

# Adara Partners – Commercial options analysis (2015)

Adara Partners was engaged by Wesfarmers (WES) to identify and critically analyse a full suite of solutions to a confidential business challenge



**Wesfarmers**

## Snapshot

- November 2015 – December 2015
- Problem solving for a complex commercial challenge involving high profile stakeholders
- Required deeply experienced minds to provide a fresh perspective to a thoroughly examined problem
- Adara Partners, led by David Gonski AC and Matthew Grounds AM, provided a report of their findings and presented to the board
- Recommended solutions not previously considered by management, demonstrating the value Adara Partners Panel Members can provide to the most experienced management teams

## Value added

- Recommendations designed to maximise longer term satisfactory shareholder outcomes
- Support for analysis of competing priorities for the division and wider Wesfarmers group – the options appraisal considered both perspectives
- Challenged management to think outside the box and identify options not previously considered by the team or other advisors

## Key themes of the options appraisal

The options analysis considered both the commercial next steps for the business and value items to offer during negotiations with counterparties

## Adara Partners provided the following services

- Information gathering: Reviewed a significant amount of data and held multiple meetings with stakeholders
- Reviewed existing options and identify additional options for both the commercial strategy for an asset and a complex negotiation with high profile contract counterparties
- Determined no-go criteria to eliminate options
- Refined assessment criteria, noting financial profitability was only one of many key considerations (e.g. values alignment, ability to execute, impact on stakeholders)
- Evaluated options within the wider context – strategic priorities of counterparties, sector trends, macroeconomics
- Made recommendations and suggested next steps



**Commercial options**

- Operational improvements
- Mergers & Acquisitions
- Alternative areas of focus
- Organisational and capital structure options



**Negotiation strategies**

- Contract exit strategies
- Value items to offer counterparties
- Ways to support the counterparty in exchange for better contract terms

# About Adara Partners

Collectively our Panel Members have advised over 90% of the ASX100 and have worked on many of the largest and most critical transactions in Australia's corporate history. Adara Partners services are not limited to the ASX100 – our Panel Members have worked on a range of public and private corporate engagements, providing our clients with their expertise, through wise counsel, financial and strategic advice



**Ilana Atlas AO**  
NED, Former Executive  
and Law Firm partner



**Catherine Brenner**  
NED, Former Investment  
Banker



**Tim Burroughs**  
Former Chair of  
Investment Banking at  
Goldman Sachs



**Guy Fowler**  
Former Chair of  
Corporate Client  
Solutions at UBS



**David Friedlander**  
Head of M&A at King  
& Wood Mallesons



**Graham Goldsmith AO**  
NED, Former Vice Chair of  
Goldman Sachs



**David Gonski AC**  
Chair of ANZ Bank,  
NED of Infrastructure  
NSW



**Matthew Grounds AM**  
Former CEO of UBS



**Christian Johnston**  
Head of Investment Banking  
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**Diccon Loxton**  
Senior Finance Counsel  
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**Peter Mason AM**  
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Head of Corporate and  
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**Mike Roche**  
NED, Former Head of  
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**Philippa Stone**  
Joint Global Head  
of Capital Markets at  
Herbert Smith Freehills



**Cynthia Scott**  
Former Chief Strategy  
and BD Officer at  
Scentre Group

**Our Panel Members provide their time and expertise pro bono. All profits are donated to Adara Development, Adara's not-for-profit arm that delivers services directly to more than 50,000 people living in poverty each year in Uganda and Nepal, and touches countless more through knowledge sharing**

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