

NZBusiness

The owner manager's magazine

+ Management

MAGAZINE



INSIDE



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through the power of social media.

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on relishing the
challenges

Donald Trump's
reboot

To do list for
uncertain times

Brexit: What
happens next?

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**CLEVER FUEL
CARD AND GPS
TRACKING
TECHNOLOGY**

**THE TOP
FOUR TIPS FOR
BETTER DEBT
CONTROL**

**10 PRINCIPLES
FOR CREATING
AMAZING ONLINE
EXPERIENCES**



"Accredo links our business processes together"

New Zealand-owned food distribution company, Foodchain, uses Accredo software to do much more than standard accounting.

"Accredo is very flexible – that's why we like it. We mould it to work the way we want to," says company accountant, Alison Betts.

Accredo provides Foodchain with a business management platform that improves the accuracy and depth of information it records, and removes the manual labour which slows down inventory processing and order fulfilment.

"Accredo's smart automation provides us with a quick view of a customer's order history, so we can help them order more accurately."

Go to www.accredo.co.nz to get the full story on Foodchain. While you're there, subscribe to our online newsletter and see how you can use Accredo to do more.

Accredo 
taking care of business



What a surprise

June was a month full of surprises – and on a global scale.

Of course, Brexit was the biggest surprise for most of us. On this side of the world few saw that one coming. And yet, should we be surprised? Social divisions had been building in the UK for many years and the referendum was the perfect platform for those divisions to manifest themselves.

By the time you read this, there will have been many opinions and developments aired over the Brexit vote and, fingers crossed, the markets will have started to settle again.

One thing is generally agreed upon, and that's the view that the UK leaving the EU will take a long time to play itself out. And there is no cause for panic in this neck of the woods.

Of course, many British firms have been feeling the heat from a market that's just had the confidence sucked out of it virtually overnight. There have been casualties already. You have to feel for them, because confidence is the life-blood of any commercial operation.

Meanwhile, back here, while our tourism market may notice a drop-off in the number of British tourists coming to these shores – that will be offset by the British Lions tour and the 'Barmy Army' that has already committed to supporting it.

As for our export prospects – while there will be a need for some urgent negotiations, on both sides of the English Channel, I can't see the demand for our premium food and beverage products in particular going away. People have to eat, and drink, and if it's a superior product from a perceived clean, green environment far away, even more reason to purchase it. Right?

On the subject of surprises and superior products – we're pleased as punch to announce the arrival of our new-look *NZBusiness* website (nzbusiness.co.nz), which we think is a significant improvement on the old one. Check it out and let us know what you think, and what else you would like to see there. We'll be hosting a lot more content on the site and hope to include a few surprises going forward.

Happy reading!

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DOUG HAINES IS A CHARTERED ACCOUNTANT WITH A PASSION FOR BEER – MORE SPECIFICALLY, ADVISING SOME OF NEW ZEALAND'S BUSIEST BOUTIQUE BREWERIES THROUGH THEIR JOURNEY FROM START-UP TO HIGH-DEMAND BRAND. THINK TUATARA, THINK PANHEAD. DOUG'S BEEN A SAFE PAIR OF HANDS FOR BOTH. AND HE'S ADDICTED. DOUG'S A PARTNER WITH BDO WELLINGTON, THE CAPITAL OF HOPPY BRANDS.



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KEVIN KEVANY IS A LONG-TIME CONTRIBUTOR TO NZBUSINESS. HE IS ALSO A BIOGRAPHER, RESEARCHER AND WRITER-FOR-HIRE. HAVING PLAYED FOR THE WANDERERS CLUB IN JOHANNESBURG MANY MOONS AGO, KEVIN COULD EASILY WIN TV'S MASTERMIND ON THE SUBJECT OF INTERNATIONAL CRICKET. HE HAS CONSULTED TO THE WORLD BANK, LED CAPE TOWN'S OLYMPIC BID, AND THE PUBLIC AFFAIRS AND MARKETING CONSULTANCY HE FOUNDED IN SOUTH AFRICA CELEBRATES 30 YEARS IN 2017.

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Management



HALL OF FAME'S LATEST INDUCTEES

WINE INDUSTRY PIONEER Erica Crawford, WooHoo NZ Tax founder Cilla Hegarty and Kindercare founder Glennie Oborn were recently inducted into the prestigious New Zealand Hall of Fame for Women Entrepreneurs, championed by business support organisation, Co.OfWomen.

Theresa Gattung, leading businesswoman and Chair of Co.OfWomen, says the Hall of Fame initiative celebrates and honours women who have had a significant impact in a specific sector and, in turn, to the New Zealand economy.

"The high calibre of this year's inductees is testament to the depth of talented female entrepreneurs we have in New Zealand. Erica, Cilla and Glennie have all achieved incredible success in their chosen industries and we applaud their achievements."

The three women inducted were selected in an open nomination process launched by Co.OfWomen during Women Entrepreneurs Week in March.



MASSEY LAUNCHES TE REO FOR BUSINESS RESOURCE

MASSEY UNIVERSITY WANTS businesses to include te reo in their business practices.

Dr Farah Rangikoopa Palmer, who heads Massey's Te Au Rangahau Māori Business & Leadership Centre says including te reo is a vital way for companies to connect with the uniqueness of Māori culture.

"Acknowledging indigenous languages and culture demonstrates cultural intelligence, and anything that makes you stand out from the crowd in an ever-increasing global world makes good business sense," he says.

Te Au Rangahau has produced a simple pocket-sized fold-out card that people can download and print. It covers everything from how to open a meeting, simple greetings and business terms, to ways to start an email and sample email signatures.

"I think business people want to engage with the language but are often too busy to work out how," says Dr Palmer. "This card is something they can keep handy and slip into daily use – hopefully not just during Māori language week but throughout the year."

The Te Reo for Business Card can be found on the Massey University website.



HOME DELIVERY SERVICE LAUNCHES VALUE BRAND

BARGAIN BOX IS a new brand from successful food home delivery service My Food Bag promising everyday meals that cut out the frills for an even more affordable family option.

The concept is similar to My Food Bag, with ingredients and recipes for weeknight meals delivered to your door. However, Bargain Box focuses on affordability and has options that feed four or six adults making it perfect for families – especially those looking for a bargain.

Cecilia Robinson, founder and co-CEO of My Food Bag – says The Bargain Box Kitchen has created the meals to include plenty of veggies, easy-to-follow instructions and tastes the whole family will love.

The average Bargain Box meal starts at around \$5.30 per plate.

www.bargainbox.co.nz

HOW TO VISUALISE YOUR RESTAURANT FIT-OUT

SPECIALIST HOSPITALITY

EQUIPMENT funder Silver Chef has introduced a brand new virtual reality platform that lets prospective customers literally 'step inside' their future business.

The company is the first in New Zealand to use the video technology which literally places the budding business owner in their very own bustling café or restaurant, enabling them to look through the kitchen and view hospitality equipment.

Debuting at Fine Food NZ in late June, Silver Chef believe the new virtual reality programme will spark interest in their business tenfold, based off the results achieved at Fine Food Sydney and Brisbane.

Silver Chef's marketing manager, Toni Firth, believes the success of the programme in Australia is due to the fact that it offers potential customers a unique insight into what actually goes into setting up and running a restaurant – something, which until now has never been brought to life through virtual reality at a trade event.

"Not only does the technology allow prospective customers to view rental equipment in a real-life restaurant as well as a café, but it also offers them a captivating experience, which helps make a new restaurant or café feel more achievable," says Firth.

www.silverchef.co.nz



BIC OCEANIA STAFF WITH THE REPLICA CAKE.

BIC PEN CELEBRATES 60TH

THE ICONIC BIC CLIC® pen has been a Kiwi favourite for 60 years. Originally introduced to New Zealand in 1956, the pen still features the same original design, and is still trusted by Kiwis all over the country. To celebrate the pen's 60th birthday, a birthday bash was held in June at the OfficeMax headquarters in Highbrook, Auckland. The highlight of the occasion was a giant BIC pen birthday cake, which consisted of 24 chocolate mud cakes and took 39 hours to make.

The 400-plus staff at OfficeMax took significantly less time to consume it!

To thank New Zealand businesses and consumers for their loyalty, BIC has released commemorative gold and

silver pens, which will no doubt quickly become collector's items.

OfficeMax partnered with BIC to celebrate the milestone. OfficeMax New Zealand MD Kevin Obern told NZBusiness that the partnership has been hugely successful over the years. Just in the past four and a half years alone OfficeMax has sold almost 20 million of the pens. Obern says he's seen many changes in office supplies over the years he's been in the industry, and this is reflected in the diversity of offering now served up at all 16 stores.

But certain "hero products" will always stick around, and the BIC CLIC is definitely one of them.



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Friday 19 August
Te Papa, Wellington

Gender diversity is vital to any workplace. Not just because it's a worthy goal; it simply makes bottom-line business sense.

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YOUNG BUSINESS PERSON OF THE YEAR, MIMI GILMOUR.

NEWMARKET CELEBRATES ITS BUSINESS ACHIEVERS

ON FRIDAY JUNE 17 members of the Newmarket business community gathered at the Auckland War Memorial Museum to celebrate their annual business awards, hosted by the Newmarket Business Association.

The judging panel was a 'who's who' of Auckland business and guest speaker for the night was New York-based Derek Handley, social entrepreneur and founder of Aera Foundation.

"It was a superb night. Every year our awards give us the opportunity to reflect on what we have on offer in Newmarket. There was such a warm sense of community and pride. It was a lot of fun, a giant celebration and was delivered in typical Newmarket style," says NBA CEO Mark Knoff-Thomas.

The 2016 Newmarket Business Awards winners are:
Employer of the Year – Kathryn Wilson Footwear.
Retailer of the Year – Michael Holmes Premium Eyewear.
International Retailer of the Year – Overland Footwear Company.
Best Innovation of the Year – Les Mills Newmarket.
Best Customer Experience – Cali All Day Eatery.
Best Bar/Restaurant of the Year – Burger Burger.
Best Café of the Year – Altezano Espresso.
Best Small/Medium Business of the Year – 101 Fitness.
Best Medium/Large Business of the Year – Metlifecare.
Young Business Person of the Year – Mimi Gilmour.
Most Sustainable Business of the Year – Burger Burger.
People's Choice Award – Glamour Boutique.
Supreme Winner – Burger Burger.
Window Display Winner – Ashleigh Burrell, Modes (Broadway).

NEW TRAVEL APP FOR SMES

WITH MORE THAN 81 million hours spent by SMEs booking and managing company travel each year, online business travel booking company Serko thought it was high time for a revolution.

Research by TNS Research confirms that of the one million SMEs in New Zealand and Australia, 46 percent travel regularly for work. These businesses book an average of 30 trips per year, with approximately six hours being spent on booking and managing each trip.

Approximately a third of SMEs regularly book via a travel agent, which carries a premium charge, and two-thirds book directly on supplier or aggregator websites, which tends to be a time consuming and inefficient process, says Serko.

"For a large portion of small and medium businesses travel is a flawed business process," says Darrin Grafton, Serko CEO. "SMEs can't get access to the right technology due to the costs, or the types of deals that allow them to compete with their bigger counterparts on a level playing field."

He says Serko's newest app, www.serko.travel, gives small businesses access to the same desktop and mobile technology utilised today by major corporates.

"Not only will serko.travel give small businesses the ability to compare prices on air fares and hotels from all of the major supply sources like Expedia and Booking.com, but they also save hours of admin and make it easier for them to meet their legal duty of care obligations."

The app is free, offers mobile access to travellers, and a desktop portal for office managers who need to book and manage travel on behalf of other people. It will also integrate directly with Xero to improve travel spend reconciliation.



**NEW CAFÉ FOR QUEENSTOWN
RETAIL HUB**

A NEW CAFÉ has opened up at Queenstown's Remarkables Park Shopping Centre, catering for some of the thousands of locals and visitors the centre attracts each year.

Southland-born couple Kym Howley and Carol Edwards had long dreamed of running a hospitality business in New Zealand's tourism capital and had been "on the look-out" for suitable premises for some time.

When they saw the corner site they jumped at the opportunity to open up a business with broad appeal. "We're extremely proud of the fact that everything in the cabinet or what comes out of the kitchen is made here on the premises, fresh every day," says Carol.

Running EVOQUE is a major change of pace and lifestyle for the couple. Originally from Invercargill, Carol has a background in hospitality and sales before they moved to Perth for 15 months and ran a café in the mining industry. Kym spent 21 years in the car industry in Invercargill, followed by a decade running his own real estate business.



BRING YOUR BUSINESS TO KOPU

Kopu Business Park is just over one hour to Auckland airport, and centrally located within the golden triangle of Auckland, Hamilton and Tauranga.

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Affordable sites, great lifestyle, and easy access to NZ's best beaches, fishing and recreation.

To discuss relocating your business to Kopu, contact the Thames-Coromandel District Council on 07-868-0200 and ask for our Business Broker team, or email customer.services@tcdc.govt.nz



THE BUSINESS WITH BALLS



JEREMY DIXON AND PHIL NILSSON HAVE BEEN SETTING THE WORLD ON FIRE WITH THEIR FROOZE BALLS. AS THEIR HEALTHY SNACKS CATCH ON, THEIR BUSINESS IS GOING FROM STRENGTH TO STRENGTH.

BY GLENN BAKER

They've been around for generations. Some call them rum truffles. They're also known as 'bliss balls'. Those yummy little coconut covered balls we used to make as kids for special occasions.

Since 2008, Jeremy Dixon and Phil Nilsson, the directors of Onehunga-based Alive Foods, have been giving these little delights a healthy new twist under the brand name Frooze Balls, and sales have recently been taking off.

Jeremy and Phil go way back. They originally met at Sanitarium, where Jeremy was brand manager for ten years, and Phil was a projects engineer. Jeremy subsequently left the company in 2005 to start his two Revive Cafés in downtown Auckland.

"We had a product that sold really well at the cafés called bliss balls – a fruit and nut ball blended in a processor and rolled by hand. They were time consuming to make and hard on the processors, but sold well," recalls Jeremy. So he asked Phil to produce a machine that could more easily and efficiently produce the bliss balls. After a few hours in the workshop Phil came up with the goods on a shoestring budget.

With a little prompting from their wives, Jeremy and Phil decided to get serious with a business and set up Alive Foods in 2008.

For the first four years Alive Foods was a part-time venture, supplying Jeremy's cafés and selected health-food stores. Then in 2012 it was time to ramp up the business of Frooze Balls; time to hire sales people and production staff.

Two years later the big break into supermarkets came, and sales sky-rocketed virtually overnight.

"We were initially concerned that the Frooze Balls wouldn't work in the supermarkets," confesses Jeremy. "But being a natural, unprocessed, whole-foods product they just fly off the shelf."

With the success of the product, after 30-odd years Phil was able to finally leave his 'comfy' job at Sanitarium – a position that he felt no longer challenged him.

Alive Foods would prove to be more than enough challenge, however – not least of which the early days of working out of Phil's fourth bedroom (they've since moved premises twice). His engineering skills would prove to be a major asset in developing Frooze Balls production line.

That first mixing machine was cobbled together by Phil for next to nothing, but it was enough to get them started, and it replicated a 'home-made' style of production – which is one of the selling points of the product.

Today their production line is much more technically advanced. Phil's still in charge of engineering and production, and his skills dovetail nicely with Jeremy's strengths in sales and marketing and finance. The two business partners believe in tackling challenges head on, and that every problem has a creative solution.

"Fluctuating sales is probably one everyone struggles with," says Phil.

"This is especially so when you're adding on new sales channels," adds Jeremy. Looking to previous year's sales data isn't always the easy answer either, they say.

Buying new machinery, building up stocks, and paying



JEREMY DIXON (LEFT) AND PHIL NILSSON.

taxes all impact significantly on cashflow, they say. "Even though you're investing profits back into the company you still have to pay tax on that money," says Jeremy.

GUT INSTINCT

Jeremy and Phil acknowledge that they've opened up a whole new product category – and in doing so sparked a number of copycat products from other companies. But they're not put off by competition – in fact they're working on a complementary product to the Frootie Balls which they believe will be equally as popular.

Interestingly the guys rely on their gut instinct, rather than expensive research, to develop new flavours and products. Jeremy remembers the mega-bucks invested by his previous employer into product research and is not convinced that it's money well spent.

"The best thing you can do is just know a category really well, create a gut-feel for it, and then create a product that's really good."

"Companies spend millions on research trying to come up with a safe business case. But there's no such thing as a safe, guaranteed business plan. I believe you have to take an informed risk and at some stage just go for it."

Having said that, he says they did carry out quite a bit of research through his cafés, and both he and Phil attend a US food trade show each year to "pick up vibes and ideas".

"Forget focus groups, they deliver poor information. If it tastes good, looks beautiful, is unique and meets a need, then just go with it. Research just makes you sand off the

rough edges, and takes away your ability to make brave decisions," says Jeremy.

He says the bigger a company is, the harder it is for decisions to be made. The beauty of a small, nimble company like Alive Foods, with minimal overheads, is the ability to quickly take a punt on something.

"Take a look at Steve Jobs and the iPhone. He just designed an awesome phone for himself. This is how some of the best products are created."

FURTHER AFIELD

Having nailed the trademark requirements surrounding their product, Jeremy and Phil are now in the process of taking their Frootie Balls to Australia and the US. They're already marketing the product through sample stores in the US. The advantage their Frootie Balls have in export markets is that they're an efficient product to ship and they're well priced.

Jeremy says they have trusted partners in both those markets. "You've got to have someone on the ground who knows how the local market works," he says. "Especially in the US, where everything works in a completely different way."

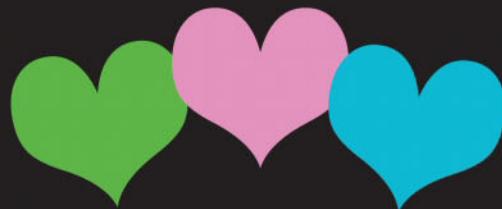
He says they're fielding enquiries from other markets too, and there has been a lot of interest from China.

The two committed vegetarians have a whole list other healthy food products in mind too.

It may have all started with a humble fruit and nut ball – but with Jeremy's brand marketing nous and Phil's engineering talents it would seem the sky's the limit for Alive Foods. **NZB**

GLENN BAKER IS
EDITOR OF NZBUSINESS.

FOR THE LOVE OF COURNEY



BY GLENN BAKER

HAAKAA IS A FAMILY OWNED ONLINE BRAND MARKETING SAFE, NATURAL, NON-TOXIC AND ECO-FRIENDLY BABY PRODUCTS. DIRECTOR MORGAN VAN DER HARST REVEALS THE DRIVING FORCE BEHIND ITS SUCCESS.

Morgan Van Der Harst had been a key member of the management team at Nespresso since it started in New Zealand around five years ago. But when her little sister Courtney was born with autism and other disabilities, life changed virtually overnight. Courtney's health became her absolute focus.

It was during the family's struggle to source products suitable for Courtney that Morgan noticed a huge gap in the market. "Wait times were long; there was no customer service here or in Australia; shipping costs were high and the quality of products not that great," she recalls. "That's really how HaaKaa began. My stepmother and I now work together designing, creating and sourcing new products [for the business]. My sister Courtney is 100 percent healthy, happy and totally medication free."

The past 12 months have been huge for Morgan, and she admits there've been many sleepless nights getting the business to where it is today.

"I left my job at Nespresso just over a year ago to focus on Haakaa full time and the speed at which we've grown since then has been amazing."

The business began with the idea of providing chemical-free and safe products for children – particularly those with special needs. It's since grown into providing these same options for adults, with a huge emphasis on minimising waste.

"This is a key focus of mine," says Morgan. "The amount of single-use plastic we generate as humans is devastating and a lot of it comes down to education. People don't stop to consider why the products they are using are so cheap and break so easily. The mentality of "throw it in the bin and let's buy a new one" is something we want to change.

So Haakaa products are made to last and to buy once. "Our bottles grow and change as your child does and go from newborn right through to school; from teat through to sippy then straw cap and eventually ending up as a thermal container," says Morgan. "Our dinnerware is made from organic bamboo which is the most sustainable material on this planet. We use glass, stainless steel, silicone, and reusable, sustainable materials."

The biggest challenge in growing the brand is changing people's thinking on buying quality that will last rather than multiple cheap and nasty products, she says. "Buying six bottles at \$10 each over your child's early years is false economy and where do these products end up? An estimated 1,500 plastic bottles end up in our oceans and landfill every second."

Morgan has had plenty of support in building Haakaa. "I'm lucky this is a 100 percent family owned operation and I have had the support of my parents as well as a genuine reason and drive behind all of us – Courtney. We all share the same vision. But without my stepmother and Courtney we wouldn't be where we are today."



“We are lucky we live in such a digital world with social media; the moment you create something amazing it can be shared around the world in a matter of minutes.”

Harnessing Social Media

Morgan's key message for other fledgling business owners is a reminder that it takes time to build a business and a brand. "Don't give up, because the moment you're about to give up and it starts getting really hard, you are about to catapult. We are lucky we live in such a digital world with social media; the moment you create something amazing it can be shared around the world in a matter of minutes.

"A perfect example of this is our Haakaa Breast Pump.

Overnight our pump [information] was shared hundreds of times around the world and the madness began.

"Use social media as much as you can; we have some amazing bloggers we work with who believe in our brand as much as we do. If you check out our Instagram you'll see they are all over our page. If you do not have Instagram, get it!

"I think just using these tools in a productive and smart way can make all the difference."

Morgan believes the key to building a successful online business is having a great website.

"I rebuilt our entire website. It was a huge process but the effect was amazing. Having an easy to use, simple and clear website that functions properly and efficiently makes all the difference. Shopify is brilliant and having a great web company to help you and steer you in the right direction is a must," she says. "We worked with Zeald and I could not recommend them enough.

"We are also lucky in the fact we now have retailers who

stock our product. These guys have been incredible for getting our message across."

There is a lot of trial and error and a lot of mistakes made, but that's all part of learning, says Morgan. "Just don't give up and keep going. If you believe in what you are doing it will happen."

Setting Goals

Morgan's goal for the next two to three years is for Haakaa products to be available worldwide. "We are attending the Kind + Jugend 2016 Baby Show in Germany this year and would love our products to be available in retail stores worldwide for our international customers.

"We want to create more products that everybody can use every day in a way that is both affordable and safe for them and the planet."

Morgan says the baby show is exciting due to Germany's huge eco-friendly and sustainable product focus. "Going to these countries is so important because we're all working towards the same goal – figuring out new ways to protect our planet and our children. Forming friendships and relationships with people who share the same vision as us is a key tool in getting products into these markets.

"We don't want to form partnerships with people who appear to care but are all about making a profit; we want people who will work with us and grow with us.

"Another key goal is to help other families in the same situation we were with Courtney all those years ago, and make these safe options available to them," she says. **NZB**

GLENN BAKER IS
EDITOR OF NZBUSINESS



Getting noticed

BY KEVIN KEVANY

SISTERS SARAH GAMBLE AND JAYNE FOSTER HAVE UTILISED THE TOOLS OF ONLINE COMMERCE TO TAKE THEIR MODERNISED NOTICEBOARDS TO THE WORLD.

Their desire to help each other as siblings – and later, help other families – and keep on top of their busy lives, has seen Sarah Gamble and Jayne Foster create a highly-successful online business.

Run largely from homes in Wellington and Christchurch (it has an office too), the business, Chart Noticeboards, gives them the flexibility to work around their youngsters' schedules, pick-ups, and being parent-help at school.

While both are alumni of Otago University – Jayne trained as a lawyer and Sarah has a BA (Geography) – they had little training or immediate background to base their business prowess around. So they engaged the tools of

modern commerce: Skyping daily and using web-services like Dropbox, Shopify, Mailchimp and Xero.

And just to make their challenge a little tougher; they've built a business around an outdated concept of noticeboards, using colour and design to schedule – and revitalise – time-deprived home and business lives.

"What truly drove us to succeed was our own need," says Sarah. "We have five children between us, from three to 14. The phrase, 'necessity is the mother of invention' springs to mind.

"Being parents, we both tend to be good at multi-tasking and we've realised this, more than anything, is a critical skill when running a small business.

"We are both generalists and tend to do a bit of everything, but it's great because we are learning all aspects of the business together. Our complementary skills help too," says Sarah.

Chart products provide an original way to display information, so they have a purpose and function, as well as look good. The business started quite organically. Initially, Sarah painted boards 'to order', in her spare time, in the garage. She drafted some different designs and had an engineer make up a metal jig, "so I could get lines straight".

"Initially I looked for a home organiser to display our family's weekly schedule, but failed, and so I decided to make it myself. I sourced some Perspex and painted five colours into a striped pattern on the back of the board, so I could write on the front with whiteboard markers. I hung it in our kitchen and many friends and visitors commented on it and asked me to make boards for them."

With orders rolling in they realised hand-painting the boards, in the garage, wasn't viable in the long-term or scalable. They "needed to get serious" and create a sustainable manufacturing process.

"It was a total leap into the unknown and involved testing printing processes and logistics. It was one of our biggest challenges; how to scale the business so early on.

UTILISING SHOPIFY

There were many challenges with production. Undeterred, Sarah bought the URL address for Australasia, plus the '.com'. Next came a Shopify account and their online store was in business.

"For a SME like ours, the Shopify service is excellent. I had quotes to set up a website, from \$5,000 to \$15,000, but we managed it ourselves and it looks professional.

"There is a massive benefit in being able to alter your own website. We make timely changes virtually every day, at no cost. It also manages our orders, payment gateway, basic inventory, and our customer database. Both Jayne and I can see what's going on with the business in real-time from our different locations."

Why did they opt for local production instead of offshoring that aspect of the business?

"Our decision to print locally was driven by several factors," explains Sarah. "As a SME we needed to maintain efficiencies, so our business model was to print-to-order. Logistics and shipping costs played a part too.

"We enjoy the fact that we support local manufacturers. Our prices reflect the decision to stay local, but we make sure our customers know they are supporting New Zealand businesses when they buy from us.

"Shipping has also been a huge learning curve. Couriers are integral to our customer-service and we couldn't survive without them. Once the product is dispatched, an element of our customer-service is out of our control. We've learned to package our products very carefully and adapted our packaging to make sure products arrive safely.

"Chart Noticeboards only sells online at the moment. We are looking at new ways to introduce our product to companies and individuals, but always with the intention of pointing everyone to the website, the shop-front of our business."

So has it all been plain sailing?

"From time to time you doubt yourself and think 'will anyone actually like these boards, are they using them?' Then we get feedback from a customer, plus a photo of their board covered in their weekly schedule, and tell us how much they love it," says Sarah. "Immediately you feel reassured as a business-owner; you're producing something that's definitely worth believing in.

"As well as faith and confidence in the product and yourselves, you have to get your head down and work hard to make it happen, and not be phased by the odd setback. You can guarantee there will be hurdles in any start-up. You need to be a problem-solver and be persistent."

As for marketing, Sarah says most of their business to-date has been by word-of-mouth, which suited the gradual evolution of their production processes. The first real boost to sales came with the appearance of the boards on *Mitre 10 Dream Homes*.

"Early on when the business didn't have a marketing budget we used whatever tools we had; especially social media, to gain more exposure. Once my daughters and I grabbed a Union Jack board off the wall, to hold during the Royal walkabout, and Prince William took us by surprise and asked if he could take it home," says Sarah.

"A friend captured the sequence on video and we posted it to YouTube. It gave us a further boost in sales.

"When you are selling a product online, and using social media to market it, you absolutely have to think globally," says Sarah. "Chart Noticeboards has followers from all over the world on our Pinterest, Instagram, Facebook, Twitter and Houzz accounts."

They have already had numerous requests from Australia, England and the US. "So we know there is a market for our products elsewhere. That's our next challenge." 

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#WendysWorld

WENDY THOMPSON ADMITS TO JUST OWNING A LIFESTYLE BUSINESS FOR THE FIRST THREE YEARS OF SOCIALITES. BUT THE PAST THREE YEARS HAVE SEEN HER SOCIAL MEDIA AGENCY GAIN SOME SERIOUS 'LIKES' FROM NEW ZEALAND'S BUSINESS COMMUNITY.

BY GLENN BAKER





W

Wendy Thompson describes herself as a proud first generation Kiwi. With her dad having avoided Idi Amin's brutal regime in Uganda, and her mum coming here as a war-refugee baby from Holland, Wendy's family heritage of change and disruption would prove a precursor to another disruptive world she would enter as an adult. We're talking about the fast-moving world of social media marketing – a world she has embraced totally through her agency Socialites.

Right from a young age, Wendy has held a passion for marketing. "My Mum tells the story of when I was five or six, I used to go out to the mailbox to collect flyers and then rearrange them with 'safety scissors' so they were more aesthetically pleasing and made more sense.

"Even before I knew what marketing was, I've always been obsessed with the relationship between businesses and their customers," says the AUT graduate. "I find that relationship fascinating."

Wendy was also interested in digital marketing back when text message marketing, email and TradeMe banners were in their infancy. The bulk of her career was spent at WRC, the direct arm of DDB advertising, where she learnt the basic skills of marketing and how to think strategically. "It was a crazy culture and an amazing adventure. Everything had to be perfect; there was no second best. It taught me how to be responsible to an entire team," she recalls.

Just when it seemed she had found her career path, Wendy took a sabbatical at age 25, and found herself soaking up life's experiences while crewing on super-yachts. Aside from marketing, she also had a long-held passion for sailing.

Pregnancy brought Wendy back to New Zealand. Today she and husband sports biomechanist Greg Pain, have two children, aged ten and seven – with Greg happy to work part-time and take on the family management role.

Two years prior to the GFC, the couple established and subsequently built up a highly successful sports physio practice. Then in 2010 Greg came home after a day out cycling to inform Wendy that the upcoming 'Crits' cycle race in Auckland had just had its organiser pull out. Could she take on the marketing?





This was before adverts on Facebook, the platform was largely untested; but Wendy thought she'd give it a try. "Back then people were saying Facebook and the Internet was a complete fad. That's why I feel like I'm a grandmother of the social media industry," she laughs.

Against all opinion, there was an incredible response to her Facebook marketing efforts.

"Straight away I knew this social media platform was going to fundamentally not only change the way businesses interact with their customers, but also change businesses. This would be a big shift in the way the world works. It's not just about talking to your customers, but about talking to a community."

One hundred people turned up to the first cycling event – when previously it had been struggling to attract 20.

"I just loved coming up with a conversation tone for all these brands; it was so much fun."

Her first hire was her younger sister, who subsequently hired one of her friends. Then in 2013, social media got totally serious. Organic reach went down, the requirement for paid adverts went up. "There was an overflow in demographics. Companies still didn't understand social media, but they were hungry for information," Wendy recalls.

It was decision time for her business. "I could either carry on under the radar with my lifestyle business and eventually get my bach, barbecue and BMW, or step things up and take my passion to the 'nth degree', and put myself out there and the company's reputation on the line.

"It was scary, but I jumped in."



"Back at the agency they were still making paper ads and TV commercials, but I could see how this social media thing could be so big for the whole world, and could happen almost overnight.

"I thought, I love this," recalls Wendy. "How am I going to make money out of it?"

With no courses, no experts or business models to copy, she devised a strategy to get ten clients paying \$1200 per month each in exchange for four hours work – to make up a 40-hour week.

It didn't work, but at least it was a start.

FULL IMMERSION

To get a greater understanding about how social media worked, Wendy consulted her brother-in-law James Bergin, now head of architecture at ASB Bank. An expert in the tech world, he could help her get around emerging social media platforms such as Twitter. "For example, this is a hashtag and this is how it works. I didn't know anything," she says.

"I remember sitting on my couch at home over three months with my smartphone absorbing as much as I could from the Americans and Europeans. They were way ahead of us then, and still are."

Friends of friends led Wendy to her first clients. People slowly became convinced that social media was where they had to be, and it's not just for the younger generation.

Working from home, Wendy believed she had the most amazing lifestyle business.

Socialites was given the contract to launch the Spark brand on social media. Wendy was inspired by the brand's plan to disrupt the market. She had three weeks to launch date and moved her small team temporarily into the Spark building to meet the deadline.

A successful outcome meant that Wendy and her team were now established on Auckland's advertising and marketing industry radar. "We got some incredible results for Spark, moving brand sentiment by nine percent, just by talking to people."

After relocating her team a couple of times, Wendy found a permanent home (she now has 18 staff including part-timers) in Auckland's CBD O'Connell Street in 2015 – the same year Socialites made the Fast 50.

ROUGH PATCH

Wendy's journey to social media stardom hasn't been without its one big rough patch. "We lost three major retainer clients over two weeks," she recalls. "That was 60 percent of our retained revenue, and that's pretty stressful."

Those losses had nothing to do with Socialites performance, it was simply that social media was now performing so well for those clients, they stopped outsourcing that function or moved it to an agency. "I literally did ourselves out of business," says Wendy.

"I realised that even though I was telling everyone to put their customers at the heart of their business and not to get distracted, in fact I had become distracted."

"We were having all these amazing conversations with our clients' customers and providing all these great insights, but I'd forgotten what our actual clients needed from us. Their needs had changed, and I'd completely missed it."

"Fortunately we had three months' cash reserves to get ourselves through that patch. I'm one of those people who always likes to have a backup."

She says she knows of many other entrepreneurs who've been saved because they also believed in having sufficient backup cash.

"We reorganised the company and changed our offering to be more strategic and streamlined, and to keep our clients more updated on social media trends."

With all her staff now sharing information on social media every day, they can more easily stay ahead of what's happening, she says.

Socialites is now clearly back in growth stage, but Wendy doesn't apply too much expectation on the business. "I like to be nimble," she says. "And I definitely have no immediate plans to take the Socialites brand to Australia. We're not even scratching the surface in New Zealand."

One thing she is proud of is the fact that Socialites has helped create a whole new industry – especially over the past three years. "We're changing businesses by putting the customer at the heart of what they do."

She uses client Jeds Coffee as an example of the outcomes of what can be achieved.

Social media conversations led to a whole new strength of coffee being introduced. That's how powerful it is to reach a whole community.

"I strongly believe businesses are here to make the world a better place. If that's not the aim of your business, your customers will soon work it out, and [through social media] you're not going to have a business."

A PIONEER

Looking back, Wendy can appreciate how much of a pioneer she has been in the social media industry as her business has evolved, and that there were real challenges. "It was totally new ground. And I'm an eternal optimist so for me there were no wrong decisions to make – only different decisions," she says.

"For example, pretty much all social media accounts in New Zealand today have 9am to 9pm coverage, and I started that. It became best practice. It's kind of cool. Where did that come from? Because I said so!"

"I'm proud of the [industry] best practice we've set in place over the years."

Social media has matured over its relatively short life too. "It's not about 'when's the best time to post' anymore," explains Wendy. "It's all about quality now; about making 'beautiful' social media – perhaps by including gifts or a cool video. It has to be 'thumb-stopping'."

"And, of course, everything now has to cater to the mobile market."

Social media's about partnerships, taking clients on a discovery journey, adds Wendy. "Delighting and surprising

WENDY'S 5 TIPS ON SOCIAL MEDIA

1 **Determine which platforms your community is using, and focus all your marketing efforts on them.** For 90 percent of businesses it will be Facebook. If you're a small fashion brand it might be Instagram; for a toy retailer, it could be Musical.ly; or if you're just targeting millennials, definitely go for Snapchat.

2 **Have a plan for handling negative reviews.** You will get them. Often the customer that cares the most will complain the most. Get back to them quickly, sign off with your first name. Show that you've heard them, and then fix it! Remember, even negative feedback is an opportunity to improve your business.

3 **Learn how to take really good photos and videos.** Social media is such a visual medium. A great tool to use is Canva.com.

4 **Watch your grammar!** Be professional in your approach to communications.

5 **Look for other businesses that you can collaborate with.** For example, if you're a wedding photographer, work with the dressmaker and the caterer. All share and tag each other in to expand your networks. Create a mutual community, and lift each other. But you must agree on brand values.

Source: Wendy Thompson.





them [with outcomes], and bringing any insights back to the clients."

While Socialites primarily works with corporates, Wendy's latest 'baby' is a new online educational hub targeting SMEs called Start Social – designed to teach business owners in various vertical markets how to use social media platforms.

The hub also educates business owners on which platforms are relevant to their business sector. "For example, if you're a restaurant you need to be on Facebook, and Instagram if you have the time; and definitely Yelp and TripAdvisor if you're in a tourist hot-spot like Queenstown. If you're a retailer, being on Instagram is important."

Wendy sees Start Social as part of the drive to boost the digitalisation of Kiwi small businesses and make them more profitable. It has been rolled out with Spark as a marketing partner, and features Live Chat, plus a community group. "So if people get stuck they can ask for help."

Start Social is a big step for Wendy, because four years prior, she and her brother and sister each invested \$50,000 in a competition template platform for Facebook, only for Facebook to change the rules two months in and leave their investment high and dry overnight. Even though Wendy laughs about it today, it was both a lesson about not relying on one platform and a reminder of the fickle nature of online technology.

"At least with no outside investors involved we were able to wipe it and take it on the chin. But it was a little embarrassing."

A SOCIAL FUTURE

So how does Wendy see social media developing over the next few years?

"The businesses that will succeed are the ones that really listen and stay close to their customers. It's important to watch what's happening at a micro-level, and not get stuck on the past. Because the environment is changing so fast, measuring results against past efforts is almost ridiculous," she says.

"For example, if you know your customers are on Snapchat, while you may not have any hard numbers yet, just get on there. Don't wait! It might only be big for a year."

"If you don't go on the journey with your clients, you'll get left behind. So stay flexible, and think big when it comes to social media and the global opportunity."

As for the future of Socialites, Wendy believes there is another big decision looming around whether to hunker down at the 20 mark in terms of staff, or "go big" and add more management layers, and the associated risk. She jokes about the latter option probably spelling an end to her three month cash reserve!

However, as sole director of Socialites and with no formal board or advisors, it's fair to say Wendy will be seeking advice, and investors, for her expansion plans – which also include the prospect of taking her Start Social platform overseas.

Meanwhile her passion for social media and what it can do for both small business, and other fields such as health education for high-risk groups, remains undiminished.

In such a young industry, with such incredible potential, she's only getting started. **NZB**

GLENN BAKER IS
EDITOR OF NZBUSINESS.

In the age of TED Talks, why go to a conference? And what Sir Richard Branson taught me

UNSOLOITED INVITES TO conferences are a fact of life for most businesses and business people, but which ones should you attend and which invites should go into the rubbish bin or 'deleted items'?

I probably average three to four invites a week. I actually go to less than one percent, one of which was the World Business Forum where I managed to meet Sir Richard Branson. More on him and my unexpected lessons later.

Conferences are a big part of what Chartered Accountants ANZ does. In the past year we have held nearly 20 conferences in New Zealand, which are open to the public as well as our members.

As a regular conference attendee, and being part of an organisation which regularly holds events, I have picked up a few things about which conferences to attend, and then how to get the most out of them.

I'll immediately admit to being in a very different boat from SME owners who have to pay for conferences out of their own pockets, but like you I have to put myself under extreme time pressure by taking time out from the office, behind the counter or workplace to attend.

But don't consider conferences an unaffordable luxury. TED Talks will only take you so far.

Here's my checklist for great conferences. Look for:

- **Relevance to your business.** I prefer industry supported or run events as they understand their audience best and are not just running events for the revenue.
- **Speakers you can learn from with real case studies rather than just practitioners or consultants.** Pick conferences with opportunities to get practical information and insights you can actually implement in your business.
- **Break-out sessions.** Often these are very focused and detailed and can sometimes be more valuable than the headline speakers.
- **Networking opportunities.** Who else is going? Are they people you can learn from or do business with? Use conferences to build your networks and don't treat them as one-offs.

But back to my meeting with Sir Richard.

It was at the World Business Forum held in Sydney last month. Chartered Accountants ANZ hosted an exclusive invitation-only event with Sir Richard.

Ahead of the Forum, I felt like I was about to meet someone I already knew. I have read some of Sir Richard's books, his blogs,



watched his videos, media interviews and seen his prolific social media presence.

I was expecting to hear business insights, to be entertained, to be inspired.

The Sir Richard we saw on stage in front of 2500 people was the public persona – he delivered extremely well, holding the entire audience for an hour with grand gestures and adventurous stories.

However, he also spoke of his early shyness, even as an adult, and how it never really went away. He mentioned the coping mechanisms he used when the company needed him to take a more public role.

This was the Sir Richard we saw up close.

And from this I took three key learnings:

- **Introverted leadership is okay.** Sometimes leadership requires you to be out front, but actually that doesn't mean you have to be 'on' all the time. Give yourself a break.
- **Have a strong team around you.** While we often remember the leader out front, we usually forget the team and the environment for success they have built around them.
- **The power of the impact player.** Being an impact player and coming off the bench when the team really needs you may actually be the best thing you can do.

By **Kirsten Patterson**, New Zealand Country Head, Chartered Accountants Australia and New Zealand.

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Clever cards

BY GLENN BAKER

LOOKING TO IMPROVE YOUR FLEET OPERATIONS? TO DRIVE GREATER EFFICIENCIES WITHIN YOUR COMPANY VEHICLE MANAGEMENT? A GOOD PLACE TO START IS YOUR FUEL CARD. BUT HAS YOUR CURRENT ONE BEEN LEFT BY THE ROADSIDE?

Not all fuel cards are created equal. If you haven't reviewed your fuel card partnership in recent times there's a chance your business could be missing out.

So what should business owners look for in a fuel card offering, and how do the card programmes make fleet vehicle management and cashflow easier?

Paul Holland, managing director of Fleetcor Australasia, believes business owners should be clear on where they'll obtain the most value from a fuel card. "For example, some value the convenience of being able to use it at any fuel station. For others [it's about] price, extended payment terms or other related services."

"Control, and the ability to track expenditure, is an inherent feature and the biggest reason why fuel cards are attractive to SMEs."

Savings can be assessed not only at a transactional level, but from an operational/logistical perspective, says Holland. "For instance, if the fuel card is widely accepted, off-route

refuelling can be avoided – this is a cost often overlooked.

"In addition, having the choice of fuel brands enables you to still obtain price benefits from different oil company price strategies."

"I think the true value of a fuel card offering should be reflected on the bottom line. It may just be achieved in different ways, depending on the customer challenges – for example, reduced fraud, improved cashflow, less administration, cheaper fuel, and so on."

A fuel card offer should alleviate admin burdens for business owners, says Holland. A universal card for fleet expenses negates manual expense reconciliation and employee reimbursements, and provides administrators with consolidated invoices for GST claims.

Visibility and control of expenses is key to effective fleet management, he explains.

"The ideal fuel card should enable customers to restrict purchases at the vehicle and driver level. For example, restricting card transactions by service type and by dollar limits."

Fleetcor's CardSmart offers fuel discounts at multiple, major oil companies and extends to vehicle-related, non-fuel expenses, including servicing, repairs, windscreens, tyres, even RUC, rego and WOF.

Customers can also subscribe to discounted roadside assistance services with AA.

New service features slated for 2016 are a credit card payment option and a mobile app for locating merchant sites while on the road.

Glen Wallis, NZ CV sales manager for Mobil Fleetcard, says a key requirement of a fuel card offering is: can you use the card where it's suitable for you. "Mobilcard has a huge chain of acceptors that include Mobil-branded service stations, Pak 'N Save and New World fuel sites, and many additional fuel sites branded Allied, Waitomo and NPD."

(See www.mobilfuelfinder.co.nz)

Online management of cards and data access can be very important," adds Wallis. "Especially when you want to do things at a time that suits you rather than anyone else.

"Limits on spending can be very important in securing the use of these cards to what you envisage when you give your staff a card. With each Mobilcard you can limit what is purchased, how much is purchased in a transaction, a day, or a month."

Many things can impact on the cost effectiveness of your fuel card solution, says Wallis. "These vary from, are sites close to your normal travel route? To, what fees will you have to pay, how often are they charged, or can you get a no fees at all option?"

And don't forget to query whether the price/discount structure suits you – so that you actually do reduce the cost that you pay for fuel, he says.



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“We expect fleet owners will increasingly demand fuel cards catering for mixed fleets and differing fuel types.”

– Paul Holland, Fleetcor Australasia.



So how does a fuel card provider help its customers maximise savings and benefits?

“We believe actionable insights enable our customers to identify improvements within their fleet operations,” says Holland. “Customers can access transactional data and manage their accounts via our online portal. Through our customised exceptions reporting, aberrations in either vehicle performance or driver behaviour become apparent.”

Changing customer requirements and market conditions influence the offerings from card providers. In 2015 Mobilcard featured ‘one price on the day’ wherever you go.

“These days with significant price differences between locations, always getting the same discount no matter what the pump price has become more important,” explains Glen Wallis. “So now we offer the choice of one price or one discount, whichever’s best for your account.”

Mobilcard now has a smartphone app so cardholders can quickly find a Mobilcard acceptor when they’re away from their usually travelled routes, he says. “We’re constantly adding new Mobilcard acceptors.”

TRENDS AND PREDICTIONS

The desire for greater business efficiency continues to drive the fuel card industry in 2016. At a macro level, global crude oil prices have begun to rise again and business fuel users are becoming increasingly aware of their cost base.

“The smart fleet operator is becoming much more tuned to the value of improved efficiency – managing their consumption, reducing off-route refuelling and not exclusively driving the headline price down,” says Holland. Fuel price is absolutely important, but typically you can achieve far greater savings through consumption than just price, he adds.

COMING UP NEXT!

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Another trend is the high proportion of New Zealand's 474,115 light commercial vehicles that are diesel powered (68.4 percent in 2014 according to the Ministry of Transport). Although businesses have made a conscious effort to reduce their carbon footprint by switching to diesel for fuel efficiency, diesel vehicles emit four times the nitrogen dioxide and 22 times more particulate pollution than petrol vehicles, says Holland – citing a 2015 article in *The Guardian*.

"We expect fleet owners will increasingly demand fuel cards catering for mixed fleets and differing fuel types.

"Due to heightened awareness of global warming, a growing opportunity for the sector is to offer emissions offsetting programs. We launched our EcoDRIVE programme last August, whereby CardSmart customers can choose to contribute to tree planting and reforestation initiatives in New Zealand and developing countries.

"To date, over 50,000 trees have been planted by our partners Green Earth Appeal and Greenfleet, due to our programme."

SUCCESSFUL PARTNERSHIPS

The key to the success of any relationship between card providers and businesses is a mutual understanding of needs.

"A fuel card provider should tailor their offer to customer needs," says Paul Holland. "For example, CardSmart does not have any lock-in contracts, so customers can easily and quickly scale the number of fuel cards to their current business requirements.

"A business should assess whether their fuel card provider has a satisfactory resolution timeframe for any issues and requests. Our customers have a dedicated account manager, for service continuity and personalisation." **NZB**

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Tracking the changes

*IF YOU WANT A GLIMPSE OF THE FUTURE OF VEHICLE MANAGEMENT,
TAKE A LOOK AT THE LATEST GPS TRACKING TECHNOLOGIES.
THERE ARE MANY WAYS THEY CAN BENEFIT YOUR BUSINESS.*

To fully appreciate the stand-out features of leading edge GPS vehicle tracing technology, we went to Navman. It's latest GPS software platform, Teletrac Navman DIRECTOR, helps businesses improve the efficiency of their fleet management through data about their workforce's driving habits.

"Along with DIRECTOR we released a new complete driver and vehicle behaviour solution called Safety Analytics," reports Ian Daniel, VP and MD Asia Pacific, Teletrac Navman. "This provides an unprecedented view into fleet activity, showing driver and vehicle behaviours in real time, and promoting better behaviour within company vehicle fleets.

"Health and safety is top of mind for many businesses at the moment. With a visual event viewer and driver scorecards, our software feature enables businesses to monitor and replay unsafe driving events that occur on the road. The real-time scorecard function creates comprehensive reports, summarising unsafe road behavior,

and provides side-by-side driver rankings."

The data from the system allows managers to work proactively with staff, in order to change driving behavior.

DIRECTOR goes far beyond fleet tracking to include messaging capabilities and workflow forms, helpful user alerts, extensive vehicle maintenance, instinctive user search functions and robust driver behaviour analysis, says Daniel. "It's also a completely web-based platform which means it's scalable to any size fleet."

NZBusiness asked Daniel to explain the savings and benefits a GPS system delivers for business.

First, it's about health and safety, and risk mitigation, he says. A good example is Taranaki engineering firm Energyworks NZ, which experienced an 80 percent reduction in overspeeding after installing the Teletrac Navman system.

Secondly it's about improved customer service. Take the case of Professional Farm Services (PFS), a Cambridge-based sales and service company that's on call 24/7. Customers phone

PFS directly for urgent jobs and the company can pull up the location of staff members immediately, then send the closest person to the job. It's fast and efficient.

Thirdly, fuel savings is an added benefit. Using PFS as an example again, the company made cost savings in charged-out mileage immediately after installing the Teletrac Navman system. Savings amounted to \$125 per vehicle per month.

There are lesser known benefits of GPS tracking technology too. For example, job management software integrates with the GPS system. Combining Teletrac Navman with the SmartTrade system allows BPS Plumbing to generate reports about where its plumbers drive, how far, how long they were onsite, then compare this with the timesheets.

"This creates a huge saving in time and paperwork," says Daniel.

Keeping up with vehicle servicing and maintenance is another plus.

"Our DIRECTOR software dashboard functionality provides an at-a-glance snap shot of things like total kilometres per week, out-of-hours use, speeds over 105kph and vehicle maintenance. It also shows when the next registration or warrant is due, or where RUC usage is at."

Professional Farm Services uses the Teletrac Navman DIRECTOR maintenance module to keep track of WOF, tyres, oil changes, and so forth, he adds.

There are benefits around Fringe Benefit Tax and the requirement to keep log books too.

CHOOSING AN APPROPRIATE SYSTEM

Any GPS tracking system can locate your vehicles. To turn that raw data into information for making sound business decisions you need a tracking system that manages and makes best use of the huge data volumes generated.

"Start by defining your priorities in terms of overall mobile management of your fleet, gaining insight into vehicle and driver behavior, improving safety and compliance, improving customer service and enhancing your bottom line through cost savings and improved productivity," advises Ian Daniel.

"Then consider what you need to achieve this. Platform, technology and features are fundamental. Your system must efficiently collect locational data from three sources: GPS, vehicle diagnostic plug-ins and driver input data updated directly from in-cab."

"Then your software provider needs to optimise the data, instantly converting geographical coordinates into usable and accessible location data, such as street names and intersections. It can then be matched to individual drivers and customised sub-fleet groups allowing you to better manage your fleet."

You need to consider what the underlying operating principles



of your GPS tracking system are. Is it a real-time event-based GPS vehicle tracking and monitoring system? Is it always on? How frequently is location and event data updated? Is the data transmitted immediately upon generation?"

Weigh up the feature set too, says Daniel. Does the system monitor idling time? Does it provide stolen vehicle tracking and real-time safety data? Does it deliver alerts and customised reports directly to managers?

BEYOND THE TECHNOLOGY

It's not just about the technology and features. To choose the right GPS tracking system you must consider other factors.

First, there's the experience and capability of the provider. How long have they been tracking fleets? How many vehicles do they track? What level of support do they provide?

"Tracking systems have a major role to play in compliance, too," Daniel reminds us. "Can you satisfy hours of service regulations through electronic logbooks (E-logs)? Can you electronically file Driver Vehicle Inspection Reports? Do you want to run reports against your own workplace safety policies?"

"If so, then the depth, detail and usability of reporting is a primary differentiator," he says. "You will want to see things like driver safety event reports of harsh stopping or hard braking, performance reports that help evaluate driving trends and problem areas, and statistics on actual engine run time, distance traveled, gas usage and odometer readings."

"You'll also want operational reports about jobs and deliveries, including scheduled and unscheduled stops. And calculate which of your vehicles have the lowest km/l fuel efficiency, average 'engine on' times, idle times, travel times, miles driven and usage."

"Finally, your GPS provider needs to present the optimised data in a way that helps fleet managers quickly locate and manage vehicles in realtime, anytime," says Daniel.

"The usability, user-friendliness and intuitiveness of the software is key to providing fleet managers with the most relevant, profitable and rewarding information in the most serviceable way."

GLENN BAKER IS
EDITOR OF NZBUSINESS.

I'M STILL AT MY
FIRST APPOINTMENT
...4 HOURS LATER

Teletrac Navman is a unique GPS vehicle management solution that gives you the visibility needed to accurately manage your team and meet the expectations of your customers.

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Mentoring, mingling and motivation



ELISHA BLOGG EXPLAINS HOW GROUP MENTORING IS SUPPORTING HER INTO SELF-EMPLOYMENT.

Originally from the South Island, I moved back to Auckland after spending several years working overseas, in industries such as visual merchandising, advertising and event management.

I returned during an exciting time of transition, when many other professionals were also returning to New Zealand with ideas and experiences gathered from around the globe, helping to shape our business environment.

I'd always dreamed of working on a self-guided project that challenged and inspired me. After countless ideas and brainstorms over many long nights, I finally developing this dream into a sustainable business.

The idea for The Learnery came about when I recognised a need for networking opportunities for creative people who want to connect with others face-to-face. While there are many networking opportunities available, I felt that there were few environments in which creative professionals could offer value to one another, so I decided to create one. There are similar concepts I've seen working really well around the world and I wanted to bring that concept to New Zealand.

I believe in creating a community where people are inspired by new experiences, opportunities and perspectives and can connect in real life, without the isolation of the digital world. Collaborating with local artists, designers and creatives, The Learnery will offer affordable short courses in doing, creating and learning. My goal is to provide an environment from which people are able to take away a new product or skill they may have not considered previously; are inspired and encouraged, and able to form new connections with like-minded people.

However, I knew that starting my own business wouldn't be an easy task. I've been cautious in the past, which has held me back, but without taking a risk and diving in my dream would remain just that – a dream. I recognised the need for

guidance, and while business mentors are common, considering the collaborative focus of The Learnery, I wanted mentorship that would take a similar approach.

When I learned that women's networking and career development organisation Professionelle was launching a new group mentoring programme, it seemed the stars had aligned. The programme places mentees in a small group led by a successful senior professional woman, offering mentees the opportunity to develop professionally and personally, expand their networks, and overcome professional challenges, while being supported by a group of peers and a dedicated mentor. It is the perfect forum to support me through the debilitating self-doubt so many of us endure, and already I feel far more confident in my business decisions.

The programme launched in June 2016, and already the support of a mentor during the early stages of developing The Learnery is proving invaluable. Having a network of women to bounce ideas around with gives me guidance and insurance that I'm heading in the right direction. I'm inspired by working alongside other women motivated by their own individual career paths, and am excited to share ideas and discussions.

I'm looking forward to continuing to build confidence, gain knowledge and form relationships, empowering me to move forward with my career. I hope to gain insight into other people's experiences and apply these to my own challenges, and I look forward to the successes (and failures) that lie ahead. One day I hope I'll have the opportunity to pay it forward as a mentor myself. **NZB**

ELISHA BLOGG IS BUSY WORKING ON A BRAND AND WEBSITE FOR THE LEARNERY, AND HOPES TO HAVE WORKSHOPS COMMENCING EARLY AUGUST. SEE WWW.THELEARNERY.CO.NZ AND ACCOMPANYING SOCIAL MEDIA FOR UPDATES. PROFESSIONELLE'S MENTORING PROGRAMME IS OPEN TO WOMEN AT ANY STAGE OF THEIR CAREER. FOR MORE CONTACT INFO@PROFESSIONELLE.CO.NZ OR VISIT WWW.PROFESSIONELLE.ORG.NZ.



**JULIAN KARDOS, MD OF
ELECTRICITY RETAILER ELECTRIC
KIWI, SHARES HIS LESSONS ON
ESTABLISHING AND BUILDING A
SUCCESSFUL BUSINESS.**

NZB: Describe your career highlights before starting Electric Kiwi.

JULIAN: After completing a PhD and riding a motorbike across Africa, I took a role with Intergraph Corporation (now Hexagon AB). I quickly learnt that to excel in a large organisation, it's about people. So I aligned myself with key influencers and worked hard to surpass expectations. I had a great boss who taught me business acumen. My role included targets, and when you exceed targets, it takes you places. Career highlights include water-ski instructing in Maine, travelling to Barbados and scuba diving as part of a sales summit, and drinking soju with businessmen in South Korea.

NZB: You had a two-year assignment in Hyderabad. What did you learn from it? Anything you could apply to Electric Kiwi?

JULIAN: I'm a 'now' man; I like to get on with things. Spending two years in India taught me patience, as India's not a 'now' country and not everyone operates at the same pace as I do. Being cautious in India is like rugby to a New Zealander; it's intertwined as an approach which filters into personal lives and the business environment. Therefore, management decisions are generally slow, due to risk and fear of making a 'wrong' decision, while many budding, educated workers are waiting to fill their space. People are softly spoken there, while those in politics (followed by business) are highly regarded in society. People can be, and to succeed have to be, ruthless in such a competitive business environment, in much the same way as it is on the rugby field.

However, the ruthlessness is often not heard; instead, it is seen within the eyes of the people. Around 60 percent of the 1.3 billion population are of working age, so if you're not performing, there are few second chances.

I learnt that the New Zealand business environment operates at a pace that is astounding in comparison to other parts of the world. Electric Kiwi as a start-up company has proven business capability and operates at the speed of the next generation of New Zealanders. The company was formed in May 2014, landed

KARDOS

its first customer in December 2014 and made a public launch in May 2015.

India proved to me that middle management will stymie the growth of any organisation. Electric Kiwi has a flat management structure so as to not restrict speed and creativity. Limiting decisions to a select few can make it hard to get on with progress, but having faith and trust in all staff members to steer Electric Kiwi in the right direction, along with creating an enjoyable working environment, has proven successful.

NZB: When did you first have the vision for Electric Kiwi with your two other founding directors?

JULIAN: Making decisions can be difficult. It's all about perspective. I'll always remember making the decision to spend six months motorcycling from Cape Town to London. My friend convinced me by asking: "Do you want to be 80 and think 'Damn, I had such an awesome trip motorcycling across Africa' or, 'Damn, I wish I motorcycled across Africa?'

Life's short, so best to get on with it.

When Electric Kiwi was the mere seed of an idea, I never lost the vision once it was planted. The founding directors all felt power prices were too high, so we conducted a little research that showed others felt the same. In certain instances, they felt ripped off. We considered the hundreds of millions of dollars invested in smart meters; however, we concluded the consumer has seen little innovation in retail electricity offerings from that investment. Electric Kiwi's vision was to invest in technology to analyse consumption data every 30 minutes, to buy power smarter, and pass the savings on to consumers.

NZB: How does Electric Kiwi sit within New Zealand's electricity supply sector?

JULIAN: Electric Kiwi is smaller, smarter and efficient. Public feedback towards savings when comparing bills has been overwhelming. We conduct less marketing than the big power companies as we rely strongly on great customer service and word of mouth.

With the advent of the New Zealand Electricity Authority in 2010 came a clear focus to increase market competition. Coupled with residential home metering technology changes, a nationwide smart meter rollout and fluid wholesale electricity market, it opened the doors for disruption and innovation.

When you boil it down, an electricity retailer is a technology platform and marketing engine. Technology is at the heart of Electric Kiwi, while smart meter data has enabled the delivery of new cost-effective and exciting alternative products directly to consumers. As a new market entrant, Electric Kiwi is not bound by legacy technology platforms.

NZB: Team culture seems important to you – where did that come from? How do you create a great team?

JULIAN: I fail to see how anyone can run a successful business and achieve it on their own. It takes a team of individuals to share in the company vision and its success.



Electric Kiwi is made up of a small team of smart individuals. Everyone knows the main business objective, which we collectively strive to achieve.

The business has three main pillars: operations, regulation and finance. The pillars sit on a foundation of data that's converted into information to be processed, resulting in reports from which decisions are made.

The foundation and pillars must create a solid house built upon a technology stack. Therefore, the business is driven by the technology capability. Given the speed at which technology changes, there's no point building a business that's not adaptable and agile to cope with that change.

Electric Kiwi manages all business functions, including technology development, in-house, thus ensuring the operation, regulation and financial business requirements are integrated and consistently met. Therefore, the Electric Kiwi team is not afraid of change, nor to make mistakes or change tack should there be room for business improvement.

Creating a great team stems from building a relaxing environment free from management overhead, while allowing staff to happily come to work and do their best, because they enjoy the work and lifestyle.

NZB: What are some of your best lessons about running a successful start-up?

JULIAN: Fail fast – if it's not working, do something different now, not tomorrow. Remember, consumers think differently. Have fun and laugh, and get an office dog!

NZB: What's next for Electric Kiwi and Julian Kardos?

JULIAN: Growing Electric Kiwi to become the largest independent retailer is my current business goal. Electricity Authority statistics show Electric Kiwi has the fastest percentage growth of any retailer. With growth comes challenges of their own, including ensuring that the physical business can continue on the same trajectory without compromising performance or service to customers.

I've always wanted to swim with a whale and visit Antarctica, although not necessarily at the same time! **NZB**



When pets go to work



HAPPY STAFF ARE PRODUCTIVE STAFF. THE ISSUE, HOWEVER, IS OFTEN IN FINDING THE RIGHT MIX OF HAPPINESS WITH PRODUCTIVITY.
AARON WATERS
RECKONS HE HAS ONE ANSWER TO MAKING YOUR WORKPLACE MORE PRODUCTIVE – PETS.

When Jay arrives at work you can not only see the smiles broaden on his 'colleagues' faces. There's always a lift in spirits too. Jay is a Jack Russell terrier; at 15 years old no spring chicken but still a very welcome staff member at Auckland-based PR consultancy Pead PR (see case study).

Jay has his own bowl in the kitchen and his bed is tucked neatly behind his owner's desk in the open plan office. Passers-by greet him by name and ask if he's having a good day.

Increasingly business owners are recognising the benefits pets bring to busy offices. Pead PR has its 'doggy day Friday', but pets – mainly dogs – are welcome at any time in the company's Mt Eden premises.

Pets in the office are increasingly popular too with workers. Here at PETstock we recently surveyed our customers asking how many have taken their dog to work. Turns out one in four have. And, anecdotally, pets at work seem to be on the increase.

So what are the benefits to workers in having a pet-friendly office?

Pets are known to reduce stress, loneliness, depression and anxiety. That's why they are popular visitors at retirement villages and hospitals, especially when there're children involved.

They also have a calming influence on groups of people – having a pet in the workplace can encourage staff to be more relaxed, more sociable and more accepting of others.

Office dogs can help visitors and customers connect with staff, often becoming a

great conversation starter and boosting creativity. There're not many things better than a swift 20 minute lunchtime walk to clear the mind.

What's in it for the pets? Plenty it seems.

Naturally a workplace pet often enjoys more attention and mental stimulation than a pet that stays at home during the day. More hands make for more playtime and cuddles. But that's not to say it's still important that the pet's health and wellbeing needs are met throughout the workday.

So, if you're going to let staff bring their pets to work there're some rules and standards you'll have to set with regard to pet etiquette. To that end you may want to set up a pet register on your company server which staff can use as a prompt.

Here is some guidance to consider as a business manager:

- Ideally, each pet should be microchipped with the registration up to date.
- Pets should have clear identification – preferably a collar with an ID tag that has their name, address and phone number clearly visible.
- If you have multiple pets visiting at one time, introduce them carefully to ensure they're compatible with each other.
- Consider an alert sign for visitors who may be allergic to, or fearful of, cats or dogs.
- Do not feed the pet any human food, leftovers or titbits – they can be annoying to other staff with their begging and it can also cause them to become ill.
- Pets have needs throughout the day: vet visits, walks, topping up food and water. Are you happy for your people to spend time meeting those needs?

Naturally you will want to ensure the pets your staff do bring to work are well-trained, properly toilet trained and generally OK to hang out with a group of people.

PET ESSENTIALS

So, if the boss says it's OK and you're taking Fido or Felix to work, what do you need to take to ensure the pet feels at home?

This is where cats and dogs differ slightly. Both need access to premium quality food and clean drinking water. Each also needs its own bed and a quiet, darker place to rest if it feels stressed or overstimulated.

For Felix, you'll need a litter tray, preferably two and each in a different room in case the cat is spooked by something in one room and needs to flee to another. You'll probably also find it easier if you transport the animal in a large cat carry case.

Fido, on the other hand, will need a leash and collar or harness for walking. But the dog also needs access to an outside area for toileting – and don't forget the toilet bags.

Pets in the office are a privilege for pet owners and showcase a community company culture for owners and managers. They can improve company morale and inspire joie de vivre. Of that I have no doubt. **NZB**

AARON WATERS IS COUNTRY MANAGER OF PET SPECIALITY RETAILER PETSTOCK NZ. HIS DOG MILLY IS A SIX YEAR-OLD STAFFY CROSS WHO GOES TO WORK WITH AARON DAILY.

DOGGY DAY FRIDAYS

Pead PR's doggy day Friday can see up to six or seven canines trudging the aisles. The fact four of them are Jack Russells – one a puppy and another a Schnauzer puppy – makes for a lively interface.

While there has been the odd 'whoopsie', a properly equipped kitchen of cleaning and mopping accessories, plus responsible owners, quickly accounts for any mishaps.

Managing director Deborah Pead, owner of three of the JRTs, says it's marvellous to see the staff interacting with the animals.

"We are a solid team and we encourage a community mindset among staff – doggy day Friday is a big part of that."

"In our business, Fridays are always more hectic than normal so it's great to see how having the dogs in the office helps keep stress levels in check and promotes harmony."



DOUG'S ON INSTAGRAM

At The Urban List, Caylie Honeycombe's French Bulldog Doug has his own Instagram account.

"We had his birthday recently," says Caylie, "so it was only fair we celebrated. Any excuse to eat cupcakes and put him in a birthday hat!"

As the sole canine in the company's Ponsonby office, Doug adds to the atmosphere of their small team, Caylie says. "He makes people smile and laugh, bringing the mood and energy levels up."

"Everyone loves him – I think my colleagues like the idea they can have a dog without the responsibilities."

Doug is great for Caylie too. "I take him out for a short walk at lunchtime which is a good reason to get some fresh air and stretch my legs."



PETS AT WORK

The recent Pet Parent Survey of PETstock New Zealand customers included a number of questions about pets at work. Interestingly, 25 percent of those surveyed said they either regularly or occasionally took their dog to work. Asked to what extent their colleagues took their dogs to work, 51 percent said dogs were often a part of their business day.

The top three benefits cited for having dogs in the workplace were to reduce stress (75 percent), increase health and happiness (61 percent) and an improvement in company culture (37 percent).

Nineteen percent of respondents cited increases in productivity as a benefit, while only 14 percent saw no benefits at all.



It's print *but not as you knew it*

IT'S THE NUMBER ONE INTERNATIONAL TRADE FAIR FOR PRINT AND CROSSESMEDIA SOLUTIONS, HELD EVERY FOUR YEARS IN DÜSSELDORF, GERMANY. AND THIS YEAR DRUPA WAS 'TRANSFORMATIONAL'.

BY GLENN BAKER

The world's biggest and most important trade fair for print and crossmedia solutions is vital for the economy of Düsseldorf. When a city of just 600,000 opens its doors to around 260,000 mostly foreign visitors, you can understand what a major impact it has on the local economy.

It's presence is everywhere – in the bright red flags that fly from the city's lamp-posts, and the drupa passes around the necks of people in the streets and on the trains.

Everything about the 11-day drupa fair, held in early June, was super-sized – from the number of exhibitors (1,837 from 54 countries) and journalists (1,900 from 74 countries) to the size of the digital printing presses in the exhibition mega-halls of Messe Düsseldorf. And let's not forget the 260,000 visitors from 190 countries. There were 14,000 visitors from India alone, because that country (along with China and Africa) is experiencing a boom in print volumes.

drupa is practically a city within a city – a city where almost every machine on display is a working exhibit, and

where doing business is the name of the game. Sales at the fair are worth many millions of euros – exceeding all expectations according to the organisers. Even the largest of presses displayed 'sold' stickers right from the early days, and to buyers from all over the world.

drupa 2016 provided plenty of evidence that the global print industry is still alive and well – although evolving fast. And the fair has evolved in line with industry trends.

drupa director Sabine Geldermann points out that consolidation of the print industry over recent years resulted in 600 new exhibitors at this year's fair. She says drupa 2016 has been labelled the 'transformation drupa' and is a "completely different dynamic to previous drupas".

"In the past there was resistance to multi-channel technology, but this year they've embraced the 'enemy'.

"The graphics industry is still the heart of drupa, but this year we enlarged the product nomenclature and portfolio and highlighted themes such as 3D printing, functional printing, multi-channel printing, green printing and packaging printing."

There was a much greater emphasis on packaging, Sabine



says, with touchpoints to explore the future of packaging and a number of workshops.

The focus was not just printing on paper, but glass, metal, plastics, wood, ceramics and textiles.

DRUPA OVER THE DECADES

Among the 260,000 visitors to drupa 2016, there were a number of Kiwi visitors who came to soak up the many technological advances since the last exhibition.

For Fred Soar, managing director of Auckland-based Soar Print, this was his fifth trip to drupa, and a chance to see first-hand how print technology has "moved ahead in leaps and bounds".

One of the key changes he's seen through the fair is the impact that new automation technology is having on the print industry – releasing staff from more mundane tasks and encouraging a higher standard of print quality.

Fred says the high-speed inkjet market is "coming of age, but is not quite there yet".

Like his compatriots, he was also impressed by the highly

professional nature of the presenters at drupa this year. "It took the fair to a whole new level."

FOUR MORE YEARS

It is 65 years since the first drupa was staged in Düsseldorf. Continuing the four-year cycle, the next is scheduled for 2020, but already the heavyweights of the print and crossmedia world have committed to the event. With 22 other world-leading events staged by Messe Düsseldorf, including ProWein, boot, interpack, MEDICA and K Plastics, dates have to be locked in many years in advance.

Held over 11 days, and with 39 days to set it up and another

14 to break it down, there's no doubting drupa is a colossal undertaking. With typical German efficiency, it ran like a well-oiled machine.

But one is left wondering just how different again the print and crossmedia industries will be by 2020. **NZB**

GLENN BAKER IS EDITOR OF NZBUSINESS. FOR MORE INFORMATION ABOUT VISITING OR EXHIBITING AT MESSE DÜSSELDORF TRADE FAIRS CONTACT THE NEW ZEALAND REPRESENTATIVE, ROBERT LAING, AT MESSE REPS. & TRAVEL. EMAIL ROBERT@MESSEREPS.CO.NZ OR VISIT WWW.MESSEREPS.CO.NZ

Backing a supercharger



DOUG HAINES EXPLAINS THE WINNING FORMULA THAT TOOK UPPER HUTT'S PANHEAD BREWERY FROM START-UP TO MAJOR SALE IN JUST THREE YEARS.

BY GLENN BAKER

While there's no one winning formula for brewing a great beer, as with growing a great business there are some fundamentals that really matter.

One business that's got those fundamentals down perfectly is Upper Hutt-based Panhead Brewery, which has been so successful that it attracted the interest of international brewing giant Lion Group.

The sale to Lion, announced in May this year, has freed up founder Mike Neilson and his team to get on with what they love most: brewing great beer. And for Mike, to spend more time with his wife Anna and their children.

So what's behind the success of Mike and his team, growing a tiny start-up in 2013 into a phenomenally successful brewery with a range of award-winning beers, which the market can't get enough of?

Working alongside Panhead from the early days as their accountant and advisor, I've observed that Mike struck his own winning formula – not just in terms of high-rev branding, hops and malt but in having the right mix of positive attitude, leading from the front by working hard, and having the right advisors on tap.

It's a mix that can work well for any new business owner, especially when navigating the challenges of rapid growth where massive demand can be overwhelming – particularly in the exciting boutique brewing industry.

From my experience working with a range of great businesses like Panhead, there are some common features that other businesses can learn from. They are:

Keep it simple – Having the right financial tools for your business and industry is critical – but they don't have to be complex. What they do need to be is designed for the business you operate and you need to understand what they are for – and critically, to use them for that purpose.

Keep at it – Information and systems are one thing, but attitude and application are what make things buzz. While some business owners implement systems, they don't necessarily understand them or their purpose. But Mike understands his systems and uses them for what they were designed to do, so that he can make good decisions quickly.

Keep in touch – With cloud accounting you've got up-to-date financial information at your fingertips, removing reliance on historical financial data and allowing you to plan for the future; to respond more effectively and efficiently to the here and now. There's also nothing like a chat with a safe pair of hands to validate your decision making process.

Team – Another component to Panhead's success is that Mike hired a great support team who believed in the product and understood the nature of the industry. The team included his wife, father and best mate from school (who was also an integral part of the transaction, and is now the company's general manager). I had also been involved in the industry for a number of years before meeting Mike, so could bring that experience to the table.

Backing your business – Helping grow a business to the level of success of Panhead is a two-way partnership

“Information and systems are one thing, but attitude and application are what make things buzz. While some business owners implement systems, they don't necessarily understand them or their purpose.”

that extends beyond just delivering accounting advice and systems. One of the first actions we took was to align the company with a bank that was prepared to support a growing business, using a product that enabled expansion through working capital funding. This was a major change for Mike and Panhead, and we provided them with the advice and support to make the transition work well.

Frugality – One of the challenges of operating a growing business is managing cashflow. Mike and I communicated a lot on this matter and he took a very frugal, very smart 'grow-a-bit-to-buy-a-bit' approach, injecting capital back into the business to buy one new piece of equipment at a time. We also talked a lot about alternative funding options for Panhead ranging from direct investment to crowd-funding, but this would have meant a dilution of control.

EXIT: A SOLUTION TO GROWTH

By 2016, Panhead Brewery had won the coveted Society of Beer Advocates beer of the year award in two consecutive years for two different beers. Panhead was now one of the country's best-known and loved boutique beer brands and it was looking at how to upscale to meet the continual growing demand.

Lion's investment provided an excellent solution and while it initially seemed a very big call, the international company's stewardship over its other acquisitions (Emerson's and Mac's ranges) gave Mike confidence that his interests, and that of the brand, would be protected in the long term. **NZB**

DOUG HAINES IS AN ADVISORY PARTNER WITH BDO, EXPERTS IN CHARTERED ACCOUNTING AND ADVISORY, AND BACKING SOME OF NEW ZEALAND'S MOST SUCCESSFUL BRANDS. WWW.BDO.CO.NZ

Dealing with the **'BIG A'**



IF YOUR BUSINESS IS NOT GROWING, YOUR OWN LACK OF ACCOUNTABILITY COULD BE WHAT'S HOLDING IT BACK. COACH **CHRIS TAYLOR** HAS HAD THE CONVERSATIONS TO PROVE IT.

COACH: Ian, in a moment I am going to ask you about your tasks for this week.

COACHEE: OK.

Other discussion takes place for a few minutes.

COACH: Right, Ian how did you get on this week with those tasks which you said at the end of our session were important in moving towards your goals. What did you learn?

COACHEE: Nothing, cos, err, I didn't do them (blushes slightly with a languid expression).

COACH: Ah. And why was that?

COACHEE: I don't know.

COACH: OK, let's try again. What held you back from committing to these actions which will move you closer to your dreams?

COACHEE: I don't know.

COACH: Picture this. There is something I want in life so bad it hurts. I believe with all my being this is not only what I want, but deeper than that what my family deserve. In fact, it is my destiny and I'm prepared to move heaven and earth for this. In this context do you think I would sit back and do nothing to head towards this?

COACHEE: Err, no.

COACH: So explain to me why you have done nothing this week to move you further towards your goals?

This is a paraphrase of a coaching conversation of a client who is stuck. This person didn't commit his emotional being and engage in action. He could be procrastinating. He could be unaccountable, in which case coaching could get risky. This can be tricky terrain for the coach, options being; going back to rapport, playing hardball or discontinuing the relationship.

Now the flip side:

COACH: Janice, in a moment I am going to ask you about your tasks for this week.

COACHEE: OK.

Other discussion takes place for a few minutes.

COACH: Right, Janice how did you get on this week with those tasks which we agreed were important in moving your goals forward. What did you learn?

COACHEE: Lots, coach.

COACH: Great stuff.

COACHEE: In fact I went a step further; you know the website definition for task two?

COACH: Yes.

COACHEE: Well, one of my friends has offered to help me do this and we are going to nut this out this Sunday afternoon. Rich is going to look after the kids.

COACH: Excellent. What else?

COACHEE: For the market research exercise I decided to go deeper to look at the Australian market too, to benchmark the Kiwi market against this. It's fascinating to see how the two compare! There is no way I can launch third quarter next year with what I know from this.

COACH: Terrific. How do you feel about this advancement?

COACHEE: I feel great. I'm moving in the right direction.

COACH: Well done Janice.

See the difference?

Engagement. Energy. Belief. Excitement, and Accountability. Janice is 'in the flow'; Ian's head is in the washing machine. One has focus. One is lost in a land of fluff and excuses. Who do you think will end up in the world they deserve? Who is not even sensing accountability in the respect of 'fear and compliance' that so typically pervades?

WHAT ACTUALLY IS ACCOUNTABILITY?

Our friends at Oxford English Dictionary say: *Required or expected to justify actions or decisions; responsible;*

Look at those powerful words. They are all grown up words, are they not? So why is this word so BIG in so many business owners heads.

The inability to bear your soul to be accountable in the business world can be fatal. It can condemn you to a tail-spin of 'average'. Who wants that? However, few are open to this; to be accountable. Why?

One word in my travels dominates.

Fear.

Fear of the truth. Fear of the mirror and seeing yourself and your flaws. Fear of someone (else) knowing you do not know it all. Fear of pushing you out of your comfort zone.

Who wants to live with fear?

Those who smash this fear in the face and lie naked on the floor hands in the air shouting '*I am open to be accountable*' are the believers. Believing they require this, need this and are even proud of this. Janice's conscious being knows she needs to be accountable to get ahead. She's even doing more than needed. She is running with the ball. She's inspiring her coach. While Janice was researching at 11.30pm, Ian is snoozing on the couch after a dozen stubbies. Who is inspirational? Who is going to nail their goals?

TRIPLE HEART ACCOUNTABILITY BYPASS

The SME world is rife with business owners who bounce around from day to day with zero accountability. Is this a good thing? Once the initial ego stroke of 'being the boss' wears off, generally no, it is not. Why? Because nine out of ten lack the discipline and commitment to push themselves through their comfort zones and pain barriers to grow.

SELF-ACCOUNTABILITY? YEAH, RIGHT!

One oasis of denial in the desert of business life is the concept of '*self-accountability*', which tends to raise a wee chuckle from my inner being when I hear folk say this.

Why? Because it is not possible. I mean, what are the consequences when you don't follow through? Do you slap yourself around in the bathroom or dock your pay? It's pure folly.

The last time I looked in the mirror of my life I did not create the behaviours for performance or make my self-consciousness rise to a higher level. I did not drip a drop of fear from the pipette of another being looking in at my life and soul. Nor did I ask myself powerful and searching questions of my character as others see me. As humans we are not capable of this higher order function. We are not designed this way. We need something else. Someone else.

THE COACHING TOOL IN THE VELVET GLOVE

Accountability is a subtle art of the coach, and one that must be deployed if growth is to result. There is no more important facet, in my view, of effective coaching. It is all about being effective. Without it, the evaporation to fluffy chats is meaningless and pithy. It is not (necessarily) about being liked or being nice. It is about your client's destiny. And some of this journey will be bumpy. You don't get to the top without pain.

So now you've read this, the question from the oracle is: can you be accountable? 

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The secrets to building a great online reputation



RICHARD CONWAY COVERS THE DOS AND DON'TS OF MANAGING ONLINE REVIEWS AND MAINTAINING YOUR ONLINE REPUTATION.

With the open forum that is social media, much of an organisation's reputation is now in the hands of their customers, who are far more likely to listen and talk to each other than they are to deal directly with the business in question.

This has made managing business reputations more challenging, so it's vital to keep on top of what is being said about your business, and by whom.

You can do this by monitoring keywords that relate to yours and your competitors' businesses, and by keeping an eye on online review websites such as consumer.org.nz, kiwireviews.com, Google My Business, or TripAdvisor.

Today's customers are socially savvy, so step into their shoes and check out signals they are likely to avoid, and learn to know what to do to make your business more socially appealing.

Here's what you should avoid:

1. Creating false reviews. It is easy to manipulate, and sometimes even falsify, your online reputation. There have been a number of examples where businesses have created false accounts to write reviews and create conversation online. Many companies also task their staff with creating reviews or giving a rating online.

For those who find computers challenging, this technique has

been known to backfire; someone was asked to rate a business on Facebook and gave it 1 star, thinking that '1' was the best and '5' was the worst rating. Not the greatest look! Google and other larger websites also have algorithms to spot and deal with fake reviews.

2. Paying others to give reviews. Positive reviews can be bought from websites, such as Fiverr.com or ebay.com. This practice is both morally questionable and can backfire badly. As consumers are increasingly turning to the Internet to find reputable businesses, online reviews are coming into the spotlight with legal attorneys investigating the honesty and transparency behind the practice. New York attorney-general Eric Schneiderman has been working on cases of Internet 'astroturfing', where businesses have masked reviews to make them appear as though they are direct from customers. He says, "Consumers rely on reviews and other endorsements to inform themselves in making daily purchasing decisions." You don't want to be like the businesses he has brought to justice, such as Premier Retail Group Inc., who run beauty stores in America and were paying for positive Yelp reviews, whether the individual had a positive experience with them or not.

3. Burying your head in the sand. When your customers give feedback, listen, respond, and take it on board. Last



year there was a story about a Wellington burger joint who received some honest feedback about its hygiene protocols, following a customer getting sick. Instead of acknowledging there was a problem and reviewing the hygiene practices, the owner suggested the customer's personal hygiene caused their sickness. If a situation like that goes public and isn't addressed appropriately, it can cause a lot more damage to a brand than if a positive response is given, assuring the customer that action will be taken.

So, what should you be doing?

Online reviews should come from genuine customers who have had a legitimate experience with your business. Whether reviews are positive or negative, consider them constructive feedback!

1. Have a strategy. Negative feedback is a starting point for creating a positive impact. As the saying goes, "two wrongs don't make a right". Plan and implement a process to ensure your staff know how to deal with complaints; creating an escalation chart can help. If you don't address the concerns of customers, they aren't likely to come back, and they will make sure other potential customers don't either. Having a plan for dealing with feedback will help change a negative experience for your customers into something positive. Often, most customers just want to know they have been listened to and that their comments or feedback are being taken seriously.

2. Provide appropriate responses. Sometimes business owners feel truly affronted by comments online. In a well-publicised viral rant, one UK restaurant owner responded on TripAdvisor; "You claim to be foodies but you started your meal with a bowl of chips." This is certainly not the appropriate response. Instead, listen, consider what your customers are saying, thank them for their time, and remember the customer is (almost) always right. If you're

getting negative feedback on a social media platform, it can be worth moving the conversation to a private message where you can deal with the complaint in a more personalised manner. Some customers will be happy with a simple acknowledgement; others may require more persuading.

The same techniques can be used for positive feedback; rewarding positive reviews goes a long way to building customer loyalty.

3. Always respond, and quickly.

It doesn't take long for a negative comment to be seen by many. That's

why setting up Google Alerts or regularly searching for your business is so important! If you respond quickly, you'll be seen to care about your customers, and be able to share your point of view, which can reassure others reading the review. A few years ago, Nestlé started receiving negative comments about their environmental practices. Instead of addressing these comments, they chose to ignore them, which created a stream of slating comments, which ultimately forced their social media site to shut down.

Ask for feedback. Create a dialogue and invite your customers to give feedback. This can be done in an email, online or in person, depending on the nature of your interaction with customers. There are businesses out there who can implement regular feedback channels on your behalf.

If you're asking for feedback through email or online channels, you have the opportunity to embed links that allow people to share their thoughts on specific review sites. It's also worth thanking your customers once they have given feedback, reinforcing their good deed with a good deed of your own. This can be done by crediting a dollar amount to their next purchase or simply recognising that they've done your business a service.

Managing your online reputation can take a lot of patience, but having the right mindset and a plan in place is really all you need to take on the online environment. At no point should you bury your head in the sand or get someone else to do your job for you.

Ultimately the best way to manage your online reputation is to provide excellent service throughout the touch-points you have with your customers. 

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10 PRINCIPLES FOR CREATING AMAZING ONLINE EXPERIENCES

DIGITAL STRATEGIST **GREG RANDALL** LAYS OUT THE KEY PRINCIPLES FOR RETAILERS WHO WANT TO SUCCESSFULLY ENGAGE WITH CONSUMERS ONLINE.

All retailers want to deliver amazing online experiences, but only a few are making it happen. The starting point is to create a frame of reference by understanding the characteristics of a great *physical* retail experience:

- A great salesperson will modify the information based on a consumer's questions and preferences.
- The information presented is easy to understand.
- The salesperson has tools and deep knowledge to assist decision making and introduces information at the right time.

The consumer feels this experience is personalised, relevant and is presented on their terms.

Like the physical experience, amazing online experiences must be considered from the consumer perspective and be based on a one to one interaction.

When a consumer has a buying intent they will:

- Seek out relevant information on their device of choice.
- Choose the extent at which they continue, complete, or pause based on their situation.
- Complete the mission only once they have met their need.

To meet this consumer requirement, retailers need to be:

- Visible in the right places.
- Easy to deal with.
- Speak the consumer's language.
- Add value (provide content to assist with decision making).

For retailers to deliver amazing online experiences they must be selling (presenting content) in the identical manner in which a consumer wants to purchase (receiving content).

This can be summarised in 10 principles:

1. Consumers are on a journey

Consumers are on a journey and these are becoming longer. A 2013 Google study found that, on average, consumers referenced 12 sources of information online before buying online or in store. In 2010, the average was five.

2. Each journey comprises multiple steps

In the eyes of the consumer, a 'step' occurs when they take an action and new content is presented (or the same content appears differently). Each time they view relevant content,

consumers feel they are moving closer to their need being met.

3. The function of 'User Experience' or UX

To understand how 'UX' contributes it needs to be broken down into two parts: Interaction Cost, and Value Design.

'Interaction Cost' is the effort required of consumers to undertake each step within their journey, both physical and mental. Physical effort is when action is required: clicking, scrolling, and swiping. Mental effort is where the consumer needs to think about their next step, which can include being lost or viewing irrelevant information.

The goal is to reduce both forms of effort as much as possible.

'Value Design' is the creation and presentation of content to simplify decision making. Examples include video, detailed product content, and guided selling tools.

In isolation, interaction cost and value design do not deliver amazing online experiences.

4. Respect the Fold

The 'Fold' is as important as it was many years ago, but the dynamic has changed.

Though todays consumer is more prone to scrolling, they will only make the effort if they perceive the content below the fold (Diagram 1) will add value to their journey.

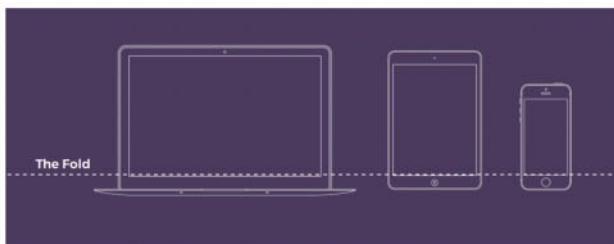


Diagram 1

If meaningful content is above the fold, the assumption is there will be more relevant content down the page.

5. Let data do the decision making

Having access to the right data is an important part of determining what is and what is not working. Use data insights to answer:

- What are you doing right to acquire new customers?
- What are your customers' pain points?
- What are the pain points of the people who come to you but do not end up purchasing?

Insights gathered from #3 will enhance experiences and drive acquisition, partly because consumers are now more loyal to their own needs than to a brand.

This insight drives the focus for 'value design' creation.

6. Apply Best Practice (the 'Science')

The world of eCommerce and digital conduct has been around for 20-plus years, providing a wealth of knowledge for businesses to expedite their digital evolution.

7. Wireframing

The process of translating the experience plan to touchpoints is done through wireframes.

Wireframes are plain boxes guiding page element placement.

Wireframes ensure the integrity of the experience by eliminating the subjective and emotional influences of look and feel.



8. Design 'Consumer First' not 'Mobile First'

The retailer has the ability to leverage varying screen sizes to improve the consumer experience. Key considerations include:

- Simultaneously create wireframes for all touchpoints.
- Consider context (and what experience the consumer is looking for on a particular screen).
- Don't forget about the enlarged monitors which are growing in popularity for desktop.

9. Design experiences for intent driven 'micro-moments'

A 'micro moment' is a consumer's moment of high intent and need for engagement.

Thanks to smartphones, it is nearly impossible to predict where buying intent comes from and when it starts. This makes the world of the retailer very complicated and is why the use of demographics as a proxy for people is not effective.

For example:

Susanne is a happily married mother of two, who drives a four-wheel drive, works part time and lives in a large city.

A beauty retailer would be better to focus on when Susanne runs out of eyeliner and goes online searching for eyeliner products.

10. Be iterative (Continuous Improvement)

Creating amazing online experiences is not a one-off process but includes:

- Data mining, insight gathering and hypothesis creation. Over time, with the right foundation in place, data-driven decision-making becomes the norm.
- Iterative and agile development programming. Many of the decisions require development and technology enhancements. Technology is the enabler for everything. **NZB**



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TO LEARN MORE GO TO WWW.ESTARONLINE.COM



SICK OF BEING TREATED LIKE A BANK?

UNPAID DEBTORS CAUSING YOU GRIEF? **PERI FINNIGAN** AND **MARISA BRUGEYROUX** SHARE FOUR TOP TIPS FOR BETTER DEBT CONTROL.

Dealing with non-payers can be like pulling teeth. Cash, however, is the lifeblood of business and most business owners cannot afford to sit back and not take action. The good news is that you can take steps to improve your cashflow and disincentivise your clients from treating you like a bank.

Tip 1: Have strong in-house credit control

When you are deciding whether to start a new business relationship, you should make an informed decision. If you are going to be supplying goods or services on credit, get the customer to complete a credit application form and provide a copy of your terms of trade. You should also consider running a credit check and speaking to the customer's credit references.

Once in a business relationship, make sure you set and enforce customer credit limits and have clear terms of trade in place that include payment terms and default provisions in the event of non-payment. If your terms include PPSR (Personal Property Securities Register) provisions entitling you to register a security interest on the PPSR, then do it.

Also consider obtaining personal guarantees.

Including a clause in your terms of trade allowing you to charge interest on overdue invoices (and adding interest to overdue invoices) will encourage customers to pay on time. Actively monitor your debtors and take steps when payments are missed. This makes it harder for your debtors to ignore you, which increases your chance of being paid.

Tip 2: Use lawyers' letters and debt collection agencies

If your internal debt collection process has not resulted in payment, you should consider sending the debt to your lawyers or a debt collection agency. Because this increases the 'seriousness' of the unpaid debt, referring the debt to an independent party for collection will be successful even though your internal processes have not resulted in payment.

Often, a letter of demand on your solicitors' letterhead or a visit from a debt collection agent will prompt payment. If there is a dispute relating to the debt, contact from your lawyer or debt collection agent may elicit a response, even if the debtor has been ignoring you.

If you want to recover these outside legal/debt recovery costs, you

need to ensure there is provision for passing on these costs included in your terms of trade.

Tip 3: Address disputed debt

Dealing with a disputed debt is not enjoyable. However, if your customer has a genuine concern or grievance, they are unlikely to pay you until the debt is resolved. In addition, the earlier the dispute is addressed, the more likely you are to save your business relationship.

The best self-help remedy for a disputed debt is to reach a compromise or informal settlement. This is also generally the most cost-effective option, in the long run.

“If you take positive steps to manage your debtors and to deal with your disputed debts, you increase the likelihood of being paid.”

If the dispute cannot be resolved, you will need to consider issuing legal proceedings. Which Court or Tribunal is the most appropriate will depend on the amount owing to you.

Your options are:

- The Disputes Tribunal – up to \$15,000 (or \$20,000 by consent).
- The District Court – up to \$200,000 / High Court – \$200,000 or more.

Once judgment has been obtained, it can be enforced.

Tip 4: Get in early

If the debt is owed by a company and there is no dispute but payment is not forthcoming, you can issue a statutory demand demanding payment. If the customer takes no steps to compromise, or pay, or offer some form of security, then following the expiry of 15 working days after the service of that statutory demand, winding up proceedings can be advanced within the next 30 working days.

LIQUIDATION

Unless the company is genuinely insolvent, service of a statutory demand or a bankruptcy notice will often lead to payment (or an arrangement for payment). For a company that is genuinely insolvent, it will inevitably lead to liquidation (company) either by a company

creditor or by the company's shareholders. In our experience, debts generally continue to mount while insolvent companies are left to their own devices. This means that, the longer the period of insolvency, the less creditors are likely to recover.

During the liquidation process you will need to gain the consent of an insolvency/recovery specialist firm to consent to act as liquidators of the company. If you want to choose the company's liquidators, the liquidators' consent to act needs to be with the Court before the liquidation order is made.

If the liquidator does not realise a recovery for creditors (i.e. there are no realisable assets before or after taking into account secured and preferential claims) or is only able to realise a partial recovery for creditors, the only recovery option still available may be to pursue a personal guarantee, if this was gained during the business relationship or as part of a compromise or settlement.

Claims for payment of undisputed debts against individuals (eg sole traders and guarantors) can be made by way of ordinary proceedings or summary judgment proceedings in the District Court or High Court. We recommend that you get legal advice before issuing proceedings against a guarantor.

THINK POSITIVE

There are a range of steps you can take to minimise your unpaid debtors. If you take positive steps to manage your debtors and to deal with your disputed debts, you increase the likelihood of being paid. While implementing new policies and systems can seem daunting, an accredited insolvency practitioner such as McDonald Vague can help. **NZB**

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HOW TO PREDICT AND MANAGE CASHFLOWS BETTER

ANDREW SKOKANDICH WALKS YOU THROUGH CASHFLOW MANAGEMENT PRACTICES THAT WILL HELP YOU TO GET MORE OUT OF YOUR BUSINESS.

An economy growth rate that continues to look good internationally, plus solid employment numbers and a high-flying property market, all suggests that everything's going well for 'Small Business New Zealand'.

But ask yourself: despite all this apparent good news, is your business cashflow invariably coming up short whenever:

- You've got a larger than usual payment like tax, an asset purchase, or a one-off loan repayment? or,
- You've stepped your business cost structure up a tier to get better economies of scale, or just to meet a seasonal upturn in demand – for example, extra debt servicing, staff, stock, marketing, rent of larger premises etc? or,
- A seasonal trough or economic downturn in your industry causes a falloff in sales and/or an increase in the time needed to collect your debts?

Cash is, without doubt, King. In my experience, if your business is underperforming, even though it's making good profits, you probably have an ineffective cashflow management system. So, if you've got room for improvement, read on.

First, formulate a clear Business Plan. That's because your forecast is simply a conversion of your Plan into numbers – that is, where you are now, where you want to get to, how you're going to get there, and the key milestones along the way.

Beware if you don't have a cashflow forecast written down. Without that you've got nothing solid to challenge yourself to work a bit smarter towards; nothing written down to honestly measure your actual performance against; and nothing concrete to base future changes on.

Base your forecast on the key variables that drive each area within your business. For example, factor in variables like labour hours, productivity rates, timing of debtor collections, hourly rates and hourly costs (if yours is a service business based on selling time).

If your business is based on selling product, variables include product unit costs, volumes and prices, stock loss and margins. If it's based on vehicle or machine usage, include kilometres travelled or productive hours. And if you're a manufacturer or a business selling a combination of time and materials, then you'll need to factor in an appropriate combination of these variables.

Choose the forecast periods appropriate to your circumstances – like:

- Short term – monthly for at least the next 12 months.
- Long term – the next five to ten years. This should address longer term goals that may include a target date for full debt repayment, or a target date and amount for a business sale.

Be honest with yourself. How achievable are your forecast margins? How prudent are you forecasting sales? How realistic are your



forecasted larger irregular payments like tax?

Your optimum end product should be an integrated computerised model that can be 'flexed' to highlight:

- The various combinations of key variable levels needed to break even.
- How very small changes in each key variable can produce quite significant profit changes.
- Period end balances for working capital, bank balances and unused credit facilities based on any combination of key variables and assumptions.
- 'Best case' and 'worst case' scenarios.
- Forecast profit or loss for bank reporting purposes.
- Whether or not additional funding will be needed well before it's needed. Businesses that fail are often profitable – it's simply been poor cash management practices that's caused them to run out of cash.

Periodically (usually monthly) review your forecast against your actual performance and Business Plan, and make amendments as needed. If you haven't been measuring actuals for each key variable in your forecast, I suggest you start now.

If you haven't already scheduled dates to do this as part of committing to a system of periodic board level meetings for your business, preferably with outside input, do it now.

Make yourself fully accountable for your business.

Adopt sound, time-tested cashflow management practices and get more out of your business! **NZB**



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eBook reveals 7 habits of highly effective business owners

A new eBook from Bartercard is designed to help business owners separate knowledge and experience from an entrepreneurial perspective – allowing them to identify points of weakness in order to clarify end goals.

AS A SMALL BUSINESS OWNER, you're always busy, wearing many hats at once in the hope of seeing even the smallest signs of success. Some days are rewarding while others can't end soon enough, and every morning, no matter what, you wake up with renewed energy to get in, get dirty, and get the job done.

Just going through the motions, however, isn't always enough. It's a cliché, but it can never be said too many times – in order to truly be effective as a small business owner; you must start working *on* your business rather than simply *in* your business.

Fortunately there's now a new tool to help show you how.

Bartercard's new eBook, *The 7 habits of Highly Effective Business Owners*, provides opportunities, bite sized hints and tips to help small business owners manage their business more efficiently. It reveals how to grow a solid customer base and keep staff happy, while streamlining processes.

Underpinning all of this is how a network, such as Bartercard, can help SME businesses achieve this goal through the use of 'lightbulb moments'.

The eBook recommends business owners put their energy in the right place to do what it takes to build a great company while still balancing the day-to-day expectations of their role at the helm.

However, as the authors point out, "business acumen isn't the same as knowing how to approach a new enterprise from the right viewpoint. All the practical experience in the world can't give you the skills needed to lead the troops if you're used to spending time in the trenches".

The eBook's seven habits are based around:

- Learning how to roll with the punches.
- Exploring the art of long and short-term plans.
- Monitoring cashflow and spending.
- Working with the professionals vs. DIY opportunities.
- Embracing technology, and
- Being open to change.

It's a resource designed to help SME owners separate knowledge and experience from an entrepreneurial perspective, allowing them to identify points of weakness in order to clarify end goals.

How to think

It has been said there's no way to anticipate what the future will bring, which is why being a highly effective small business owner is more about how to think, rather than what to think.



A successful owner must balance working on the ground within a company as well as from a higher, holistic level. A good leader is always thinking ahead, anticipating possible outcomes, creating long-term and short-term game plans, and investing in tools designed to benefit him/her in the long run.

And, as the book expounds, "most of all, he or she is willing to take the time to learn more about what it means to be truly great as a business owner".

Short and sweet resource

Intended to be short, sweet, and consumed in a single sitting, *The 7 Habits of Highly Effective Small Business Owners* is an all-purpose resource for what it takes to make a difference in your business.

By providing the key skills necessary to keep you on the right track, you'll always be able to focus your energies in the right place: on the overall health and success of your business.

For further information on Bartercard, its services and to download the FREE eBook, visit www.bartercard.co.nz Call 0508 BARTER 0508 227 837



CUSTOMER EXPERIENCE TURN-AROUNDS

MAT WYLIE EXPLAINS HOW TO COMPLETELY TRANSFORM A CUSTOMER'S OPINION OF A BUSINESS.

Have you ever had a purchase experience where you just felt like walking away? Or received a product that wasn't quite what you were expecting? I think we've all been in a situation where the reality just doesn't match the hype. It's kind of like a blind date (or generally just a bad date) – one where your partner doesn't look like their pictures, or you get stuck for conversation and sit awkwardly in silence before someone plucks up the courage to make an excuse and walk away.

A lot of people will sneak out the door following a bad date and not say anything at all. Similarly, 96 percent of dissatisfied customers won't give feedback off the bat and many of those who are unhappy will simply walk away from your business. But is there a way to turn your date around and at least enjoy the moment – whether it's going somewhere or not? Or a way to turn the whole experience around for a customer who is dissatisfied? Absolutely!

“People like to have their opinions heard and feel more valued if you show a genuine interest in them and what they think.”

In both instances, much of it comes down to communication and an open mind.

If your customer has had a bad experience with your business, an apology for the initial experience can take you a long way. Most people will appreciate this honesty. By not reacting defensively (or ignoring the problem), you're proving that you care more about them and their experience than about your pride or being proven right. To take it one step further, if you can address what happened and what you will do to improve the experience for your customers they are more likely to give you a 'fresh start'.

So how can you do that? Firstly, you must set the scene. When you have a bad date, sometimes the easiest way to clean the slate and allow yourself to focus on getting to know your date is to

change the environment you're in – go somewhere your date will feel more relaxed.

For a customer experience, comfort is just as key. Obtaining contact details in-store provides you with an opportunity to create a conversation later on, when a customer is in an environment where they're more likely to feel comfortable saying what they want to say.

Questions are vital to most human interactions, especially when getting to know someone. People like to have their opinions heard and feel more valued if you show a genuine interest in them and what they think.

Even if your customer has said something that you don't agree with; it's something to take on board. Be in the moment and try to find out more – it can help create a better conversation and there may be things that you never thought about.

You'll never regret making an extra effort to listen to what your customers have to say or to see a different side to the story.

Finally, do something about it! There's no point asking lots of questions if you're going to let it go in one ear and out the other. Instead, take what they've said on board and use it to improve what they're doing. Perhaps you can train up a staff member better, or improve a process that you take customers through.

By offering to fix a problem for someone and actually doing it, you become the world's best date.

Creating a conversation that customers want to be involved with is the most important part of any post-purchase process. Companies like Customer Radar can be the 'phone-a-friend' of the dating world, making the post-purchase process easier, not only for businesses but for customers as well.

By capturing feedback anytime and anywhere, businesses are given the opportunity to create a memorable post-purchase experience that can completely transform a customer's opinion of a business. **NZB**



MAT WYLIE IS CEO OF CUSTOMER RADAR. FOR MORE INFORMATION ABOUT HOW YOU CAN MAKE A DIFFERENCE TO YOUR CUSTOMERS EXPERIENCE AND BOTTOM LINE GO TO WWW.CUSTOMERRADAR.COM



KEEP TAKING THE TABLETS

INSTEAD OF LUGGING YOUR LAPTOP AROUND WITH YOU ON FLIGHTS AND IN AIRPORT LOUNGES, YOU MIGHT WANT TO LIGHTEN UP WITH A TABLET. BILL BENNETT EXPLAINS WHY.

Tablets are often a better bet for business travellers than traditional laptops. They are lighter and take up less space – two very important advantages when flying. Tablet batteries tend to last longer than laptop batteries too. An Apple iPad with a full charge will get you from Auckland to Singapore. There should still be enough in the tank for the airport lounge if you're transferring. But you'd be lucky to stretch laptop power that far.

Most of the time it's far easier to pull a tablet out of the airplane seat pocket than fuss around with opening up a laptop. Often you don't need to take tablets out of your carry-on luggage for airport security checks either, while laptops always need to go through X-ray machines.

You can use tablets in more confined spaces – this definitely matters when you're flying economy-class. It's possible to work even if you can't get the tray-table down. And although you can add a keyboard for typing, you could just punch in words using the screen keyboard.

Last year I managed to write a major newspaper feature on a flight using my iPad Air held in the portrait position and typing on the screen with my thumbs.

Earlier this year I wrote stories using the larger 12.9-inch iPad Pro while on a train between Barcelona and Paris – although this time I used the Apple Smart Keyboard.

If anything, my productivity was higher than if I had been using a laptop. Tablets feel better suited to the role.

One of the arguments against using tablets for business

is they lack the sophisticated business software found on laptops. That's still true up to a point, especially if you have custom-made software. Yet it isn't as important as it once was. The most popular productivity software packages are now available as tablet apps – Microsoft Word and Excel work well on both Apple and Android tablets.

A lot of heavy-duty business apps are now cloud-based too. Most of the time that's a problem when you're in the air. Not all flights offer Internet connections, and when they do, the price of going online is often prohibitive. So that limitation also applies to laptops.

While you'll struggle to run specialist Windows apps on an iPad or Android tablet, there are excellent Windows tablets. These straddle the gap between other tablets and laptops – most people buy them with attachable keyboards. Good options include Microsoft's Surface Pro 4, HP's Spectre x2 and the Huawei MateBook. HP also has a more corporate-focused Elite x2 mode.

Meanwhile Apple fans can choose from a 9.7-inch and 12.9-inch iPad Pro tablet. Both are excellent for business applications. The larger model has a wonderful screen, and it's the most portable way of getting a large display. Like the Surface Pro, the iPad Pro can be used with a special pencil.

Apple's older, less expensive iPad Air 2 is also recommended, while Samsung's Galaxy Tab 2 is the most powerful Android tablet from a big name brand. It comes with Knox, a security feature for keeping critical apps safe from criminals.

“Don’t miss out on the productivity and fun potential of your hardware by being a cheapskate. Buy all the software you think you’ll need before travelling.”

A business travel tablet checklist:

- **Get a Wi-Fi model**

Many tablets can connect to 3G or 4G wireless networks with a SIM card. You often pay more for models with this feature. Built-in wireless data is great in New Zealand, but roaming overseas can be a headache. Save yourself the worry and get a cheaper, Wi-Fi-only tablet. Yet be aware of the risks.

- **Stay safe**

Take care when using free or public Wi-Fi networks. Some are malicious. Others are not secure enough to keep criminals

from snooping on your data traffic. Airports and railway stations are among the most dangerous locations for online criminals. It may pay to invest in a virtual private network (VPN). Phone company 3G and 4G networks are safer. If you need to connect to cellular networks while travelling, you can tether your tablet to your phone.

- **Spend on extra memory**

Put the money you save from not buying a SIM-capable tablet on extra internal memory. Most are hard to upgrade and you often find you can use more local storage. I keep my music collection, electronic books (both reference works and entertainment) and movies on my iPad.

- **Stay compatible**

Apple, Android and Windows tablets will all work with phones or PCs made with other people's technology, but you tend to get the most benefits if you go all-in with one or other of the three. If you live with Macs and iPhones, the iPad is your most productive option. Likewise, if Android phone and Google Docs are your everyday tools, get an Android tablet.

- **Don’t skimp on software**

Tablet software is rarely expensive. Most apps cost less than you'd pay for coffee and a bun. So don't miss out on the productivity and fun potential of your hardware by being a cheapskate. Buy all the software you think you'll need before travelling. Remember, downloading apps can be tricky or expensive when using hotel Internet accounts.

- **Pack the power cable in your cabin luggage**

Modern airplanes often have USB power sockets. You won't get a lot of power from them, but it can be useful to top up your batteries if you climb on board when the indicator is showing red. Or you may want to have a full charge before you disembark for a day's business in a foreign city.

On a similar note, make sure you have a suitable power adaptor for your destination. While many hotels have international power sockets, that's not always the case. If you take a tablet and a mobile phone, you should be able to get away with carrying just one charger and one power cable.

- **Protect, but don’t go overboard**

Tablets are robust, but they're not unbreakable. Screens are the most vulnerable parts. Buy a tablet screen cover before travelling. Think about keeping the tablet inside something soft and protective within your carry-on luggage. **NZB**



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Five more myths for new franchisors

SIMON LORD COMPLETES HIS LIST OF COMMON MISCONCEPTIONS AMONG PEOPLE WANTING TO FRANCHISE THEIR BUSINESS.

IN MY JULY column, I looked at five of the most common – and dangerous – myths that beset people who consider franchising their business. Now let's look at another five myths.

1. I want people just like my current employees.

Companies which grant franchises to existing branch managers have found it rarely works. Why? Well, unlike staff, franchisees have to be comfortable with risk and ultimate responsibility. People with an 'employment' mentality tend to come from a different place. They may expect things to be much the same as employment except that they will have a share of the profits. They expect the franchisor to act like a boss, to tell them what to do and to take responsibility for the franchisee's actions, success or failure. The ideal franchisee needs to be able to follow a system but drive it passionately to exploit it to the maximum. Does that sound like your employees?

2. My business mentor suggests I franchise and he will help me do it.

Many people know the theory of how franchising is supposed to work, but few have actually done it successfully. Even fewer have experience of doing it more than once, with a variety of different structures designed to suit the individual needs of a business. There are probably fewer than five consultant organisations in the country that are really capable of doing a proper job when it comes to developing a new franchise. Is your mentor one of them? If he has your best interests at heart, he will help you research the specialists who can really help.

3. Franchisees are my customers.

Franchisors sometimes say 'My franchisees are my customers.' But it's not true. After all, a customer can walk away if he or she is not happy – a franchisee can't (or not without significant financial and/or legal repercussions, anyway). It's also a myth to say that franchisees are

the franchisor's friends. They are not, because the relationship is based upon unequal power – but it can be a friendly relationship.

4. Franchisees must do as they are told.

Most franchise agreements include a provision that the franchisee must act in accordance with the franchise's operations manual. As this manual can be changed by the franchisor, this means that franchisees basically have to do as they are told – right?

Wrong. Apart from the fact that the Courts tend to take a dim view of franchisors who abuse their power, a successful franchise is based upon mutually trusting and interdependent relationships between franchisees and franchisor. Franchisees own their own businesses and they are responsible for their own success. They also build up a good knowledge of their own market. These are some of the benefits that the franchisor probably pointed out when selling the franchise. So don't be surprised

to find that franchisees have their own opinions and won't meekly do as they are told in the way that staff or managers might.

5. Franchising is a legal minefield so I just won't call it a franchise.

Call it what you like: franchise, distributorship or just plain 'business opportunity', but it will still be subject to the ordinary law of contract, together with statutory regulation of fair trading, intellectual property and competition. Pre-contractual representations (the most common causes of franchise disputes) are regulated under the Contractual Remedies Act, the Fair Trading Act and common law. Changing the name doesn't change your obligations.

So there you have it. Franchising can be a great growth strategy for a business but it's important to start off with the right expectations. If you don't believe the myths, and you get the right advice up-front, you too could be one of franchising's many success stories. **NZB**

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Time to sit in the bath

BRIAN H MEREDITH GETS TO THE HEART OF POOR CUSTOMER EXPERIENCES, AND EXPLAINS HOW IT TAKES HARD WORK AND A PARADIGM SHIFT FROM THE CEO DOWN TO PUT THINGS RIGHT.

IRRITATED BY SKY

Television? Incorrect programme listings? Timing errors on MySky? Scheduled recordings ending before the programme does?

I'm seriously considering leaving them.

And 2 Degrees? Most things about this service and relationship don't work as they should.

Switched to them from Vodafone, but they are worse.

And Vodafone? They were one of the best customer focused companies when they arrived in New Zealand. But now? Mmmmmm.

And one of the health insurance companies? (Won't name them. At least not yet). Claiming to be an amazing culture of employment but in fact couldn't be further from the truth.

I've heard a lot of very bad stories from inside the organisation.

Jetstar? Not a great experience. Won't fly with them again.

Then there is the private sector medical specialist who kept me waiting 30 minutes whilst he got himself coffee and food, and then ate and drank it whilst I was left in the waiting room.

I left without seeing him. Shall I continue?

No, don't want to be regarded as a whinging, grumpy old bugger.

But here's the issue.

Despite the apparent scope, complexity and sophistication

that now exists in organisations of every shape, size and colour, where, apparently, they all understand the customer and the customer's needs and wants, the customer experience in so many sectors continues to be bad.

Why?

There's no simple, clear answer. There are a number of factors that contribute.

One is that management teams don't seem to realise that their customers are the only place the money comes from.

Another is that CEOs are often obsessed with managing their relationships with their shareholders rather than their customers. Customers are mostly dealt with by the bottom row of the organisational structure whilst the top levels do other stuff.

It's also a problem when marketing teams work only on the design and development of campaigns rather than realising that every behaviour in which their organisation engages has a marketing effect. Good, bad, never neutral. And it all needs understanding and managing.

A further contributor is the failure by too many businesses to realise that their most valuable and significant asset is their people. They are the ones that do everything that the business does. Technology contributes but it is a tool, not a control mechanism.

You can remove just about anything from a business and it can find a way to carry on. Remove

the people and it ceases to exist. Instantly.

Marketing can often be defined as the art of arresting the human intelligence for just long enough to extract money from it. Well, it's not. That's mugging. Marketing is about identifying, nourishing and nurturing relationships with customers and potential customers to ensure their wants and needs are met. When that happens, then the business's wants and needs are also met.

Also contributing to the problem is the sad reality that many 'bean counters' are brilliant at counting beans but not many understand where the beans come from. And how. Or why.

And there is a whole lot more that contributes to poor or bad customer experiences, whether that customer is a supermarket shopper or an airline purchasing an aircraft. The poor or bad experiences are so often the same. Or similar.

QUICK FIXES

So here are some quick, easy fixes that require a total paradigm shift and a great deal of hard work and commitment but are vital if a business is to optimise its performance:

- Ensure that the CEO realises that they are the marketing leader ahead of any other role and understands that a business is a marketing organism before it is anything else.
- Ensure that the CFO understands

the concept of business, the role of customers and how the beans originate.

- Ensure that the head of HR knows and understands the vital role of people and that it is the people who require their attention, their help and their support – not just the management team.
- Understand that every single member of staff is an MMD – a mini marketing director. Make them proud of that. Help them to be that. Celebrate that with them and with your customers.

Finally, spend plenty of time in a deep, hot bath, with your toe up the tap and a glass of wine or champagne in your hand, thinking about how a business, as a marketing organism, needs to be nurtured, nourished and managed in order to connect people with people on every level; and enjoy the resulting optimal performance! **NZB**



CATHERINE BEARD IS EXECUTIVE DIRECTOR OF EXPORTNZ.

From baby steps to 35 countries

CATHERINE BEARD TRACES THE EXPORT FOOTSTEPS OF CHILDREN'S SHOE COMPANY BOBUX.

IN 1991, BOBUX founder Chris Bennett was putting some shoes on his daughter who had just started walking. Frustrated with the laces, he cut them off and put elastic in the shoe and around the ankle. He discovered that they were easier to put on, they stayed on better, and his daughter didn't just take them off. He then started to research foot health and discovered, through podiatrists in Scandinavia, that heavy and inflexible shoes were really bad for children's feet.

Being an architect, Chris then designed some soft leather shoes with a soft suede sole and elastic, making them easier to put on. He decorated them with a bear that was facing the child, rather than facing out to the world – another first.

Bobux shoes were born.

Fast-forward 25 years, and that soft sole invented by Chris is now standard in children's shoes around the world. Bobux shoes are in 35 countries. How did they get there? CEO Andrew Sharp explains.

"We've been exporting to Australia and the UK for about 22 years. We started relatively early on as we realised that the market in New Zealand is very small. If you want to do well in a niche, you have to export."

"Our philosophy is about providing what's best for children and for their feet to grow in a

healthy way," explains Andrew. "Most adult foot problems stem back to wearing the wrong shoes as a child. When a child is born there are no bones in the feet, just fat and cartilage. Then the bones start to calcify over time, and up until a child is seven their feet are dramatically changing. So following on from the original baby shoes, we realised we needed to make shoes for children up until about seven years old; shoes designed with podiatrists, to make sure the child has the freedom to grow healthily."

"A lot of the growth and exposure we've had overseas is by getting into the right stores – for example Harrods, David Jones, and Nordstrom. This was critical."

"A major focus now is on our digital journey, to help get customers into stores and requesting Bobux. This had great success for us last year, particularly in Australia where we grew by 75 percent. It became our number one market through that digital marketing growth. We got a lot of people to write content for us and share it out through their networks."

"The main focus of the communications was about foot health and having peace of mind to know that your child is in good hands and you are giving them a solid grounding. This was combined with a branding

campaign and making sure that the shoes look great.

"Facebook is our major social media channel; Instagram is also a good fit for sharing pictures. We do a lot of testing to make sure the channels are the right fit for our product and brand. In the UK a lot of the content sharing is organic. In Australia it's a bit more co-ordinated and bloggers charge per article. We also have podiatrist ambassadors, all of whom do it because they believe in the product."

Andrew also explained that being a Kiwi company does have an impact when doing business overseas. "As Kiwis we are known for having good integrity, which is important when we are negotiating. We also have a reputation for being fit and healthy, clean and green – so when talking about authenticity in your product, this flows through to talking about healthy feet."

And, as we've heard from many other Kiwi exporters, FIFO is a myth. You cannot fly into a market and fly out again and expect to succeed. "You cannot run a company overseas from within New Zealand. New Zealand is a fairly homogenous market, but pretty much everywhere else is not. For example in America and Australia, each city is very different. Having local sales

staff in the market brings local cultural understandings. Also, as Kiwis, people don't always 'get' us – our sense of humour and subtleties."

As a Kiwi, who has spent the last five years doing business in Australia, Andrew was brought back to take the helm at Bobux nine months ago. He is charged with taking the company through a huge global growth plan; securing and stabilising current markets and exploring new. While founders Chris and wife Colleen Bennett have stepped back onto the Board, amongst Andrew's staff is office manager Chloe Bennett, who was the toddler back in 1991 for whom the very first Bobux shoe was designed.

It's quite fitting now, that she should help take it into the future. **NZB**



ASHLEY BALLS IS SENIOR PARTNER OF LEGALBESTPRACTICE. VISIT WWW.LEGALBESTPRACTICE.COM

The hidden danger in debts

ASHLEY BALLS CONSIDERS THE IMPACT THAT MORTGAGE REFINANCING IS HAVING ON THE NEW ZEALAND ECONOMY. ARE WE ALL LIVING IN LA-LA LAND?

FOR MONTHS NOW the media have been carrying stories about incessant house price increases in Auckland and elsewhere in New Zealand and reporting it as good news. Even the government is chiming in by suggesting there is no crisis but a supply side problem – which can be remedied if only the Council will release more land.

There are other reports of money-laundering, prices being the fault of excess immigration and more, but enquiries reveal that there is one important ingredient missing – ordinary everyday Kiwis who are treating their houses as if they were a private bottomless ATM machine.

First, let's start with a few facts:

- Auckland has 33,000 empty homes. London, with six times the population, has 22,000.
- Total public sector debt exceeds \$113.5 billion. It was \$8 billion in 2008.
- Total New Zealand debt is just under half a trillion dollars and private debt is equal to 162 percent of household income. This is crisis-level by any definition.
- Housing now accounts for 23.4 percent of total New Zealand debt.

I could go on but I presume you get the picture. Debt has ballooned at a time when the domestic economy is in virtual stasis – jobs are harder to find,

wages are effectively frozen, unemployment is creeping up, and worst of all, productivity is low by international standards. New Zealand is ranked 28th, which is below Barbados and Trinidad & Tobago.

Commentators who are far more experienced than me have remarked about most of this but none have looked into the 'ATM angle'.

Mortgage refinancing is very much alive and well and a major contributor. For those not aware of this, allow me to explain. Historically, individuals have always been able to increase their mortgage – subject to any externally imposed restrictions; affordability, interest rates, loan to equity ratios, etc. Typically, the additional finance was to get the borrower through some personal catastrophe; family illness, temporary unemployment, divorce, death or similar. The process required a new loan to be registered against the property title and came at a cost of higher repayments and a fee. Most lenders handled and processed these requests intermittently.

Move forward to 2016 and it now appears there are as many refinancings as there are new mortgages and the expenditure is no longer catastrophe-based but to cover holidays, boat/car purchase, home improvements and more. Even in times of modest pay rises refinancing looks affordable, especially for

a home owner who has been resident in the same house for four or more years. Income may have increased by eight to ten percent but mortgage repayments will have reduced to reflect lower interest rates. The latter has nothing to do with banking efficiency, despite their claims to the contrary, but is directly related to the flood of nearly free money on the markets following the 2008 GFC.

During a trip to New Zealand in March I learned about this quite by chance while carrying out assignments with law firms. Since returning to the EU I've been making further enquiries with law firms carrying out residential property transactions and at many the volume of refinancing matters is greater than for sale and purchase.

The reality goes something like this:

- The volume of house moves is not significantly up BUT the volume of mortgage re-financing is – by a large margin.
- Mortgage brokers are peddling more competitive rates that allow a person with say a \$400K mortgage to move to another bank, pay the same fortnightly payment or thereabouts, but have a larger mortgage – say \$440K. The client can then extract \$40K for their own use – typically a new car/boat, overseas trip, new kitchen, etc.
- My research is telling me

that the 'feel-good factor' of rapidly rising house prices has actively encouraged equity extraction in addition to speculative investment. (Why wouldn't you take \$40K out of your house if it is going up in value by \$100K per annum? Especially if there is apparently no cost?)

The outcome is that Auckland is now full of homeowners who watch the value of their property go up and are 'eating' part of it to supplement modest income increases from employment. In short, housing has become a personal ATM machine and a great many borrowers are now dangerously over-extended.

If affordability becomes a real problem and there are already articles on this very subject, (see: <http://www.stuff.co.nz/business/80439506/lack-of-housing-initiatives-in-budget-making-auckland-uninhabitable-for-young-people.html>) or a sudden interest rate spike occurs overseas, then the current crisis could easily become a catastrophe.

What makes this ridiculous is that there are now two crises; those who are locked out of the property market through affordability problems (particularly first time buyers) and existing owners who are on a spending spree.

I have no idea how it will end but given previous booms and busts it is unlikely to be pretty. **NZB**

AUGUST 2016

NEW ZEALAND

Management

INSPIRING BUSINESS LEADERS

Bring it on:

**Kerry Prendergast on
relishing the challenges**



DONALD TRUMP AND THE
ART OF THE REBOOT

THE STRATEGIC TO-DO LIST
FOR TRULY UNCERTAIN TIMES

BREXIT: WHAT HAPPENS NEXT?



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A STRATEGY FOR VERY UNCERTAIN TIMES

It has been a tumultuous month on the world stage with the British exit from the European Union dominating the daily media as many fine minds attempt to work out just what it all means, how it will work and indeed whether it is a good thing or a bad thing. Massey University's Grant Duncan, who has studied the Westminster System, gives us his view on page 3.

Brexit is certainly adding to the uncertainty in every business person's world. Suvi Nenonen discusses how to create a strategy to go forward when the future is "frighteningly unclear and even completely unknowable". She says research in strategic management suggests three courses of action: waiting, focusing on purpose, and reserving the right the play (page 22).

This issue we also meet Kerry Prendergast, the former three-term mayor of Wellington is currently the chair of Tourism New Zealand; chair of the Environmental Protection Authority, and has just been appointed as chair of the NZ Film Commission. She has a huge capacity for work and relishes each of her roles (page 8).

And finally, if there is anything to be learned about the rise and rise of Donald Trump, in a business sense, it may be his art of rebooting his campaign. We examine his tactics on page 11.

Enjoy the month. Roll on spring.

Annie Gray
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THE DIGITAL PSYCHOLOGICAL DIVIDE

Will the next wave of technological advances render in-person human connectivity irrelevant? Can all our needs be met virtually and does the digital world that we now inhabit run the risk of creating a generation of emotionally avoidant, detached, and blunted people? By Shoba Sreenivasan and Linda E. Weinberger.

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DONALD TRUMP AND THE ART OF THE REBOOT

As situations change, teams change. In other words, they reboot. While Mario Moussa and Derek Newberry claim no special insight into Donald Trump's Republican nomination, as teamwork experts they feel the candidate deserves credit on this key point.

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THE MILLENNIAL QUESTION?

What qualities are millennials going to need to step up as the new generation of leaders? And how can we support them? By Christine Wattie.



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Every industry is on the threshold of change and perhaps none more so than the transportation sector. How we get from A to B in the future may be very different from the way we do so today. So how is that driving change in the fleet management business? What sort of change do organisations have to look forward to and what should they be considering today?

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**BRING IT ON: KERRY PRENDERGAST
ON RELISHING THE CHALLENGES**

Kerry Prendergast is a woman shouldering a big workload but this energetic, tireless and energising board chair relishes every moment of it.
By Annie Gray.

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Māori business booms

Māori authorities' assets grew in 2014, up 15.5 percent (\$2 billion) from 2013 to reach \$15 billion, Statistics New Zealand says. This was the second strong year of asset growth – in 2013 the increase was 13.7 percent (\$1.6 billion).

Tatauranga Umanga Māori 2016: Statistics on Māori businesses provides an insight into the economic strength of 1,050 Māori authorities. It is the most extensive survey of Māori business in New Zealand.

Tatauranga Umanga Māori senior manager Jason Attewell says the role of Māori business and Māori economic development is an important driver of New Zealand's economy.

"While maintaining their strong base in land and primary assets, Māori authorities are making solid investment choices for future growth."

The main contributor to Māori authorities' asset growth was other assets such as goodwill, trademarks, shares in associated and subsidiary companies, and long-term bonds and loans.

David Taipari, Independent Māori Statutory Board chairman, said that Māori business is clearly on the rise and this is good news for everyone.

"In line with the board's advocacy strategy to expand Māori business beyond the primary sector, we are experiencing an increase in Māori owned businesses in the infrastructure and IT sectors that make up Auckland's unique Māori economy. With Auckland being the largest Māori city in the world, we expect to see this trend continue," he says. **M**



Is the open-plan office killing productivity?

New research from Oxford Economics shows unaddressed issues around noise and workplace design in modern offices.

Noise is a big problem in the modern workplace. But most managers do not understand the extent of the issue – and productivity is suffering as a result.

A new research programme from Oxford Economics details what employees want from their work environments – and what executives need to do to get the most from their workers.

The research, conducted in collaboration with Plantronics, includes a global survey of more than 1,200 senior executives and non-manager employees across industries and functional areas, along with in-depth interviews with executives who are taking steps to deal with these challenges.

Among the key findings:

- Workers just want to work. The ability to focus without interruptions is a top priority for employees when it comes to office design; access to amenities like free food is far less important.
- Technology integration is a work in progress. Employees are expected to be connected to the office all the time – but only 40 percent say the devices they use at home integrate seamlessly with their work tools.

- Constant connectivity breeds compulsive behaviour – and could lead to burnout. More than one-third of employees say they use their tech devices primarily out of habit or compulsion, fear of missing out, or social pressure.

- The boss does not see the problems. Nearly two-thirds of executives say employees are equipped with the tools they need to deal with distractions at work; less than half of employees agree.

"Noise and distraction have a big impact on productivity," says Edward Cone, deputy director of Thought Leadership and Technology Practice Lead at Oxford Economics. "These are issues that companies can address – but first they need to acknowledge the problem."

Oxford Economics is a world leader in economic analysis for business and government. Founded in 1981 as a joint venture with Oxford University's business college, it specialises in evidence-based thought leadership, forecasting, and economic impact analysis. **M**

See <https://www.oxfordeconomics.com/when-the-walls-come-down>.

Brexit: Is anyone sure what it means as yet?

The fallout from the British referendum to leave the European Union continues to be speculated upon, analysed, dissected, scrutinised and judged. And it seems nobody, as yet, can be sure what it means for the global economy, for Britain and for business in New Zealand.

Associate professor Grant Duncan, of the politics programme at Massey University who has studied the Westminster system, said for him, the big question was what does it take to trigger the European Union's Article 50? This is the article in the Lisbon Treaty which member states (including the UK) must first invoke to begin negotiations for a withdrawal from the EU.

Duncan told *Management* there was a constitutional debate going on in the UK about how the article will be invoked, whether by an Act of Parliament or by the UK Cabinet and Prime Minister.

While cautioning that the whole Brexit scenario was a moving target, at the time of speaking to *Management* in early July, he said he was fairly confident that constitutionally it has to be done by an Act of Parliament although nothing in Article 50 says how it is to be done, as all member states have different constitutions.

"The facts are that the referendum was not binding, although Prime Minister David Cameron has made it clear the will of the people will be respected."

Duncan said Cameron's successor and cabinet could take an executive decision to trigger Article 50 but various media reports he has seen indicate there would then be a judicial review with certain groups already putting funding in place for legal fees.

In the English Common Law system any decision by the executive branch of government can be reviewed by the Courts (as it can be in New Zealand).



Duncan believes unless they want to be tied up in court for a long period of time, the British Government can't do it without an Act of Parliament. While many sitting MPs were against leaving the EU, "each one has a constituency they need to answer to and there will be Conservative MPs in the English counties and Labour MPs in some of the areas where the vote was to 'leave' who will not want to go against their constituents' wishes".

At this point in time, Duncan said, his opinion was it was almost certainly going to go before the House of Commons as a Bill and will be debated in the Commons.

In the Westminster System Parliament is the supreme body and Duncan did not think the Article 50 could be triggered by an order in council.

So, as it stands at the time of writing, constitutionally, the decision to leave the EU has not yet been made.

As to how MPs might vote he thinks they will probably have to base their decision firstly on what the referendum decided and secondly if they ignore their constituents they could be putting themselves at risk in the next election.

He also points out that there was only a 72 percent voter turnout for the referendum and a low turnout of younger voters, so although older voters are being blamed for the result, he says,

younger voters didn't cast their votes.

So where does Duncan see things on a personal level?

"If I had been a British voter, I would have voted to stay and as a political punter was surprised when it went the other way as historically referendums go with the status quo (although NZ's 1993 MMP referendum didn't)."

But, he says, now that it is done he is changing his mind. "The more I think about it, it's not really that drastic and has certain advantages" namely around the loss of bureaucratic interference from Brussels.

In essence he says it is a bit like asking New Zealanders if we want to be a state of Australia, as was done in 1901, and the Government of the day turned down the invitation.

"Today, if you went to New Zealanders and said that Australia had invited us to join them, New Zealanders would say forget it."

Economically and politically it may be more rational for New Zealand to join with Australia but the fact is we wouldn't want to.

"If you accept that, why should we criticise Britain for wanting to leave the EU. As an isolated, much less powerful country than the UK, we are doing okay on our own and we have nothing like the financial, military and economic clout that the UK does." M

The digital psychological disconnect?



Will the next wave of technological advances render in-person human connectivity irrelevant? Can all our needs be met virtually and does the digital world that we now inhabit run the risk of creating a generation of emotionally avoidant, detached, and blunted people? By Shoba Sreenivasan and Linda E. Weinberger.

In 2002, the Pew Research Center used the phrase, "digital disconnect," to describe the gap between internet savvy students and the then, not so-savvy school system that had not yet recognised the educational value of the internet.

Another form of a digital disconnect may be a psychological one. The digital psychological disconnect; namely, that of diminished emotional awareness and connections, can emerge when a society interacts increasingly more with devices than directly with people.

Some of the routes may be as follows:

1. A digital community allows for blunt and truncated expression of one's thoughts (e.g., text messages) and one's emotions (e.g., emojis); or
2. Its anonymity emboldens people to express very harsh opinions about others or their endeavours; or
3. It allows for instant cyberspace-available judgments about others that

are widespread and difficult to delete; or

4. A decrease of intimate and private expression of emotions regarding oneself and others.

If digital communication becomes the predominant way of interacting with others, we may risk losing the ability to "read" subtle facial expressions in communication, to recognise psychological boundaries, and to understand through seeing and experiencing how our communications impact others.

More profoundly, if digital communication becomes the main mode of relating, it may lead to rendering face-to-face interpersonal interactions alien and uncomfortable, and therefore avoided.

Historically, we can readily observe how technological innovations have impacted as well as shaped our social interactions.

For example, it can be argued that television strongly influenced our ideas of family (often in an idealised form), became the "babysitter" and in many ways changed family dynamics (e.g., many families were more likely to watch a television family interacting in a direct and disclosing manner than actually engaging in such communication with their own family members).

While the digital age imbues our life with instantaneous and wide-ranging connectivity, it also creates pseudo-connectivity, where "friends" may number in the "thousands" yet, there may not be a single living, breathing person with whom there is a true emotional connection.

Human psychology is "hard-wired" toward a desire to fit in with others. Belonging remains critical to a sense of one's well-being. Psychologically, that sense of "I don't fit in" can be devastating.

When one feels disconnected it may lead to feeling "less than" others. It may engender a sense of alienation, lack of validation, and feeling judged and rejected.

Or, it can result in rage (think of the violence committed by the alienated, isolated individual). Or, it may contribute to being risk-aversive, and result in avoiding others for fear of rejection or discomfort.

Interestingly, disconnection was observed even before the digital age. In the 1950s, theologian Paul Tillich, noted this paradox: as Americans were experiencing burgeoning prosperity, there was also a growing sense of detachment and questioning.

Tillich labeled this "non-being," or psychological emptiness experienced as a sense of being cut-off from others, from the creative forces around oneself, and of the connectivity to others. While Tillich identified the post-World War II period as the "age of anxiety," in the 21st Century, there may be an even more profound disconnection.

Yet, it must be recognised that the digital revolution has had a positive impact for many in their ability to form interpersonal relationships.

For example, the increasing popularity of computer dating sites has resulted in numerous matches leading to marriage and long-term intimate relationships. In addition, persons seeking others with similar beliefs or hobbies have formed close bonds through their internet connections.

An isolated or home-bound person who may not have had the means to meet someone with similar interests, can now reach out and find like-minded people through chat rooms. Clearly, any activity taken to the extreme or used exclusively runs the risk of limiting a person's potential to develop other channels and opportunities for emotional connectedness.

The critical issue to consider is whether the next wave of technological advances will render in-person human connectivity irrelevant. Can all our needs be met

virtually? Does the digital world that we now inhabit run the risk of creating a generation of emotionally avoidant, detached, and blunted people? Or, perhaps overly self-focused individuals who lack empathy for others; i.e., a society, composed at best of misfits and at worst of psychopaths?

Some people may dismiss these concerns attributing them to technophobic fear-mongers. But that misses the point of the questioning – to be mindful of what we lose when we unthinkingly embrace technology.

Positive emotional and physical connections to people lead to empathy, which is a profound dimension of the human experience. It is what promotes kindness, concern, and altruism; it feeds the human spirit and it is something we don't want to lose. M

Dr. Shoba Sreenivasan and Dr. Linda E. Weinberger are the authors of *Psychological Nutrition*. See www.psychologicalnutrition.com.

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No socialising and no formal dress

Qualtrics, a global insight platform, has released the results of its first Global Attitudes Toward Work survey, which mined the insights of 6,250 people from 14 countries. It found that 93 percent of New Zealanders are least likely to socialise with co-workers outside of work and only 22 percent of New Zealanders considered dressing formally for work to be important.

Bill McMurray, Qualtrics MD Asia Pacific and Japan, said it was surprising that New Zealanders aren't interested in socialising with colleagues outside of work hours. "It seems this is more important for European countries such as Italy, which had the highest number of workers wanting to socialise."

In terms of how New Zealanders like to communicate with their colleagues, 85 percent prefer face-to-face communication rather than video or phone.

The study also revealed New Zealanders are slightly less productive than global averages. New Zealand respondents said 62 percent of their working hours were productive, compared with 70 percent globally.

The Germans reported the highest levels of personal productivity and placed the most importance on punctuality.



Meanwhile, the Italians ranked themselves as the least productive.

The study also revealed 70 percent of New Zealand workers prefer to receive performance feedback less often than weekly.

McMurray said that workers tend to fear being micromanaged. "Instead, they prefer to feel that their employer cares about them.

"New Zealanders rank caring about

employees, honesty, and competence as the top three attributes of a manager. The bottom three were being persuasive, assertiveness and being energetic. This is valuable information for companies looking to hold onto skilled workers."

The survey included respondents from NZ, Australia, Canada, France, Germany, Greece, Ireland, Italy, the Netherlands, Poland, Spain, Sweden, the UK and the US. M

Boards urged to get on board with diversity

The Institute of Directors (IoD) urges NZX listed companies to set gender diversity targets to improve the sobering board gender statistics. Seventy seven percent of the top 122 NZX companies have less than 30 percent of women directors on their boards, with 39 having no women at all.

The IoD says in a statement that boards need to lift their game as board diversity is critical to maintaining a competitive and vibrant economy. The challenges of disruption and the modern world call for modern and diverse boardrooms.

"The IoD has long held the view that diversity of thought and perspective in the boardroom improves business performance and

innovation," IoD chief executive Simon Arcus says.

The IoD urges listed boards to take active steps to achieve 30-50 percent of women directors.

"We understand that change takes time. Boards should be setting their own diversity policies, appropriate targets and declare this in their annual reports. Timeframes and initiatives should be authentic and set accountability, but also take business needs into consideration," Arcus says.

Of the top 122 companies:

- 32 percent have no women on their boards.
- 19 percent have between 10 percent and 19 percent women directors.
- 26 percent have between 20 and 29

percent women directors.

- 10 percent have between 30 and 39 percent women directors.
- Seven percent have between 40 and 49 percent women directors.
- Five percent have 50 percent women directors.

The IoD has developed a guide to support the promotion of diversity at board tables, and help board chairs and key decision makers take steps to address New Zealand's poor boardroom diversity statistics. This is being sent to all NZX chairs and to the IoD's more than 7600 members. It will also be publically available on the IoD website. *Getting on board with diversity*, offers five practical steps for boards. M



Shaun Drylie.



Nick Wells.



Jarryd Hayne.



Dylan Rushbrook.



Mike Garvey.

The chairman of SBS Bank, **John Ward**, has announced that **Shaun Drylie** has been appointed as SBS Group chief executive. Drylie replaces **Wayne Evans** who became chief executive in April 2014 but died suddenly in January this year.

Drylie has an extensive background across the New Zealand banking industry and started his banking career in Greymouth 30 years ago. Progressively moving into more senior and strategic roles, his diversity of experience includes retail banking, business development and transformation of business services both in New Zealand and abroad. He has been part of the ASB Banking Group since 1994 and in 2014 moved to Vietnam to take up a banking growth and development role with Commonwealth Bank VIB (Vietnam).

Chapman Tripp farewells the firm's current chief executive partner, **Andrew Poole**, and welcomes his incoming replacement, corporate partner **Nick Wells**. Poole was originally one of the firm's two managing partners, along with Mark Reese. Wells has been a partner at Chapman Tripp for 13 years, specialising in corporate and private equity transactions and fund formation. He is an expert on corporate structuring for Maori, private equity, businesses and charities and – as chief executive partner – he will continue as Kaihautū of Chapman Tripp's Māori Legal Group, Te Waka Ture.

Godfrey Boyce has been appointed

chief executive of KPMG New Zealand. He will join KPMG executive chairman **Ross Buckley** in leading the firm. Boyce has been with KPMG for more than 30 years. For the past three years, he has led the firm's growing advisory practice – which has more than doubled in size during that time, and now has more than 240 specialists working with clients throughout New Zealand.

Well known Fijian-Australian **Jarryd Hayne** has been announced as a global ambassador for Fiji's national airline, Fiji Airways. Supporting the airline's efforts to promote Fiji to its key markets, the appointment sees the international sports star not only act as an ambassador for the airline, but also for the destination that he calls home.

Heritage Hotel Management has appointed **Dylan Rushbrook** as the new general manager of sales and marketing. Rushbrook is based in the Auckland corporate office and will be leading the national sales and marketing team activity for the group's 19 hotels nationwide. He joins Heritage Hotels from Skycity Entertainment Group where he was director of sales, hotels and Sky Tower, for the past four years.

Heritage Hotel Management has also appointed **Mike Garvey** as general manager of Heritage Queenstown. Garvey joins Heritage Hotels from Wyndham Vacation Resorts Asia Pacific where he has held a management role for the past four years. He has a wealth of hospitality experience with more than 20 years in hotel management. **M**

Rainbow Tick certification

Following a six month audit process, commercial law firm, Russell McVeagh, has been awarded Rainbow Tick certification. The Rainbow Tick programme is a continual quality improvement programme designed to help an organisation ensure it is a safe and welcoming workplace for employees of diverse gender identity and sexual orientation and demonstrates a business is an inclusive organisation for people who are lesbian, gay, bisexual, transgender, takatapui and intersex.

Russell McVeagh CEO Gary McDiarmid says the firm is very pleased to have been awarded certification, yet sees it has only the beginning. "It sends a great message to our staff and our clients that we embrace diversity at Russell McVeagh. We place great importance on diversity and inclusiveness in our workplace although by going through this process, it has become clear that we still have a way to go on our journey. We are committed to building upon this achievement and continuing to work on making our environment a welcoming place for all of our employees to feel comfortable enough bringing their authentic selves to work." **M**

COMING UP IN MANAGEMENT

SEPTEMBER
Executive Getaways

OCTOBER
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Bring it on

Kerry Prendergast on relishing the challenges

Kerry Prendergast is a woman shouldering a big workload, but this energetic, tireless and energising board chair relishes every moment of it. By Annie Gray.



Kerry Prendergast is the first to admit she can't sit still, she loves to be busy, relishes the challenges her governance, charity and family roles bring and always has the goal of giving back to the community she loves.

The former three-term mayor of Wellington is currently the chair of Tourism New Zealand, with its \$130 million budget to promote New Zealand to the more than one billion international tourists travelling the world each year. She is also chair of the Environmental Protection Authority, the government agency responsible for extensive regulatory functions concerning New Zealand's environmental management and has just been appointed as chair of the NZ Film Commission. She's in the throes of finishing her term as executive chair of the NZ Festival of the Arts and is winding up roles on the board of Worksafe New Zealand and iconic Wellington retailer Kirkcaldie and Stains.

She agrees it is a big workload, particularly on the boards that she chairs and says that to do the job properly you need a day a week for each role.

So how does she manage her time and her productivity?

"I am very organised – I wake early

and if there is reading to do, I do it then. The last three mornings I have been up between 4am and 5am. I read and do emails. I am lucky enough to have a brain that once I have read something I remember it."

So a photographic memory? She says she has been told there is no such thing but if she writes it down "I don't ever forget it".

"I write lists, I am very organised. I just get up and know what I have to do." She is incredibly efficient and organises her time well.

And she says, she doesn't just do the easy tasks first. She never puts things off.

"It drives my husband [former city councillor and hotel developer and owner, Rex Nicholls] crazy, I never sit still and am a hopeless relaxer. There is always something to do, always something to read."

A former nurse Prendergast only retired as a midwife once she became Wellington Mayor in 2001, after 15 years on the Tawa Borough Council and then Wellington City Council.

In her role as chair of Tourism New Zealand, she is well liked by the tourism industry, frequently attending tourism events locally and offshore. To an outside observer she and the CEO at Tourism New

Zealand, Kevin Bowler have an excellent rapport and Prendergast says in any leadership role the relationship between the chair and CEO is critical.

"If the chair and the CEO can't work together there is not going to be a good relationship between management and governance."

As to her leadership style, she says she is someone who listens to everyone's point of view, a skill learnt working in local government with its very wide range of voices, personal philosophies and personalities. But she also learnt in local government that people want certainty and when you make a decision you have to stick with it.

"I learnt over time that people may not agree with you but they respect the fact you have made a decision."

She says there are three sorts of leadership.

One is the "my way or the highway" style who don't listen to anyone; others who never make a decision and are looking for consensus – that can, in her opinion mean that you end up with the worst scenario.

"You have to have your own views and take on others' views, including expert advice, then make a decision and stick by it.





THE KERRY PRENDERGAST RECIPE TO DE-STRESS

The adage that if you want something done, give the job to someone who is already busy is a very apt description of Kerry Prendergast and her appetite for work.

So how does she wind down? This busy board member and board chair says she has a commitment with her husband that they will take a big holiday with friends every year. This year they are planning a walk in Britain going from coast to coast through the Lake District and then east to west along Hadrian's Wall – they'll be walking 450 kilometres over three weeks. Walking time is thinking time, she says.

Every six weeks she tries to have a quiet weekend and loves to have family around, including eight Wellington-based grandchildren, for meals.

Cooking plays a big part in relaxation too and the week she spoke to *Management* she had just cooked for 16 people from the board of the Rotary Club of Wellington on the Tuesday night, had 10 for dinner to her home on Friday and another 10 again on Sunday.

So what did she cook for the 16 members of Rotary and their partners on a Tuesday night after a big work day? Homemade pate followed by homemade lasagna and salads and her signature ricotta-based dessert.

She admits it was tough on a Tuesday night but she did it because she was standing down as president of Rotary Wellington and likes to thank the partners too. She says that in all roles where people are giving up their time to help in the community, it is the families at home that have to put up with a partner's absence. M

"At the end of the day, if you have been through the process and believe the decision you have reached is the right one even if wrong in retrospect, you have to think that it was the best decision at the time, made with the best information you had."

"You have to get home and know you have acted with honesty and integrity."

She has learnt, she says, that no-one has all the answers and that you must surround yourself with the best people.

She says that as chair you are working with the board to create a team. That is an important first step when you take over as chair. As a chair you may not get to choose your team, but have them appointed by others.

She believes you have to understand where people are coming from – what happens when they get home. "It is not just about their skills but about who they are."

So do the responsibilities of governance weigh on her?

"Yes, I think that you wouldn't be a good governor if they didn't."

If she gets to the stage where she is not looking forward to getting up and things are not exciting the mind, then it's time to move on.

And her advice to chief executives: It's really important that chief executives are put into the right governance roles. It is a good learning curve for CEOs to have experience on a board and it gets them to a stage that when they decide to step down as a CEO, they already have some board experience.

As to younger managers aspiring to the top: "Understand that no one person knows everything. Make sure you are part of a team with all the right skill sets and that includes EQ

skills. The continuum includes people that have empathy through to those that have harder analytical and technical skills."

As to her new role as chair of the Film Commission, Prendergast says that one of the exciting elements about that is that she has always been involved in the arts and is proud of her role in establishing Wellington as New Zealand's cultural capital.

The Film Commission, she says is an exciting place to be. New Zealand is not only making a large number of film productions but these also showcase the country as a tourism destination. It works really well with Tourism New Zealand. "We know the effect of the Hobbit films and are seeing a significant number of North Americans coming because of the scenery in those films."

Amongst her other roles, she is also the Ambassador for Alzheimer's NZ. Her father was diagnosed with Alzheimers at 74 and died three years later after a very rapid decline.

Her mother has also recently been diagnosed with another form of dementia "so it was easy to say yes to the role. This disease is increasingly prevalent in our community as most of us live longer. Anything that takes people to their GP for an early diagnosis is a good thing."

She is very passionate about the cause and found it devastating watching her father lose his cognitive abilities.

It was her father who raised her to be passionate about giving back to the community.

"I can't imagine me retiring, I hate to think I would get to the day when I would not have that passionate drive to give," she says. M



DONALD TRUMP AND THE ART OF THE REBOOT

As situations change, teams change. In other words, they reboot. While Mario Moussa and Derek Newberry claim no special insight into Donald Trump's Republican nomination, as teamwork experts they feel the candidate deserves credit on this key point.

Donald Trump has had some rough spots in his campaign. He damaged his credibility early on as a candidate by making a string of confusing and ill-advised statements about punishing women who have an abortion and expressing scant concern about nuclear proliferation.



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His campaign manager, Corey Lewandowski, had been dogged by charges that he assaulted a Breitbart reporter. Even worse was the shellacking Trump took in the Wisconsin primary, losing by a shocking double-digit margin.

Reports had said that with the "Make America Great Again" campaign in evident disarray, Trump's team of advisors were working on a 'reboot'. As the presumptive Republican nominee, there is a bright spot in this story. The reboot.

After years of studying collaboration at the Wharton School of Business, we concluded that the best performing teams do it all the time.

As situations change, they change. In other words, they reboot. We have no special insight into Trump's nomination, but as teamwork experts, we do feel the candidate deserves credit on this key point.

Let's look a little more closely at what the man who wrote the book on deal-making can teach us about the art of teamwork – and especially the reboot.

Trump launched his campaign with the clear goal of broadcasting his message directly to voters.

He all but ignored the traditional retail activities such as meet-and-greets at churches and state fairs, rubber chicken dinners, and gatherings with local politicians.

Delivering taunts, insults, and over-the-top promises at debates and large rallies generated what many observers have claimed is over a billion dollars of free PR.

His new convention manager, Paul Manafort, said the campaign model was "predicated on a historic approach to communicating with the public." But then, as the gaffes mounted, this shoot-from-the-hip approach stopped delivering easy victories by late March.

What to do? That's right: time to reboot, and redirect energies.

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The Trump campaign is like a team of Silicon Valley entrepreneurs who raised money, launched a venture, recognised quickly that their business model was failing, and – to use a popular high-tech term – pivoted.

Which Trump did – and fast. Because, even with a nomination, there were still obstacles ahead.

Trump brought in Manafort, who has his own team of like-minded aides who will also join the campaign. Lewandowski has hired specialists who worked with Ron Paul and know how to win over delegates, one tough-talk conversation at a time.

Desperation moves? Recent media coverage might lead you to that conclusion.

We see a different perspective. The Trump campaign is like a team of Silicon Valley entrepreneurs who raised money, launched a venture, recognised quickly that their business model was failing, and – to use a popular high-tech term – pivoted.

Successful teams at Facebook, Slack, Pinterest, and many other companies had to pivot several times before they became winners.

This is not easy to do for a startup or campaign team, and it often produces conflicts. Not surprisingly, Trump's meetings with his staff have been reported as highly contentious.

So, how to have a successful reboot?

When we advise executives about managing their teams, we emphasise

a few guidelines illustrated vividly by Trump's latest public moves.

- Always work toward a goal but avoid becoming too attached to it, because situations change and you might have to adjust.
- Define and redefine roles on your team as your work evolves, and seek to put the right people in those roles.
- Have frank discussions – which will often be contentious – about what they need to do.
- Be clear about how you want the members of your core team and related teams to work together.

As General Stanley McChrystal puts it, leaders need a "team of teams" to run an organisation. Above all, remember that it is really hard work to align and re-align a group of people collaborating on achieving a common purpose.

Because managing a successful pivot is such hard work, most teams fail to deliver hoped-for results.

You might even consider doing it on your own team, if recent performance has been disappointing. Of course, in politics as in business, despite the promises of overconfident leaders, there are no simple solutions and no guarantees. But by following a few guidelines, you can give your team the best shot at achieving what Trump himself might call "yuge" success. M

Editor's Note: In late June Donald Trump parted ways with his controversial campaign manager Corey Lewandowski.

Dr Mario Moussa and Dr Derek Newberry are the authors of *Committed Teams: Three Steps to Inspiring Passion and Performance*. Moussa teaches in the executive programmes at Wharton School of Executive Education. Newberry is a lecturer at the Wharton School of Business. For more information, please visit, www.committedteams.com.

THE MILLENNIAL QUESTION



What qualities are millennials going to need to step up as the new generation of leaders? And how can we support them?
By Christine Wattie.

I'm a GenX parent of three millennials, a Kiwi, recently returned to New Zealand. Now living in Auckland, one of the world's most expensive cities and worse than New York for traffic congestion, I've been wondering what the future holds for our millennials.

I have an interest in the millennial generation, born between the early 1980s to around 2000, both as a parent and as a learning and leadership consultant at IMNZ. I've looked at the research and interviewed millennials, wanting to discover what this group really cares about, and how they can be best supported as our next generation of leaders. This is especially important as they will soon make up nearly 50 percent of the workforce.

How are millennials different to previous generations?

As typically defined, there are some key differences between millennials and earlier generations. Millennials are strongly values-driven and they want businesses to focus more on people, products and purpose – and less on profit. Many millennials will happily leave their current role within the next year or two if the right opportunity arises.^[1]

In researching this topic I asked millennials the question, "What is the most important factor to consider when choosing a role?" For most millennials, the number one factor is money. Pay and financial benefits drive choice of organisation more than anything else.

Worth noting, however, is that pay

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doesn't operate in isolation. When choosing between similar financial incentives, other important considerations for millennials are work-life balance, leadership opportunities, flexible work practices, meaningful work, professional development training programmes and societal impact.

I stopped and looked at this list and asked myself, am I that different? Money is no doubt a key enabler of modern living. Work-life balance is also something we all want, but that our generation has often neglected. As someone engaged in the leadership profession, I appreciate the flexibility this brings, as well as the opportunity to engage in meaningful work.

The context is different

What is different today is the context. Technology, artificial intelligence and the internet are changing the way we work. Some sources suggest that 50 percent of jobs are at risk of computerisation over the next 10 to 15 years^[2]. Robots and increasing automation are some of the key changes behind these predictions.

My father, a baby boomer, has held the same professional role as an accountant his entire career. Of course, he also experienced changes such as the increased reliance on technology. However, these changes did not cause any major disruption to the security of an esteemed profession.

My millennial children, on the other hand, are already experiencing a career trajectory that is vastly different to that of their grandfather.

With children who have graduated with degrees in law, journalism and information technology, it is clear that a degree no longer guarantees a safe career. We all know journalists who have had to forge new paths in public relations or communications, or university graduates unable to find a 'real job' reliant on temporary contracts or other 'filler' employment.

For my children, their careers are already a world apart from their grandfather's having spent time volunteering to gain work experience or employed in filler jobs to 'pay the rent' while searching for their ideal job. My daughter, a qualified lawyer, is already working across multiple professions not to mention, law, marketing, human resources and governance.

Of all my children it is my son, who graduated with the IT degree, whose



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skills are most in demand, which is not surprising given our world's increasing interdependence and reliance on technology.

It is not all bleak – arguably, their careers have been much more exciting than those of the past enabling them to live and work in exciting locations such as the Solomon Islands, Argentina and Australia.

It seems clear to me that their future (and the future of their children) is without

doubt a more uncertain career trajectory requiring flexibility and agility, rather than a narrow focus on a single goal or career.

Creating a bright future for millennials

In line with the wisdom of Greek philosopher Heraclitus that "change is the only constant in life," millennials expect ongoing and huge change in their lifetimes and that is likely to include financial, global and political upheavals.

Talking with my eldest daughter she says she wants enough money to have security alongside challenge and purpose in her role, but, she said, 'Isn't that what everybody wants?'

To create a bright future, millennials need to develop transferable skills through multiple disciplines. Being adaptable and agile as our context keeps changing are no doubt as essential today as university degrees.

While qualifications remain important, it's imperative that universities adapt to these changes so that our countries are able to create the talent required for our future marketplace.

Roles that require human emotive skills such as healthcare for an ageing population, teachers, human resources and chefs remain significant as they are difficult to automate. In an increasingly online world, cyber security experts, virtual reality developers, data scientists, gig-workers, and digital marketing and designers are all in hot demand.

In the new world, millennials need to be asking the question, "How can I develop my skills to adapt to the future?"

One of the things I love about my role at IMNZ is that I get to work alongside people wanting to develop and future-proof themselves to step up and create a brighter future. Increasingly, this is something I'm doing in partnership with millennials, and I'm excited about the possibilities ahead. M

Christine Wattie is IMNZ Auckland-based learning and leadership facilitator. The Institute of Management NZ, helping New Zealanders step up and lead since 1946.

Sources: The 2016 Deloitte Millennial Survey Winning over the next generation of leaders; The jobs of the future that robots won't take, cited online 7 July 2016, <http://www.news.com.au/finance/work/careers/the-jobs-of-the-future-that-robots-wont-take/news-story/4e6f40db32512e465be43f66ae98d0b>



MAKING AN INDUSTRY MORE PRODUCTIVE, EFFICIENT AND SAFER

Every industry is on the threshold of change and perhaps none more so than the transportation sector. How we get from A to B in the future may be very different from the way we do so today. So how is that driving change in the fleet management business? What sort of change do organisations have to look forward to and what should they be considering today?

By Annie Gray.

Transportation is a vital part of any functioning community and a driver of any economy. As Adam Heath, executive general manager, portfolio and products for Suncorp NZ which includes the Vero brand, told *Management* the commercial motor industry is a huge part of our economy – in 2012, road transport was responsible for about 91 percent of New Zealand's total freight transport.

"There are so many opportunities for making the industry more efficient, more productive, and safer, which benefits our customers and ultimately, all New Zealanders," he says.

And top of mind in the fleet management sector at present, it seems, are the implications of the new Health and Safety at Work legislation on organisations that run a fleet of vehicles along with the efficiencies offered by telematics.

The new Health and Safety at Work Act creates a "positive duty" on officers (defined as directors and those who make decisions that affect the whole or a substantial part of the business e.g. CEO and COO) to exercise due diligence to ensure that the 'person conducting a business or undertaking' or PCBU is meeting its obligations.



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THE FUTURE OF THE CAR

Management asked Adam Heath, executive general manager, portfolio and products for Suncorp NZ, which includes the Vero brand, whether the insurer was looking into what the future of driverless or automated cars might mean for its business.

He says driverless cars have the potential to impact not just the insurance industry, but a lot of industries – for example, motor repairs, taxis, the healthcare system.

"We are definitely thinking about the impact they might have on our customers, but there's a lot of misinformation around about them. In the medium term, all driverless cars will still need someone in the vehicle who can manually take over the controls if something goes wrong – which means there still needs to be someone in the vehicle who is licensed and sober.

"They also still need to be insured. Until all the cars on the road are driverless, there's still the possibility of your car getting hit by another vehicle, and driverless cars can still be damaged in a storm, have broken windscreens or get stolen.

"Another important aspect of motor insurance is liability cover, for any damage you do to other people or property while you're driving. That may be something that becomes more important as driverless cars become the norm. It's not yet clear where the responsibility for any system failures will lie."

Heath says that as driverless technology matures, what we might see is a shift in focus for motor insurance – for example, people might need a lot less cover for damage to their cars caused by accidents, but a lot more cover for their liability in case anything goes wrong. M

It also introduces much tougher penalties and SG Fleet NZ's managing director, Geoff Tipene told Management the upshot is that directors and senior management need to set the direction and provide leadership in health and safety for their organisation.

"A vehicle is considered just as much a place of work as the office these days. Employers have a responsibility to ensure their employees are safe when on the road – and this extends to organisations' running large vehicle fleets or pool car systems, through to 'grey fleet' - staff who use their own vehicles for work."

He says companies must ensure that they are doing everything they can to make sure their fleet and drivers are safe.

From his point of view this should include:

- Ensuring vehicles are "fit for purpose".
- Ensuring vehicles are regularly serviced.
- Ensuring vehicle familiarity, when a new driver takes over a new car.
- Ensure daily checks are completed on commercial application vehicles.
- Ensure drivers are up to standard.
- Driver assessments.
- Driver licence checks.

Tipene said SG Fleet is doing a lot of work in this area including with company policies, the vehicles and the drivers themselves.

The company's Driver Safety Intelligence is capable of doing everything companies require under the health and safety legislation. This includes driver assessments and licence management, to name a couple.

The majority of SG Fleet's customers have asked for advice around the new legislation and it continues to be top of mind for their customers.

Telematics is also playing a big role around health and safety as well as the movement of vehicles and tracking these movements. Vero says that telematics is like the black box of an aircraft, an on-board system that captures data from the fleet and helps make decisions that save money by reducing fuel consumption

and lowering maintenance costs.

Vero has just announced a partnership with global telematics company Coretex to offer its customers exclusive benefits on telematics packages and insurance.

A statement from Vero says customers who insure with Vero and have Coretex installed in their commercial vehicles, will get an exclusive free upgrade upon renewal or inception of their Coretex telematics package and are able to access discounts on their insurance premiums or excesses.

Vero heavy fleet customers with Coretex on board will have their excesses capped and their single vehicle accident (SVA) excess halved. Commercial customers with lighter vehicles can also talk to the insurer about getting a discount on their premiums.

"It's all about prevention, and with Coretex on board our commercial motor customers can be safer and more efficient on the road," says Suncorp's Adam Heath.

"That should lead to fewer accidents and fewer claims, which means reduced premiums over time, but through this partnership we're offering customers those cost savings upfront on their premiums or excesses."

Cortex products include a compliance function that includes road user charging and driver logs, which help commercial vehicle operators lower administration costs for road user charges. They also offer fleet efficiency functions that help fleet optimisation, asset utilisation, fuel usage, waiting time, product wastage and maintenance.

"With emerging technology trends like Big Data and the Internet of Things, customers are being swamped with data and are seeking ways to use it to benefit their business and create efficiencies," said Selwyn Pellett, CEO of Coretex.

"Our product can contextualise large volumes of data and deliver it to our customers in real time, enabling them to take real time action and giving them better control of their assets and people."

And telematics is playing a role at SG Fleet too. Tipene says the



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company's Fleetintelligence report system can be accessed by customers via their phone, tablet or computer. The reports can be customised for viewing preference for each client so they are seeing data that is relevant to them. Electronic logbook and iphone app are currently being tested.

So where does he see the future lying for the industry?

"Our industry is changing rapidly with how customers want to use their fleet or how they get around to do their business. We are more than just leasing and fleet management services we are also 'mobility solution' providers."

The company's fleet management approach includes analysing telematics data and looking at how the fleet is used and achieving acceptable optimisation. Recommendations are made around redeployments of under-utilised assets or even a reduction

in the fleet as they measure a fleet's utilisation.

The industry, he says, is also moving towards how their customers need to get from A to B in the most cost efficient manner, even if alternate transport outside the tool-of-trade vehicle or pool vehicle is recommended.

Taking this further, as society moves more into the sharing economy will mobility be provided through shared vehicles? Eventually companies may have suppliers who orchestrate their clients' transport solutions through their own vehicles and through other transport means, says Tipene.

Heath told Management that telematics are a great tool for helping its customers manage risks. "We're confident that using Coretex products will help our customers be more efficient, and improve their safety on the road – which will ultimately lead to fewer claims."

As to what prompted Vero to take this move, Heath says the company's strategy is about creating value for customers and one of the main drivers behind the partnership are the changes to health and safety legislation that came into effect this year.

So how does the Coretex system help make savings on fuel and maintenance? James Kyd, of Coretex says driver behaviour has a major impact on fuel usage and asset wear and tear.

"The Coretex platform can provide detailed options from driver behaviour, reporting and dashboards, alerting and real-time in-cab feedback which is proven to improve behaviour through better driver training and incentive programmes.

"Anecdotally, we also know that when drivers are conscious that they are being monitored, they tend to drive better and more efficiently." M

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How to promote allegiance in your workers

Keeping employees motivated requires a balanced combination of financial and recognition-based rewards, not simply more pay or time off from work. John McGill looks at ways you can promote a healthy work ethic in your business.

EMPLOYEE satisfaction is a measure of how pleased workers are with their working environment.

Keeping morale high among employees can be of tremendous benefit to any company, as happy workers will be likely to be more productive, take fewer days off and also display greater loyalty to the business.

This is incredibly timely, as companies address generational expectation of rewards and adapt their performance management to meet this. A 2016 survey by Deloitte of millennial loyalty reveals that 66 percent expect to leave their company in 2020, making it more important than ever to promote allegiance in your workers.

There are many factors that can contribute to improving or maintaining high employee satisfaction, which wise employers would do well to implement.

One of the most crucial elements of any company's rewards programme has always been employee recognition.

PROMOTING A POSITIVE WORK CULTURE

It seems obvious that employees who are succeeding and feeling good about their own personal work contributions to a company are far more likely to:

- Be proud to work for your company.
- Be happy to come to work each day.
- Feel valued within the company.

Employees who don't feel like they are getting anywhere and are unhappy with not only their own performance but their position in the company, are

clearly not going to achieve these.

So how do we promote a culture and working environment that encourages work productivity but also employee satisfaction? The answer is a question of balance.

In its 2015 Vacation Deprivation study, Expedia.com collected data from nearly 10,000 employees across 26 countries.

One important figure in the research was that 22 percent of the world's workers feel some sense of guilt when wanting to book vacation time - with the largest percentage giving boss disapproval as the reason for this.

However, 85 percent of the world's workers say they feel happier after a vacation, with vice president and general manager of Expedia.com, John Morrey, agreeing that balance is the answer.

"A healthy work-life balance is critical, not only to give workers a chance to enjoy their lives outside of the office, but also to recharge, making you more productive when you get back to work," he said.

By promoting employee recognition, the results clearly show that employees will be happier within their working environment – not only taking fewer holidays, but feeling less guilty about taking the time off.

COMPENSATION ISN'T ALWAYS THE ANSWER

Developing stronger working relationships is crucial to understanding your employee's

perception of value, with recognition ranking the highest along with monetary reward. Further data provided by worldwide management consulting firm McKinsey & Company supports this idea.

According to the firm, cash-based incentives may be less successful on employees than motivational rewards such as praise and recognition.

Praise from an immediate manager ranked highest in effectiveness at 67 percent, while monetary rewards including an increase in pay or stock options were noticeably lower at 52 and 35 percent respectively.

Another incentive presented in the survey was the opportunity to lead projects, with 62 percent feeling this was an effective motivational reward. It seems that increased responsibility, along with recognition, could be the driving force to employee satisfaction.

The key to keeping your employees happy requires a balance of financial and inspirational rewards. When increased recognition and employee engagement is implemented at a management level, the effect produces a working environment not only more productive, but more present. M

John McGill is the chief executive at Strategic Pay. If keeping your employees engaged and productive is important to your business, there are a number of insights you can attain from remuneration data. Reach out to Strategic Pay and see how we can help build remuneration packages and reward programmes to best suit your business.

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Valuing time together

How much time you actually spend just 'being' with your colleagues – in the sense of actually listening to what they have to say, and understanding where they are at? Some teams allow five or 10 minutes at the start of meetings or at the start of the day to share what's going on for them personally or work-wise, and Douglas Lang says it pays dividends.

A COLLEAGUE and I recently had the privilege of working with a newly-formed senior team which is in the early stages of a development programme. The programme is designed to develop a group of talented and experienced individuals into a high performing team.

During the course of our initial day together it became apparent that much of the value from the day was coming from the opportunity provided for people to spend quality time together, finding out about each other, and sharing their different experiences and backgrounds in a supportive and non-judgemental environment.

Through some facilitated dialogue, the team-members left the session with a much clearer understanding of their colleagues and a greater sense of shared direction and support than they had on entering the session.

While we did the 'usual' workshop things like creating a vision; looking at where the team feels it currently is; and identifying the gaps between the current state and the vision, we also allowed plenty of time for conversation and sharing of stories.

We found a way to keep a balance between 'doing stuff' and 'being together' and it is my sense that finding this balance allowed for some deeper connections to be made beyond the purely 'transactional'.

Coming out of the session my feeling is that the team-members have a better sense of each others' interests; values; experiences and wisdom. In the months prior to the session there has been lots of activity – which has been entirely necessary in getting the team to where it is now.

What is needed now is for the team to start to operate in a more



strategic way and to begin to provide leadership to their respective teams. Knowing and relating more to each other at an individual (as opposed to functional) level will surely allow the challenges of moving into this space to be more easily addressed as well as creating a more collegial approach.

In today's busy world, how often do we end up operating in a way that causes us to miss what's going on for some of the people around us? How often does the 'doing' get in the way of actually 'being' with other people?

My observation from this recent session is that more significant steps forward have been taken as a result of 'not doing' so much as might have normally been the case with 'doing' lots of things. What this team needed was time together rather than more 'things to do'.

Given the above, you might want to reflect on how much time you actually spend just 'being' with your colleagues – not in a 'new-age' /

'touchy-feely' way but in the sense of actually listening to what they have to say, and understanding where they are at. Some teams simply allow five or 10 minutes at the start of meetings or at the start of the day to share what's going on for them (personally or workwise).

This is a space where it's okay to not always have a perfectly formed view of the world or to know the right answer, but to value the opportunity to hear from another human being, not an automaton.

It can be a bit scary to go there and to expose yourself without your full guard up. However, if you can find a way to do so, my view is that you can gain some significant and long-lasting benefits as a result through improved relationships and increased understanding of each other.

Go on – I dare you! M

Douglas Lang is the director of Altris Ltd (www.altris.co.nz) specialising in leadership development and coaching.



Performance and career

Performance management can make staff bristle and not all managers are that keen on it either.
By Kate Kearins.

PERFORMANCE Improvement?

Performance Management? Or plain performance? Whatever you call it, in my experience it can make staff bristle. And many managers don't thrill to it either.

It is an open-ended process about development and opportunities – not merely about bringing to the surface issues of poor performance.

We all have performance potential which is worth paying attention to, spending time discussing, cultivating and aligning with organisational goals and values.

If, as I heard recently, the average tenure of a 26-year old is as little as 28 months and still coming down, then it's best we start performance discussions early.

I also heard about jobs as serial monogamy – the notion that 'I'm only here while it works for us both'. The other partner in 'both' is the line manager. There is work to do in working out what 'it' is in this conversation. Bottom line, 'it' is about performance in the job. More compellingly 'it' is about achieving what the psychologists call 'flow', but in the interests of the organisation as well as for self.

If we take seriously the theory about the latest generation of workers and the rise of portfolio careers, then performance discussions need a collaborative rather than a command-and-control approach.

Performance discussions are increasingly advocated as regular and frequent occurrences rather than annual form completion exercises. For me, personally, a few of these discussions have been career-changing. They have provided some of the key advice around how to be and succeed in my field. Some of this advice I occasionally share with others who seek it, years later even.

But there are other elements of our work that emerge and evolve, for which we may well not be trained or prepared. Things change. A top-down annual performance process tied to rigid cascading goal flows is unlikely to be responsive enough to cope with what comes up. Team-centric, aligned and local goals and ongoing check-ins are more in order.

And if we are going for automated tools to record performance agreements and progress on goals, then these need to be easy to use and meaningful for those they are designed to assist. And that means employees as well as managers.

Let's learn from our visits to some medics who seem to spend

most of their time turned towards the computer. Employees will likely feel more motivated if managers actually attend to them.

Part of the manager's role is to help people have great careers (at ... insert name of organisation they work in now). Then there is the beyond. Again, in my experience good career discussions will allow managers to understand why employees sometimes want to move on. Those discussions are certainly wider than performance – and they involve trust. M

Kate Kearins is professor of management and currently Acting Dean at Auckland University of Technology's Faculty of Business, Economics and Law.



Strategic to-do list for truly uncertain times

How do you create a strategy to go forward when the future is frighteningly unclear and even completely unknowable? By Suvi Nenonen.

I AM currently facilitating a strategy process for an organisation, which operates in an industry that will be disrupted, through and through. This is a known fact and everyone sees endearingly eye-to-eye on it. Unfortunately, this is where certainty – and management team consensus – ends. Nobody has the faintest idea when the forthcoming disruption will actually take place or what form it will take. And no, this is not a collection of executives that are somehow thicker than the average, quite the contrary.

It is just that their operating environment had turned from relatively predictable to truly uncertain over the last few years.

It seems that more and more organisations are facing the same dilemma: needing to create strategies when the future is frighteningly unclear, even completely unknowable.

So, what should you do when you really don't have a clue about the future? Research in strategic management suggests three courses of action: waiting, focusing on purpose, and reserving the right to play.

WAITING ACTIVELY – AND AVOIDING UNNECESSARY DECISIONS

Especially in Western cultures there is a bias towards action: a good leader makes decisions, and then executes them swiftly. Any decision is better than no decision. However, when operating under true uncertainty, these traditional traits of “good leaders” can actually do more harm than good.

Managers that thrive in uncertain environments often practice something that we scholars have labelled as ‘strategy as active waiting’. The central tenet of this thinking is very simple: true strategic action is needed only



when the operating environment offers a clear golden opportunity or an existential threat.

When such opportunities or threats don't exist – or they are too vague to decipher – the task of the strategist is to wait patiently, and focus on operational and tactical tasks. Under this philosophy, deciding to postpone a decision is a decision – and a very valuable one for that matter.

HAVING CLEAR PURPOSE, WHILE KEEPING VISION FUZZY

Postponing bold strategic moves until the fog lifts a little is one thing. However, no organisation can stop all action altogether while waiting for better visibility.

This dilemma, interestingly, can be aided by redefining what ‘strategy’ actually is. Most people consider strategy as a combination of a vision for the future and an action plan that takes the organisation to that vision. Understandably, it is very difficult to generate “vision + action plan” type of strategies when the future that you should be working toward is utterly unclear.

Luckily, if the external world is in a flux, you can always rely on introspection to find more enduring starting points for your strategy.

What is your organisation's mission, purpose for existing? Do you have strong values or your own unique way of doing things?

If the answer to any of these questions is a ‘yes’, then this could be a cornerstone for an uncertainty-proof strategy. No wonder that the old ideas about purpose and perspective have been resurrected during the recent years in popular works such as Simon Sinek's *Start with Why*.

RESERVING THE RIGHT TO PLAY

As long as strategies are nothing but fancy sentences and Powerpoint presentations, it is relatively difficult to create massive damage – even if you get them dreadfully wrong.

But investments are another matter: money spent based on a faulty strategy is usually money wasted. So, how to make clever investments when the future is unclear?

In terms of investments under uncertainty, strategists talk about ‘reserving the right to play’. These are investments that help the organisation to stay in the game while avoiding premature commitments until the operating environment becomes clear enough for formulating a traditional strategy and making more considerable financial investments.

For example, companies in various industries are currently developing their digital capabilities in order to reserve a right to play in the increasingly digital future operating environments – even though the exact shape of these futures are often very unclear. M

Associate Professor Suvi Nenonen works at the University of Auckland Business School's Graduate School of Management and teaches in the MBA programmes. Her research focuses on business model innovation and market innovation.



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GETTING TO LEADERSHIP GREATNESS WITH IMNZ ACCELERATE

Leadership is the number one people issue in New Zealand organisations in 2016 with only a minority of companies saying their pipeline is in good shape. And, when asked, few people can think of a truly great leader they have worked with. Leadership development that works is a vital component to long term business success, says Christine Wattie.

Around ten years ago, I swapped hats, from business leader to leadership development consultant. Over the last decade, I've asked literally thousands of leadership development participants attending my workshops to reflect on the following:

"Think about a great leader you have worked with. With that leader in mind, answer the question, what are the characteristics of a leader you would willingly follow?"

What continues to surprise me is

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how many people are stumped with the first part of the question; how few people can actually think of a truly great leader they've worked with. Think about the question for yourself – can you?

Fortunately, when people are asked to expand their search for leaders to include a parent, grandparent, teacher, or someone from history, most people can find someone, and then name the qualities that make that person a great leader. Qualities such as integrity, vision, competent, inspiring, innovative, courageous and relational are some that arise frequently.

What sense can we make of this?

Leadership is common but great workplace leadership is rare

A quick google search on the term 'leadership' as I'm writing this article, came up with around 765,000,000 results, packed with the latest secrets to success, suggesting that this subject is extremely common. However, judging by experience, great leadership in workplaces, seems to be extremely rare.

If great organisational leadership in today's complex environment was just a set of superficial skills, steps and behaviours, great leaders would be a lot more common. Fortunately, most of us can identify the qualities of true greatness, even if these are found somewhere beyond our workplaces. These qualities, of honesty, courage, authentic relationships and the like are more than just a quick fix; they require something much deeper of our leaders.

The good news is that extraordinary leadership can be learned. The challenge is that there are no shortcuts to greatness. Leadership today is needed for people at all levels of our organisations and requires new approaches.

The leadership development paradigm that many companies around the world follow is simply not delivering what is expected and necessary. There are still huge gaps in many areas including appreciating the power of diversity, systems thinking, sustainability, and building global leaders.

Linking great leadership and extraordinary performance

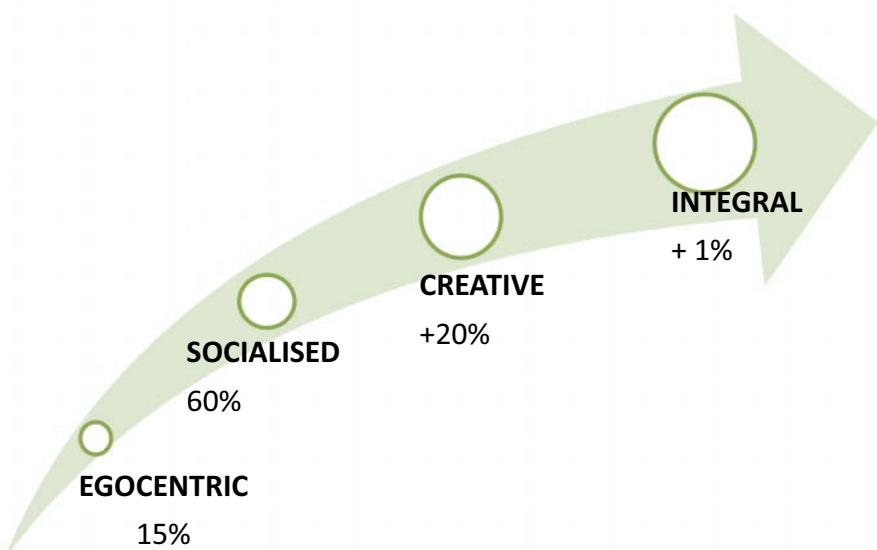
Business performance and leadership effectiveness are strongly correlated with adult development stages according to Robert Anderson and William Adam's research integrating the theories of more than 40 thought leaders in their 2016 publication, *Mastering Leadership*.

The stages progress from egocentric, through socialised, creative to integral and beyond.

What do I stand for? How can I make my life and leadership a creative expression of what matters most?"

Creative leaders march to the beat of a different drum and become visionary leaders. They treat others as equal, participating members with whom they engage and creatively align. They encourage self-expression and collaboration.

We need leaders who can navigate the complex challenges we are facing



Albert Einstein said – “The definition of insanity is to try to solve a problem with the same level of thinking that created the problem in the first place.”

Most adults don't progress past socialised, however it's interesting that leadership becomes extraordinary at the higher levels of development.

Creative leadership is the minimum level of adult development required to create lean, innovative, visionary, creative, agile, thriving organisations. Only around 20 percent of leaders are operating at this level. This is the leadership imperative.

Creative leaders ask the questions: "Who am I? What do I care about most?

today and into the future. We need creative leadership or beyond to achieve extraordinary results.

How can I become an extraordinary leader?

Leadership today requires masterfully responding to permanent 'white water'. It incorporates deeply personal development and purposeful vision greater than self. It requires space, focus and discipline. It is an ongoing journey that is not for the faint-hearted.

"Unless one knows how to lead one's self, it would be presumptuous for anyone to be able to lead others effectively. Leading oneself implies cultivating the skills and processes to experience a higher level of self-identity beyond one's ordinary, reactive ego level." Jagdish Parikh.

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To learn more about Accelerate or to book a place on our next programme send us an email at enquiries@imnz.net.nz or give us a call on 0800 800 694

Christine Wattie is IMNZ Auckland-based learning and leadership facilitator.

Sources:

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Course Calendar

AUCKLAND

AUGUST

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Health and Safety Management	2-3
Leadership	4-5
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WELLINGTON

AUGUST

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SEPTEMBER

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CHRISTCHURCH

Applied Management	2-3 Aug
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DUNEDIN

Team Leader Essentials	11-12 Aug
Project Management	
Fundamentals	21-23 Sep

INVERCARGILL

Effective Business Writing	9 Aug
Needs Analysis and	
Programme Design	10-11 Oct
Operations Management	1-2 Dec

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