

CASE STUDY

Defining a cohesive strategy for change

A business plan for growth and diversification

M&G Real Estate (formerly PRUPIM) is a top 20 global real estate investment manager. The company had been impacted by the recent downturn in global property markets, which had proven more severe than anticipated. The Executive Board knew they needed to take action to reflect new market conditions, and asked us to help them define a future business model and strategic plan.

“Working with Berkeley was an enjoyable and value-adding experience. They provided an independent perspective and regularly challenged the project’s objectives and business benefits to help us create stronger overall outcomes.”

Martin Moore, then Managing Director

A strategy under pressure

The downturn in global property markets had changed the business context in which M&G Real Estate were operating. The Executive Board realised that key assumptions in their existing three year strategic plan were no longer valid, and that they needed to take action to adjust the strategy for growing the business.

A new vision and plan

The Board wanted to rethink M&G Real Estate’s five year vision and strategy and reshape its three year business and operating plan for the next period. Key areas they wanted to focus on were a review of their business model and an assessment of the available sourcing options for certain functional areas. They wanted an external perspective from people who could challenge their thinking, and provide practical suggestions on the way forward. They asked for our help.

Achieving buy in from the very top

Working closely with the Board and a client-side Project Director, we created a cohesive and achievable strategy and operating plan, fully supported and approved by parent M&G and M&G Real Estate shareholders.

Assessing the way forward

We then assessed various options before agreeing a new target business model and organisational structure clearly aligned to the organisation’s needs. We also assessed and confirmed outsourcing opportunities primarily around M&G Real Estate’s current Property Management operations.

Bringing structure and challenge

Throughout we provided overall structure and management for the programme, challenged outputs emerging from the various workstreams and created credible final deliverables, future implementation approaches and plans.

A focus on growth

The revisited M&G Real Estate strategy drives revenue growth and diversification as well as increased profits by better serving existing business and building out the



“The M&G Real Estate strategy project was a great opportunity for me to work in a new, complex, and fascinating environment. Working at Board-level, I could see first-hand what it takes to run a successful business in a commercial property and fund management industry which is constantly facing new challenges. And it was very rewarding to help them make decisions that would directly influence the direction of the company. It was great being part of such a committed team.”

Neil McClumpha
Partner



institutional business, a key growth area.

Clear structures and accountabilities

This strategy would be enabled by the new target business model and organisational structure, which was to be implemented over the following two years. The new strategy also created clearer accountability within the Board, building the right team to deliver on M&G Real Estate's future ambitions.

The right people doing the right things

Outsourcing certain functions allowed M&G Real Estate to refocus on core capabilities but allow suppliers with competence and scale to undertake the majority of current in house Property Management work. Further work was planned to progress to the next stage of consideration on outsourcing, including a short list of potential suppliers.

