

DELOITTE/MANAGEMENT MAGAZINE EXECUTIVE OF THE YEAR

Greg Muir

GALVANISING CHANGE

It's tempting to think that Greg Muir has green fingers, for his time at Pumpkin Patch has been noteworthy for a huge growth spurt in the company's fortunes. Since he took over as executive chairman at the start of 2004, this iconic kids' fashion company has done nothing but get bigger and stronger.

It had, of course, been gaining ground before his arrival and Muir is characteristically keen to share any kudos with managing director Maurice Prendergast. In Muir's view, it was Prendergast who, in his role since 1993, had done much of the groundwork for the company's current success. A notable example is the preparatory work that Prendergast did to get Pumpkin Patch market ready before its debut on the NZSX in June 2004: one of the first challenges that faced Muir on his arrival at the company almost three years ago.

In any case, their roles are, by necessity, very intertwined. Both share the hands-on, day-to-day running of the organisation. As executive chairman, Muir also shoulders responsibility for governance and board issues.

It is not, say this year's judges, an easy task but it is one that Muir appears to handle with both ease and obvious success. They note, too, how fluidly he managed his transition from his previous high-profile role at The Warehouse where he was the first person to take over the reins from founder Stephen Tindall who had guided the organisation for 19 years. "Not everyone," they note, "can successfully make the shift from The Warehouse's tight margins and 'everyone gets a bargain' philosophy to Pumpkin Patch's upmarket positioning at the opposite end of the retail spectrum."

Muir had clearly already wrapped his mind round the different perspectives required for managing and governing during his time at The Warehouse and is now putting that into good use at Pumpkin Patch.

His management style is described as both laid back and disciplined. It is not unusual, say those who know him, for Muir to turn up to work in shorts in summer. It's a style that chimes well with the family atmosphere at the company's 250-person strong Auckland office.

Unlike many other senior executives in companies across the nation, he also, incidentally, appears to have a good handle on the strategic significance of IT. That makes him a good fit for a company whose roots started off in the mail order business and whose retail tentacles now spread out into Australia, the United Kingdom, and the United States, and whose wholesale relationships span 14 international markets.

While there wasn't too much wrong with Pumpkin Patch when Muir joined it, the judges say his arrival there has "restrategised and re-energised" the company. Witness the rollout into strategically important markets such as the United Kingdom and the United States: both of which provide Pumpkin Patch with the ability to weather poor conditions in local markets and open up a world of opportunities for future growth.

This international diversity underpins Pumpkin Patch's latest performance in which top-line figures remain robust. Group operating revenue grew for the fifth consecutive year, this time by a healthy 11 percent to \$311.5 million. At number 92, that shovels it into the top half of this year's list of Top 200 New Zealand companies. Group profits after tax blossomed by almost 16 percent to hit \$28.5 million.

Turnover in the United Kingdom grew by more than 51 percent, for example, despite the soft British retail environment, proving that this Kiwi brand is breaking through into this large and competitive market. In the even larger US market, it's still early days but this year's financial signals are encouraging and the company plans to open at least another 12 stores in its 2006/2007 year, diversifying away from its beachhead in California into both Oregon and Washington states. The more established New Zealand and Australian retail operations also put up a good fight last year in the face of what Pumpkin Patch describes as "challenging" and "soft" conditions.

In Muir's case, it seems that you reap what you sow.

GAIN CONTROL OF YOUR



JUDGES' COMMENTS

WINNER GREG MUIR PUMPKIN PATCH

It is unusual for one man to be so closely associated with the dramatic increase in a company's fortunes. Greg Muir has rejuvenated, re-energised and restrategised Pumpkin Patch. The company certainly wasn't lacklustre before his arrival but something got plugged into the electric socket when Muir came on board.

His role is hands-on and has had a dramatically positive effect on the company. He has galvanised change, enabling a small local company to become a national organisation.

Last year Pumpkin Patch faced down difficult retail trading environments in Australia and New Zealand – lifting sales and earnings in both markets – and pushed ahead with the roll out of stores across the United Kingdom and the United States.



FINALIST MICHAEL DANIELL FISHER & PAYKEL HEALTHCARE

This is the third time the Top 200 judges have cited Michael Daniell's stellar performance at Fisher & Paykel. Daniell has been taking the pulse of the healthcare business for over 25 years. As F&P Healthcare's managing director and CEO since 2001, he heads a team that continues to turn in more than healthy results. The latest batch shows revenue up 20 percent and profits up 14 percent.

Daniell has been instrumental in setting up many of the company's international distributor and original equipment manufacturer relationships. He ensures the continuing smooth rollout of F&P's international business and makes sure the company's most important asset – its people – remains top of mind.



FINALIST KEITH TURNER MERIDIAN ENERGY

In what can be a very difficult industry, here is a man who thinks broadly and clearly about our nation's energy needs. Keith Turner is an acknowledged industry leader. With over 35 years' experience in the electricity business, Turner's trademark innovative thinking has been carved into many of the major reforms of our nation's energy industry.

Turner has lots of ideas about how the industry should be put together but he remains open to others' perspectives and continues to float new ideas. He has the rare ability of being able to confront old concepts and stimulate change without offending other people.

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