
10 New Zealand
business stars show
us how it's done.

Leading **THE** Way



BusinessNZ

Leading THE Way

BusinessNZ is New Zealand's largest business advocacy body. As the voice of business, we aim to grow prosperity and potential, because sustainable successful businesses help to make New Zealanders better off.

Working on a daily basis with government officials, community groups, MPs and Ministers, we ensure business interests are represented and act as a generator of new ideas.

This publication features stories from a variety of New Zealand companies that we work with.

They range from major companies to medium sized enterprises, small privately owned firms and innovative manufacturers and exporters.

Every one of these has a story to tell and a learning to share.

BusinessNZ's advocacy is supported by the highly-valued Major Companies Group, the Affiliated Industries Group and members of the regional associations: Employers and Manufacturers Association, Business Central, Canterbury Employers Chamber of Commerce and Otago Southland Employers Association. The BusinessNZ family also includes ExportNZ, ManufacturingNZ, the Sustainable Business Council, BusinessNZ Energy Council and the Buy NZ Made Campaign.

All these affiliates and organisations play a crucial role in BusinessNZ's pursuit of business-led growth, helping to secure a better future for our economy and our communities.



KIRK HOPE
CEO BUSINESSNZ

Contents



Transforming **THE** Future **OF** Healthcare

ORION HEALTHCARE | PAGE 4



Unleashing **NEW ZEALANDERS'** Potential **THROUGH** Amazing Technology

SPARK | PAGE 8



Recovering Resources **AND** Reaping Rewards

3R | PAGE 12



IT'S Good **TO** Talk

CONTACT ENERGY | PAGE 16



Cleaning **UP**

APPARELMASTER | PAGE 20



Riding High **ON** Worldwide Success

DEADLY PONIES | PAGE 24



Turning Challenges **INTO** Opportunities

WAIKATO MILKING SYSTEMS | PAGE 28



Keeping **IT IN THE** Family, Taking **ON THE** World

FAMILY OF 12 | PAGE 32



FROM Baby Steps **TO** 35 Countries

BOBUX | PAGE 36



A Single Brand **AND A** Single Story

MERCURY | PAGE 40



THE Wellington Seminar

BUSINESSNZ | PAGE 44



Transforming THE Future OF Healthcare



As one of our first tech exporters, now with operations all around the world, Orion Health is set to change the way healthcare is delivered both in New Zealand and globally.

Ian McCrae, CEO and founder of Orion Health, explains how Orion Health's ground-breaking technology will support the practice of Precision Medicine. This is the new revolution in healthcare that will personalise healthcare and use comprehensive information about individual patients to enable the best possible care.

"Healthcare is going through a major transformation," says Ian.

"Just as Facebook has transformed social interaction and the internet has transformed banking over the last decade, the same thing is going to happen with healthcare over the next decade. And the major driver is data. We're gathering a lot more data than we've ever had before.

"What this means is that in 10 years' time, a visit to your GP is going to be fundamentally different.

"Doctors will have access to a lot more information – for example, genetic information that predicts patients' propensity for certain conditions and what drugs are likely to work. They will also have information on other aspects, such as your microbiome – that is the bugs

“The really exciting thing is that New Zealand is at the forefront of this change in using machine learning and big data to transform health around the world,”

in your body. We have 1.5 kg of bugs in our bodies that impact our health. These have been linked to diseases such as diabetes, Crohn’s disease and Parkinson’s disease. Understanding more about an individual’s microbiome can help doctors to more effectively treat these debilitating diseases,” says Ian.

The wealth of health information that Orion Health’s technology captures, analyses, and delivers back to clinicians in real-time will enable doctors to provide very insightful, precise healthcare, customised to each individual patient – Precision Medicine.

Machine learning

“The patient’s electronic health record is fast becoming the most powerful tool in the medical toolkit. All the information will be stored in the cloud. It will have to be, because the size of the electronic file containing a complete patient record is estimated to be as much as six terabytes, according to some estimates. That’s a quarter of the whole of Wikipedia!

So how will doctors process all this new information in the short time in which they see their patient? The truth is they can’t. It will require high-powered computing, using insights from machine learning – a type of artificial intelligence that enables computers to find hidden insights without being programmed. Algorithms will scan vast data sets and identify recommended treatment plans tailored to individuals.

Data scientists call the process of learning “training” and the output that this process produces is called a “model”. A model can be provided with new data

and reason against it based on what it has already learned. Therefore the more data a machine learning model is fed, the more complex the rules – and the more accurate the predictions.

Whereas a statistical model is likely to have an inherent logic that can be understood by most people, the rules created by machine learning are often beyond human comprehension because our brains are incapable of digesting and analyzing enormous data sets.

NZ’s leadership position

Basically there are two things required for the successful application of machine learning in healthcare – intelligent algorithms and rich data sets.

“The really exciting thing is that New Zealand is at the forefront of this change in using machine learning and big data to transform health around the world,” Ian says.

“We have very good computerised medical records. They have been automated for almost two decades. We also have a wealth of machine learning experience in New Zealand universities and a sensible, well organised health system with District Health Boards (DHBs) that are receptive to innovation.

“So with the Precision Driven Health Project that’s recently been kicked off, we’re combining expertise from Auckland and Waikato Universities with Orion Health’s international commercial experience and engaging with New Zealand’s DHBs to make discoveries, and deliver some major breakthroughs – some world firsts. We expect that

over the next five to seven years, this will provide better healthcare, and give better insights to the physician and to the patients themselves. We want to get patients involved in their own healthcare.

“What we’re talking about here is a fundamental change in healthcare. Just as antibiotics, hygiene and vaccinations have changed healthcare historically,

data-driven health is going to have a similar impact in the future.

“Health is going to become a data science. At Orion Health we hold the medical records of 110 million patients worldwide, and with our technology and experience, we can enable New Zealand to lead this healthcare transformation.”



IAN MCCRAE

CEO AND FOUNDER OF ORION HEALTH



Spark

Unleashing

NEW ZEALANDERS'

Potential

THROUGH

Amazing Technology



Spark is such a well-known brand today, it's hard to believe that the company has been around in its current identity for just over three years. The change from Telecom to Spark is widely acknowledged as one of the most successful rebrands in New Zealand corporate history.

The switch to Spark actually dates back more than five years to when Telecom split from its fixed infrastructure arm, Chorus. In what was a worldwide first for the telco industry, Chorus became an independent wholesaler of fixed broadband services to more than 90 retail providers. Telecom was one of those retailers and retained ownership of its mobile network. The new industry structure forced the company to rethink

its future and undertake a major strategic shift to become a retailer of digital services.

A shift of this magnitude was never going to be easy to execute. It was a decision that required ambition and courage. From selling overseas assets to focus resources back on New Zealand, to investing heavily in a range of new products and brands, to lowering prices to be more competitive – culminating

“The transformation we underwent was driven by the fundamental realisation that our customers wanted us to change, and that the future of our company depended on them.”

in February 2014 when the company shocked the nation by announcing it would change its name to Spark.

“The transformation we underwent was driven by the fundamental realisation that our customers wanted us to change, and that the future of our company depended on them,” says Managing Director, Simon Moutter.

So for the past three years, the company has had a real focus on building a winning business called Spark.

Spark Home, Mobile and Business has provided New Zealanders with great digital services, better value broadband and mobile services. A multi-brand strategy – with the Spark brand positioned as giving customers great value, and the Skinny brand focused on low prices – has led the company back to the number one revenue position in the mobile market.

Spark Digital has met the needs of corporate and government customers by

investing in world-class data centres, ICT and Cloud capability.

Spark Ventures has led the charge on innovation, producing several successful brands. Lightbox has played a pivotal role in the video streaming revolution and quickly surpassed its planned subscriber targets with close to a quarter of a million New Zealanders signed up. Qrious, which connects data to provide actionable insights for customers, has established a strong position in the emerging data analytics market. Morepork has also taken flight as the next generation in home security and smart living.

Spark recently completed a four-year programme to lift and shift the company’s hugely complex IT stack into the 21st Century, seeing 52 legacy systems retired, 41 systems consolidated and over 100 million customer inventory records migrated – all done with minimal disruption to customers. The new IT stack has opened the way for Spark to completely rethink how it uses technology



to enhance customer experiences and service levels.

The company continues to greatly improve its networks, with capital expenditure totalling \$1.4 billion over the past three years alone. The next generation of mobile technology – 4.5G – launched in May 2016. 4.5G increases the capacity and potential speeds from a single cell site by up to five times compared with 4G, creating a pathway to 5G services that are expected to become prevalent beyond 2020. New mobile technologies have allowed innovations such as wireless broadband to become more pervasive. Combined with the rapid take-up of fixed fibre services as part of the government-sponsored ultra fast broadband rollout, this means more and more New Zealanders are benefiting from faster, more reliable broadband as they switch their services from the legacy, more fault-prone, copper network.

The company couldn't have achieved any of this without the people who work for Spark – the people that give life to the brand, strive to delight customers every day, and develop and sell the products and services that put Spark at the centre of New Zealanders' digital lives.

Spark makes their people a high priority and rewards them accordingly. Rewards range from the Spark Pay scheme, where all staff are paid a fair, competitive salary above minimum pay levels, to Spark Share, where staff can invest in the company they work for, to talent leadership programmes that ensure the bright, young, shining sparks are recognised.

As one of New Zealand's leading companies, Spark aims to unleash

the potential of their own employees, promoting a 'diversity and inclusion' model as the business believes greater diversity and inclusiveness allows better understanding of the diverse customer base the company serves. The company works hard to ensure Spark looks and feels like their customers, and New Zealand in general.

"I feel extremely proud and privileged to lead Spark," says Simon Moutter. "We have a clear ambition – enabling a successful digital future for New Zealanders and New Zealand businesses."

Every day, Spark helps millions of Kiwis live their lives, run their businesses and connect to the things that matter most to them. The company invests significantly in new technologies and innovation to take New Zealand into the future. In May 2016, Simon Moutter led a mission of 50 highly motivated New Zealand business leaders to Israel to determine ways in which New Zealand can learn from that country's economic success.

The company's latest move to support a digital future was launching Spark Jump, a heavily subsidised broadband service to enable children from low-income families to participate in digital education. At the last census there were 60,000 New Zealand families with school-aged children that didn't have access to broadband at home. Spark Jump is one way to help bridge this digital divide by providing a basic prepaid broadband service for as low as \$15 a month.

When Telecom was first created 30 years ago, mobile phones, the internet, Google, Amazon and Facebook didn't even exist. Now Spark is New Zealand's leading provider of digital services.



3R

Recovering Resources AND Reaping Rewards

3R Group is showing businesses the benefits of taking a fresh look at their waste.

The company works collaboratively with businesses to provide a range of programmes – working out how waste can be reduced and resources better utilised, with the primary function of diverting waste from landfill. The added bonus is that they can also save businesses money and create opportunities.



CEO OF 3R

ADELE ROSE

“We do what we do because we believe that natural capital has a value. That means that the air we breathe, the waterways we use and the land we work with has a value to us and our future generations.”

Adele Rose, CEO of 3R, says they have a role to play in helping NZ reach zero waste by 2050. “We do this by networking with organisations such as the Sustainable Business Council to encourage other businesses in New Zealand to work towards that goal.

“We work with businesses to look at what is coming in and out of their doors, using a range of tools such as waste audits to work out what can be reduced and recycled. We assess what resources can be recovered by looking at the components of a product and working out what can have a second life.

“We do what we do because we believe that natural capital has a value. That means that the air we breathe, the waterways we use and the land we work with has a value to us and our future generations. We have the opportunity now to work with producers of waste streams to value that natural capital.”

The company works with many businesses on individual projects or on larger programmes. Either way, the aim is valuing our natural capital and looking to create a circular economy that doesn't waste resources by simply sending them to landfill.

One example is PaintWise™, which 3R operates on behalf of Resene Paints Ltd. PaintWise™ provides a portal through which people can take back their unused and unwanted paint. 3R picks up this paint and its packaging, and finds new uses for the returned paint, as well as recycling the packaging. PaintCrete™, the outcome of collaboration between Resene, 3R and Allied Concrete, shows how paint can replace virgin materials, in this case as an additive to making concrete.

Mattresses are another product tackled by 3R. “Each year, over 300,000 mattresses end up in landfill or illegally dumped,” says Adele. “If you stacked them up end on end they would reach the edge of space! So we've launched a new project to work with the mattress industry to apply resource recovery to this area.

“We work in a diverse range of areas, and not everything can be re-used, for example in our chemical collection programme, we safely collect and dispose of chemicals that would have otherwise ended up in landfill or buried on land.

“The sustainability space is really interesting and it's a huge growth area. We liken it to the development of health and safety over the past 10 years. It went from being quite marginalised to now having a place at the boardroom table. In a similar way, we cannot continue to waste our resources and not give them as much attention in our businesses as we do to health and safety.

“Collaboration in our sector is really important. We work with central and local government, industry organisations, the waste management sector, the waste disposal sector and the community recycling network. In order to be successful at recovering resources you need to have a collaborative approach.

“Our funding for resource recovery comes from a range of different areas. For example, if we're looking at a new waste stream that doesn't have solutions, it might require the industry to come together to provide some seed funding, but also local government will provide some funding for a pilot, for example. Then if we're dealing with very hazardous products, central government has a role.

But at the end of the day, with product stewardship programmes, typically the consumer has paid at some stage – whether it’s built into the price of the product or at end of life.”

The value to businesses in working with 3R is that they help businesses to save money – whether that be through brand reputation, future-proofing or working on the end of life management of their waste streams.

“We take businesses on a journey,” says Adele. “We help them save money, create a point of difference and open up new markets.

“Don’t underestimate the role that consumers have in making a choice about which products they purchase. By communicating your sustainability message, you enable them to make a choice and make a change.”



DENNIS BARNES

CONTACT ENERGY CEO



Contact Energy

IT'S **Good**
TO **Talk**



WHAIMUTU DEWES

CONTACT ENERGY INDEPENDENT DIRECTOR

Communication, respect and collaboration. These were the first steps Contact Energy took to start the long journey towards building a relationship with Ngāti Tahu – who, for 17 years, had been frustrated by the lack of understanding of the negative cultural, social, economic and environmental effects of the Ohaaki Power Station on their people, whenua and taonga.





“We’ve gone from a position where they didn’t feel like they could pick up the phone and call us and be listened to, to one where they are celebrating with us, inviting us to their marae and sharing a meal.”

When Contact was formed in the mid 90s they acquired the Ohaaki geothermal power station from the government which held a 75-year lease of Ngāti Tahu land where the power station was located, near Taupō.

The ongoing impacts of the Ohaaki power station included the deterioration of their ngāwhā (geyser, hot pool) at Ohaaki Marae, significant land subsidence which exposed the Ohaaki Marae to increased flood risk, disturbance of ancestral burial sites, and a range of other cultural and social impacts.

Contact Head of Operations, Jacqui Nelson, said that the seriousness of the cultural impacts was immeasurable and that this had wider implications on whanau and iwi.

“The issues caused major dissention; views on what to do with the marae (leave it in the current location or move it to safer land) were divisive, in addition to the physical impacts.” she says.

Fast forward to 2012 where, after 17 years of being unable to agree how to resolve matters, the resource consent renewal process saw Contact initiate a collaborative programme with iwi to address their grievances.

“We needed to build a base from which to talk through the issues – and that was about developing a relationship. We met at the marae to hear first-hand about the impacts of our operations on Ngāti Tahu. We resourced a cultural impact assessment, which identified what the specific issues were and how they could best be resolved, and provided clarity around what solutions could look like.” says Jacqui.

Negotiations with Ngāti Tahu in 2013 resulted in a mutually beneficial agreement for building a sustainable partnership between the iwi and Contact. This included doing everything practicable to repair impacts that could be fixed, a range of initiatives designed to support Ngāti Tahu iwi development and address

cultural and social impacts, as well as regular opportunities (from CEO level through to operational level) to meet face-to-face and simply talk.

“What we learned was that we needed to focus on an intergenerational relationship with Ngāti Tahu and not just on an agreement. We’ve embedded this in our business – in our policies, in our actions, and in the way we relate to iwi. It’s now part of how we do business and it’s been really positive for both Contact and Ngāti Tahu,” says Jacqui.

“Our agreement with Ngāti Tahu is for 35 years, matching the new Ohaaki power station consent granted by the Waikato Regional Council late in 2013, following the formal public consultation and hearing process.

“One key outcome from our agreement has been to collectively establish very clear protocols we both follow when operating in the Ohaaki steam field to protect the many sites of cultural significance to Ngāti Tahu, including several urupā,” Jacqui says.

“As a small but significant part of the agreement we look to support iwi initiatives where we can by offering our capabilities and infrastructure. Contact has also created a Ngāti Tahu internship programme. The internship is

not simply about offering opportunities across our business, it’s also focused on deepening our relationship, learning from one another and developing both the capability of Ngāti Tahu and Contact to achieve our aspirations.”

Since the agreement has been put in place there’s been big progress made.

“We’ve gone from a position where they didn’t feel like they could pick up the phone and call us and be listened to, to one where they are celebrating with us, inviting us to their marae and sharing a meal.”

For Contact, continuing to work with Ngāti Tahu and maintaining a positive relationship is just business as usual; interacting positively with the communities in which we operate and being the neighbour you’d want to have.

“We’ve still got a long way to go. It’s the start of a long journey. It’s been a humbling and at times an emotional experience being involved – it’s taken a huge Contact team effort to realise this historic partnership.”

It’s about seeking truly sustainable partnerships with local tangata whenua and communities and taking an intergenerational view of the things we do, rather than simply thinking a few years ahead.





Apparelmaster

Cleaning **UP**

La Nuova Apparelmaster in the Taranaki - New Plymouth region is leading on sustainability by bringing innovation into a traditional, family-based business. Dry cleaning has historically been an industry that produces toxic waste but things are changing with the introduction of 99% organic and 100% biodegradable solvents. These are not the only changes being made by Brad Craig, whose grandfather Gordon Craig Senior opened a dry cleaning shop in South Taranaki back in 1959 as something to do in his retirement.





“Dry cleaning was big back then, due to standards of dress and fabrics having a lot of natural fibres, like wool, so there was a big market for it,” explains Brad.

Gordon Craig Junior joined the business in 1974 and 10 years later purchased the Apparelmaster licence, which opened the doors into commercial laundry rather than just dry cleaning.

Changes and innovation have been needed on both sides of the business in order to stay relevant and competitive in a changing world.

“Not everyone wears a suit and tie to work anymore and there are more items that can be washed at home,” says Brad.

“We see the competition not as the dry cleaner down the road but as the

home washing machine. As we’ve seen a decline in dry cleaning, we’ve got more into business to business laundry, supplying and cleaning overalls, uniforms, sheets and towels, which is now by far the biggest side of the business.

“With the decline of dry cleaning, we’ve also added the self-service Laundromats option, to remain relevant and cost competitive. Some customers may not want to pay for commercial dry cleaning but can pop next door and do it themselves in the self-service laundry facility (for items that can be washed too). We have up to 18kg washing machines available – basically the same machines we would use but cutting out the cost of our labour.”

BRAD CRAIG

OWNER, APPARELMASTER





In the dry cleaning side of the business Apparelmaster is also using 99% organic and 100% biodegradable solvent so there's no hazardous waste. "In the past, traditional dry cleaning machines produced hazardous waste that had to be sent away to be treated. We have moved away from that, so the waste that comes out is just the same as any household waste."

"We've had a big focus on sustainability for a long time and we're always looking for ways to do things better. We're not tree huggers! We do it for financial reasons as well. For example, with the new dry cleaning machines, the new chemical that we use is more expensive than the traditional ones but we don't have the huge waste disposal costs that we did in the past. So there were savings there.

"On the commercial side of the business, with help from the latest in washing technology, we have water recycling within the machine itself. While the water saving is huge, it also leads to gas, power and chemical savings, which turn into dollars at the end of the day. By putting in LED lighting and by investing in more modern, efficient, equipment, you get the feel-good factor knowing that it's better for the environment. But it makes good business sense too, with the financial savings filtering through at the same time.

"The commercial side is more of a volume game, so it all adds up. We process around 10,000 garments and 15,000 sheets a week through our commercial plant, and 3,000 towels a day. We're using Ecolab detergents and chemicals and trying to use more natural products – e.g. for our table linen we've gone back to a natural corn starch."

Other innovative ways of turning what were once costs and waste streams into income streams include taking the rags we found in pockets from mechanics and engineers, washing them and selling them back to mechanics and engineers.

"We did the same with scrap metal – we get lots of nails, screws, staples, bits of metal left in engineers' and mechanics' pockets. Now we collect them up and send them to the scrap metal dealer. So that became an income stream instead of a cost too."

In focusing on driving down power consumption, the company has partnered with the local Polytech and has a student working on site as part of his course to look for further savings and renewable energy options.

A great example of how smart thinking, innovation and a focus on sustainability are reaping rewards for business and community alike.

"We've had a big focus on sustainability for a long time and we're always looking for ways to do things better. We're not tree huggers! We do it for financial reasons as well."

Riding High ON Worldwide Success

A person wearing a red jacket is holding a large, blue, triangular sign. The sign has the word "DEADLY" written on it in large, gold, serif capital letters. The background is a blurred, teal-colored scene, possibly a horse show or a similar event.

DEADLY



For Liam Bowden, what started as a creative hobby using scrap leather, has turned into one of the world's top 20 luxury brands using deer leather. Not what he expected when he was a graphic design student experimenting with screen printing and a desire to produce 3D creations.

At that time, as a student, he was doing some freelance work for a clothing store. The owners saw his initial pieces and snapped them up. "They sold out within a week, and then everything snowballed from there," says Liam.

So his break came early – when he was still studying – and he ploughed his profits straight back into his start-up, allowing him to buy higher quality hides from which to make his accessories. These ranged from key rings to coin purses and handbags.





“We never stop learning. Pretty much every week we’re learning something new and changing.”

“For a number of years it was just a hobby/side-line. But after freelancing for a number of different companies, I found it didn’t give me the freedom I thought I would have. I realised I would like to do my own thing and turn my hobby into a business.

“So I swung into gear and registered the name, made it a proper company and gave it all of my focus, energy and time.”

The name is one you don’t forget. It comes from a nickname given to him when he was a student. “While I was studying and working late nights, I used to wear slippers that I had made myself out of goat’s skin but people assumed they were pony skin,” says Liam.

“I had no idea about how the fashion industry worked so it was a big learning curve.

“I started to build staff to meet demand. We have always grown within our means, so there has not been a need to bring outside investors in, which has made it a lot more manageable.”

The first time Liam exported was after one of his necklaces appeared on a popular Australian website and an overseas distributor contacted him to set up a meeting in Sydney. “A couple of weeks later they had a collection and started selling in stores in Australia, then within six months we were exporting!” says Liam.

“It was pretty smooth sailing but we soon learnt that we had to be quite firm about how we wanted to be positioned. We didn’t agree with some of the stores and brands our agent wanted to put us with. So that became really important from day one.

“We also learnt just how long some people will take to pay you. So we needed to get smart with our cash flow. Because we were a young company – and also, I was young – I didn’t need a lot of money to survive on, which was lucky because the accounts would often go 120 or 180 days overdue.

“Fortunately we’ve got more of a brand now, so we can be quite staunch with our payment terms. Other things that help include: building good relationships, starting payment plans with stores that may be smaller and reducing orders with stores that have payment problems – or, not even re-stocking stores that don’t pay.

“We’re now exporting to multi-brand boutiques all over the world. We did have a larger presence in the US but we pulled back a couple of years ago because we started opening our own retail stores domestically – two in Auckland and one in Wellington. So we have focused our finances and resources on that and on department stores such as David Jones.

“We’re setting up a base in Japan next month and Paris the following month. Our focus now is on growing our export market.

“We never stop learning. Pretty much every week we’re learning something new and changing.

“As we’ve grown we’ve focused on the things that are the most important, and we try to be smart with the things we outsource. About 98% of our leather is New Zealand sourced. The goal is to grow NZ production as much as we can.”

Liam is a self-taught businessman – which means many learnings along the way. His top tips for those new to exporting are:

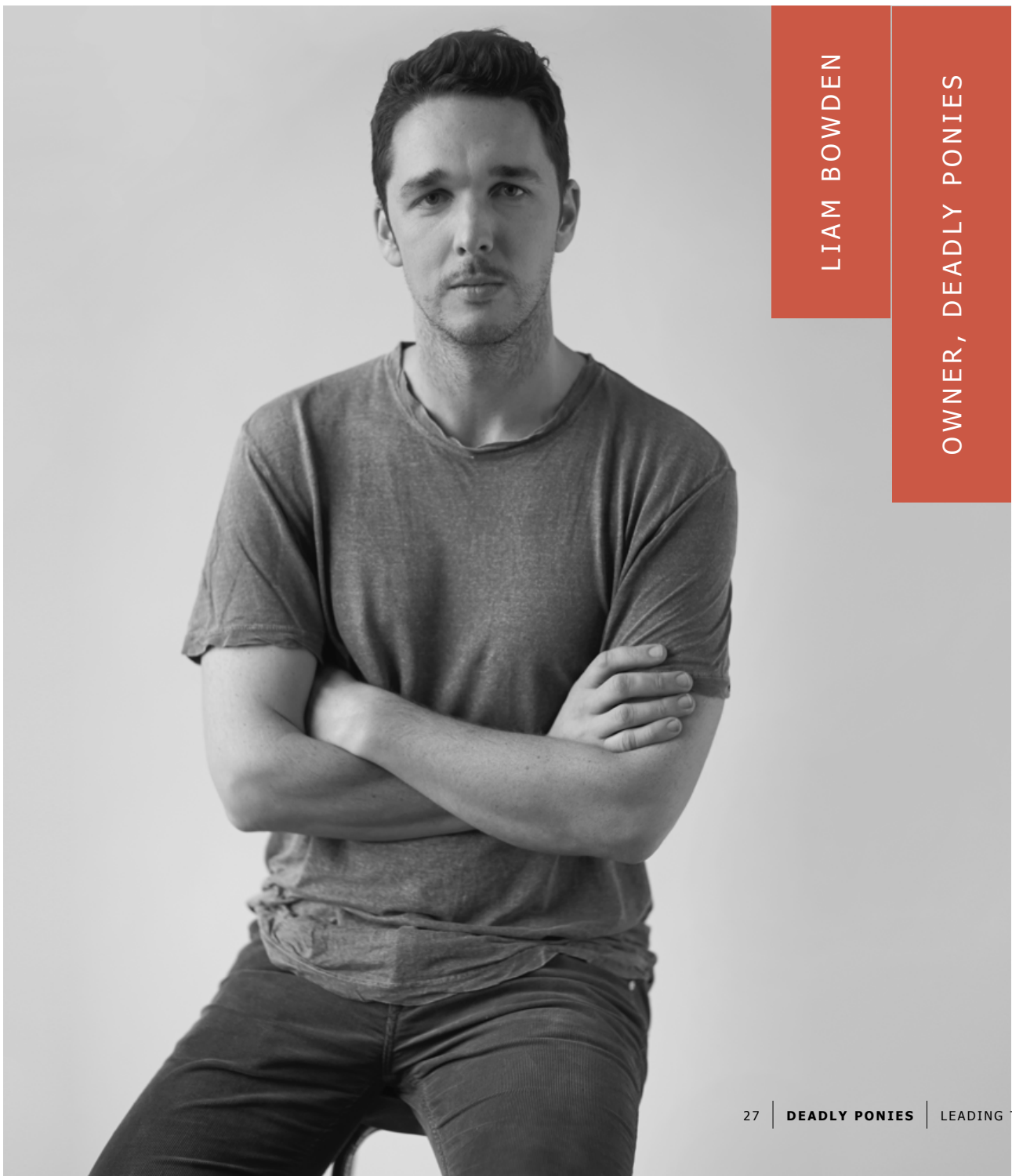
- Do your research – ask people on the ground or have a team on the ground if possible. There's no point putting all your energy into exporting to just one store. I recommend consolidating your energy in a location. The more wins you have,

the more encouraged you'll be to export further.

- Make sure you're getting paid. Ask for payment or part-payment before delivery. You can also do a part-shipment and hold the rest until payment has been received.

"But don't be put off!" says Liam.

"Exporting can change your business overnight, which is really exciting."



LIAM BOWDEN

OWNER, DEADLY PONIES

Waikato Milking Systems

Turning Challenges

INTO

Opportunities



Problems can often be blessings in disguise if you're a smart, innovative, nimble business. Dean Bell, Chief Executive of Waikato Milking Systems, shares what makes this such a world-class innovative operation, and how fixing a problem in the Chinese market led to the development of IP that's now selling all over the world.

"New Zealanders are quite result-focused people," says Dean. "We're very quick and agile at solving important issues when they need to be done. That epitomises what our company's all about. When we face issues, we rally together and get quickly aligned into problem-solving mode as a team. China is just one example.

"We knew China was going to be a big market and we approached it with the same confidence we do all things. We had a really robust, reliable machine that had worked well in numerous countries. When we put it into China we learnt very quickly that China is different. It's an emerging market that's rapidly growing.



SHANE AND JACQUE ASHLEY,
WARDVILLE, WAIKATO,
MILKING 650 COWS





TWIN 72 BAIL ORBIT XP HD CONCRETE ROTARIES, SIDE BY SIDE, SHANXI PROVINCE, CHINA, CURRENTLY MILKING 3000 COWS – INCREASING TO 6000

“We’ve been putting a lot of energy into our international business for the last 6-7 years, as a deliberate strategy to diversify and strengthen our business and to reduce our reliance on one market.”

“In my view, it is jumping some of the steps the rest of the world has gone through when developing dairy farming businesses. China has effectively gone from bucket milking to putting in mega dairies, running 24 hours a day. I personally went to China to see the first installation in place and to understand, first hand, what adaptations it required to suit the unique demands of the Chinese dairy industry.

“We have never shied away from problems, we see them as a challenge to grow and innovate, so we grab hold of them and sort them out. We did that very quickly for China and we’re now selling the new IP we developed all over the world. Those decisions we took 4 years ago have been instrumental in giving us technology that really sets us apart in meeting the much more aggressive needs of 24/7 dairying in any country.”

Dean says a lot of their success is due to their people.

“Every area of our business is full of unbelievably talented, passionate people looking for ways to improve the business. We invest in the right people, we commit to ongoing training and development and, as a consequence, we retain our people.

“New Zealand has been going through the toughest time in the dairy sector that I can remember in the last 27 years that I’ve worked in it. Prices have been below break-even for at least two years.

“We’ve been putting a lot of energy into our international business for the last 6-7 years, as a deliberate strategy to diversify and strengthen our business and to reduce our reliance on one market.



“The US is a significant and developing market for us. We set up a branch in Wisconsin in 2008 and we’ve just bought an American company which manufactures complementary technology to ours – plus it’s all-American design and manufacture. Ultimately, to be successful you have to have a blend of good ideas and respect what drives the local market. Having a distinctly American flavour to Waikato Milking Systems is going to be really valuable for us.”

And the global expansion does not stop there.

“This year we’re going to be making our first expansion into Western Europe – which is typically the main market of our major competitors. We’ve normally kept out of it; but not now!

“The business is performing exceptionally well – we’ve got technology that is unique and very practical, sophisticated and easy to use. If a farmer is actively using technology six months after they purchased it then in my view it’s valuable. It has to be robust – it should last 20 years.”

Dean says the company’s aim is to be number 3 in the world for milking systems – after DeLaval of Sweden and GEA of Germany. “Demand for our technology and systems is growing around the world; some of the European dairy industries are some of the oldest and most challenging in the world so yes, we are going to respond to, and grow, that demand right across Europe.”



MALCOLM JONES,
TE POI, WAIKATO,
MILKING 550 COWS

Family of 12

Keeping **IT IN** **THE** Family, Taking **ON THE** World



When it comes to making an impact on a global scale, how do small family-owned Kiwi firms compete with the big guys? One answer is to join forces with other similar firms, which is what 12 New Zealand wineries did 12 years ago when they formed Family of Twelve.

William Hoare, part-owner and General Manager of Fromm Winery in Blenheim and Chairman of Family of Twelve, explains what makes the collaboration work.

“Fundamentally it’s about acknowledging that we’re too small to make it on a global scale ourselves, but together we can create interest. For example, I may know 10 people in Hong Kong but when you go as Family of Twelve and we all know 10 people, that’s 120 wine writers and other people filling a room, and that creates interest. You more easily attract media just by being there.

“It’s like shouting in a crowded room. You can easily get drowned out, but together you have a louder voice,” says William.

“When we first set up, a couple of things were done really well – 1) each winery is in charge of its own sales, so Family of Twelve is a marketing group not a sales group. 2) We all pay an annual fee that can only be used in the market. It’s each winery’s responsibility to get to the market and pay for their accommodation and expenses while there.

“It means we can go and put on professional events in Hong Kong and London, for example, that we could not do by ourselves.

“We employ a PR and Brand Manager to organise events in the market for us and make sure the right messages are getting out there.”

When Family of Twelve was set up, it was all about marketing. However it has since evolved to provide other benefits.

“It’s about sharing experience and knowledge,” says William. “Everyone helps each other, to the point where you can just pick up the phone and ask one of the other wineries what a particular distributor is like to deal with. It also means you are surrounded by people doing incredible things in markets, and it raises the bar and helps inspire you.”

Another benefit of the collaboration is the research and development aspect. The viticulturists get together each year to share knowledge and experience about viticulture, stocks, climate and what works. The winemakers also get together and do trials, which can be highly valuable.



LEFT: BLAIR WALTER OF FELTON ROAD

RIGHT: PAUL DONALDSON OF PEGASUS BAY

“For example, there is a new type of Chardonnay that has been in NZ for about 6 years and we were considering whether we should grow it,” says William. “On viticulture day, two of the wineries had actually grown it and made wine out of it, so we could look at it, taste it and decide whether it would work for us. That is essentially five years’ worth of time we saved. It’s that sort of sharing that I think will make the 12 wineries stronger and stronger into the future.

“We’re also helping the younger generation coming through, looking at setting up some kind of scholarship so they can go and get some business training before they take over the family business.

“When we set up there were a lot of wineries that wanted to join, but they were corporates and that doesn’t work for us. We are all family-owned businesses; a family of families. We can sit around a table and make decisions together without having to go back to a big corporate head office somewhere. Being family-owned wineries also helps create a lot of interest, especially in Asia.”

William says he can see other collaboration opportunities within New Zealand – for example in the honey and beer sectors. “Honey is wide open for it because in a way it’s like the wine industry. You’ve got lots of little guys running around struggling to make an impact on a global scale, whereas if you

“Everyone helps each other, to the point where you can just pick up the phone and ask one of the other wineries what a particular distributor is like to deal with. ”



got 10 or 12 of them together, it could be very different.”

For those considering collaboration, William’s advice is to be very careful who you partner up with. “It took us two years to choose the right people. All around the world people have copied the concept, but they sometimes fall apart because people want different things.

“You need to be clear on what you are trying to achieve through the collaboration. Then set the funding up right so everybody understands what it’s for. For us, it’s another lever to pull and a really good way of opening doors on a global scale – doors that may not even be there when you go into these markets on your own.”

BELOW ▼ **RIGHT TO LEFT:** JAMES MILLTON OF MILLTON VINEYARDS, MATT STAFFORD OF CRAGGY RANGE, CLIVE JONES OF NAUTILUS ESTATE & TIM FINN OF NEUDORF



BELOW ▼ **LEFT TO RIGHT (BACK /STANDING):** PAUL BRAJKOVICH OF KUMEU RIVER, ANNIE MILLTON OF MILLTON VINEYARDS, CLIVE WESTON OF NAUTILUS ESTATE, AARON DRUMMOND OF CRAGGY RANGE, PIP GOODWIN OF PALLISER ESTATE, EDWARD DONALDSON OF PEGASUS BAY, PHYLL PATTIE OF ATA RANGI, NIGEL GREENING OF FELTON ROAD, TIMOTHY EVILL OF LAWSON’S DRY HILLS.
LEFT TO RIGHT (FRONT/SITTING): WILLIAM HOARE OF FROMM WINERY, JUDY FINN OF NEUDORF, SIR GEORGE FISTONICH OF VILLA MARIA.





Bobux

FROM **Baby** Steps TO **35 Countries**

In 1991, Bobux founder Chris Bennet 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 found that podiatrists in Scandinavia showed 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 also decorated them with a bear that was facing the child, rather than facing out to the world, another first. Bobux shoes were born.



“As Kiwis we are known for having good integrity, which is important when we are negotiating.”

Fast-forward 25 years and that soft sole invented by Chris is now standard in children’s shoes around the world; and 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 now, so we started relatively early on as we realised that the market in NZ is very small and if you really 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 the 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 7 years old; shoes designed with podiatrists, to make sure the child’s feet have 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%. 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 too – but the style side comes second.

“Facebook is our major social media channel; Instagram is also a good fit for sharing pictures. We do a lot testing to make sure the channels we are using are the right fit for our product and brand. In the UK a lot of the content sharing is





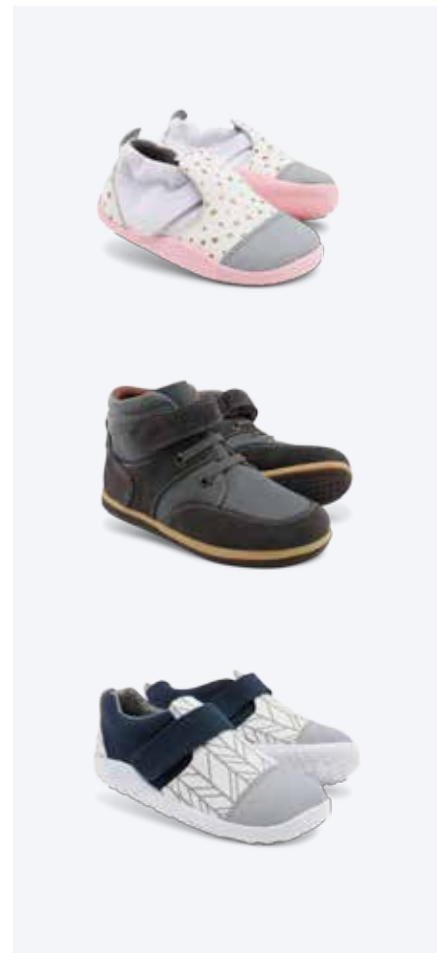
organic. In Australia it's a bit more co-ordinated and bloggers charge per article. We also have podiatrist ambassadors, all of whom do it because they believe in the product. They understand the impact that children's footwear can have."

Andrew also explains 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 growth plan around the world, 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. So it's quite fitting now that she should help take Bobux into the future.





Mercury

A Single Brand AND A Single Story

How do you meet the challenge of consolidating two big brands, creating something new that will resonate with your customers, employees and owners and setting your business up for future growth?

“You start with why you’re doing it,” says Fraser Whineray, Mercury Chief Executive, who learned a lot ‘on the job’ as he led the change that consolidated the Mighty River Power and Mercury Energy brands into a single new Mercury last year.

“It’s about far more than a new name and logo. I wanted to introduce a new focus to the business. We needed a common narrative that stood out.

“I wanted to make sure the customer could see value for the services we’re providing. Merging the two brands provided a way of getting one continuous end-to-end story from the customer, going right back to our renewable generation.”

Fraser says one of the biggest challenges in pulling this off was bringing a large number of groups together around a common proposition. This included 800



LEFT: JOAN WITHERS, CHAIR

RIGHT: FRASER WHINERAY, CHIEF EXECUTIVE



FRASER IN ONE OF MERCURY'S
ELECTRIC VEHICLES POWERED
BY HOME-GROWN ENERGY



“It’s about far more than a new name and logo. I wanted to introduce a new focus to the business. We needed a common narrative that stood out.”

employees, 90,000 owners and about 380,000 customers, plus investors and partners in the community.

“That proposition needed to be distilled to its very core. At the end of the day, we wanted everybody to see our new bee logo, understand what it stands for and how they are connected to it.

“I hadn’t been through a brand change before, which was a positive thing because it gave me objectivity and meant we had to talk widely about what we needed to get this done successfully.

“There was a healthy anticipation internally around the brand change, but as soon as we got it out there and started to get a response from customers, employees and partners, there was positive feedback which elevated the mood.

“After the change was complete, things felt completely different. We now have

much better connection and collaboration across our business.”

Insights from the experience

“There have been a lot of really neat experiences on the journey of the re-brand. They didn’t train me how to do a major re-brand when I studied chemical engineering back in Canterbury. Most of the team had never done it before either on this scale. So there was a lot of learning along the way.

“Post re-branding, personally the thing I’ve most enjoyed about being Mercury is just the simplicity of motivating a team and leading a company behind one common purpose. I’m really enjoying leading around one proposition and one brand. It just makes life so much easier!”

“What has positively surprised me is just how much impact we have seen from the

consolidation to the new Mercury brand. The feeling across the company, that comes from the alignment of everyone to a single customer-led brand and its purpose, is palpable.”

Listening to customers

The Mercury brand and logo were created as part of the evolving ambition and strategy of the business. It’s a clear sign that customers are at the heart of this business – the logo was even designed to reflect customers’ input and ideas.

“The re-brand gave the team a huge dose of humility. My expectations were completely different from where we ended up. But it wasn’t about where I thought it should be. It was about where the customers and our stakeholders thought it should be.

“So I had to listen and learn a lot through the process, as did the management team. We all had different, vigorously held views! But in the end we just kept on saying ‘Go back and ask the customer.’ That was a great anchor for our organisation.

“The bee logo came about through the process of working out the company’s purpose and mission. It’s what the customers chose and it says a lot about who we are. It’s got renewable energy in the ‘infinity symbol’ that forms its wings, it’s got antennae to listen to our customers and the environment, it’s also got some nods to Māori design with koru elements, as ultimately we’re linked to natural resources.”

Feedback since the re-brand

“The feedback since the re-brand has been really positive, and the thing that’s really touched me has been when employees take the time to write emails to me saying how much they believe in the re-brand and how strongly they now feel about being part of this company.

“From our customers, I think we now have a permanent base for a high degree of input. We said we wanted the business to be customer-centric and we’ve permanently oriented the company to be listening to what customers are saying. If we keep doing that, then it’s the source of sustenance for a strong, sustainable business.”

Tips and learnings

- Have a very clear “Why” around the brand change. You need a strong compelling reason that ties in to the business strategy, and ambitions.
- Before you start working on anything related to design and logos, get clear on the story around the business. Having a common narrative formed the platform for all the re-branding work.
- Keep going back to customers and staff to find out if they believe in the brand change. They will give you honest feedback!





For those wanting to learn about how New Zealand's policy and political process really works in relation to the business community, BusinessNZ runs the Wellington Seminar.

This is a one and a half day course led by BusinessNZ experts, business leaders, politicians and top government officials with real experience of the policy environment.

The Seminar is designed to create an understanding of the political

environment and how to engage with it to help achieve your organisation's mission. It focuses on developing executives' external influencing skills, providing participants with the ability to deepen their networks with other participants and with key people in Wellington.

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THE Wellington Seminar

Find out more at businessnz.org.nz/wellington-seminar or contact our Wellington Seminar Team:



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"We want to grow participants' understanding of how Wellington works and how they can influence policy constructively."



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