

RURAL GOVERNANCE DEVELOPMENT PROGRAMME



BUSINESS TORQUE SYSTEMS

Funded by New Zealand dairy farmers through:



Programme Overview

General Outline

The Rural Governance Development Programme is a multi-day programme that equips senior agribusiness decision-makers with governance knowledge and skills. Each programme is made up of 5 group workshop days spread over 10 months. Before the start of the programme, each participant completes a Learning Needs Assessment of governance strengths and weaknesses. This analysis informs the learning process, and is repeated at the close of the programme in order to measure growth. Each intake is limited to 24 participants from 5 to 8 agribusinesses.

Programme Development

In 2012 DairyNZ innovators noticed a rising conversation in the academic and business communities around the importance of governance, in response to a series of high-profile governance failures. This led DairyNZ to partner with governance experts and key sponsors to develop a governance training programme for decision-makers in dairy farming businesses (both large businesses and small- to medium-sized ones). The pilot programme's results were astounding. Not only did the programme resonate with the dairy farming community, participants showed measured growth in decision-making, confidence, and sustained business performance. Since then, the programme has expanded to include all types of rural businesses.

The initial DairyNZ programme was developed in partnership with Peter Allen, an independent governance expert, and creator of the well-known Business Torque Report[®] evaluation. Other experts involved were James Lockhart, senior lecturer at Massey University Business School, and Justine Kidd, dairy business CEO and past Dairy-Woman of the Year.

With DairyNZ's licensing, the programme is now managed by the governance education company Business Torque Systems Ltd., with Peter Allen as the primary presenter (supplemented by facilitator Lawrence Field). It has been running for 5 years, and to date almost 200 farmers and their advisors have participated. It is tried and tested, and proven to yield results for NZ farmers.

Meet the Presenter

Peter Allen was raised in a home where the family business was lived and breathed around the kitchen table. Peter's first business venture—looking after racehorses—failed, resulting in he and his wife losing everything in the financial crash of 1987. Peter recognised the poor decision-making that led to the business' failure and started again, passionate about teaching others the skills needed for effective decision-making.

Peter now has over 18 years' experience in the field of governance. He is a governance expert, advisor, mentor, educator, and innovator. Peter's passion is to work with people who want to learn good governance practices. He actively researches, develops, and advocates a style of governance that is suitable and effective for New Zealand and Australian businesses.



In addition to working with a range of sectors including farming, growing, and exporting, Peter works with a number of Maori trusts and SMEs around the country. He also sits on the boards of several businesses. Peter lives in Palmerston North with his wife of 40 years, Alex. He has four children and one young grandson.

Defining Governance

In order to practice effective **Governance**, a business needs to clarify the differences between ownership, directorship, and management. The roles and the responsibilities that go with them are often confused, complicating business relationships, operations, and planning. A better understanding of governance empowers owners, directors, and managers to make better decisions, fulfill their purpose, and build sustainable performance in their businesses. Whether you're trying to increase the effectiveness of your board, transitioning the ownership or management of your business, or just wanting to expand your understanding of how governance can improve the way you do business, the Rural Governance Development Programme can help.

The programme is founded on seven core **Governance Practices**—proven building blocks for effective governance that enable growth. The programme also employs Peter's learning needs assessment, the **Business Torque Report**[®]. The reporting programme is based on his insights of the practical steps required for directors to grow in their governance capability. It is backed by data collected from over 6,000 interviews with business owners.

Key Outcomes

- Growth in the governance capability of directors
- Increased confidence among leadership (as governance capability increases)
- Stabilisation of business performance: despite external forces, businesses produce financially sustainable results
- Reduced interest rates by bank managers and increased investor confidence, due to decreased risk
- Clarified core purpose and development of long-term strategies to achieve performance goals
- Unified team members with shared goals, and strategies to carry out those goals as a group
- Sustainable increases in profitability for those who apply the practices diligently over time

The Seven Practices of Governance

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Practice 1: Acting with a Purpose in Mind

Clarify purpose and strategy. Align every strategic decision and action with the predetermined purpose of the business. Provide managers with clarity of this purpose and the business value that must be embodied.

Practice 2: Planning for Effective Governance Meetings

Sustain a pattern for holding effective board meetings.

Practice 3: Working with Other People

Thoughtful challenging and non-personal debate to achieve consensus without groupthink.

Practice 4: Making Right Decisions

Create agreed frameworks and policies to guide decision-making.

Practice 5: Maintaining a Learning Orientation (Continuous Improvement)

Make learning an integral part of your company culture, starting with the board.

Practice 6: Knowing What Is Going On and What to Do About It

Take responsibility for achieving the predetermined purpose of the business by understanding what's actually going on, and holding those responsible to account.

Practice 7: Managing Risks Effectively

Agree on your risk appetite. Proactively identify and mitigate the likelihood and severity of risk events.

RGDP Approach



Addressing Real Challenges

RGDP is more than just an educational programme—workshops are a catalyst for real change and development. Participants are encouraged to share their own business challenges as an integral part of the group learning process. This enables participants to learn from each other’s real-world experience, and support each other to build their respective businesses.

Putting Theory Into Practice

This programme educates participants in the theory of governance, but its real focus is the practical outworking of governance in participants’ businesses. Because of this, learning is spread out over time—an approach that allows participants to put what they’ve learned into practice between sessions, and review its effectiveness over time. We call it “learning by doing.”

Empowering Ongoing Growth

Many development programmes provide knowledge and stop there. Because learning and growth aren’t (or shouldn’t be) one-off endeavors, RGDP goes further. Throughout the programme, we administer two governance Learning Needs Analyses, one at the start of the programme and one at the end, approximately one year apart. These serve as bookends of your learning experience and a roadmap for future, continuous growth and improvement.

“On the course I was personally challenged more than I expected. As a result, I have grown in a number of areas, particularly in regard to some elements of self-awareness and interpersonal relationships. For me, it was one of the best overall learning experiences I have had.”

Farm Governance Advising Training Programme Participant, 2015

Is RGDP Right for You?

Tick the statements that apply to your business:

- We want our business to become more stable in the midst of uncertainty.
- We want our business to thrive, and it's tough to do in this market.
- I want to make the best decisions as my farming business gets more complex.
- I would like my farming business to cause me less stress and provide much more enjoyment.
- I want to hand over the management of my business.
- We want the next generation to be involved in the ownership of the business, not just the management.
- We want to see progress towards our long-term expectations and aspirations.
- Our business has several shareholders and we need to have the right directors.
- Our equity partnership is having a few problems and not delivering what we hoped as shareholders.
- We want to be better skilled as directors of our farming business.
- We want to identify new opportunities and gain confidence to pursue them.
- We want to establish a pragmatic governance framework to improve reporting, monitoring, and oversight.
- We want to get key people working together toward a common purpose.
- We want to build confidence to effectively deal with conflict.
- We want to discover ways to pass knowledge and responsibilities to a new generation of leaders and workers.

If you ticked any of these statements, then this programme is for you.



Tim Mudford, Programme Participant, 2016

Programme Details

Who Should Attend

The programme is most effective when all or a majority of the senior decision-makers in a business attend—generally this means the board of directors. In a family-owned business, this means the parents and adult children that are involved in the business (we also encourage spouses to attend). In the case of farming syndicates, this means the majority of the board and especially the chair.

One of the most beneficial aspects of the programme is that it empowers decision-makers to work together more effectively as a team. The quality of learning is greatly enhanced if directors attend the programme together. This requirement is so fundamental to your success that no application will be accepted where this condition has not been met.

Another key aspect of the programme is the involvement of a key advisor. Your key advisor might be your accountant, lawyer, banker, farm consultant or a friend. They do not have to be a professional already involved with your business, but they should be someone who will support your learning and hold you accountable. This advisor should be:

- Someone you trust and can discuss your business with
- Someone who can attend all five days of the course
- Someone who strongly supports the objective of improving governance in your business
- Someone who will keep you on task and be prepared to challenge you if required

Professional advisors in attendance can support more than one business if several of their advisee businesses wish to attend.

Rural Professionals in particular will find the programme useful beyond its application to their attending client. The principles learned throughout the programme will broaden their understanding of governance and empower them in all of their rural advising relationships.

How to Apply

To apply, go to www.businessstorque.co.nz#rg. You will find links to both the business application form and the advisor application form. Once you have completed an application, we will send an invoice and NZTE voucher application information.

Places are limited to a maximum of 24 participants for each meeting (5 to 8 businesses) to ensure a small-group atmosphere is maintained. Additional programmes and locations will be added based on demand. If you get a group of 6 or more people together, we can come to you.

What's Included

Course cost covers speakers, facilitators, catering, venue, and course materials for the full 5 days of the course, specifically:

- All course materials including reference material and workbook
- Two Business Torque® Governance Evaluations for each paid participant
- Morning and afternoon tea, and lunch for Days 1-5

Participants will need to book and pay for their own travel, accommodation, breakfast, and dinner.

Programme Schedule					
Pre-Course	Day 1	Day 2	Day 3	Day 4	Day 5
Business Torque Pre-course Governance Evaluation; Report provided to each participant at beginning of course	Setting the scene	Acting with a purpose in mind	Review of work to date	Review of work to date	Review of work to date
			Working with others		Managing risk effectively
	Maintaining a learning orientation	Planning for effective governance meetings	Making right decisions	Knowing what is going on and knowing what to do about it	Where to from here? Recognition of progress

“Learning governance while doing it makes it easy to implement good governance. It might seem daunting at first, but this learning approach will dispel many of those fears. In a family situation, it means everyone is starting at a similar level of competence and understanding. Expertise and knowledge will grow as a group.”

Farm Governance Advising Training Programme Participant, 2016

Payment Information

Cost per person: \$4750 + GST (\$2375 + GST for an advisor attending with a client)

A 50% payment to Business Torque Systems Ltd (BTS) is required 14 days before the programme starts. Any remaining balance is due 14 days after Day 3.

This course is registered on the NZTE Regional Business Partner website:

www.regionalbusinesspartners.co.nz. Businesses may apply for up to 50% of course costs to be covered (40% for advisors), to a maximum of \$5,000 per business.

Once you have completed your application, visit the NZTE website to arrange a meeting with your local NZTE representative, who will provide a voucher if you qualify. If BTS receives a voucher for you from NZTE, we will deduct the amount of the voucher from your total programme cost. In this case, you would still proceed with the payment plan above. This means that 14 days before the programme starts, you would pay 50% of the programme fees not covered by your NZTE voucher, then the final balance 14 days before Day 3.

(We understand the NZTE system can be a little confusing, so please feel free to call or email us for clarification.)

# People	Without NZTE Voucher		With NZTE Voucher	
	Total Cost	Initial 50% Payment	Total Cost	Initial 50% Payment
1	\$4,750	\$2,375	\$2,375	\$1,187.50
2	\$9,500	\$4,750	\$4,750	\$2,375
3	\$14,250	\$7,125	\$7,125	\$3,562.50
4	\$19,000	\$9,500	\$9,500	\$4,750

All prices are exclusive of GST

About Our Company

The Business Torque Systems (BTS) Ltd. mission is to build sustainable organisational performance through governance assessment, education, and practice. Since founding the company in 2001, Peter Allen has worked as a governance advisor, mentor, educator, and innovator. He has partnered with government entities, national corporations, trusts, and hundreds of businesses (many of them farmers!).

Peter's goal has been assessing governance knowledge and capability, tailoring and delivering education that meets the specific learning needs of individual boards, and facilitating the practice and improvement of governance performance in a measurable way over time. Today he's doing that for a variety of clients across New Zealand.

To learn more about the company and his work, visit www.businessstorque.co.nz.



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Nick

Designer, Writer



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