



THE  FACTOR

Annual Report

2020

2020 Highlights

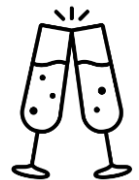
We invested heavily in developing and launching new system features and enhancements.

We continue to work closely with our licensee community throughout the challenges of Covid-19, to understand our client's challenges and needs.



Implement a better way to lead your team

We've started the Business For Humans webinar series.



Everything we do is driven by our belief that everyone has the right to create the extraordinary, and to feel the joy of inspired contribution.

Although 2020 has been an especially challenging year for many small businesses across Australia and New Zealand, we have seen the strength of resilience, and the desire to create the extraordinary instilled in the DNA of so many of our clients and their teams.

Covid-19 has been a catalyst for changing the way that people work in teams. We believe that more small businesses will embrace the flexibility in the location of their workers, and that many businesses will have at least some of their team members working from home, at least some of the time. There are so many benefits to greater flexibility, but it can certainly add to the challenge of people management.

From the outset The H Factor system was designed to enable greater collaboration and to give structure to the ongoing dialogue for reaching a common understanding of business objectives, performance, and achievement - that is so important to confidently provide team members with greater autonomy. Especially for managers leading dispersed teams, The H Factor has proven to be a valuable tool for enabling this contribution.

Our licensees enable us to provide each client with a dedicated consultant for their business. This year we have grown our license network in Australia, and we will continue to look for further opportunities for license partners in Victoria, Queensland, and South Australia. We believe the new **step 9** implementation approach will be an attractive offering for potential licensees looking to add to their existing consulting businesses.

This year we have also added technical capability that will enable us to continue to quickly develop and deploy upgrades, enhancements, and fixes. For example, this new capability enabled us to develop and launch our **strategise** business planning tool quickly and efficiently.

Despite the challenges of 2020, we have been able to grow our client base, and we now have 95 active H Keepers, who are the client administrators for the system. We are excited about our prospects for continued growth in 2021.

A huge thank you to all our clients and licensees for the trust placed in us.

We wish you all the best for 2021.

Robyn Moyle – H Agent 001
Andrew Seinor – H Agent 002



Founder's Report

Covid has shown us that technology is no longer a barrier to flexible working arrangements

The ability to communicate is just the first step

Our Place In The Future of Teamwork

The critical success factor for leaders who are managing workers remotely is how they develop and nurture the high trust needed to drive autonomy and create genuine accountability.

This year we have seen the proliferation of technology communication tools such as Zoom, Microsoft Teams, and Slack. These tools provide the infrastructure to enable connection across locations. They have broken through the barrier that previously existed in enabling practical real-time team communication. We believe this is a starting point of a shift in the way that people work, and therefore in the way that people are managed. As teams split between office environments and remote working arrangements, how individuals are managed has become a critical focus in managing business risk.

Now that the communication challenges have largely been resolved, the next step in the transformation for managing remote teams will be in having greater clarity of the structure of the accountability mechanisms and processes so that managers can improve the quality of team communication, to shift beyond 'catch-ups' and 'check-ins' to genuine empowerment and results delivery.

For many years now, research has consistently shown that staff turnover is more dependent on the quality of the immediate supervisor/ supervisee relationship than on any other factor. People leave their manager, and the business impact is the collateral damage of those broken relationships. Therefore, as these relationships are increasingly a blend of virtual and in-person, the need for a consistent people management process across the business will be important to manage and mitigate this business risk.

To achieve the potential of flexible working, a consistent management process is needed across the whole business.

The H Factor system reduces business risk



New Induction Process

Create and manage a comprehensive induction process and link policies, procedures, and actions.

This year we have invested heavily in updating the system and adding new functions to it.

To achieve this, we added to our development capacity and capability. This capability filled the gaps in our existing development model, enabling us to accelerate some of the developments that had been in the pipeline for some time.

System Investment

New Dynamic Organisation Chart

The organisation chart is updated as you add, remove, or change positions.

Updates to Interface Design

Improved consistency for users in the look and feel of the system and the links for moving around within it.

New Outcomes Libraries

Create a library of outcomes specific to your business.

Performance Reviews Update

Updates to the outcomes conversation for setting KPI's linked to each outcome.

New Support Chat

A new support chat function within the system





We were delighted when Peel Thunder chose our system. We are now proud to sponsor the club and contribute to their goals to support youth and create community opportunities.

Partnerships and Community



CPA Australia makes an important contribution to the SME business sector and we're proud to have donated our time and experience to serving their members.



Kalparrin is Western Australia's oldest and largest member organisation supporting families caring for children with additional needs. This year marks the 10th year of our partnership, and we thank them for giving us the opportunity to work together.



Never again spend money on training that doesn't translate to lasting tangible results.

There's plenty of training programs out there that talk about people management and leadership, however we wanted our *step 9* program to be far more than that.

It's an opportunity for participants to learn proven, modern, leadership practices and, at the same time, implement an online system for best practice that is specifically designed for small businesses.

We partner with organisations to offer their members/clients a unique opportunity to join a cohort of fellow business owners to implement a better way to lead their teams. Over 9 sessions, guided by their own H Agent, they will learn, share, create, and implement The H Factor system into their own business.

Each cohort is limited to just 7 businesses to ensure the value delivered to each participant. It involves 9 sessions designed to get their business running effectively, along with providing training on leading their people and creating ownership and accountability. The series is structured to enable them to engage with their teams between sessions, so that they can ultimately share ownership of both The H Factor system and the accountability processes it instils.

A unique element of *step 9* is that it also includes one of their team members, who, at the end of the program, will become the 'system administrator' in the business.

Introducing *step 9*

Don't just learn best practice, implement it.

Through participation in the program, participants gain access to a 40% discount on the standard system implementation cost of The H Factor.

For our partner organisations, the *step 9* program provides their clients/members with a unique offer to implement The H Factor system at a substantial discount. While at the same time, providing those partner organisations with an opportunity to gain revenue, and achieve greater recognition, exposure, and value provided amongst their members who have 10-20 employees.

The *step 9* program is targeted to this specific employer group, and offers them a unique value proposition due to their association/connection with our partner organisations.



Implement a better way to lead your team

power forward with

THE H FACTOR
Business for Humans

www.thefactor.com.au

During Covid-19 lockdown in Perth, it became clear that many businesses were going to face great uncertainty. We realised that this was the perfect opportunity to reimagine their existing business, create a strategy plan for a new business idea, or start their dream business and move away from traditional employment.

The strategise system allows users to:

- Be guided through every business area to write their own strategic business plan;
- Request help from experts if needed;
- Account for many different scenarios;
- Do financial analysis; and
- Keep track of their progress on achieving their plan.

The philosophy behind strategise is that planning is a process rather than a task, and the system is designed to enable users to work at their own pace, adapt and change things as they need to, and be their personal creative space for bringing their desired business outcomes to fruition.

We encourage users to think of their strategise plan as something they build and maintain over time, rather than as a task they get done and tick off as complete. Maintaining their plan is a commitment to their business, team, or idea, that enables it to have better resilience, greater ability to respond to changing circumstances, and the clarity of outcomes to engage others.

strategise

During these difficult times for business owners, we wanted to provide a tool that was not outside the reaches of everyone, so priced it at a one off price of \$55, with no ongoing subscriptions.

Users:

- Simply pay for their plan and get started, they can buy as many plans as they need.
- Are provided with helpful guiding questions, SWOT analysis, and a customer segment builder.
- Are able to create, edit and update their plan, and outcomes & actions at any time

A business
planning tool
for small
businesses

Set financial
objectives and do
a business viability
check-up



14 Licensees
across Perth,
Sydney, Brisbane,
and Paraparaumu
NZ

Our License System

We now have 14 licensees selling in their own capacity, after completing the accreditation program. The average sale value is approx. \$10K for each of their implementations.

The license system enables our accredited partners to earn 75% of client implementation revenue, and 50% of each ongoing subscription fees; allowing licensees to build ongoing client relationships and a reliable future income.

We built a licensee portal in The H Factor system where they have access to a complete back end management system: They can write their proposals, receive acceptance, keep track of their implementation projects, track their customers, access the user/licensee training at any time, have access to sample policies they can use for their clients, and have a tally of their revenue.

We have licensees in Perth, Sydney, Brisbane, and New Zealand. We will continue to recruit H Agents in Adelaide, Melbourne, and internationally.

Our existing licensees who have come on board and helped us to develop and refine the system will always have their licence for free as our founding H Agents.

We've built
an intense &
valuable
accreditation
process

Licensees
can build an
ongoing
future
income



Client Feedback

"The H Factor is used daily within our business and has changed how we operate."

"I love the fact that my employees now really own their deliverables ... and I don't need to micromanage them."

"Having used the system for around 6 months now, we have found it to be of great benefit to our business."

"Robyn & Andrew were engaging, knowledgeable, and passionate. I really enjoyed the focus on delivering autonomy for employees via clear outcomes and values."

"The system allowed me to quickly grab info for a tender we've been chasing for a while now ... and we won!"

"I found The training and implementation process changed my thinking about my business completely!"

"The system allows us to record minutes of meetings with assigned actions for each person: I Love That!"



What's Next?

Continue to build on our Licensee base

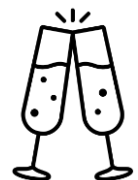
Launch The H Factor in Asia


Monetisation of the License System as it proves to be a valuable revenue earner for licensees.

Continue to find opportunities to demonstrate the benefits of the system, and for maintaining the system as best practice

Continue to partner with organisations suitable for the **step 9** program

Build on the Business For Humans webinar series.





The cover image is a part of an oil on canvas painting, "July By The River", by Jené Stephaniuk.

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