

RURAL GOVERNANCE DEVELOPMENT PROGRAMME



BUSINESS TORQUE SYSTEMS

Funded by New Zealand Dairy Farmers through

DairyNZ 

Outline of the Programme

The Rural Governance Development Programme (RGDP) is a multi-day programme that equips agribusiness decision-makers with governance knowledge and skills. Each programme comprises 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 to measure growth. Each intake is limited to 24 participants from 4 to 8 agribusinesses.

Programme Development

In 2012, DairyNZ innovators noticed a rising conversation in the academic and business communities about 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 and small- to medium-sized ones). The pilot programme's results were astounding. Not only did the programme resonate with the dairy farming community, but 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 educator and creator of the well-known Board Torque Report© evaluation. Other experts involved were James Lockhart, a Massey University Business School senior lecturer, 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. It has been running since 2013, and to date, over 200 farmers and their advisors have participated. It has been tried and tested and has 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 him 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 20 years of experience in the field of governance. He is a governance specialist, advisor, mentor, educator, and innovator. Peter's passion is to work with people who want to learn good board practices. He actively researches, develops, and advocates a style of governance that is suitable and effective for New Zealand and Australian businesses. He recently completed a Master of Education at Massey University, which included research into how boards can best develop.



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

Why Governance?

Defining Governance

To practice governance effectively, a business must clarify the differences between ownership, directorship, and management. The roles and responsibilities accompanying them often complicate business relationships, operations, and planning. A better understanding of governance empowers owners, directors, and managers to make better decisions, fulfil their purpose, and build sustainable business performance. 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 how 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 Board Torque Report©. The reporting programme is based on his board research into the practical steps required for directors to grow in their governance capability.

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 more 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

Business Torque Systems Ltd

Practice 1: Acting with a purpose in mind

"Aligning every governance decision and action with the predetermined purpose of the business"

Practice 2: Planning for effective governance meetings

"Sustaining a pattern for holding effective governance meetings"

Practice 3: Working collectively

"Thoughtful challenging and non-personal debating in order to get consensus without groupthink"

Practice 4: Making sound decisions

"Exercising discernment through prudent stewardship; creativity; and, a stable but not static system of policies and parameters"

Practice 5: Maintaining a learning orientation

"Assimilating new learning into current governance practices, bringing robustness to governance, and new life-giving decision-making skills to bear on challenges and opportunities"

Practice 6: Knowing what's going on & what to do about it

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

Practice 7: Managing risks effectively

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

Is RGDP Right for You?



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 business challenges during the group learning process. This enables participants to learn from each other’s real-world experience and support each other in building their respective businesses.

Putting Theory into Practice

This programme educates participants in governance theory, 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.”

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 want 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 has a few problems and is 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 the 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 deal with conflict effectively.
- 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

“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.”

A great course, the more you get to know about governance and how it works the more you realise how important it is and how it can make your farming more profitable and rewarding. We did not realise how much we did not know and what we were missing. Our experience is that better governance practices have improved our farm operations and made it a more efficient workplace. The good thing about this course is that in each session you work in your business group and start implementing the new ideas. We would recommend this for any farmer large or small. It is great for business performance and succession planning. Ferris family, Waikato

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 involved in the business (we also encourage spouses to attend). In the case of farming syndicates, this means the majority of the board, 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.

Another aspect of the programme is the involvement of a key advisor. You can choose to involve a key advisor, who might be your accountant, lawyer, banker, farm consultant or friend. They do not have to be a professional already engaged with your business, but they should be someone who will support your learning and hold you accountable. This advisor could 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 valuable beyond its application to their attending clients. 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, where you will find a link to the application forms. Once you have completed an application, we will send an invoice and the MBIE voucher application information.

To maintain a small-group atmosphere, places are limited to 24 participants (4 to 8 businesses). 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 five days of the course, specifically:

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

Participants must book and pay for their travel, accommodation, breakfast, and dinner.

Programme Schedule					
Pre-Course	Day 1	Day 2	Day 3	Day 4	Day 5
Board 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 collectively		Managing risk effectively
	Maintaining a learning orientation	Planning for effective governance meetings	Making sound decisions	Knowing what is going on and knowing what to do about it	Where to from here? Recognition of progress

Payment Information

Cost per person: \$6,450 + GST in Taupo, \$6,850 + GST in Christchurch (the difference in cost relates to travel costs for the presenters). The second and subsequent people coming from the same organisation receive a \$500 + GST discount.

See the website for course dates.

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 MBIE Regional Business Partner website: www.regionalbusinesspartners.co.nz. Businesses may apply for up to 50% of course costs to be covered to a maximum of \$5,000 per business.

Once you have completed your application, visit the MBIE website to arrange a meeting with your local Regional Business Partner representative, who will provide a voucher if you qualify. If BTS receives a voucher for you from MBIE, 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 MBIE system can be a little confusing, so please feel free to call or email us for clarification.)

Contact:

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