

Greig Gailey, Chief Executive, Fletcher Challenge Energy

Greig Gailey, Fletcher Challenge Energy's new Chief Executive, claims he prefers planes to petrol pumps. I really wanted to work for an airline," he said laughing, "but BP offered me a job first."

"I still read books about the airline industry for recreation. Not that I have any desire to fly planes, though I travel in them enough, I'm really interested in the commercial aspects of the industry."

Gailey has earned a formidable reputation as a commercial strategist. This is central to his vision for Fletcher Challenge Energy. "The leader's job is to develop the right strategy for the corporation," he says. Gailey is a great believer that focus and simplicity are key driving forces behind successful corporations, "You have to know who and what you are, and then apply all your skills relentlessly to be the very best," he says.

Gailey became Chief Executive Officer on 1 June 1998. Previously, he had held the position of Director, European Manufacturing, BP (Oil), Europe, which was the culmination of a 34 year career with the company.

He was born in Brisbane in 1945, the youngest of five children. His father, who had grown up during the depression, instilled the work ethic in him from an early age, while the strong will and quiet determination of his mother, who is still alive at 90, have also had their influence on him.

On leaving school he joined BP as a trainee. His competitive nature soon made him aware that to get ahead within the company and do a good job he would need a degree. This became a turning point in his career as he undertook an economics degree while maintaining his fulltime job.

After steadily progressing through the ranks at BP holding various managerial positions in marketing, planning and administration, in 1982 Gailey was appointed Commercial Manager for BP Coal Australia. It was at this point that he almost left the company. The coal experience was difficult. Coal was an acquisition and Gailey was the token BP person working in what was an archaic culture when compared to the oil industry. To his credit he stayed, and in quick succession became Corporate Planning Manager for BP Australia and then Oil Planning Manager, before he was called, in 1990, to join head office in London.

The London experience prepared him for his next appointment as General Manager, Manufacturing and Supply, BP Australia. It was a position he held for three years, until 1995 when the call from Europe came again. This time he was asked to rescue BP's European refining operations, which were making a loss in a depressed market.



Greig Gailey, an Australian with over 30 years experience at BP, now heads New Zealand's largest integrated energy company, Fletcher Challenge Energy. He comes with a reputation as a business strategist who gets results.

It was a big job, one that had been filled by three different people in the preceding four years. "I knew it was going to be a challenge," he said. "A few weeks after I arrived the challenge got a whole lot bigger when BP announced a US\$5 billion European merger with Mobil Oil Europe." Two years later, when he left Europe, BP's refining business was making record profits. BP had closed one unprofitable refinery, invested about \$500 million in two others, and negotiated two major strategic partnerships with competitors. Some said these things could not be done, but by breaking a decade old logjam in BP's European refining portfolio, he and his team accomplished a great deal.

He stresses the 'team' aspect. "A lot of people at the head of corporations don't actually lead. They manage. There is a big difference between the two. I'm not here to run the business, absolutely not, that is for my team to do. Success only comes through people. The corporate strategy must be right, the assets must be good, and quality processes must be in place, but it is that intangible 'magic' that happens between people which separates the truly exceptional corporations from those which simply do well," said Gailey.

Gailey believes that most business relationships are shallow, ineffective and fail to fully utilise the talents of the people in them. He has tackled that problem in a manner which demonstrates one of his major strengths: the ability to methodically draw on and acquire the right mix of skills from those around him. "In Europe, I brought in Sydney based management consultant, Margot Cairnes for whom I have enormous respect and whom I still work with in my leadership team," he said. "The techniques we employed address the posturing and politics that you find in any corporate environment, and people

start going out of their way to help one another."

"This experience means information is passed accurately and rapidly, problems get solved once, and the learning is communicated, saving a huge amount of time and money. People start to share ideas, resources and contacts. We ended up working harder and longer, but we had a ball and ended up good friends."

Gailey extends his belief in the importance of good working relationships outside of the corporate family. He believes that the best deals are based on honesty and fairness. "I've seen lots of deals in my career where somebody comes back and says 'boss, I just did the best deal in the world I got another \$50 million from those suckers'. That's fine if you're never going to see the 'sucker' again. In today's world of joint ventures and strategic alliances, today's 'sucker' might just be your boss, colleague or customer tomorrow. Fletcher Challenge Energy is in business for the long term. I am into win-win situations," he said.

One of his greatest assets is just such a win-win partnership forged 16 years ago with his wife Geraldine. "We have complementary skills and what's best is that we recognise and value each other's strengths, I wouldn't be where I am today without her support," he said. Geraldine is not just a supportive wife, but an accomplished academic and author in her own right, and is currently writing a book about the formation of the Australian motor car industry. The book has the air of a political thriller, as it investigates the way General Motors came to develop the Holden despite the Australian government's preference for a British manufacturer.

What can be expected from Fletcher Challenge Energy with Gailey at the helm? Well, he is keen to let people know there will be changes.

"It's early days yet, but there will be changes and they will be around performance and key deliverables to the market. I am not prepared to make promises until I am sure they can be delivered, but the promises will come and they will come soon."

Right now Gailey is gathering information. He is out and about meeting people, talking, watching, listening, reading and forming relationships with his staff, customers and investors.

Discovering what people want and how he and his team can add the most value is his objective. The ability to develop the right strategy and achieve results is the major contribution he expects to bring to Fletcher Challenge Energy.