



Raymond puts light on SA Clarendon to Chicago and home again: EDB boss with entrepreneurial flair to guide us

RAYMOND SPENCER LEFT OUR SHORES TO FORGE A CAREER. HE FOUND A FORTUNE BEFORE RETURNING TO FAMILY AND FRIENDS. NOW HE IS CHARGED WITH GUIDING SA TO PROSPERITY, AS CHRISTOPHER RUSSELL REPORTS

FOR the second time in his life, Raymond Spencer believes he has landed in the right place at the right time.

Born in Clarendon, Mr Spencer went overseas to create a career and found himself in the right place to catch the information technology boom in the US.

He built a business from a one-person show to a 7000-employee company which was first publicly listed then sold to an international player, making him a multi-millionaire in the process.

Life in the corporate fast lane is very demanding and he did not want to miss seeing his school-age children grow up. So, after more than 35 years abroad, he and wife Tina decided to come home to Adelaide where the family ties still were strong.

His entrepreneurial skills immediately were recognised and he was appointed to the Economic Development Board last August,

stepping up to chairman this year. Now home and building business networks, Mr Spencer has become increasingly aware of the changing South Australian economy and the massive developments in the pipeline.

Again, he is in the right place at the right time.

"The thing that I'm excited about that I didn't realise before coming back is that this is a wonderful moment in time," he says.

"This is a very special point for this state and we need to take advantage of it. We can bring about a benefit to all people and to future generations."

Mr Spencer, who replaces Bruce Carter, spoke to *The Advertiser* after he chaired an EDB meeting for the first time.

He says he challenged the board to reassess why they exist and what they hope to achieve - with the answer being to provide vision for their children and grandchildren, rather than short-term reward.

"That's the courageous thing about having a 30-year plan or a strategic plan, it's not about what's going to benefit me tomorrow," he says. "Part of our role is to allow people to see the potential the future has and to provide an excitement about that."

"Development is good as long as it balances economic gain with a broad-based social impact and is done in a way which does not upset the environment. It must not destroy the liveability which is the great thing we have in this state."

"It doesn't have to be either/or. Too often the debate is presented as either we all stay the same or we all change. To me, that's an illegitimate debate."

"Change is inevitable, for all of us, in all of our lives, but how do we lead that change so we're proactive and conscious about it in a way that has the broadest benefit?"

The board listed five goals where it could have worthwhile input.

He says it was no surprise har-

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nessing the impact of the resources sector for benefit of all South Australians was top of the list.

“Not just for today but for the future so that it becomes a catalyst for change,” he says.

This would include enhancing the EDB’s existing push for skills training so SA’s workforce was ready for the opportunities and didn’t become a fly-in, fly-out state.

The second goal was to concentrate on regional development

“We’re very concerned as a board that the regions benefit,” he says.

“The \$80 billion of investment that’s in the pipeline is no small thing for a state of this size.”

The first task is a comprehensive report on the potential of Kangaroo Island. This will be followed by a look at the Upper Spencer Gulf.

As its third goal, the board wants to build on its work in driving exports and attracting investment.

Mr Spencer cites the caseworker system – with PACE mineral exploration program – as one of the most successful initiatives proposed by the EDB in the past. “If you want to invest \$10 million or more you get a government caseworker,” he says. “The concept is pretty simple, the caseworker becomes the investor’s one point of contact.”

The caseworker guides the investor through the various government departments and layers of red tape.

“For confidentiality reasons, I can’t tell you the name of this company, but I know someone who is the process of investing several hundred million dollars in Australia and they told me the reason SA is now number one on their list of where to invest was because of the ease in doing business here com-

pared with three other states,” he says.

“The caseworker program is an example of that; the accessibility to senior government leaders is another factor. But where we want to shift the emphasis now is to a more targeted approach to linking investment capital with where we see the need for infrastructure opportunities or the potential for growth.

“We will do research and planning and then go and make very practical linkages with companies and financial sources in China, India, Asia, Europe and the US.

“It’s not going to happen by accident. Part of it is that people outside the country tend to overlook SA because we’re not as well known.”

EDB board member and respected businessman Rob Chapman backs this view. Former head of BankSA, Mr Chapman now is based in Sydney as chief executive of St George Bank and finds this blinkered attitude among NSW business circles.

“The actual reality of our economy is not well understood,” Mr Chapman says. “People’s image of SA can date back to the ’80s and even the ’70s. We need to tell the world about the reality of our opportunities.” The board also wants

to harness the diaspora of South Australians scattered throughout the world.

On the EDB’s fourth goal, infrastructure, Mr Spencer wants an emphasis on neighbourhoods as well as the big projects such as deep water ports, rail, roads and utilities.

“One of the keys to development is the continued growth in population,” he says. “We’re doing well in that area but we have to do better

and to do better you need good neighbourhood infrastructure.”

Fifth and finally, Mr Spencer says the EDB has made great progress in making SA business conditions more competitive, including suggesting ways to cut red tape and reduce tax burdens – a process he is committed to continuing.

Despite having a seat on the Executive Committee of Cabinet because he is EDB chair, Mr Spencer stresses his role is non-political

“The government has been very explicit about our independence,” he says.

“No one has ever asked me what my political opinion is or what party I might support. “No one has asked me to pass a litmus test on any issue. It has never been discussed. I don’t know what the other board members’ political views are. None of us are sitting there wearing that hat – we love and are part of SA. Our job is to challenge and facilitate the government of the day.”

Mr Spencer hopes to engage the Opposition in the EDB’s work.

“It is our intention to brief the leadership of the Opposition,” he says.

“They have been very welcoming of my reaching out to them.”

Mr Spencer says he is not in a position to comment on 2010-11 Budget cuts to agencies which supported start-up companies such as Playford Capital and InnovationSA.

More broadly, he says, Australia is not good at providing seed capital and nurturing innovation.

“We don’t have an active venture capital industry like there is in the US,” he says. “It’s probably best done in some kind of public-private partnership but in what form that should be in Australia at the moment I’m not in a position to say.”

His own career has given him a

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deep understanding of what it takes to build a commercially successful business as well as the challenges of the not-for-profit sector.

His early years were spent in disadvantaged countries, including living in India for six years working on village restructuring.

In 1989, he moved into a commercial career, founding information technology company Kanbay.

Using his knowledge of India, Kanbay linked the needs of the West with India's strengths. "We did India differently, we didn't see India as a low-cost centre. We saw it as a high-value centre," he says.

In 2004, Kanbay was floated on the NASDAQ and then in 2007 bought by French-listed IT consultancy Capgemini for \$US1.3 billion.

He stayed on to guide the next phase of the business. "That was a lot of fun - I was sitting on the management board of a \$US12 billion company," he says.

Mr Spencer was the change agent, merging Capgemini's existing financial services consultancies with Kanbay's workforce to create a global division. After that, he was offered another senior role in Capgemini but decided the commitment was too onerous on his family life and he stepped aside.

He remains chairman of Capgemini's financial services group.

He's not sitting on his laurels while in Adelaide. In addition to the work for the EDB, Executive Committee of Cabinet and Capgemini

he's already taken up several other positions.

These include chairman of the SA Health and Medical Research Institute and chairman of medical device maker Signostics in SA. He's also on the board of NASDAQ-listed Rubicon Technology and on the US peak industry lobby group TechAmerica.

Mr Chapman says the EDB already has felt inspired by Mr Spencer's leadership.

Mr Carter brought intellectual discipline to the board, but it was good to pause and reassess under the new chairman. "Raymond is going to take us to that next stage of evolution," he says. "There's renewed vigour and energy."

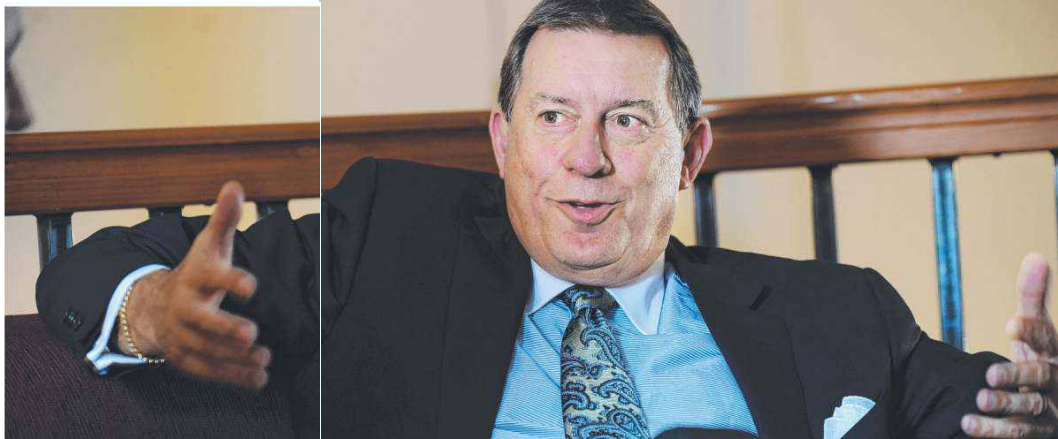
Life and times AT A GLANCE

THE \$80
BILLION OF
INVESTMENT
THAT'S IN
THE
PIPELINE
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SMALL
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A STATE
OF THIS
SIZE

- Married to Tina, from Iowa.
- Two sons, aged 14 and 11, and two daughters in their 20s.
- Educated at Clarendon Primary, Blackwood High and the University of Adelaide.
- Spent 20 years in non-profit sector, including six in India where he worked on village development.
- In 1989, founded Kanbay, an IT company focused on the financial services sector.
- In 2004, Kanbay was floated on the NASDAQ and then in 2007 it was bought by French-listed IT consultancy Capgemini for \$US1.3 billion.
- Remains chair of Capgemini's financial services group.
- Barracked for Sturt as a child.
- A Crows member, he has been seconded to the Crows investment committee by fellow EDB board member Rob Chapman.

THE EDB'S FIVE GOALS

- Maximise the immediate and long-term opportunities from the strongly growing resources sector.**
- Ensure regions benefit from development.**
- Proactively source export opportunities and secure international inward investment.**
- Infrastructure development must be aligned with achieving maximum social and economic development.**
- Making SA the most competitive environment in the country for doing business.**



WORLD OF TALENT:
 Raymond Spencer will call on all his experience to deliver the best results for South Australia.

Picture: MARK BRAKE

THE BOARD

Raymond Spencer – chairman

Kevin Osborn – deputy chair
 Expert in international finances, director of Viterra



Grant Belchamber
 Economist and International Co-ordinator with the ACTU

David Cappel
 Vicar-General of the Catholic Archdiocese of Adelaide



Ian Gould
 Geologist with 40 years experience as senior mining industry executive

Rob Chapman
 Chief executive St George Bank, chairman of Adelaide Football Club



Bob Hawke
 Former Prime Minister



Michael Hickinbotham
 Managing director the Hickinbotham Group

Michael Keating
 Former secretary of the federal departments of Prime Minister and Cabinet, Finance, Employment and Industrial Relations

Leanna Read
 Founder and managing director of TGR BioSciences



Darren Thomas
 Chief executive of T&R Pastoral

Lance Worrall
 Chief executive Department of Trade and Economic Development

Greg Mackie
 Acting chief executive Department of Premier and Cabinet

