



What makes a brilliant leader?

Sharing wisdom gained from both leading a movement towards more sustainable living and his efforts to pioneer a radical new nonprofit funding model, Malcolm Rands tells Liz Henderson his views on the skills and traits of successful leaders.

New Zealander Malcolm Rands had a 15-year career in nonprofits, organising events and festivals at Whangarei Arts Council, before he built an NZ \$30 million organic products empire, ecostore, from a mail-order business started with his wife in their basement in 1993. The 60-year-old's vision of sustainability encompasses more than just helping to create a greener, cleaner world – taking further a love of organic gardening that took seed when Rands, aged 26, spotted a book in the library on the subject while he was planning to dig a garden for his mum.

Rands has also pioneered a new method of sustainable nonprofit funding with his radical business model for ecostore. The company, which he calls a “capitalist beast with ethics”, was established with social change in mind. Now about 10% of profits from ecostore's range of all-natural cleaning, body and baby care products – sold in New Zealand, Australia, the US, Hong Kong, Singapore,

Taiwan and Malaysia – is poured into his associated, but operationally separate, nonprofit organisation, Fairground Foundation. The foundation promotes sustainable living through projects like building organic gardens in schools.

To Rands, being a successful leader is about having passion, knowing what you want, and importantly, being able to delegate fruition of those goals to others if you really want to grow.

F&P What makes a good leader?

MR: Most people don't know what they want to do, they're quite lost. So once you've figured out what you really believe in, people follow you. It's clarity of thought and integrity and being authentic. That really does draw people to you.

F&P You live sustainably yourself having set up New Zealand's first ecovillage in the mid 80s with friends where you spend

nearly half your time. Do you think it's important as a leader, especially at a nonprofit, to live the values you're asking others to embrace?

MR: People are getting more able to sniff out a phony. So you're going to be that much more effective if your own values and lifestyle align with the nonprofit you're working at.

F&P Have you had to overcome any major challenges as a leader and if so, how did you do it?

MR: I organised a mid-winter Christmas festival for the arts council I was working for and achieved something everyone thought was impossible. I got a conservative rural town celebrating together. Not just the normal suspects like the sports club and old people, but everyone. I had people dancing in the streets. The local shop-keepers were agreeing to put in \$100 each and decorate the front of their

shops to create a mid-winter Christmas feel. It was all set to be an annual thing, then the arts council I was working with decided not to go ahead with it. It was devastating. But from that came a seed and the flower was ecostore. Your horrible moments are actually learning moments. What I learned is that when something is obviously brilliant to me, I expect everyone else to see it as well. I had run ahead and not affirmed that everyone was with me.

F&P What leadership problems have you seen at nonprofits and what is your solution?

MR: At nonprofits the model of governance is flawed. It's hard to get people on the committees and it's the same people being asked and they over-commit themselves. So the town's or the city's dogooders come along to a meeting, they don't want to be there but are forced into it out of guilt. They haven't read any minutes. They read them on the night and that's the decision-making body. I've seen that time and again, even at really high levels.

That was one thing I wanted to change with my new way of funding having ecostore, a business, set up to subsidise my nonprofit. You can make a decision and it's in place. Whereas in nonprofits, normally if you don't get through something in one meeting, you have to wait a few months for the next one. Ideation and action are three months different



Malcolm Rands founded ecostore, which turns over NZ \$30 million from sales of organic products in shops from New York to Sydney, and funds his own nonprofit, Fairground Foundation.

as opposed to three minutes.

F&P Most nonprofits are looking to grow. Which traits are needed to lead through the kind of expansion you experienced when ecostore's turnover leapt from NZ \$1.5 million to \$24 million between 2004 and 2010?

MR: That's when you've got to learn to let go and delegate and trust other people, because the classic thing to do is try to control it all because you're the best person to do that. That's the biggest mistake. You can't do that. It's not scalable.

It's trusting the people next down the ladder to you to carry on the leadership process. Make sure they can be the best they possibly can. That sounds really obvious but what that means is giving up on trying to make them who they aren't. That's a revolution because you have someone in charge of something but parts of that they're terrible at, and often we focus on what's not right and take the good things for granted. Find what people are great at. Then really nourish that. **MR**

Hear Malcolm Rands present on 'Imagine the future and do it now!' at the Better Boards Conference, August 1 to 3 in Adelaide. The Better Boards Conference is a three-day governance and leadership event specifically curated for CEOs and board members of non-profit organisations. Visit www.betterboards.net for more details and to register.