

PRODUCT DISCLOSURE STATEMENT

PRODUCT DISCLOSURE STATEMENT FOR PRODUCTS OF ADAIR LEADERSHIP AUSTRALIA

Dated: 25 February 2010

Issuer

This Product Disclosure Statement (“PDS”) is issued by G M McMahon Consultants Pty Ltd (also trading as Adair Leadership Australia [ALAUst]) ACN 139 801 513. Greg McMahon has been accredited as a trainer in Action Centred Leadership (also termed ‘Functional Leadership’) by Dr John Adair, originator of the ACL concept. Adair Leadership Australia has been established by Greg McMahon at the invitation of Dr Adair.

Definitions

In this PDS, the words listed below have the respective meanings shown

‘Domestic Transaction’ is a transaction where the parties are both in Australia and the transaction is also denominated in Australian dollars

‘Multiple Currency Transaction’ is a transaction in which a different currency denomination is used at the source account for funds being transferred from the currency denomination used in the receiving account

‘ALAUst’, ‘we’, or ‘our’ are references to Adair Leadership Australia

‘ALAUst Service’ is the provision of services or goods or activities in profiling, training, coaching or consulting, and any associated services, products or activities, provided by Adair Leadership Australia to users in accordance with the Terms and Conditions and various ALAUst policies

‘User’ is a user of the ALAUst Service

‘User Agreement’ refers to the User Agreement governing the use of the ALAUst Service, which is made up of this PDS, any order and / or registration document, the Terms and Conditions and the incorporated ALAUst policies, all of which are available on the ALAUst Website <https://www.ALAust.com> .

‘You’ and ‘Your’ refers to each person who uses the ALAUst Service, who thus has made the User Agreement with ALAUst and who has access to this PDS in Australia.

Purpose

This PDS only applies to you if you receive it in Australia

The purpose of this PDS is to provide you with the information that will assist you to make an informed decision about whether or not to use any ALAust service, product or activity

This PDS and the information that it provides is not intended to constitute advice. The PDS neither is an assessment, an evaluation, an opinion or a recommendation about the suitability of any ALAust service, product or activity for any particular objective, any set of performance goals, any specific organizational needs, or any leadership circumstance.

The information in this PDS has been updated to the date of this PDS. Changes may occur, and information about any changes may be accessed at ALAust's website at <http://www.ALAust.com>.

A paper copy of any changes can be provided without fee upon request.

Terms and Conditions

Upon any order from you or registration by you for a service, product or activity of ALAust, your agreement with ALAust (hence the User Agreement) will be formed by that order or registration form, the Terms and Conditions accessible from the ALAust Website, policies of ALAust incorporated in those Terms and Conditions, and this PDS.

The Terms and Conditions document is available online at <http://www.ALAust.com>, by clicking the 'Terms & Conditions' link located in the footer at the bottom of each page on the ALAust Website

It is in your interests, and in the interests of your commercial relationship with ALAust, that you read the Terms and Conditions and the policies which are incorporated in the Terms and Conditions. These documents have been presented with good font size and plenty of 'white space' to assist your concentration when reading the material. After reading these documents, consider whether you accept these terms, conditions and policies, and decide to agree with these provisions and policies before using the ALAust services, products and activities.

Types of Products / Services

There are three types of Products available, with sub-types within each type

1. Profiling individuals, teams or organizations with respect to leadership
2. Training of individuals, teams or organizations in leadership
3. Advising individuals, teams or organizations on applications of ACL

Sub-types of the Products and Services

Profiling - Individuals

Approaches to leadership can be profiled, and approaches to being a team member can be profiled, for individuals that are at the level of

- Chief Executive / Executive Director
- Senior / Middle Manager
- Frontline Manager / Supervisor / Foreperson / Team Leader

The leader profiling is based on the type of action taken in leadership situations, rather than on any style categorization or psychological classification. There are no correct or best answers, just a set of choices to be made. The profile score is an indication only (by no means proof) of any preference, in the set of actions chosen on the profile instrument – is there a preference towards

- attending to the task that the team has to carry out, or
- attending to the needs of the team to develop as a team, or
- attending to the needs of individual team members to grow in their individual roles,

when choosing the actions to be taken for the leadership situations posed.

Each profiling instrument has 40 situations, taken from the experience of Greg McMahon in leader roles at the level of the manager being profiled, or from the experience of leaders whom Greg has coached or to whom Greg has given consultations.

There are three avenues by which individuals can gain the indication offered by the profiling instrument:

1. By scoring their own choices from a set of given choices for each situation
2. By scoring the responses to each situation, that have been selected by superiors, colleagues and subordinates, as to how they think the individual would act in each situation
3. By giving their own response to each situation, with no restrictions, and obtaining a score of the profile from ALAust

The team member profiling is based on the type of contribution likely to be made in teamwork situations, rather than on any style categorization or psychological classification. The ‘type’ has been derived from the functions of a leader listed in various publications on the ideas of Dr Adair. There are no correct or best answers, just a set of choices to be made. The profile score is an indication only (by no means proof) of any preference in the type of contributions chosen on the profile instrument – is there a preference towards any of the contributions made in the table below ...

Observing:

Identifying needs, requirements, wants, and expectations; stepping back to see the forest and the trees; monitoring personally or procedurally, and gathering and assembling data on events, issues, incidents, feedback, outcomes, trends, predictors for the purpose of identifying needs

<p>Analysing / Evaluating: Prioritising needs or options, checking the feasibility, suitability or acceptability of an idea, testing the consequences of a proposed solution, evaluating group performance in the conduct of a leader action, helping the group to evaluate its own performance against standards</p>
<p>Generating ideas: Defining problems; promoting brainstorming, think tanks, lateral thinking, divergent thinking processes; questioning the usual; welcoming diverse views; exploring assumptions, reasons, ambiguities, differences, and positions; combining ideas; negotiating; experimenting, piloting;</p>
<p>Planning: Seeking all available information, defining group tasks, purposes or goal, making a workable plan in the appropriate decision-making framework</p>
<p>Initiating: Briefing the group on the aim and on the plan, explaining why the aim or the plan is necessary, allocating tasks to group members, and setting standards for the group</p>
<p>Controlling: Maintaining those group standards, influencing the tempo of activities, ensuring that all actions are being taken towards the objectives, keeping discussion relevant and prodding the group or an individual to an action or a decision</p>
<p>Supporting: Expressing acceptance of persons and of their contribution, encouraging the group or individuals, disciplining the group or individuals, creating team spirit, relieving tension with humour, reconciling disagreements or getting others to explore those disagreements</p>
<p>Communicating: Clarifying the task and the plan, giving new information to the group so as to keep them 'in the picture', receiving information from the group and other stakeholders, and summarising suggestions and ideas coherently</p>
<p>Closing: Maintaining standards for completion of deliverables, for the meeting of financial, administrative, legal, professional, personal and group requirements, for fulfilling obligations, for effective handovers, transfers and terminations; and for learning from the closed activity</p>
<p>Technical Control: Contributing information, knowledge, advice and opinion with respect to a technical area of significance to the leader action outcome; ensuring that the technical aspects of proposals are mapped out and explained</p>

... when choosing the contributions that the individual would be motivated to provide in the teamwork situations described in the profiling instrument.

The profiling instrument has 10 situations, taken from the experience of Greg McMahon in teams of which he has been a member, or from the experience of team members whom Greg has coached or to whom Greg has given consultations.

There are three avenues by which individuals can gain the indication offered by the profiling instrument:

1. By scoring their own choices from a set of given choices for each situation
2. By scoring the responses to each situation, that have been selected by superiors, colleagues and subordinates, as to how they think the individual would act in each situation
3. By giving their own response to each situation, with no restrictions, and obtaining a score of the profile from ALAust. [This option is not advertised on the ALAust Website, but is available by private arrangement]

Profiling -Teams.

Two forms of profiling are available

- The spectrum of teamwork preferences held by members of the team can be profiled
- The needs for leadership arising in any team at the time of the profiling can be profiled

Teamwork Preferences. By profiling each member of a team for any preferred teamwork contributions, the extent of coverage of each of the Adair Leadership Functions by the team as a whole can be indicated.

Leadership Needs. The needs of a group, be they Task needs, Team needs and / or Individual needs can be surveyed. From this survey, the strengths of the leadership of the group can be indicated, as can the areas of leadership that require further leader action.

These results can be analysed so as to indicate the needs of the group, be they Task, Team or Individual needs, that may require priority of attention by the leader

Five sections to the survey allow the following:

- The first section allows the survey to differentiate the indications received from different levels (or categories) of team members in the team
- The second and third sections warm-up the respondees' consideration of strategic and operational management issues. The responses provide secondary information on the needs for leadership of the team
- The fourth and fifth sections allow for freestyle qualitative ratings of leadership issues selected by each respondee. This is the primary information that is analysed by ALAust (or a certified ACL practitioner) for the indications that this information may have as to the strengths of the leadership of the team and the areas of leadership that require further leader action.

The issues contained in the statements making up the instrument have been derived from the experience of Greg McMahon in leading teams and in monitoring the leadership performance of himself and of other leaders at different levels of responsibility in teams.

The high satisfaction or high dissatisfaction issues thus indicated by the survey are then categorized:

- To determine whether the issue is a Task need, a Team need or an Individual need, or a combination of any of these three basic categories
- To determine, in some instances, the level of leadership in the organization who holds responsibilities for each indicated issues
- To determine, in some instances, the leader Function to which any indicated high response issue belongs
- The pattern of the above results, so as to indicate
 - The need for further surveys or focus groups to confirm understandings of the ratings and the issues received
 - The issues for each level of the organization, and / or for each part of the organization if requested, that may require priority attention by the responsible leaders in the organization,

at the time of the survey.

Surveys taken periodically can indicate changes in the leadership situation for an organization over time, such as might be desired during any change for the team, or to monitor and support programs to achieve performance targets in leadership terms for the team.

Profiling - Organizations.

The needs of a large group or of a total organization, be they Task needs, Team needs and / or Individual needs, can be surveyed. From this survey, the strengths of the leadership of the organization can be indicated, as can the areas of leadership of the organization that may require further leader action.

These results can be analysed so as to indicate the needs of the total organization, be they Task, Team or Individual needs, that may require priority of attention by the leadership of the organization.

The survey comprises 120 statements. Each statement refers to an aspect of the leadership and management of the organization. The set of statements raise issues pertaining to supervision of the frontline of the organization, as well as those pertaining to the executive management by the highest level leaders in the organization.

For each of these statements, having regard to the aspect of leadership which each statement raises, each member of the organization is asked to provide a rating of satisfaction or agreement with the contention made in each statement.

The ratings from all respondees, as well as from component parts of the organization if so specified, are averaged in order to indicate any issues for which there may be a high satisfaction rating or a high dissatisfaction rating.

The issues contained in the statements making up the instrument have been derived from the experience of Greg McMahon in leading teams and in monitoring the leadership performance of himself and of other leaders at different levels of responsibility in organizations.

The high satisfaction or high dissatisfaction issues thus indicated by the survey are then categorized;

- To determine whether the issue is a Task need, a Team need or an Individual need, or a combination of any of these three basic categories
- To determine, in some instances, the level of leadership in the organization who holds responsibilities for each indicated issues
- To determine, in some instances, the leader Function to which the indicated high response issue belongs
- The pattern of the above results, so as to indicate
 - The need for further surveys or focus groups to confirm understandings of the ratings and the issues received
 - The issues for each level of the organization, and / or for each part of the organization if requested, that may require priority attention by the responsible leaders in the organization,

at the time of the survey.

Surveys taken annually or at another period can indicate changes in the leadership situation for an organization over time. Repeated surveys might be used to indicate the progress made with a major change for an organization, or to monitor and support a continuous improvement initiative by the leadership of the organization.

Training

At the core of all workshops given by ALAust are the leadership ideas of Dr John Adair.

ALAust has taken steps to ensure that the material and ideas presented to attendees is in accord with Dr Adair's ideas. Those steps include:

- Gaining accreditation in the ACL concept at a three day workshop given by Dr Adair (1993)
- Attending a further workshop given by Dr Adair to other professionals seeking accreditation in the ACL concepts (2004)
- Consultations with Dr Adair regarding the content of publications originating from Greg McMahon on the ACL concepts, including
 - Chapter 10 in the text, *John Adair, Fundamentals of Leadership*, Gosling et al, Palgrave, 2007
 - Review for Australian Army of the Army's Leadership Model (1999)

- Paper, *Leadership Shown in Organisations Undergoing Significant Change*, International Conference on Engineering Management, SEMA / IEAust, Melbourne, 1994
- Visits to Dr Adair's UK premises for briefings / updates (2001, 2004, 2006, 2008)

The workshops and associated coaching and action learning, offered by ALAust, can be categorized into three types:

- Type I: Workshops designed, prepared and authorized by Dr Adair
- Type II: Workshops outlined by Dr Adair but prepared within these guidelines by Greg McMahon (or other ACL professional)
- Type III: Workshops designed and prepared by Greg McMahon based on the writings of Dr Adair

Table 1 below sets out a categorization of workshops offered through ALAust.com

TYPE	WORKSHOP TITLE
I	ACL TRAINER ACCREDITATION WORKSHOP
II	THE GENERAL MANAGER AND THE MANAGEMENT OF CHANGE
II	THE TRANSITION TO MANAGER
II	LEADING PROJECT ORGANISATIONS (largely)
II	LEADING PROJECTS (largely)
II	DEVELOPING LEADERS IN ORGANISATIONS
II	LEADER ACTION RESIDENTIAL WKSP (largely)
II	ACTION LEARNING
II	MOTIVATION IN ACTION
II	TEAM BUILDING IN ACTION
II	DECISION-MAKING IN ACTION
II	PRACTICES IN LEADER COMMUNICATIONS
II	IDEA GENERATION IN ACTION
II	BUILDING-IN SUCCESS
III	THE EFFECTIVE STRATEGIC LEADER
III	LEADERS AND NAVIGATORS
III	INTEGRITY IN ACTION
III	ADAIR LEADERSHIP CONSULTANCY COURSE
III	ADAIR LEADERSHIP COACHING COURSE
III	THE FUNDAMENTALS OF PROJECT MANAGEMENT (also titles EFFECTIVE PROJECT MANAGEMENT)
III	THE EXPERIENCED PROJECT LEADER (also titled EFFECTIVE PROJECT LEADERSHIP)

Attendees at all workshops obtain at that workshop

1. A text written by Dr Adair, most relevant to the topic and the level of that workshop (subject to availability of the relevant texts)
2. A paper copy of most slides used at that workshop

Type II workshops draw upon examples, anecdotes, case studies, and lessons learned from practice, accumulated by Greg McMahon, that serve to illustrate the major thrusts of the ACL concepts.

Type III workshops are based on principal applications of the ACL concepts to major bodies of knowledge about other major topics in the field of organizational management

The generic nature of the sessions of each workshop are described on the ALAust Website under the Home Page Header Click-On, 'Training'.

Risks associated with Using the ACL Products and Services.

Treating the Results of Profiling as 'Proof': Some forms of this risk may include:

- 'Stereotyping' the person profiled by the results from the profiling, as an outcome that is not available to meaningful change, where changes to the profile can result readily with training and coaching, and,
- Viewing any changes to the preferences shown by the person profiled as a matter of psychology and therapy, where any changes to preferences may be a matter of training or coaching
- Viewing one group of preferences for leader action as having a higher value than other groups, encouraging a focused approach, where all approaches to meeting leader responsibilities have different values in different situations, encouraging a broadening of approach or openness to all approaches

Availability of the ALAust Services, Products and Activities

Reasonable steps will be undertaken to maintain ready availability of the ALAust services, products and activities to users at all times. Nevertheless, it is foreseeable that the ALAust Website and ALAust services, products and activities may experience periods when they are not available to some or to all users. ALAust will act to make these temporary closedowns as short in length as reasonable.

Factors outside of ALAust's control, such as general system issues for ALAust and server / internet incidents with ALAust's suppliers, may cause these temporary shutdowns.

Date-time issues for different parts of the globe, public holidays, leave periods and absences on assignment in remote areas can affect turnaround times to the receipt of services, products and activities.

Key Benefits

Set out below are some key benefits of using ALAust products and services.

1. The ACL Model is task-oriented. The leadership concept is action-centred - the TASK circle is always drawn as the top circle in the three circle model. This is not an 'anti-people' aspect in ACL; it is a strongly pro-people insight. ACL has long adopted MacGregors motivational 'theory Y', namely, that *people love work*. ACL understands that motivated individuals and self-directed teams are strongly supportive of efforts to achieve the TASK. Such people will give priority to TASK above their own legitimate interests, when this is needed by the organization. ACL understands that team members do this out of the 'goodwill' that they have for the organization that has given them the opportunity to work on meaningful tasks. There is a limit to that store of goodwill, and the best leadership will gather the greatest store of goodwill from team members. Only leaders who accept the core responsibility for TASK will attract the 'followership' of self-directed teams and motivated individuals.

2. ACL (or 'Functional Leadership' as it is also termed) is a total management concept. By this is meant that the ACL model incorporates all aspects of the field of management. It does not have to be augmented by any other management concept in organizing individuals or organizations to meet all their management responsibilities. This is because the ACL concept constructs management as a part of leadership (rather than leadership as just the personnel management part of management). Leadership, under the ACL construct, becomes the umbrella concept, under which all other management concepts are subordinate and are organized for the contribution that any management body of knowledge makes to one or more of three core leadership responsibilities:

- To achieve the task
- To build and maintain the team', and,
- To develop and motivate the individual,

or, for the guidance that these management bodies of knowledge give to the leader in carrying out the functions of leadership when implementing actions to meet these responsibilities, namely,

- Planning an action,
- Initiating an action,
- Controlling an action
- Supporting an action
- Informing about an action, and
- Evaluating an action.

In particular, the Focus on Needs that the ACL model advocates facilitates an integration of the leader's internal responsibilities (that is, to meet task, team and individual needs) with their external responsibilities (to meet stakeholder needs, to meet customer needs and the customer's customer needs, etc). The unifying concept across the boundary between the internal and external spheres of influence for each leader is 'needs' – thus the wisdom that

needs are the seeds to strategy.

3. The ACL concept thus facilitates, for teams, for organizations and conglomerates, a 'leadership language' for the individuals in leader roles within any group – a set of simple, universal concepts about leadership responsibilities and leader action that maximizes the effectiveness of communications and depth of understanding between managers at all levels and across all managers at any level. The language, if adopted and supported officially within an organization, contributes significantly to vision-sharing, alignment, innovation, coordination, integration, self-direction and other communication-understanding dependent group processes.

4. The ACL Leadership concept inherently adopts leadership of any group as being a Shared Activity amongst the group, even if it is the leader's Sole Responsibility. The concept has adopted ideas on decision-making that provide clear thinking about consultative and participative processes, ideas on motivation that promote delegation and initiative, ideas on teamwork that encourage self-direction. The ACL leadership culture readily acknowledges that members of the group will be making the primary leadership contributions in many or most instances, and it rewards the leader for leadership contributions made by members of the leadership group. The leader, by keeping in contact with the needs of the group, maintains a healthy relationship and dialogue with any informal leaders within the group. The ACL culture is particularly supportive of multi-disciplinary team situations, such as with project teams, where the profile of informal leadership and technical leadership is very strong within the leadership group.

5. The ACL approach requires the leader to decide what must be done, and how it should be done, and by whom, when and where when these are also issues. The leader does this by analyzing the situation of the group that the leader is leading. ACL is a 'first principles' or 'door-knocking' model for leadership. This is in contrast to 'empirical' or 'wisdom' models of leadership, which have gathered their wisdom (qualities, styles, habits, maxims, principles, values) from a multitude of past leadership situations that have been successfully negotiated by others.

6. ACL is inclusive of other ideas rather than competitive. The ACL approach readily incorporates the wisdom available from wisdom models on leadership. The wisdom models are based on experience of capable leaders, and all experience is legitimate material upon which to decide future leader action. The 'first principles' perspective, however, assists in selecting from the wisdom available for application to the immediate situation, by the primary reference that ACL gives to the analysis of the current situation. Student assignments at the University of Queensland have demonstrated that ACL concepts explain why particular qualities or styles or habits or values have

impact in particular leader situations, through the types of needs that the qualities, etc meet. The Evaluation function of ACL (or Functional Leadership) is the ACL mechanism for gathering wisdom about past use of the ACL approach. Wisdom, from ACL, from use of other 'first principles' leadership concepts, and from 'wisdom' models, is readily applicable to the leader's analysis of the needs of the immediate situation and of the options available for action to meet the priority needs. In doing this however, the leader has already 'knocked on the ACL door' and is seeking to identify the priority needs - the total approach, inclusive of all bodies of wisdom and of knowledge, is occurring within the ACL paradigm

7. ACL is focused on the choices made by the leader for actions, rather on the psychology / internal motivation of the leader. ACL, in its fundamentals, is concerned with normal people behaving normally in leadership roles. The approach is not judgmental about the person, but is instead, analytical about the match of action to the need. The development of leadership capacities is seen as a matter for training and coaching rather than therapy and counseling. Therapy and counseling may arise as needs of an individual or group or organization within the ACL paradigm, but the fundamental philosophy of ACL is about coaching and training normal people behaving normally

8. Commercially, ACL offers a useful package of training that organizations can use without copyright fee, if the organization registers with ALAust in Australia or with the nominated organization in other parts of the world. ALAust is a needs oriented philosophy, and would only use the registration details for communication with the registered organization consistent with that organisation's needs, and with only a check by ALAust, without fee, that the ACL concepts are being correctly 'taught and caught' in the organisation's program.

9. Quality wise, ALAust can provide training, coaching and consultations from persons who have been accredited as practitioners in the ACL concepts. Such accreditation can be gained, at a fee, by in-house trainers of an organization, or by consultants used by an organization to conduct in-house or customized leadership development programs. Leadership programs can also be reviewed by accredited ACL practitioners. Mis-statements of the ACL concept have occurred in well-credentialed training schools (for example, drawing the three circles with the team circle on top). ACL accredited practitioners can remind other trainers and designers of the original ACL model, and ask that any local modifications be explained to participants as modifications. This assists consistency in understanding and application of the ACL model, while allowing useful customizations to be developed to meet the particular needs of the trainees and their organization – meeting needs is core to the ACL concept and to the ALAust business model

10. ACL is very open to customization, even to the extent of modifying the three circles diagram. Dr John Adair has deliberately kept the three circles as a simple concept, for ease of its introduction in training young leaders. The use of the three circles as a part of more elaborate models by particular organizations, to best serve the needs of their full range of managers and executives, is supported by Dr Adair and by ALAust. ACL

accredited professionals can bring to any customization considerations the ideas that other organizations have used to meet their needs for a leadership model

11. The Global reach of ACL training is increasing. While originating in Europe, accredited professionals are operating in Australia, New Zealand, Indonesia, China and Hong Kong within the South East Asia / Asia region.

Fees and Charges

Fees and charges are set out against the respective service, product and / or activity in the 'Order' part of the ALAust Website.

For other services, including customized services, products and activities, fees and charges will be set out in the quotation / agreement for such services.

Dispute Resolution

ALAust is committed to responding to user complaints fairly, and to treating the issues so disclosed as a gift of information that will assist ALAust to an improved service, product and / or activity.

ALAust will seek to resolve complaints in a timely manner, using the procedures set out under the 'Disputes Resolution' part of the Terms and Conditions.

ALAust Customer Service Duty Officer in Brisbane, Australia has the responsibility within ALAust for managing responses to complaints.

Documents Incorporated by Reference

The User Agreement and its underlying Terms and Conditions, and the incorporated ALAust policies, are documents that are referred to in this PDS. While not provided with the PDS, these documents are available in toto at nil free on the ALAust Website.

The legal relationship between ALAust and each user is set out by the User Agreement, which is constituted by the Terms and Conditions, ALAust policies, this PDS and any order or registration made by the user.

These ALAust policies include the Privacy Policy and the Research Policy.

You should access and read the information contained in the User Agreement and ALAust's policies, as they contain further terms and conditions that may apply to you as a user of the ALAust goods and services.