

“Barrington’s Strategy to be world’s best”

CEO PETER STOKES EXPLAINS HOW BARRINGTON CONSULTING GROUP IS HELPING BARRINCO IMPLEMENT THE ARGENTI SYSTEM OF STRATEGIC PLANNING.

Leading underground hard-rock mining contractor, Barrinco Holdings Limited, has an important goal: to be universally recognised as the world’s best underground mining services company.

With advice from Barrington Consulting Group, Barrinco this year implemented the Argenti System of Strategic Planning – a world-class tool to help it deliver sustainable, world-class performance.

Barrinco has a strong base to build on. It defied the mining slowdown with strong operational performance and profit growth in 2013. A successful refinancing of its debt last year strengthened its balance sheet and provided momentum to grow in Australia and overseas.

From humble beginnings in 1989, Barrinco now provides a full suite of mechanised underground mining services at key resource projects in Australia and West and North Africa. It is majority owned by Gresham Private Equity, which is half owned by Wesfarmers (through its 50 per cent interest in Gresham Partners Group).

Wesfarmers is Australia’s best-known proponent of the Argenti System of Strategic Planning, and Barrington Consulting Group is this country’s leading

implementer of it. Barrington Consulting Group’s expertise with Argenti was a key reason why Barrinco engaged the firm.

The project was well timed. Peter Stokes joined Barrinco as CEO in February 2013, and chief financial officer Peter Bryant joined two months later. In March 2014, Victor Rajasooriar was appointed chief operating officer and Louis Mostert joined as general counsel and company secretary.

With a new executive team in place, Stokes wanted to enhance Barrinco’s structures and processes around strategy development. “Argenti is a more structured way of operating than we have had before,” he says. “It provides a toolset to ask and answer the right strategic questions, align the board and executive team on strategy, and better measure outcomes.”

(cont. overleaf)

A SNAPSHOT OF BARRINGTON’S WORK WITH BARRINCO:

- 1 Barrinco is a leading provider of underground hard-rock mining services in Australia and Africa. It continues to perform strongly during the mining investment slowdown.
- 2 Barrinco decided to implement the Argenti System of Strategy Planning to enhance its structures and processes around strategy development and measuring performance.
- 3 Barrington trained the Barrinco board and executive team on Argenti in early 2014.
- 4 It also ran an executive planning session using Argenti and prepared an executive/board retreat for Barrinco on its strategy development.
- 5 Barrington also helped Barrinco develop its five-year strategic plan and rolling 90-day plans. The board approved the plan in May, and Barrinco is pleased with early results from Argenti and its implementation.



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– Barrinco CEO Peter Stokes

Barrington's Strategy to be world's best...

Barrington helped Barrington to train the board and executive team on Argenti and its implementation. Stokes says: "There's a risk that you superficially follow the process of Argenti to develop strategy. It's not a tool you can use once and put on the shelf. You have to embed it throughout the organisation and get real buy-in from the board, to maximise its benefits."

Stokes says Argenti has created more structured discussions between Barrington's executive and board.

Barrington helped Barrington develop its five-year strategy plan and 90-day rolling plans, using the Barrington methodology to detail strategic initiatives, capital and operating expenditures, and expected returns. Barrington's board approved the strategy in May 2014.

Another key benefit of Argenti, says Stokes, is its ability to force organisations to think further out.

scale to use it: you have to make a significant commitment to get the most out of Argenti."

Barrington's commitment began with Barrington. "We thought Barrington was exceptionally good at helping us implement Argenti in our organisation," Stokes says. "Barrington is extremely knowledgeable about Argenti and has great skill in facilitating sometimes difficult conversations between the board and management over strategy."

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"We have found that the feedback loop, which is a key part of Argenti, has been very useful. Like many companies, our feedback, from time to time, was ad hoc."

Stokes adds: "Argenti has also helped the board deepen its involvement in the creation and oversight of strategy than might not otherwise have been the case. Argenti is a good tool to get management and the board on the same page about how the organisation develops, implements and measures strategy."

Using Argenti has sparked some difficult conversations. Barrington prepared and ran an executive retreat for Barrington that provided an opportunity for the board and executive team to challenge strategic assumptions and projections. "Argenti forces you to question the organisation's strategic drivers, and how they are best measured. It's a healthy process," Stokes says.

"When everybody is driving towards short-term targets, it can be a real challenge to get staff thinking about the medium and long-term goals as well. Argenti ensures you keep thinking ahead, while recognising the importance of achieving day-to-day goals."

He says the next step is to translate the measured outcomes from Barrington's strategic planning to a form of balanced scorecard. That could add non-financial measures, such as workplace safety, which Barrington excels in, to give a more balanced view of how the organisation is tracking against its broader strategic objectives.

Stokes believes Argenti can be used across a range of companies. "Obviously, it depends on the organisation's circumstance, but there is a real opportunity to use Argenti in many types of business."

It can be resource-hungry and I would argue the organisation needs a certain

"John Barrington's experience with boards, and his independence, meant he could put himself in the shoes of directors and think about strategy from their perspective. Working with Barrington was a very good experience." John Barrington is the founder of Barrington Consulting Group and a prominent thought-leader on corporate strategy and Argenti.

CONTACT

BARRINGTON CONSULTING GROUP

LEVEL 1, 7 HAVELOCK STREET
WEST PERTH, WA 6005

PHONE: +61 8 9420 1900
FAX: +61 8 9420 1999