



## QBE Insurance Chairperson of the Year

# Sam Lewis

### HANDS-ON LEADERSHIP

**A**FFCO's Sam Lewis knows better than most how the heritage of a 100-year-old company can play on a chairman's mind. An AFFCO director since 1990, almost four years ago Lewis stepped into the role of executive chairman. He took over the leadership of an organisation badly in need of some major rethinking following the rollout of previous strategies that had seriously weakened the company.

"Behind the scenes," noted Tony Leggett in a *New Zealand Farmers' Weekly* article "the blowtorch went on costs." By all accounts it needed to. The company – which could trace its beginnings back to 1904 when the then-named Auckland Farmers Freezing Company first set up shop – was now in danger of never celebrating its 100<sup>th</sup> birthday. (Also see the article on page 91 of this issue.)

Despite his background as a farmer, Lewis is acknowledged for carrying no baggage into his new role. This year's Top 200 Awards judges described Lewis as a "very hands-on" chair. "This quiet, persevering and dedicated man knows his industry well. He came from a farming background but has learnt a lot about the meat industry – which is perhaps a bigger jump than some people may think."

Lewis, who has held various Federated Farmers' industry posts in the past, is still a director of Farmers Mutual Insurance Association and has interests in a number of farming properties and non-farm-related enterprises.

Always quick to point out the contributions of others, Lewis likes to pay tribute to his management team, board of directors and shareholders.

Guided by Lewis' skills in crisis management, the company has pulled back to its core business and come out with a stable and stronger business model. It is now extracting benefits from the newly revamped operations.

The quietly spoken South Waikato farmer has overseen a radical shift in AFFCO's profitability. For the year ended September 2004 the company hiked its profits after tax by 258 percent to a record \$58 million. Revenue for the same period had climbed 5.4 percent to close to \$946 million.

Six months later, the results continue to delight shareholders with a 29 percent increase in profits up to \$14.4 million.

The meat industry is notoriously volatile. No one is promising an uninterrupted smooth ride into the future. But, now celebrating its 100<sup>th</sup> birthday and with Lewis as its chair, and the chief executive's role in the safe hands of Tony Egan, AFFCO is well placed to seek out further opportunities. **M**



### JUDGES' COMMENTS

#### WINNER SAM LEWIS

It is unusual for the Top 200 panel of judges to recommend an individual who chairs only one board as a finalist in this category. With AFFCO's Sam Lewis they have made an exception, because he has proved to be such an exceptional chairman. It may not be textbook stuff but, as chair of AFFCO he realised the company's predicament was so grim that the board had to take charge. He was the farmer that learned the meat business so well that he led it back from the knockers yard. He has added value to the business, restored its 100-year-old reputation and put in place a management team to take it into the next century.



#### FINALISTS WAYNE BOYD

Wayne Boyd is no stranger to this Top 200 Awards category. He has been nominated twice before. It is confirmation, if any were needed, that the judges consider him one of the best chairmen and exponents of best practice corporate governance in the country.

He chairs some of New Zealand's top performing enterprises and his services are in increasing demand. Wayne has an eye for leadership, capital development strategies and building excellent relationships between board and management. He is currently chair of Auckland International Airport, Freightways, Meridian Energy and Vulcan Steel.



#### JOHN PALMER

John Palmer has a well-earned reputation for leading organisations out of trouble. He did it in partnership with Ralph Norris as his CEO at Air New Zealand and he did it in the kiwifruit industry at Zespri. And when he stepped down as chair at Wrightson he had restored the company's previously ailing share price.

Palmer gets to grips with the industries in which he finds himself involved, a prerequisite for any effective director but particularly for a chair. He is, said the judges, a great mentor, coach and supporter of his chief executives. But at the same time he asks the hard questions and challenges assumptions. A leader but also a team player who puts in the hours and does the hard yards when required.