



Public Company – Leisure Real Estate

The Problem



The client is a leading company in the leisure real estate market, which is a mature market, characterized by commoditization and declining margins. The company's main product was suffering declining margins and the company's stock price was under pressure. The company wished to see if it could reverse the long-term decline in margins as well as take more immediate action on expenses, not through indiscriminate cost cutting, but through focusing on the financial behaviors of its leaders throughout the organization.

The Process

The CEO of the division and his direct reports were assessed using Perth's suite of online assessments. It underwent a team session lasting half a day. Several months later the CEO brought Perth back in and he brought in his overall global management team. Each of these were also assessed and, attended a half day team session and each participant also went through two coaching sessions of about 1 ½ hours each, and was then provided with a customized development plan.

Results

The team all had Resource-Centric Financial Signatures, the implication of which was they would underperform relative to their competitors.

The program had a cathartic impact on the CEO. His retesting showed that he had made major positive changes which had already impacted the bottom line.

The new team tested as having very high leadership agility, or capacity to change and adapt. A development program, including individual coaching and customized development plans, was implemented to help the leadership team members understand how they needed to transform their decision-making and behavior in order to transform the company from a financial and valuation perspective.

Outcome

This had immediate impacts in terms of their approach to expenses and margins leading to significant improvements in profitability and cash flow. In addition the team each launched major changes to value-adding behaviors which would increase gross margins over the medium-term.

The company had been losing market share and had realized it needed to change but hadn't known how. With the Perth Leadership Outcome Model, the leadership team was given a clear understanding as to how their collective Financial Mission was impacting their bottom line and their performance against competitors.

Each team member took immediate action following from their individual development plans which were prepared by Perth to provide immediate practical recommendations for action and change. The team could see that the company's long-term success depended on a transformational approach in financial and valuation terms. Each member of the leadership team started to focus on how they needed to reshape their own areas to transform thinking and behavior. They identified critical areas of the business that needed immediate attention.

Follow-On

Perth assisted the company to incorporate business acumen into its core competencies, to build competency framework support materials, and also worked with it to develop an organization-wide program for building business acumen and awareness through the business. The company has started using the Perth Outcome Assessments as part of their corporate selection process for new recruits so as to be able to identify the Financial Signature of applicants as a means of assessing their financial and profitability capabilities and possible alignment with the company's financial mission.

