

Australian Financial Review, 12 April 2011

Fiona Smith

Career's End: stepping into the unknown

When Jeremy Duffield thinks about the biggest change to his daily life since he stepped down as chairman of Vanguard Investments Australia last December, the first thing that comes to mind is “sleep”.

There is no doubt that heading a business with an \$80 billion investment portfolio would be enervating, and it had been a long time since Duffield could be confident in greeting the dawn fully rested. “You do learn to sleep again, which is very interesting and enjoyable,” he says. “You do miss a rhythm and you don’t have the people surrounding you to provide you with an instant social network. And your wife may not need you to be around all of the time.”

Duffield has been having a brilliant career. He left Australia as a university student to continue his economics studies at the University of Virginia 36 years ago, got a job at the US Federal Reserve, managed to impress the founder of Vanguard (Jack Bogle) during a presentation, then, over 30 years, was instrumental in taking the investment manager from a \$US2 billion business to one that now has \$US1.5 trillion in assets. He founded the Australian operations of the company in 1996 as managing director, later becoming chairman and taking a global role as managing director of international planning and development for the Vanguard Group.

Then, as he approached his 56th birthday, he contemplated making a change. “I really thought that, after 30 years, I should try something else,” he says. Duffield says he had reached a stage in life, with three adult children off his hands, when he could start to think about things differently. “There are a whole set of freedoms available to you at this age,” he says.

To say Duffield has retired, however, would be misrepresenting his position. Rather, he has quit one stage of his work life – the building, consolidating and mastering of one career – and has launched into a collection of jobs that have piqued his interest. This portfolio of positions may make him just as busy as he was at Vanguard, but will also offer him variety and novelty.

“It is not necessarily about stepping back,” he acknowledges. “I wanted to do something with a sense of mission, like I had at Vanguard, but I didn’t want to compete with Vanguard. “Pretty early on, I decided I didn’t want to fully retire. There are too many interesting things to do. I am not the sort of person who tends the garden.” Duffield’s LinkedIn profile describes him as “temporarily retired”.

He was already a director of Plum Financial Services, which he founded as a subsidiary of MLC, and he has picked up the chairmanship of the Australian Centre for Financial Studies and is a member of the Australian Financial Centre Task Force. Together, these jobs take up about 25 per cent of his time, leaving him plenty of space to investigate other opportunities. He also went to Harvard Business School last September to attend a course on the health industry. “For me, it is really about learning new things,” he says.

creating career success

To prepare for this life change, Duffield contacted Frederick Davidson – known as the doyen of the outplacement industry in this country. Davidson developed the Lifeplan3 program and works with the Directioneering group to help prepare high-level people for retirement – which these days is more about indulging in a labour of love than a routine of golf, grandchildren and travel.

Duffield says Davidson was able to give him a “senior executive’s perspective” and that his new stage of life is a work in progress. “I have a long way to go. I do feel like I have a bit of the process to go through. I describe it as jumping off a cliff. And I have jumped off a cliff a couple of times in my life, and I have always found it interesting.” Davidson says people need to consider that they will probably spend as much time in “retirement” as they do in the career-building years of the 20s to 50s.

“It is rare that people get to 60 years of age working in major corporations – and it is even more so in law firms,” he says. As such, retirement is now a “rebalancing process” rather than a total withdrawal from working life, he says. Davidson says this change, which he calls the “third stage”, takes serious planning, but many people find it too daunting to think about. “They feel it is a kind of dying,” he says. “They keep pushing it away from themselves and hoping it will all work out. But it doesn’t just work out.”

One of the most important things to do is involve the family. One partner may envisage a retirement of spontaneous travel, while the other is still enmeshed in work or family. Communication is essential. The retiring person may be under the misapprehension that their partner will be their home-based personal assistant, or that they can start making unilateral decisions about the way things are done.

Davidson, who turns 75 this year, started Lifeplan3 five years ago after his company, Davidson & Associates, was acquired by Right Management, which was in turn acquired by Manpower. Davidson himself went through the “rebalancing” process. The Lifeplan3 program involves interviews with both partners, separately and together. Even simple things that others take for granted can be disorienting for corporate leaders, who are accustomed to all their daily needs being taken care of by personal assistants, IT help desks, company drivers and catering.

One former chief executive of Lion Nathan, Gordon Cairns, speaking at a function held by The Australian Financial Review’s BOSS magazine a few years ago, related his confusion when, after deciding to take a bus to the shops for a change, he couldn’t find the conductor. Conductors had been taken off buses about 30 years previously. Others can’t resist calling their former office to get help. Some never learned to use a computer and could not type their own letters. Many had never made their own travel arrangements and weren’t accustomed to writing their appointments in a diary.

Some were also rather late in realising that their social network revolved around their job, and their popularity was not just about their own scintillating personality. The Lifeplan3 process also takes in financial planning, psychological and relationship counselling and career advice, such as how to attain a seat on a board. For some people, the end to a brilliant career is not a choice but a necessity, and it can take some time to adjust to a life away from a career that they loved.

creating career success

Another Davidson client is Steven Heathcote, who (in an extraordinarily long career) spent 24 years dancing with the Australian Ballet – 20 years as principal artist. With Heathcote, his body gave up on the music. “At the end of my career, I was exhausted,” he says. “I was physically, mentally and emotionally spent. I couldn’t extract another plié out of my old body if I’d tried.” Heathcote says he had “adrenal burnout”, dealing with chronic fatigue syndrome for 1½ years. “And, when you are involved in a career that is physical, that was not fun. It was hard enough to get out of bed.” He adds with a laugh: “I wasn’t retiring. Not at the age of 43. Dancing isn’t a lucrative enough career to be able to do that.”

Heathcote started sessions with Davidson during his final year of dancing in 2007. “The funny thing is, I’m still meeting with him. He keeps telling me that it is not really a process that ends,” he says. “Frederick has become something of a mentor, which is not something I really had for a long time in the Australian Ballet. Once some of the older dancers left and I moved to the top, there was no one there older or more experienced than I was that I could draw from.” Heathcote has been developing a new career as a dance teacher, studying to get qualifications. He also recently directed an opera for the Victorian Opera. The physical transition has not been easy. “I’d be lying if I said it was,” he says. “There’s a physical withdrawal and an emotional withdrawal. You are used to having your adrenal [glands] sparking through your work. It does take a while for the body and the mind to recalibrate after such a long career. “There is an aspect of performance that is terrifying.”

There’s also the issue of separating your identity from that of your job: “In other people’s eyes, I am always going to be Steven the dancer. My wife, Kathy [Reid] left dancing in 1988 and people still call her Kathy the dancer. People affix an identity to you. “The thing is: it is fine for other people to catalogue you like that. Of course, I am not a dancer any more. What I really am is a father, husband, brother, son and nephew. “One of the nice things about working through all these things about identity is the realisation that who you are is not what you do.”