

Director Spotlight on Mark Rearick

MARK REARICK IS AN ACCOMPLISHED EXECUTIVE CHAIRMAN, NON-EXECUTIVE DIRECTOR, AND ADVISORY BOARD MEMBER,

with a wealth of experience in leading transformational global businesses, with a particular focus on the automotive, manufacturing, battery-related technology, and not-for-profit industries.

Mark's most notable accomplishments include co-founding and funding a new ESG electric vehicle business, as well as orchestrating multiple \$500m-\$1 billion business unit turnarounds, which resulted in highly profitable outcomes.

Mark currently serves on the boards of the Australia Battery Industry Association and Uniting Vic-Tas, and has previously served on the boards of Ford Blue Mach Technologies, Ford Lio Ho, CFME Manufacturing, Chang'An Ford, Jiangling Motors, Ford of Australia, Ford Performance Vehicles, and Manhattan Ford. His ability to drive transformational change has been a key factor in his success, making him a sought-after leader in his field.



WHAT DO YOU SEE AS THE MAJOR CHALLENGES IN THE BOARDROOM IN 2023?

Business Model Disruption

Technology drives not only new products, but history shows that also drives business model transformation. Take a company like Netflix – which moved us not only from DVDs to streaming delivery of movies – but also moved us from a pay-for-use model to a monthly subscription. Today, this is happening in the automotive industry a pace that we haven't seen during our lifetimes. This requires companies and their boards with a wide range of business model choices. These choices range from Direct Sales potentially replacing dealers, selling advanced technology as a subscription service instead of an upfront payment at the time of sale, and decisions on whether to vertically integrate in areas like batteries and charging.

Data Privacy, Cyber Security and AI

Cyber security is on every organisation's board agenda and is a daily threat that requires continuous Board oversight. Related allows for a rapidly expanding opportunity to capture data on customers and markets, and AI has the power to mine this data in ways to create value for customers and businesses. For Boards, the challenge is not only to protect this data from hackers, but to balance the opportunity to create value from the data with consumers desire for privacy. Savvy Boards have recognised the importance of using consumer trust as your North Star in balancing these tradeoffs

Supply Chain Risk (and Opportunity) in a Post-Covid World

One of the main lessons often missed out of the pandemic was that component shortages were not

only due to shipping and manufacturing disruptions, but also due to underlying shifts in the supply base. As an example, the semi-conductor shortage was a result of a shift in production out of legacy chip platforms into higher-end processors. Missing this underlying trend ultimately cost companies billions of dollars in lost production. Boards need to ensure that the management teams that they appoint are reading the risks for potential future shortages – and putting strategies in place to address these risks. Minerals used in battery production are one example of this risk. Some are taking proactive actions to ensure supply -- and turning these risks into an opportunity through vertical integration and/or through equity positions in their value chain.

GIVEN THE GEOPOLITICAL CLIMATE, WHAT OPPORTUNITIES DO YOU SEE FOR AUSTRALIAN BUSINESSES IN CHINA?

Growth in the Chinese economy has “slowed down” to around 5%. When you look over a 5-year horizon, the growth over this period alone will exceed the size of India’s economy today! The opportunity is simply too large to walk past. Technological innovation is core to their growth plans, and Western companies are expected to play a large role in this area. I have had the opportunity to meet with Chinese government officials at all levels, and the message is consistent and clear – they are seeking foreign direct investment. They will provide incentives for businesses that bring both capital investment and employment. As always with China, areas such as business model, local partnerships, intellectual property, and ability to repatriate profits are all important considerations in establishing or expanding your business.

WHAT ARE THE KEY AGENDA ITEMS IN YOUR BOARDROOMS?

Product Safety is one of the key areas of focus. Several of my roles have focused on batteries, which continue to expand across mobility solutions: cars, medium sized

trucks, bicycles, scooters, etc. They are also expanding into household areas – solar energy storage, lawn mowers, vacuum cleaners, etc. Safety is a major area of focus in the Boardroom. There are many Australian companies taking great care to comply with standards to ensure consumer safety. But there are also loopholes which allow foreign companies to dropship into Australia with products that may not meet safety standards. How to help educate consumers on how to purchase compliant products and how organisations can more effectively lobby government on more effective oversight are major areas of focus.

WHAT ADVICE WOULD YOU GIVE SOMEONE MOVING FROM LEADERSHIP ROLES INTO A BOARD CAREER?

Recognise that your most important decision at the Board level is with hiring the right CEO and potentially other members of the Executive team. They run the day-to-day business – not the Board. At the Board level, your focus should be on Governance, Strategy and Risk Management. I have found Governance and Risk Management the most straightforward part of my roles – there are many effective models to leverage out in the public domain. Strategy is the most difficult part. This involves moving the Executive team’s focus, and sometimes the other Board members, beyond the budget period (this year and next) – and to thoroughly stress test whether your business model and business plan will excel over a 5-year or 10-year period.

WHAT MOTIVATES YOU?

I like the term “Serving on a Board”, as I think it summarises the role quite well. Board service is about leveraging all the business and life lessons that you have accumulated and sharing them with the organisations that you serve – looking to create value and deliver on a mission. I really embrace the opportunity to give back. I am motivated by serving organisations that align with my values and look to solve complicated challenges.