

The new head of FuturePlus, managing director, Madeline Dermatossian, is embracing the opportunity to change the organisation for the better. She talks to **CAROLYN SWANSON**.

When a CEO, an executive team and 37 staff all leave an organisation, the fallout looks terminal. It gets even more difficult when APRA and the Attorney General publicly question your viability. The right new leader and attitude, can, however, allow your organisation, like the proverbial phoenix, to embrace change and re-emerge from the ashes, stronger and brighter.

FuturePlus may be aptly named for such a rebirth.

The fund administrator is in the capable hands of a new managing director and change agent; its previous company secretary and general counsel, Madeline Dermatossian, who accepted her Board's offer to head the 10-year-old entity last May. Her appointment followed what has been described as an "acrimonious" failed merger of FuturePlus's two main clients and owners.

Given a leadership course at Harvard last year before taking up her new role, this former head of corporate legal at BT is comfortable in the hot seat, from where she is directing FuturePlus's transition from an in-house to third party administrator.

"Overseeing this transition from an in-house to third party and commercial enterprise is my first change agent role," Dermatossian, who loves her new job, admits. "The role comes with many challenges and changes but has allowed me to change our organisation for the better."

FuturePlus was established as an in-house administrator for the Electrical Industry Super Scheme (EISS) and later Local Government Super (LGS). Previous chief executive, Richard Powis, was CEO of both the EISS and FuturePlus, but now runs only the EISS, from where he has supported Dermatossian.

The administrator's largest clients are still EISS and LGS, both of whom have contracted FuturePlus to administer their funds for a further four years.

The elephant in several board rooms must be the failed merger in 2010 between EISS and LGS, and in its wake: the sale of LGS's share of FuturePlus to EISS, which is now FuturePlus's sole owner; the transfer of 37 staff to LGS; and questions raised early on by APRA and the Attorney General of NSW as to FuturePlus's viability and new structure.

"FuturePlus is financially secure. We don't require any funding from EISS, our

new executive team is very positive and it would appear that all outstanding issues have now been addressed. The changes were not only necessary but also positive and looking at a strategy of growth.

"APRA has a job to do and we have been co-operative and supportive of them. FuturePlus is achieving and continues to meet all our obligations and will continue to do so in an efficient manner.

"In the next couple of years we are going to see a level of reform [in superannuation] we haven't seen for over a decade. Organisations will need to be flexible to implement those changes and support their clients through them. We have close relations with our clients and ensure we are up to date, not only with legislative changes but also with improvements in the industry, to help them achieve better results for their members."

Some FuturePlus staff could not accept so many changes in structure, staffing and attitude, and 37 chose to transfer to LGS, en masse, in December last year.

"But only a small percentage of our admin staff have left due to changes," Dermatossian says. "We have had less than five per cent turnover in the core business of administration over the past five years, which is almost unheard of in our industry. Our admin team are quite excited about new opportunities and the roles and skills they can offer for our new direction."

The Board also has new independent directors who "operate in a very commercial manner", Dermatossian adds.

"These independents were brought in after the sale from LGS in October 2010 and their introduction has really changed the way FuturePlus is run. We now operate in a commercial mindset, which has been part of the change process. Some staff embraced this, some didn't."

Dermatossian does not see any difficulties in providing services to two major clients whose merger plans failed. FuturePlus is a service provider and does not get involved in mergers, she reminds *Superfunds*.

"There is a lot of talk about mergers in the industry and funds are constantly looking to see if there are funds they could partner with. It is not unusual to have these discussions. Funds merging are no different to commercial organisations considering mergers. You have to have a variety of complementary services and

benefits that you would gain from a merger, and if both partners don't see that happening, it is better the merger doesn't go ahead."

A graduate of Sydney's St Vincent's Girls College and youngest daughter of five children raised in Sydney's inner city suburb of Redfern, long before it began to gentrify, Dermatossian grew up in a neighbourhood where she saw families really struggle to find work, pay bills and survive. One of the reasons the former banker decided on a career in superannuation 10 years ago was because she wanted "opportunities to participate with members who are not necessarily well paid but have an opportunity through [Superannuation Guarantee] contributions to have a more comfortable retirement".

Dermatossian left school to work in settlements at the Advance Bank, where her managers encouraged and supported her to study law part-time through the former Solicitors Admission Board. She left after nine years to become a legal counsel at Perpetual, then became BT's company secretary and head of corporate legal, took a career break and did some contract work for ABN AMRO before joining FuturePlus. She has two children, aged nine and 15, and has found her biggest career challenge maintaining balance between work and home. "We put a lot of pressure on ourselves because of the working mother guilt. I always ensure my husband and children come first but it is difficult."

A leading light and mentor in Dermatossian's life is her father, Isidore, who worked for Australia Post for more than 15 years and has always made it a priority to help others.

"He raised me to be a hard worker, to have integrity and more importantly to help others that needed help," Dermatossian says. "I suppose that is what led me to have an interest in philanthropy and on to the Board of the Wayside Chapel during a fundraising period a couple of years ago."

The indefatigable Dermatossian continues to give to charity and is now a volunteer with St Vincent de Paul: "I don't have a great deal of spare time but it is important that we all help others less fortunate than ourselves." **SF**