yes. But did I have the right people looking after that business at the time?

"I thought I had the right people, but with wonderful hindsight ... " he says, noting he is not being disparaging of those who went before.

"They did a good job and the world changed and we needed a different type of leadership. A change-management approach rather than business as usual." "When things go wrong, I tend to ask 'how did I get the selection and recruitment wrong?', rather than thinking I should have sorted that out. You just don't have the bandwidth to do that." He was also prepared to put a broom through the executive ranks after getting the top job, appointing a new finance chief and carving up the overarching job of head of financial services — his own previous job — into three roles.

"I start with the philosophy that whatever you do, there will be someone in the organisation who can do it better than you. How do you find them and give them the opportunity to do those things?" Meller said.

He claims AMP is now "more resilient" about people decisions and "harder" on the development of the talent in senior roles.

"You can't be a leader at AMP unless you have an absolute commitment to your own personal development," he says.

The selection process for senior appointments has now been lengthened, with external candidates for senior roles meeting with as many as 20 people inside the group before being offered a role.

"We get to understand the human being really well before they join us," Meller says.

Getting good people in the right roles also allows Meller to engage in another of his favourite arts: delegation.

"People tell me I am a good delegator. If you have 7000 people working for you and you are busy, whose problem is that?" he says dryly with a smile.

McKeon, who was a long-time investment banker with the Macquarie Group and worked with hundreds of **company** leadership teams developing deals and strategies, says delegation simply goes with the territory in being a chief executive. The key question is whether the boss is good at it.

"Some CEOs are a bit ashamed talking about delegation. Craig is not," McKeon says.

Good delegating also allows Meller the rare luxury of enjoying one of his favourite past-times, playing hockey in the Sydney Veterans league (his team is captained by an executive from rival MLC).

He used to play sport — he also loves rugby union, a legacy of his English upbringing — six days a week. Now it is down to once a fortnight. But the date is firmly fixed in his diary, without exception.

"Sue, my EA (executive assistant), will make sure as soon as we get the hockey schedule, that will go in the diary the same way the board meetings do," he says.

Sporting weekends gave way several years ago to spending time with family. His 19- and 15-year-olds are still at home, while his eldest, 21-year-old, son has left the nest. "We only see him when he gets his washing done," Meller says with a chuckle.

The quiet weekends with the family also allow Meller vital time to recharge. Perhaps they provide a chance to retreat for a moment back into a world where he is arguably more comfortable. But it is one that, each Monday morning, he firmly leaves behind. "The psychologists who coach you say it has to be in your front brain, you have to be on manual and thinking about that all the time because otherwise you will naturally revert to your normal state," he says of their advice to be more extroverted, more emotional. "But if leadership was easy, why would you do it?"

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