



Corporatising the Family Business

"Handing over the Raines"

OVERVIEW

Corporate History - Raine & Horne

The 5 Keys to Strong Management

Discussion



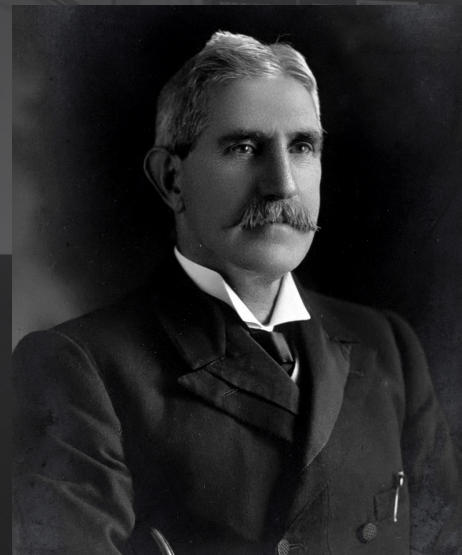
Corporate History

Family owned and operated since 1883

- Our remarkable story began in 1883 when property pioneers Tom Raine and Joseph Horne first opened for business in Wentworth Court, Elizabeth Street in Sydney.
- In the 1970s, the Raine & Horne network decided to franchise nationally which was a watershed moment for us.
- A fourth generation, and proudly 100% Australian owned family business, today we are one of the oldest family-owned firms in the Southern Hemisphere.
- “Although we are proud of our long history we are a forward-thinking, dynamic & diverse business”.



Tom Raine



Joseph Horne



Ned Raine



Max Raine

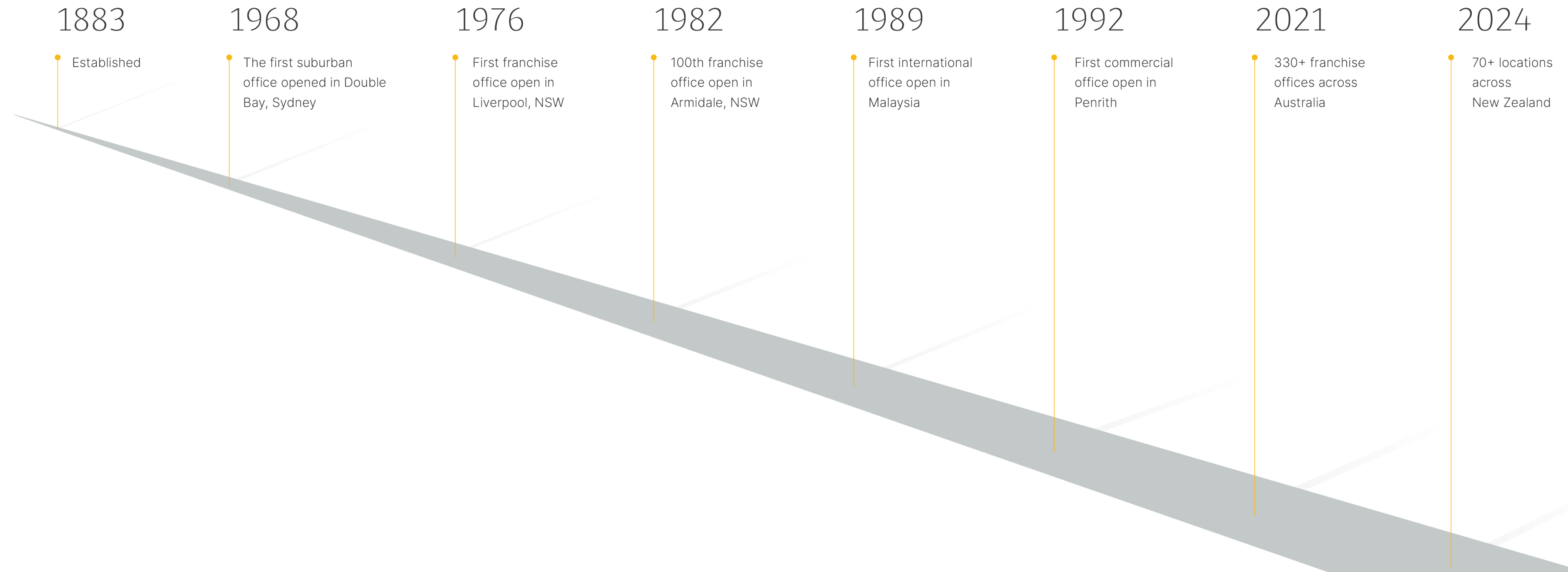


Angus Raine

Raine & Horne looks after you.

Our Story

We have survived 2 World Wars, booms, busts, depressions, recessions & COVID 19 pandemic





Angus Raine

Executive Chairman FCPA, FAPI, CPP, FRICS

Commenced real estate career outside the family business, predominately in the Commercial space.

Worked in the Sydney market for over 15 years, with three major blue-chip international real estate firms. He returned to the family fold as a director of Raine & Horne Holdings PTY LTD in 1996.

With over 35yrs experience, his academic and industry qualifications include, Diploma of Business (Valuation), Diploma of Business (Franchising), LREA - Stock & Station, Graduate of Harvard Business School Owner/President Management Programme, and is a registered valuer.

Corporate History

Leadership

Joined			Retired
1883	Joseph Horne (43 yo)	Partner	1899
1883	Tom Raine (22yo)	Partner	1929
1894	Herbert Clarke	Partner	1915
1915	E. R. Raine	Chairman	1953-69
1930	Joseph Grant	Chairman	1933
1893	Henry Thompson	Chairman	1953
1930	D. W. Higgins	Chairman	1973
1950	Max Raine iii	Sales Director, Chairman Retired from the Board	2011
1993	Paul Jensen	CEO	2002
2002	Edd Chadbourne	CEO	2006
1998	Angus Raine	Director (2007) CEO (2006) Executive Chairman (2015)	Present
1998	W.R (Bill) Herron	Non Executive Director (1998) Non Executive Chairman (2008)	2012
2013	Brian Reid	CEO	2020
2012	Doug McCluskey	Non Executive Director	2022
2020	Brian Reid	Non Executive Director	Present

Corporate History

Ownership + Acquisitions

Date	Ownership
1883 - 1889	Messrs Raine & Horne - Tom Raine & Joseph Horne
1889-1894	Raine & Horne - Raine, Clarke, Rabett
1928	Raine & Horne incorporated as a Company - Unlisted Public Company
1953	Incorporated as a new Company - Raine & Horne Pty Ltd Raine, Thompson, Bradhurst, Grant, Fitzsimons, Spier and Rabett All issued 1 share each for 36,000 pounds
1953	E. R. Raine, Director - 2000 shares A. Hall, Director - 3.500 shares D. W. Higgins, Director - 500 shares and 12 other Shareholders 2 family members - 500 shares each Sheila Curtis - 50 shares
1998	Max Raine completes the purchase from 18 shareholders over 30 years
2003	Fourth generation's succession planning - PWC
2008	Raine & Horne Holdings purchases QLD Master Franchise
2010	Raine & Horne Holdings purchases WA Master Franchise
2016	Raine & Horne Holdings purchases SA Master Franchise
2017	A&N purchases strata floor in Sydney's CBD (Corp HQ)
2019	Established Propplat P/L as an investment vehicle to invest in property related ventures (O.S website portal, MyDesktop-VaultRE-MRI)
2022	Raine & Horne Holdings purchases commercial (Corp HQ) / residential building in Kelvin Grove, QLD
2023	Raine & Horne Holdings purchases Mike Pero Real Estate network in New Zealand with 65 offices

The background features a complex geometric design. A large, white, stylized number '5' is centered, with its top loop partially cut off. This '5' is overlaid on a dark gray grid of intersecting lines that form a series of triangles and polygons. The overall color palette is muted, consisting of various shades of gray and a touch of light blue. The text '5 Keys to Strong Management' is centered within the white '5' in a clean, black, sans-serif typeface.

5 Keys to Strong Management

The Process

Full Scale Review

- Strategic context
- Review of organisational effectiveness
- Evaluation of “health” and recommendations

Findings

- Lots of positives - integrity, client focus, meritocracy
- 3 major issues
 - Lack of strategic direction
 - Problematic structure
 - Underperformance culture





“

Slow success builds
character, fast success
builds ego.

”

RATAN TATA

The 5 keys to strong management

1. Strategic Coherency
2. Effective Structure of Leadership
3. Investing in People and Culture
4. Commitment to Execution and Accountability
5. Keeping the Balance



1 - Strategic Coherency

The Goal

A clear and agreed strategic plan which is embedded in the organisation, drives decision making and takes the business forward

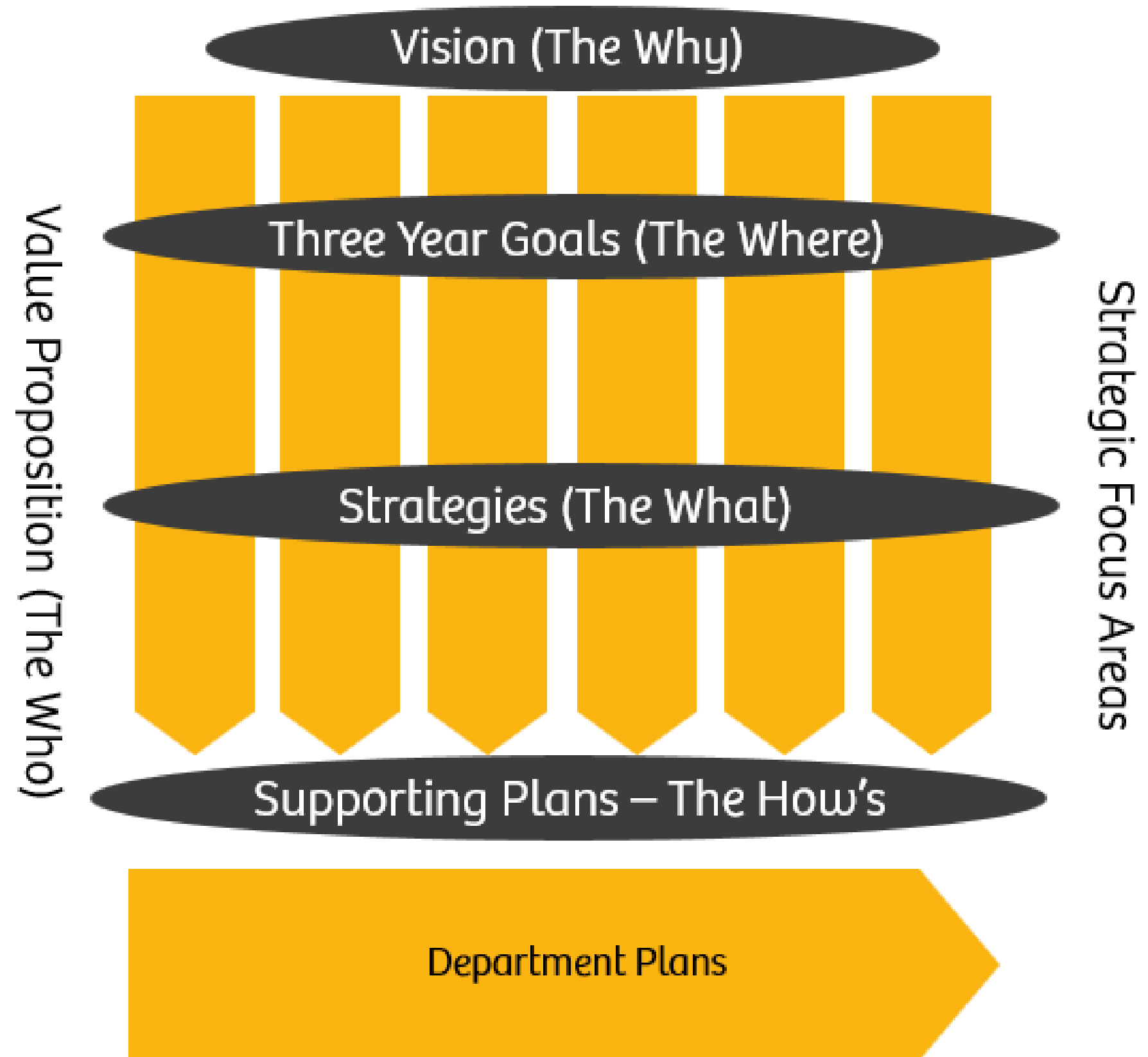
The Solution

Three year plans that stay true to identity, articulate direction, and show the path to get there, that everybody owns



1 - Strategic Coherency

Strategic Framework



2 - Effective Structure & Leadership

The Goal

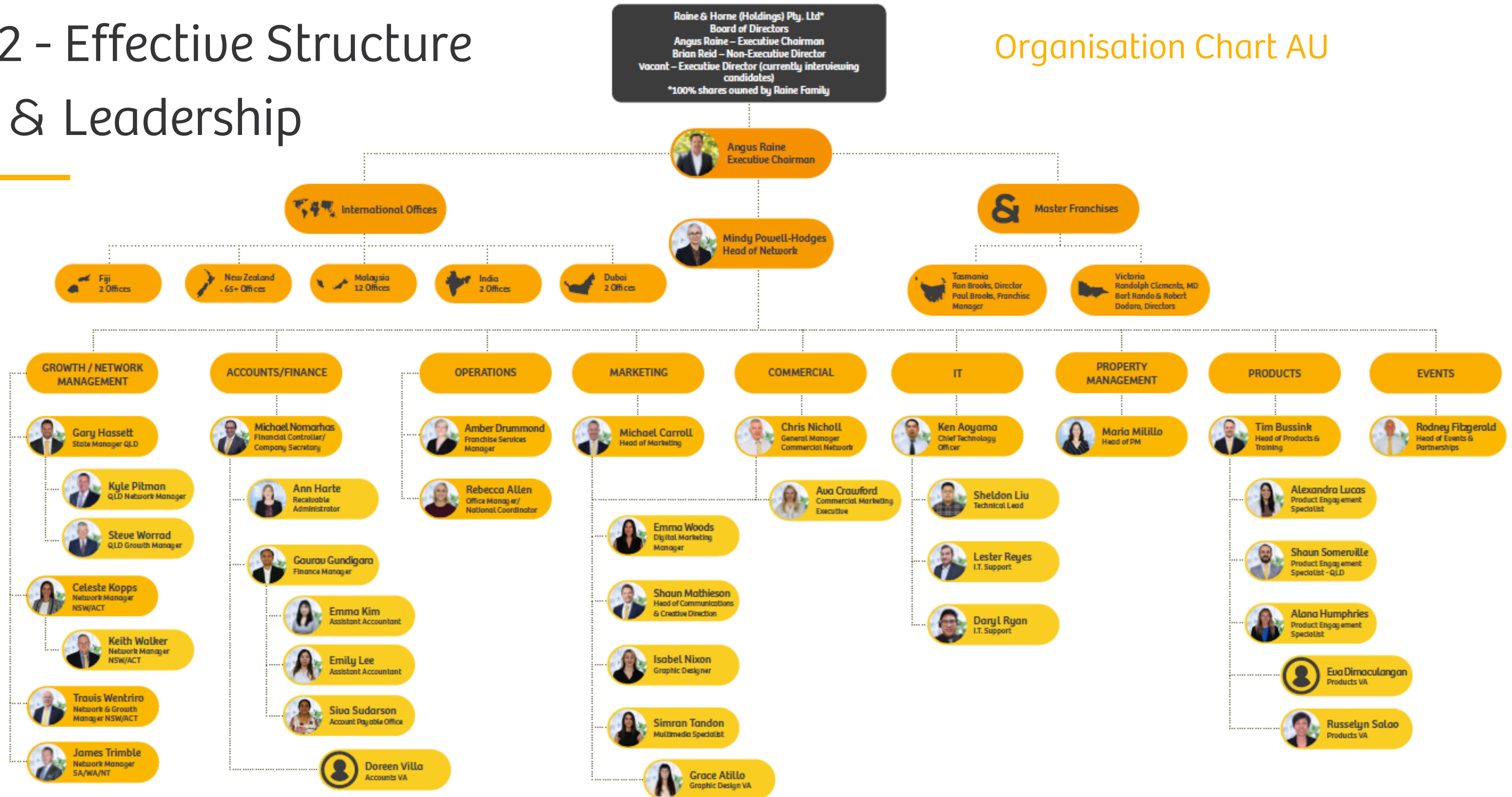
- Effective executive management structure
- Clear lines of leadership responsibility & authority
- Efficient management processes
- Effective governance

The Solution

- Structure around capability/function with clear roles and reporting lines
- One core management team with streamlined processes
- One Board with a clear written strategic plan
 - Meets Quarterly
 - Minutes
 - Agenda
 - Board Charter
 - Expense Policy
 - Levels of Authority)

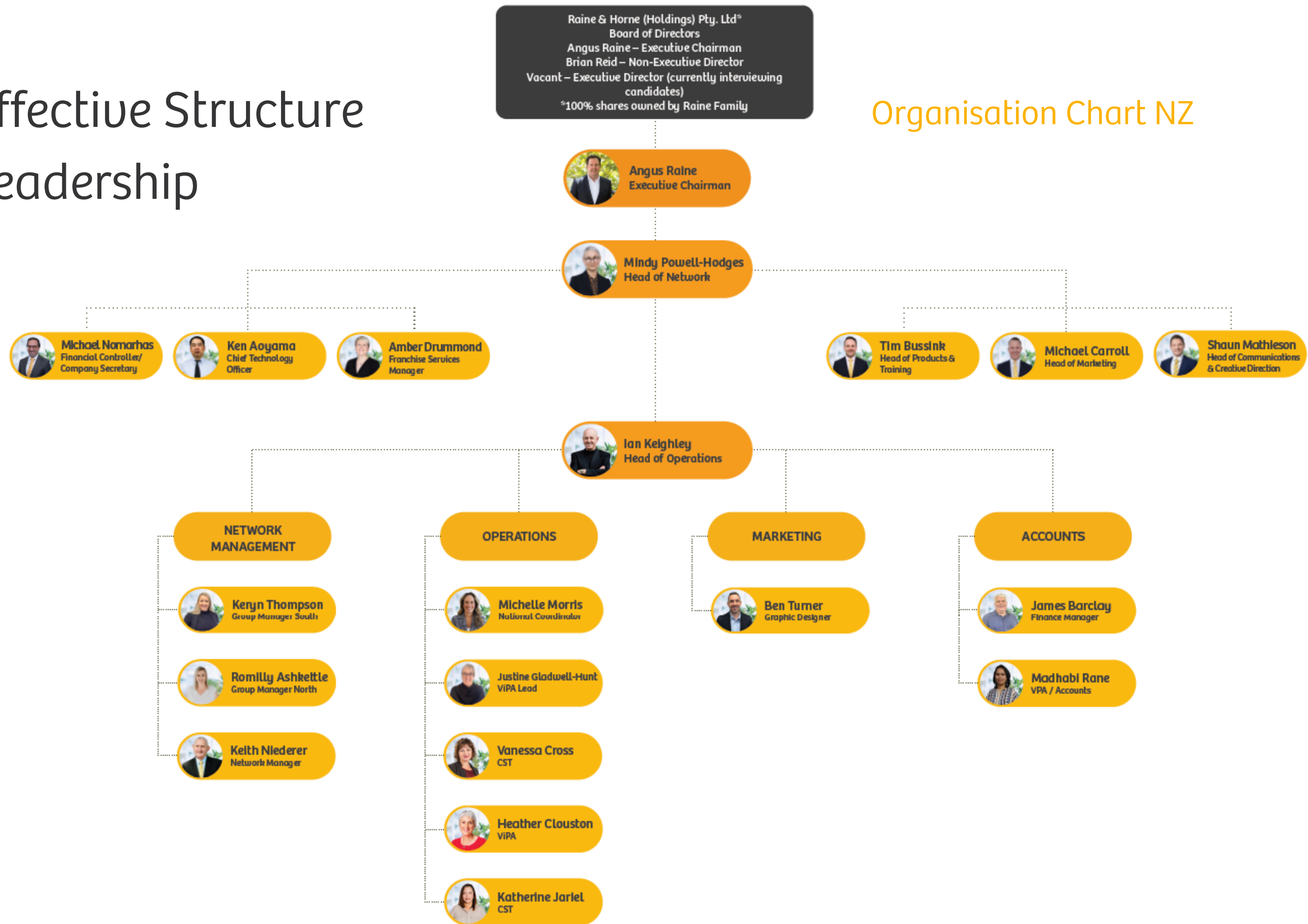
2 - Effective Structure & Leadership

Organisation Chart AU



2 - Effective Structure & Leadership

Organisation Chart NZ



3 - Investing in People & Culture

The Goal

- Key talent that's able to grow with the business
- A high performing culture where people want to grow, learn & stay

The Solution

- Identification of key talent
- Investment in key talent - customise learning & development programs
- Time, praise and celebration



3 - Investing in People & Culture

Customised Development

- Understanding core organisational capabilities & investing in the talent who have them:
 - Natural talent discovery
 - Competency based interviews
 - 180 and 360 degree leadership and emotional intelligence assessment
 - Individual aspiration*
 - Practical customised recommendations for organisational and individual benefit & ongoing support



3 - Investing in People & Culture

Best Process to Secure the Right Person

- Understand the “health” of the business and be able to articulate the direction
- Understand the core needs of the role
- Interview for capability
- Take the surname out of the equation, otherwise you are having over the “poisoned chalice”
- Its about right fit, right person, right time



4 - Commitment to Execution & Accountability

The Goal

- A strategy that lives and breathes
- A way of tracking progress - keeping people accountable and celebrating
- Results achieved and sustainable

The Solution

- Aligned strategy into functional plans & KPIs for all
- Meeting with strategic agenda - following key outcomes, not reactive or just controversial*
- A reporting dashboard



4 - Commitment to Execution & Accountability

Financial Balanced Scorecard (BSC) Advantages

- Aligns with Strategy document (Big rocks only)
- Does not “major in the minors”
- Totally transparent - “there is no hiding”
- Quick snapshot of performance
- Good for non- accounting/financial types*
- Good for shareholders who don’t work in the business
- Good for sales organisations

Performance Measures	Plan	Actuals	Comments
TOTAL Revenue (\$000's)	\$	\$	
Residential	\$	\$	
Commercial	\$	\$	
Technology	\$	\$	
Our Broker	\$	\$	
Profit (\$000's)	\$	\$	YTD ____%
Total Corporate Expenses (\$million)	\$	\$	YTD ____%
Ratios			
Return on Funds Earned (ROFE)			YTD
• Expense Income Ratio (\$million)	____%	____%	YTD
• Debtor Turnover Ratio	____%	____%	
• Debtor Days	____%	____%	
• Debt to Equity Ratio	____%	____%	
New Offices			
QLD/NSW/SA/VIC/WA/TAS/Commercial/International	____	____	
Debtors:	____%	____%	
Direct debits	____%	____%	
Lodging returns on time	____%	____%	
Total 90+ Debtors	____%	____%	
Debtors			
Lodging returns on time			
Reduction of 90+ day Debrotos			
Offices reporting online			

Max Raine

Sydney NSW (24 February 2023)With great sadness, the Board of Raine & Horne Pty Limited announced the passing of Max Raine, former Chairman of Raine & Horne. Mr Raine passed away at age 91 on 22 February 2023 in Sydney’s Drayton House aged care facility in Rose Bay following a battle with dementia over the last couple of years.

Mr Raine is survived by his wife Susan, children Rebecca, Julia, Georgina, and son Angus – the current Executive Chairman of Raine & Horne Group, as well as daughter-in-law Natasha and son-in-law Andrew Howard, 14 grandchildren and one great-grandchild.

The recording of the memorial is available here: <https://www.funeralvideo.com.au/p/2023/03/maxwell-raine>

Eulogies
Angus Raine
Andrew Murray

The grandchildren will proceed to the altar to light candles.
Emma Parrish and Nicholas Carter;
Claire, Georgia and Rose Waddell-Wood;
Alexandra, Edwina, Maxwell, Charles and Heidi Raine;
and Annabel, Eliza, Douglas and Phoebe Howard.

Choral Anthem during the Procession
A Clare Benediction
John Rutter CBE

Bible Reading: Matthew 5:3-10
read by Maxwell Raine

Crossing the Bar
Alfred, Lord Tennyson
read by Walter MacCallum


Reflection
Bishop Stuart Robinson



Max with older siblings Peter and Liz (Mathews)









Max at the De Salis property, 'Longfield', Dalgety, 1940s



Max and family in a boat

29 September 1961
St Mark's Anglican Church,
Darling Point





Max and Angus,
Raine & Horne city office, 2012,
at the time Chairman and CEO
respectively

I Vow To Thee, My Country
Gustav Holst (1874 – 1934), 1920
Sir Cecil Spring Rice (1859 – 1935), 1928

I vow to thee, my country, all earthly things above,
Entire and whole and perfect, the service of my love:
The love that asks no question, the love that stands the test,
That lays upon the altar the dearest and the best,
The love that never falters, the love that pays the price,
The love that makes undaunted the final sacrifice.

And there's another country, I've heard of long ago,
Most dear to them that love her, most great to them that know;
We may not count her armies, we may not see her King;
Her fortress is a faithful heart, her pride is suffering,
And soul by soul and silently her shining bounds increase,
And her ways are ways of gentleness and all her paths are peace.

Benediction
Bishop Stuart Robinson

Recessional
Jesu Joy of Man's Desiring
JS Bach (1685 – 1750)

Postlude
Prelude in C Minor
JS Bach (1685 – 1750), BWV 548



Celebrating Max & Sue's 50th Wedding Anniversary
and their 70th & 80th birthdays, Fiji 2011



Raine Family Christmas 2019

A Memorial Service to Celebrate the Life of
Maxwell Scott Raine

3rd November 1931 – 22nd February 2023



Photo: Mike Scott

All Saints' Church, Woollahra
Thursday 23 March, 2023
11:30am

Max Raine

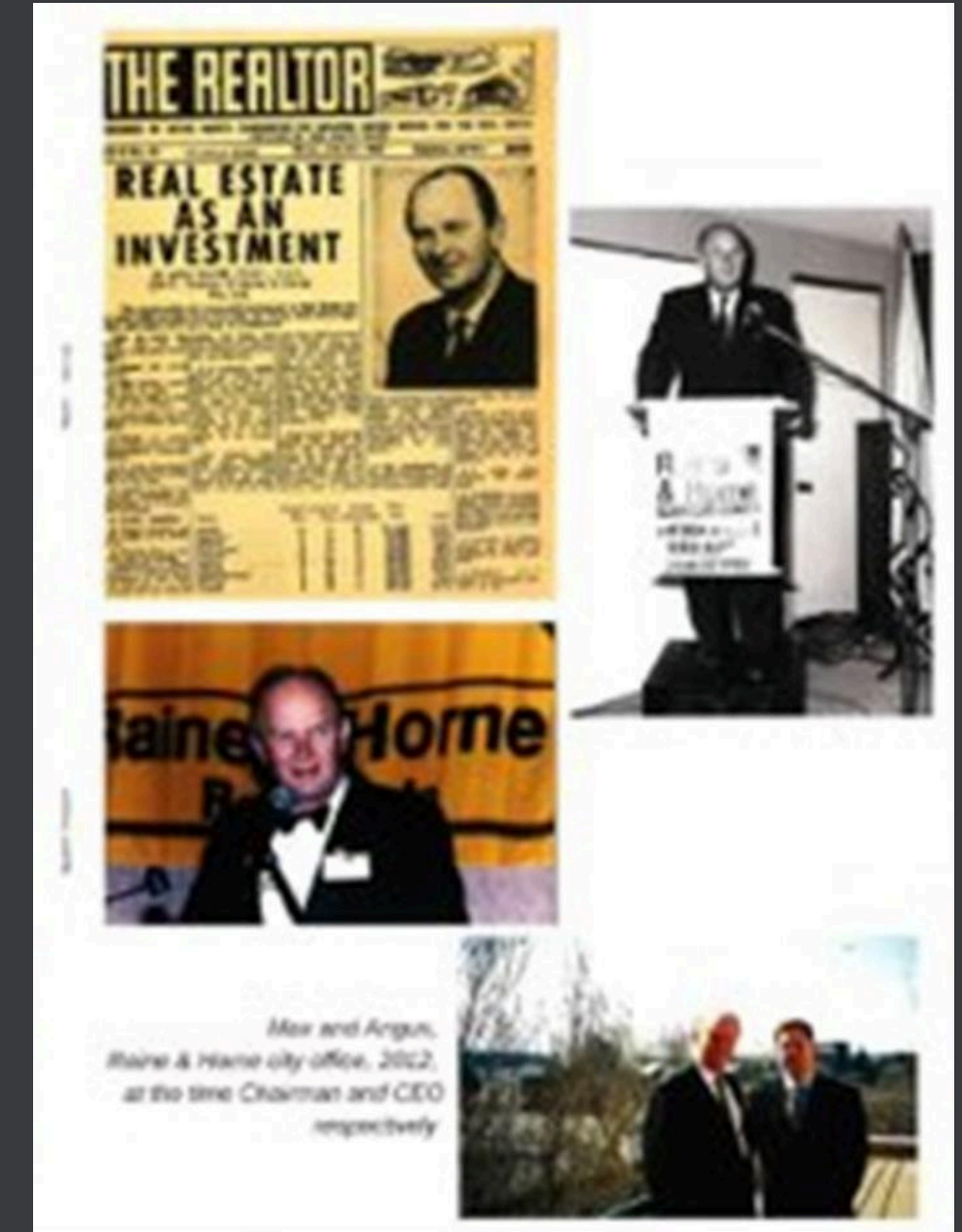
Following the footsteps of his grandfather and father, Max Raine went above and beyond to build and strengthen the highly successful Raine & Horne network that exists today.

Stepping straight from school into the family business at the age of 18, Max was determined to be at the vanguard of the post war changing real estate market. The whole subject of real estate stimulated his thinking, and all his energy and start wits moved him to learn what he needed to know.

Max was an innouator, an enthusiast, eager to expand the old firm in imaginative ways. When he took over the reins in 1973, the business grew from five offices to ouer 400 in 6 countries, and in 1975 the Raine & Horne board unanimously agreed to franchise real estate agencies. He had a temperament well suited to the cut and thrust of life in the real estate industry, crediting his family for his success;

"I always consider myself immensely fortunate that by an accident of birth, I found a career which I love and found stimulating from the start, not just a means of keeping body and soul together. I saw many friends not really enjoying their work while it was quite otherwise for me. With the passing of the years, my interest in the calling and the agency has increased rather than diminished".

Regrettably, Max, known fondly as MSR, passed just shy of Raine & Horne's 140th anniversary, on 22 February, 2023.



MSR Patriarch Death

Estate / Probate complete in 2024

- Issues more around legal rather than siblings arguing
- Mum, me and 3 sisters all in total agreement
- All sorted at a family meeting with Lawyers and then we all went out for dinner! (not with the Lawyer!)



5 - Keeping the Balance

- Family members have great passion and inherent knowledge and understanding of the business
- Independence brings fresh perspectives, minimises insular thinking, and challenge in different ways
- It's about keeping the balance



5 - Keeping the Balance

My Key Observations

- FBA Forum Group since 2002 - Corporate Yoga
- Don't fall into "loyalty trap" with staff
- Consultants are a great resource in order to affect major change
- A documented and agreed strategy helps you, the Board and staff focus on key priorities (easy to get distracted exploring new proposals/opportunities)
- Have never regretted when someone leaves - replacement always brings new ideas/energy
- Continuing education is a must
- Use Non-Executive Directors to the fullest (a great ROI)
- You know the business more than anyone...so back yourself*
- Debt - Not a 4-letter word (if managed correctly)



“Financial strength gives you the ability to innovate”

- Sales volume down but improving
- Competitors under significant STRESS
- Achieving significant growth rebranding competitors
- Building to improve efficiency & cost effectiveness
- Debt FREE, always on the lookout to acquire rival Networks
- Rebrand mid 2024
- Significant expansion overseas (looking at Indonesia, Vietnam, Shanghai and Hong Kong)
- Industry firsts - rolled out Amplify, Digikit, significant website enhancements & moved to Cloud*, Canva, ChatGPT (representing significant capital investment)
- Investing in Proptech & Fintech
- Purchased Mike Pero Real Estate Network NS (Dec 2023) - now have 65 offices in New Zealand



Raine & Horne Firsts & Awards

1968	The first suburban office opened in Double Bay, Sydney.
1976	First franchise office open in Liverpool, NSW.
1975	The first company to open a dedicated Home Unit division.
1982	The 100th office opened in Armidale, NSW.
2006	Introduced text (MMS) on media (signboards, print media and property details pages) for consumers to receive full property brochures.
2007	<ol style="list-style-type: none">1.A complete mobile version of the RH website introduced with the ability for consumers to request property details and contact the agent directly.2.First to introduce video and animated images on website landing pages.3.OFI check-ins where consumers received emails with property details & buyer/tenant matches via CRM.
2008	<ol style="list-style-type: none">1.Supported the ban on plastic by introducing re-usable shopping bags.2.The first to launch an e-mag, called Flashmag.3.First Australian real estate group to embrace social media to market properties through website integration allowing consumers to share, comment, and like.
2009	First real estate franchise group in Australia to embrace CLOUD computing, employing AWS EC2 technology across its digital infrastructure.
2010	Introduction of exclusive virtual tour cameras.
2011	Pioneered the use of QR codes across 300 offices.
2012	R&H Inducted into Family Business Hall of Fame
2017	<ol style="list-style-type: none">1.Introduced multi-million dollar digital appraisal platform – Digikit. A completely paperless platform to help improve the network’s carbon footprint.2.The first Australian company to use CCT’s technology – Amplify.
2018	Launched Amplify - PredictiveAI marketing media platform
2019	First to invest seed capital into VaultRE / MyDesktop.
2020	Introduced a brand new CRM – VaultRE to the entire network. The first Real Estate group to use the innovative platform.
2020	Raine & Horne Foundation founded. Have raised over \$850,000 given to Dignity (Homelessness), Rural Aid, Raine Island - Great Barrier Reef
2021	<ol style="list-style-type: none">1.Adopted Single Sign - on (SSO).2.The first franchised company to launch a sales process, incorporating best practice, multiple systems and compliance – ProcessPlus.
2022	Won the 2022 REB Training & Education Program of the Year Award.
2023	AI integration with Vault CRM powering generative property descriptions.
2024	<ol style="list-style-type: none">1.Raine & Horne celebrates 141 years of operations.2.Launched our dedicated business analytics tool Office BI3.Released ‘Contact Summary Cards’ summarising agent notes using AI4.Max Raine (MSR) inducted into the Franchise Council of Australia Hall of Fame

TODAY

- Over 350 offices in Australia, New Zealand, Fiji, Malaysia, Dubai and India
- 3500 staff working under R&H banner
- Manage over 130,000 properties
- YOY averaging over 15,000 properties sold, equating to over \$10Billion AUD value
- Spread over 4 brands: Residential, Rural, Commercial & Financial Services
- Purchased holiday penthouse at Avoca Beach for the network to use
- Fastest growing network - 2022/2023

