

Governance, strategy projects help Peet deliver a 'watershed' moment

ARGENTI NOW AT THE CORE OF PEET'S STRATEGIC PLANNING — WITH ADVICE FROM BARRINGTON CONSULTING GROUP.

Most executive teams use the Argenti System of Strategic Planning to identify and resolve key strategic issues. Peet Limited, a prominent national property company, has gone a step further: it is using Argenti to further strengthen the alignment of its board and executive team around strategy.

Peet Managing Director and CEO, Brendan Gore, says strong alignment on strategy helps boards and executive teams focus on issues that add most value. "It's easy for boards and management to get consumed with micro issues that do not 'move the dial' on strategy, and the organisation ends up spinning its wheels," he says. "Argenti helps boards and management work together to take a helicopter view of the things that really matter."

Argenti is a powerful tool for boards, says Gore. "It gives boards confidence that everybody in the organisation is working off the same strategic planning process, and that there is a clear, agreed strategy roadmap. In turn, Argenti becomes a tool for boards to deepen their involvement in strategy, work closer with management, and discuss and resolve any differences of opinion over strategy."

Gore adds, "I've seen organisations where the board pulls in one direction, and management pulls in another direction, because there is no agreed strategy, or clear process to develop and implement strategy. History tells us that company performance and shareholder returns are at significant risk when boards and management have different views on strategy, and do not understand each other's perspectives."

Developed over four decades, Argenti is a renowned strategic planning framework that helps leadership teams concentrate on, and resolve, key strategic priorities that are critical to their organisation's long-term health and prosperity. Argenti's simple, disciplined approach has helped some of Australia's largest companies sharpen and clarify their strategy thinking and implementation, and added significant shareholder value. *(Cont. overleaf)*

A SNAPSHOT OF BARRINGTON'S WORK PEET

- 1 Peet is a national property company with operations in funds management, land and property development, and land syndication.
- 2 Barrington first worked with Peet before its 2004 IPO on ASX, to help it develop a corporate business plan to take to market as a listed company.
- 3 Barrington has since worked on three board-effectiveness reviews for Peet, to ensure it has the right board composition and skill set for its strategy.
- 4 In a follow-up project, Barrington helped Peet implement the Argenti System of Strategic Planning, to provide greater clarity around strategy planning and implementation.
- 5 These projects have produced considerable short-term and long-term value. There has been board renewal, a clearer process for developing and implementing strategies, and better alignment between the board and executive team on strategic planning processes.

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In early 2014, Peet used Barrington Consulting Group — Australia's leading implementer of Argenti — to help it develop a new five-year strategy that is considered the most comprehensive in the group's 119-year history. The strategy has multiple timeframes, its initiatives are fully costed and connected to the annual budget, and it has helped inform Peet's 10-year corporate model.

Barrington was also asked to facilitate workshops to assist Peet's leadership team develop and plan the implementation of the new strategy, instil greater discipline around strategic planning and execution throughout the organisation, and

and senior management teams by recruiting some very experienced and credentialed property executives from larger national companies," Gore says. "When you increase the capability of the management group by bringing new skills and experiences, you also have to ensure the board still has the best possible mix of skills to assist that team, and govern the organisation."

The latest, most significant, board review led to two new board appointments in 2014. Gore describes the board review and subsequent strategy review, facilitated by Barrington, as a "watershed" moment. "After the GFC, Peet faced the worst

direction. To do so, we have to ensure the board and executive team are absolutely aligned on strategy. We are still rolling Argenti out through the wider business and tying it in with everything Peet does, but early results from the board and strategy reviews are very positive."

Gore says Barrington's knowledge of Peet, its earlier board work, and subsequent work on strategy, has added significant value. "In some ways, Barrington was a conduit between the board and management on the development of our new strategy. Because it had worked with both groups, Barrington was able to help our board and management team have



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review performance through structured assessments of 90-day plans.

This successful relationship began more than a decade ago, when Peet engaged Barrington to assist it complete a corporate business plan before it listed on ASX in 2004.

Like other growing companies, Peet wanted to ensure it had the right board composition to lead a larger, rapidly evolving organisation. It has since engaged Barrington to facilitate three board reviews. "As Peet grew, it significantly upskilled the executive

market conditions in more than two decades," he says. "Also, our business model had evolved, with Peet briefly dabbling in retirement villages, an income fund, and industrial office property. Fortunately, our strategic processes meant we did not go too far down those paths."

Gore adds, "Having gone through this tough period, Peet is now moving from the defensive to offensive through its new strategy. We are intent on growing the company organically, continuing to acquire strategically located broadacre landholdings and/or through M&A opportunities that fit into our strategic

informed, constructive strategy debates, further align our thinking, and confirm we had the right people to deliver that strategy."

Gore would recommend Argenti to other organisations. "It forces organisations to focus on the big performance drivers, stop wasting time on the minutia, and have fewer strategic discussions that go back and forth between the board and management, and ultimately nowhere."

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