



SOCIAL MEDIA MARKETING GUIDE 2023: TRENDS, TIPS, & TIKTOK

THE BUSINESS OF
“HAPPILY EVER AFTERS”

CLIMATE RESILIENCE IS
DUE DILIGENCE

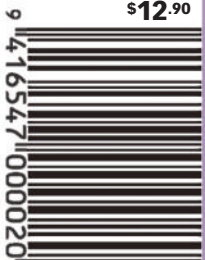
PHISHING, VISHING,
SMISHING AND BEYOND



NEW ZEALAND
Management
INSPIRING BUSINESS LEADERS



\$12.90



Grow your business with support from a Business Mentor

Business Mentors New Zealand connects business owners with one of our 1800+ experienced Mentors. Our Mentors gift their time to provide a fresh, independent perspective to help you solve business challenges and grow.



\$295 plus GST
upfront registration



Up to 12 months of
mentoring support



Mentors available in
your region or virtually,
it's up to you!



Scan using your camera to learn more!





Lead story

14 A SOCIAL MEDIA MARKETING GUIDE

You may think you have your social media strategy sussed, but it's important to remember that the playing field is constantly being shuffled. *NZBusiness* consults two leading SMM specialists for an update. [INSPIRATION](#)

14



10

Inspiration

10 MASTER OF HIS CRAFT

The brainchild of talented industrial designer Brett Band, Paceracer is an exciting new precision watch brand fusing technology and design with tradition.

12 THE FUNDRAISER'S FRIEND

Funding HQ helps build fundraising capability and capacity in an easy, cost-effective way. For founder Jenni Giblin it's the culmination of an already successful fundraising career.

People

22 CUE IMAGES AND SOUND

Post production companies, large and small, are the engine room of New Zealand's film and television industry. Meet the people behind one of the country's largest and most successful players.

24 THE BUSINESS OF "HAPPILY EVER AFTERS"

Jenni Raynish is the founder of New Zealand's only cord blood bank. The former high-profile comms and PR consultant is thoroughly enjoying her lifelong passion project.



12



20



22

CONTENTS



26



28



30



32



NEW ZEALAND
Management
INSPIRING BUSINESS LEADERS



FOCUS: IS TOMORROW ALREADY HERE?

SEVEN QUESTIONS ABOUT
CHATGPT ANSWERED

CLIMATE-RELATED
WEATHER: QUICK-FIX
DAMAGE LIMITATION IDEAS

FUTURE WORKPLACES:
SUSTAINABILITY FROM THE
OUTSET

THE PRIVACY MISTAKES
LEADERS MAKE

Features

- 20 BRINGING BACK THE DOWNTOWN SHINE**
2023 is promising to be a year of rejuvenation for Auckland's embattled central business district. Renewed optimism is definitely in the air.
- 26 MAKING TIME TO THINK**
SMEs that take on a board create time to expand their thinking, look at the big picture and take a long-term view.
- 28 WHAT SELF-PROMOTION CAN DO FOR YOUR BUSINESS**
Many business owners are missing the opportunity to stand out as media experts, and promote themselves as industry leaders.
- 30 CLIMATE RESILIENCE IS DUE DILIGENCE**
Cutting climate change action after the cyclone is like accelerating away from a crash with your wheels wobbling. Business needs better long-term leadership.
- 32 THE ROLE OF TALENT ENGAGEMENT IN CHINA EXPORT SUCCESS**
Damon Paling revisits some core principles Kiwi exporters can follow when building commercial endeavours in China.

36 PHISHING, VISHING, SMISHING AND BEYOND

If you're not taking cybersecurity seriously, you could well be the target of criminal activity.



36

Columns

- 38 EMPLOYMENT MATTERS**
- 39 CUSTOMER EXPERIENCE**
- 40 SALES & MARKETING**
- 41 THE OPTIMISER**
- 42 GUEST CONTRIBUTOR: KATHRYN SANDFORD**



GET READY TO BE INSPIRED

Welcome to the autumn edition of *NZBusiness*, which we trust you'll find both stimulating and informative. We certainly had fun, and learnt a great deal, compiling it.

This issue kicks off with two inspiring case studies. First the story of Brett Band, the industrial designer-turned-watchmaker looking to stamp his mark in what is an incredibly tough niche industry. You can't help but be impressed by his determination to succeed and by his beautiful bespoke handmade watches.

Jenni Giblin is another example of a business owner putting in the hard graft to realise a long-held dream. Getting her business off the ground has been a major test of her resolve too.

If you're needing a little assistance to get to grips with your social media marketing (SMM), you should find our lead story on that very subject useful. We were fortunate to get both Werk Agency's Robbie Lawton and Socialites' Melanie Spencer on board with this story and their key tips and advice should shine some light on what is an increasing challenging aspect of marketing.

We take a look at the fast-changing face of Auckland's CBD, which is emerging from an extremely challenging period both stronger and more resilient.

Successful business owners are almost always incredibly interesting people, and this is certainly true of Cordbank's Jenni Raynish (story on page 24) who built her business out of sheer personal frustration. Her goal is to one day see cord blood banking, like IVF treatment, become accessible for everyone.

We trust you'll gain some new knowledge and inspiration from our second quarterly edition for 2023. As always, we welcome your feedback on our content and if you have any suggestions for stories or articles in any upcoming editions of the magazine, please don't hesitate to reach out.

If you're in business already, thinking of starting a business, or perhaps you're an old hand at business ownership and you have some great advice to contribute – we'd love to hear from you!

Best regards and enjoy the read.

Glenn H Baker
editor@nzbusiness.co.nz

EDITOR
ADVERTISING MANAGER
DESIGN AND PRODUCTION
PROOFREADER
PUBLISHER
SUBSCRIPTIONS &
CIRCULATION ENQUIRIES
CONTRIBUTORS THIS ISSUE:

GLENN BAKER. EDITOR@NZBUSINESS.CO.NZ
LEANNE MOSS. LEANNE@NZBUSINESS.CO.NZ
RACHEL WALKER. DESIGN@ADRENALIN.CO.NZ
GEORGE WARD
CATHY PARKER. CATHY@ADRENALIN.CO.NZ

ANNETTE@ADRENALIN.CO.NZ
BILL BENNETT, PETE BURDON, RICHARD CONWAY,
JO DOUGLAS, ANDY KENWORTHY, DAMON PALING,
MARK RUSSELL, KATHRYN SANDFORD,
LOGAN WEDGWOOD, MAT WYLIE.

ADRENALIN PUBLISHING LTD.

PO BOX 65 092 MAIRANGI BAY, AUCKLAND 0754.
PH: 09-478 4771

NZBUSINESS IS A FOUR ISSUE MAGAZINE.
SUBSCRIPTION IN NEW ZEALAND IS \$45 (INCL GST).
PLEASE CALL US FOR OVERSEAS RATES.

COPYRIGHT:

NZBUSINESS IS COPYRIGHT AND MAY NOT BE REPRODUCED IN WHOLE OR IN PART WITHOUT THE WRITTEN PERMISSION OF THE PUBLISHER. NEITHER EDITORIAL OPINIONS EXPRESSED NOR FACTS STATED IN ADVERTISEMENTS ARE NECESSARILY AGREED TO BY THE EDITOR OR PUBLISHER OF NZBUSINESS AND, WHILST ALL EFFORTS ARE MADE TO ENSURE ACCURACY, NO RESPONSIBILITY WILL BE TAKEN BY THE PUBLISHERS FOR INACCURATE INFORMATION, OR FOR ANY CONSEQUENCES OF RELIANCE ON THIS INFORMATION.

ISSN 0113-4957 (PRINT), ISSN 2253-2765 (ONLINE)

RECENT POSTINGS AT NZBUSINESS.CO.NZ

PODCAST REVEALS SE ASIAN MARKET INSIGHTS

FOR F&B BUSINESSES EYEING UP THE SOUTHEAST AND NORTH ASIA MARKETS, A NEW PODCAST SERIES HOSTED BY CAMERON GORDON DELIVERS IMPORTANT FOOD FOR THOUGHT.



EXPORTING TO CHINA: IN IT FOR THE LONG HAUL

DAMON PALING DELVES INTO NEW ZEALAND'S EXPORT ACHIEVEMENTS IN THE CHINA MARKET FOR 2022 AND THE PROSPECTS FOR 2023.



HOW ACQUISITIONS CAN HELP YOUR BUSINESS GROW

AS THE ECONOMY HEADS INTO A RECESSION, IT MAY BE AN OPPORTUNE TIME TO CONSIDER WHETHER BUYING ANOTHER BUSINESS COULD HELP ACHIEVE YOUR SHORT- AND LONG-TERM GROWTH STRATEGIES.



www.nzbusiness.co.nz



Here come the Davids!

The countdown to the launch of The David Awards 2023 is almost over, with entries being accepted on the official website from May 1st.

The Awards, now proudly supported by Voyager, have been around since 2008 and steadily gaining in popularity. They have also helped lift the profile of some now familiar brands, including Ethique, Pure SEO, Broly Sheets, CarbonClick, Hybrid Bikes and last year's Supreme Winner The Block Dock.

Ryan Burnett, marketing lead at Voyager Internet, expressed his enthusiasm for the partnership, saying, "We are proud to support The David Awards, an event that shines a light on the accomplishments of our small business community. By sponsoring these awards, we want to celebrate the spirit of entrepreneurship and innovation that fuels New Zealand's economy."

Targeting micro, small and home-

based businesses, The David Awards is an excellent way to benchmark your business in comparison to others, as well as boost your own personal confidence and receive valuable encouragement and advice from the experienced judges.

"Small businesses in New Zealand are facing some of their most challenging times in the 15 years we've been running The David Awards," says awards founder Heather Douglas.

"But if there's one thing we've learnt it's that our entrepreneurial Davids never cease to amaze with the way they take adversity in their stride and knuckle down, pivot and if necessary stand on their heads to survive and even thrive.

"We can't wait to see this year's entries as there are bound to be some incredible stories among them, and some fantastic little businesses which deserve a spot in the limelight," she says.



2022 SUPREME DAVID AWARDS WINNER CLARE WILSON.

The Block Dock's Clare Wilson, who also won the Solo Meo Award, was pleased to report that immediately after winning the top award in 2022 she was already seeing an uptick in interest and sales because of it.

"It was a great boost," says Clare. "Confidence is one of the most important things we can have to build a great life and when things like this happen, which are magnificent, not only does it bring joy in the moment, but it cements further the confidence

that actually, I can do it."

With the entering and judging processes taking place completely online, the Davids are probably the quickest and easiest business awards to be associated with in New Zealand.

"We are thrilled to have Voyager as our principal sponsor once again," says Heather. "They have a genuine passion for the small business sector and truly 'get' where they are at."

To enter The David Awards 2023 go to www.thedavidawards.co.nz ■

Taking care of baby and business



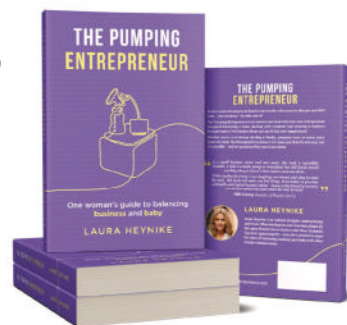
LAURA HEYNIKE.

If you think running a business is tough, try doing it with a newborn baby.

That's exactly what entrepreneur Laura Heynike did and she has written a book about it.

The founder of award-winning interior design solutions company Pocketspace, Laura prepped her business to operate for maternity leave without a senior executive team or ability to hire a nanny. Being pregnant and running a business can be a scary and daunting prospect, and for Laura this was compounded by the onset of Covid.

The Pumping Entrepreneur is an honest, raw look into how one entrepreneur navigated becoming a mum, dealing with 'pregism' and running a business through some of the toughest times our world has ever experienced.



Laura describes *The Pumping Entrepreneur* as an empowering tool that reassures other women in a similar position, not to give up or close their businesses. Its packed with tips and learnings for how to balance both your babies (human and business), including a 'how to' guide to create your own 'Maternity Proposal', so you can prepare your business for you to take a break.

For more information or to buy the book visit www.thepumpingentrepreneur.com ■



Global talent comes to talk tech

Some of the world's top innovators and business minds are descending on Auckland for "Future State" – an event which explores the driving forces behind the next era of tech innovation.

Presented by Spark Lab and Semi Permanent, the event is aimed at attracting people from emerging small businesses right through to large enterprises, and has assembled an international calibre of speakers from some of the world's most innovative

and successful companies, including adidas, Google, VICE media and more.

Spark marketing director, Matt Bain says the one-day event will deliver a series of high-impact business briefings "from amazing leaders who have pushed the boundaries and found themselves at the edge of innovation".

"We are seeing the possibilities for digital technology to enable cross-sector transformation

explode – and the speakers we've assembled will speak to the newest trends, offer practical advice and renewed approaches to innovation to drive commercial success through technological and creative development."

This first edition of the event is themed 'New Realities', and will explore the driving forces behind the next era of the Internet and unpack the challenges and opportunities of developments such as the

metaverse, data sovereignty, AI, VR, gamification and tokenisation, UX and UI design. It will be the first Future State event, with Spark Lab and Semi Permanent committing to host them annually and a smaller event also taking place in the second half of the year. ■

Future State: New Realities, 11 May at Spark Arena, Auckland. For tickets go to www.future-state.live




We're opening more doors for sustainability.

We're committed to changing our business inside and out, to become more sustainable. As an Impact Investor of the Sustainable Business Network, we're on a relentless mission to be even better for the environment. With brand-new EV charging stations, solar panels, and refill toiletry dispensers being installed at Quest Apartment Hotels across Aotearoa, our mission is already underway.

QUESTAPARTMENTS.CO.NZ





Sustainable Business Network
IMPACT INVESTOR

AS LOCAL AS YOU LIKE IT.

Loan default consequences hit home

Financial Ombudsman Susan Taylor has warned small business owners to seek advice before applying for business loans using their homes, trusts or parents' properties, as guarantees for debt.

Financial Services Complaints Limited (FSCL), a free dispute resolution service, has reported an increase in complaints over the past six months, indicating that consumers are under increasing pressure to service debt.

"As financial pressures increase, it is understandable that many may consider accessing credit through

business borrowing as a viable option," explains Taylor. "However, in addition to seeking independent legal advice, it is also important to know that the protections afforded by the CCCFA (Credit Contract and Consumer Finance Act) do not apply to family trusts or business loans. In other words, the protection only applies in instances where it is a personal loan."

Business loans are not consumer credit contacts and responsible lending obligations do not apply to business loans, even if the borrower has given security over their home, says Taylor, adding that while



consumers can apply for hardship assistance when struggling to keep up with a personal loan – and the lender is legally obligated to consider a hardship application – this is not the same for business loans.

"If small business owners are struggling, we advise that they seek the help of a financial mentor or a

business adviser. This might mean making some tough decisions, especially around the viability of a business plan, but it is better to have these conversations sooner rather than later. As you run out of time your options become fewer, debt is often significantly higher and the risk of losing assets much greater." ■

YES celebrates 40th birthday

The student-focused Young Enterprise Scheme (YES) is celebrating 40 years of helping young Kiwis become business leaders of tomorrow, and new research shows there has been a measurable social return on investment.

YES, a charity whose alumni have gone on to start up hugely successful companies such as Sharesies, Xero and Kiwibank, has

released its GoodMeasure report. It reveals the significant social value YES programmes have achieved for more than 5000 students in the past year alone.

The report shows the social value (the social impact in dollar terms that a programme achieves for participants over their lifetime) is \$2,753 for each participant. At a programme cost of \$432 per participant the measurable benefit

as a proportion of programme cost is 580 percent.

Every \$1 invested in YES results in \$5.80 of measurable social return on investment, quantifying the overall social value at \$17,965,183 for the 2021/22 financial year.

YES engages with students in 85 percent of New Zealand secondary schools through a range of programmes and classroom resources and aims to tap into their

entrepreneurial mindset by providing them with necessary tools to become effective business leaders and entrepreneurs.

YES chief excitement officer Terry Shubkin says they've always known that YES helps young people foster an entrepreneurial mindset so they can go on to become founders and world-ready. "But in addition, this report has also shown that YES participants have a reduced likelihood of risky behaviour and addiction, increased specialised skills, improved mental health, and increased academic achievement."

Nick Hyland, YES alumni and co-founder of electric scooter and bike share company Flamingo Scooters, says YES provided him a platform to test his ideas, learn from his mistakes, and grow both personally and professionally, while creating many opportunities and connections for him straight out of high school.

YES has helped more than 150,000 students since its inception and continues its ongoing focus on diversifying its programmes to ensure they are accessible, inclusive and valuable to all students. ■



RETAINING CUSTOMERS AND IMPROVING YOUR CUSTOMER REACH

In today's highly competitive business landscape, customer retention and growing your customer base are essential for the success of any organisation. Retaining existing customers is often more cost-effective than acquiring new ones, and loyal customers tend to be more profitable in the long run. At the same time, growing your customer base is crucial for expanding your business and reaching new markets.

CUSTOMER RETENTION

Customer retention keeps existing customers engaged and satisfied with your products or services.

1. Offer personalisation by addressing customers by name, make recommendations based on their previous purchases, and tailor marketing messages to their interests.
2. Support and assist customers at all stages of the buying process. Providing excellent customer service through responsive communication channels, resolving issues promptly, and going above and beyond to satisfy customers' needs can go a long way in retaining them.
3. Offer incentives to customers for repeat purchases and brand loyalty. These can include discounts, free products or services, exclusive access to events or products, and more.
4. Asking for feedback shows customers that you value their opinions and are committed to improving their experience. Feedback can be solicited through surveys, feedback forms, social media, or other channels.

ATTRACTING NEW CUSTOMERS

Growing your customer base is about expanding your reach and attracting new customers.

1. Referral programs incentivise existing customers to refer their friends and family to your business. These programs can include discounts, free products or services, or other rewards.
2. Social media platforms are a great way to reach new customers and engage with existing ones. Posting regular, engaging content on social media, running ads, and engaging with followers can help attract new customers to your business.
3. Search engine optimisation (SEO) and content marketing can help attract new customers to your website. Creating high-quality, relevant content optimised for search engines can help your website rank higher in search results and attract more traffic.
4. Partnering with other businesses can help expand your reach and attract new customers. This can include cross-promotion, co-marketing campaigns, or joint events.



5. Connect with potential customers and generate leads by attending networking and business events, and stay current with industry trends.

Whatever your business, success is determined by people including staff, customers, partners. Implementing some or all of these strategies can help a business build strong, sustainable customer relationships and achieve long term growth and success.

WHY NOT CONSIDER BARTECARD IN YOUR MARKETING MIX?

Bartercard provides a platform for reaching thousands of potential new customers, either locally, nationally, or internationally. Bartercard also helps you build relationships with other business members through networking to help you build your customer base.

You can earn reward points for introducing businesses to Bartercard. These may be businesses you want to deal with through Bartercard's cashless trading platform or those you feel would benefit from being a part of the Bartercard community.

Bartercard's bRewards program is another way to help you attract new business, win the loyalty of your existing customers, and reward you for doing so!

To find out how Bartercard and bRewards can attract new customers, win the loyalty of existing business customers, and keep more cash in your business, visit bartercard.co.nz. ■



bartercard.co.nz, 0508 227 835

Distillery calls for sustainability support

Kāpiti-based distillery The Bond Store is calling on local and central government to provide better support to small businesses innovating to reduce waste and emissions.

It says small businesses like theirs are driving much of the innovation to address climate change with little to no additional support.

The Bond Store operates a bottle recycling scheme, collecting its own used bottles from cafes, restaurants and bars, which are then sanitised,

refilled and returned to customers.

Co-founder Chris Barber says most of the innovation occurring in sustainability is being driven by business owners. “While we don’t support the now deferred container recycling scheme, it sent an important signal to consumers and showed commitment to reduce waste. As a small business, we’re getting on and doing it ourselves.”

The Bond Store is also calling on the government to address how it indexes excise tax, adjusted annually

for inflation. From 1 July 2023, it’s projected to increase by a minimum of seven percent, in line with inflation.

“Currently, distillers pay \$60.55 per litre of alcohol, and the projected increase will place additional pressure on small businesses like ours, which are also dealing with supply issues and increasing costs. Barber says that recognising initiatives like their bottle swap scheme and providing rebates for projects like this would provide immediate, much-needed relief.

“Many passionate small businesses are working hard to create jobs while tackling critical issues like sustainability. Coordinated and cohesive support for these businesses will enable them to build on the significant impact they’re already having in communities and their contribution to reducing New Zealand’s emissions and waste,” says Barber.

www.thebondstore.co.nz ■

Kiwis not so fraud savvy: study

According to new research by Visa, scammers appear to be thriving in the gap between Kiwi consumers’ awareness of the language of fraud and their actual behaviour.

The local research followed Visa’s global 2022 report *Fraudulese: The Language of Fraud*, which highlighted the most common communicative strategies used by fraudsters to find vulnerabilities among even the most tech-savvy consumers.

The new data revealed the mismatch between our perceived proficiency at spotting scams versus how many of us become victims of online fraud.

Ninety-three percent say they’re at least ‘somewhat’ knowledgeable when it comes to recognising online fraud and scams, with 51 percent of those claiming to be ‘very’ or ‘extremely’ knowledgeable. Despite this, more than one in three have been the victim of such a scam.

The survey also found that 50 percent of Kiwis are most suspicious of requests to reset passwords – compared to 41 percent across Asia-Pacific.

Twenty-seven percent of New Zealanders are also likely to act on a call to action that offers a free gift or a free gift card; and 24



percent said they would react to digital communications posing as ‘urgent’.

“Understanding the language of fraud is increasingly essential in our digital-first world. While our new study demonstrates that Kiwi consumers are savvy when it comes to

spotting signs of fraud in our emails, texts and messages, scammers have reached new heights of sophistication,” said a Visa spokesperson. ■



One point of contact for your national signage

Having to coordinate a brand refresh with each of your branch managers and individual sign companies can be a real nightmare. Speedy Signs is a nationwide network of sign experts and we can take care of everything from design to installation, including your job project management.

We use state-of-the-art technology to create impactful, quality sign solutions for your business. And with one point of contact, your brand maintains consistency and integrity, with no surprises. Simply pure, powerful brand recognition right throughout New Zealand.



Take a load off. Call Speedy Signs today.
0800 SPEEDY speedysigns.co.nz



Speedy Signs
grow your business faster

MASTER OF HIS CRAFT

BY EDITOR GLENN BAKER

THE BRAINCHILD OF TALENTED INDUSTRIAL DESIGNER BRETT BAND, PACERACER IS AN EXCITING NEW PRECISION WATCH BRAND FUSING TECHNOLOGY AND DESIGN WITH TRADITION.



Tucked away amongst the alleyways of Auckland's Victoria Park Market

commercial precinct there is an enthusiastic industrial designer-turned-watchmaker who is adding a technology twist to an age-old traditional handcraft.

Brett Band's personal journey behind his watchmaking business Paceracer¹ has involved numerous twists and turns, but in 2023 he is well on the way to realising his professional dream.

The son of a talented dressmaker and a bridge engineer, Brett has worked with a number of New Zealand's leading industrial brands, including Methven and Blender, and across a variety of sectors. He lectures in industrial design technology, CAD and 3D-modelling at AUT, and has also enjoyed a successful career as a professional skateboarder.

While nurturing his appreciation for manufacturing and materials Brett also grew what he admits to

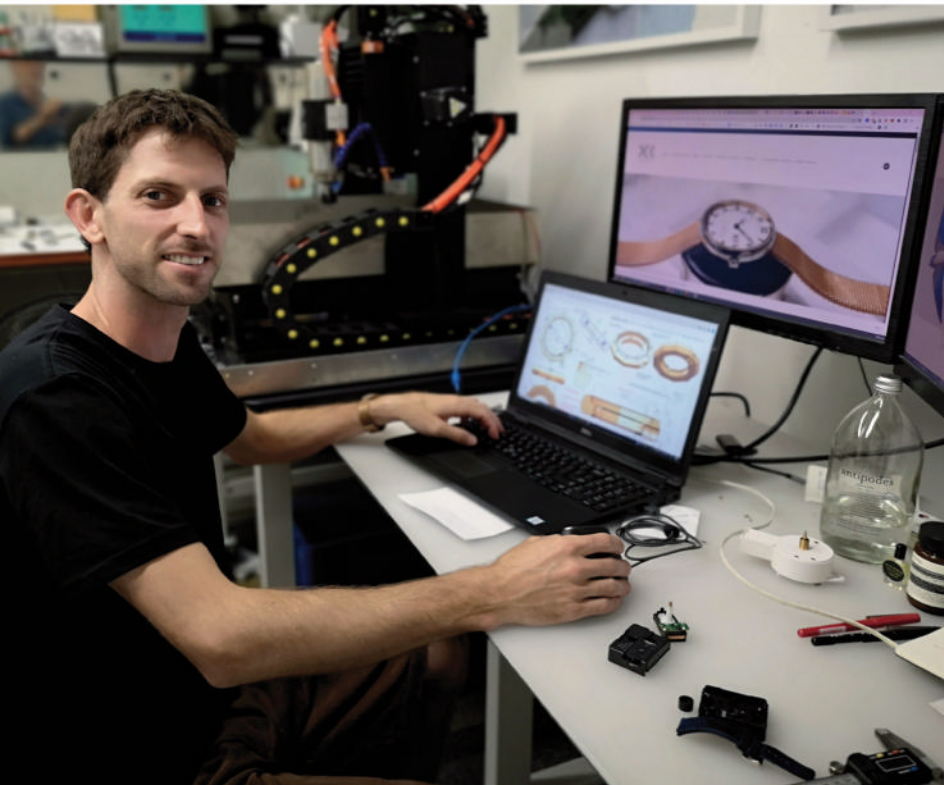
being "an odd obsession with vintage watches". After initially working out of a backyard garage, he decided it was time to open his retail workshop to make the client experience more appealing. He received copious amounts of encouragement, in particular from Alex Bunnett, a leading Queen Street jeweller who saw the potential in what he was doing.

In 2017 Brett put the finishing touches to some samples, designed his logo and registered Paceracer as a company.

After navigating the pandemic's disruptions, today he's focused on custom-building superbly designed and engineered designer watches for men and women, and satisfying the desires and preferences of his customers.

The precision mechanisms, which Brett has long held a fascination for, are sourced from Switzerland and openly on display as an integral part of the design. The casings are water-proof to a depth of 60 metres and totally bespoke. This is where Brett's CNC machining skills and passion for detail comes to the fore. Not to mention, the insights and lessons

¹ Inspired by an event known as a 'pace race', where the objective is not to finish the fastest, but to finish in the best condition.



he picked up from his time spent working for his previous employers.

Initially Brett drummed up some interest and subsequent pre-orders through a friend's skateboarding, snowboarding and surfing magazine. He has also been spurred on by the increasing number of highly satisfied customers, which inevitably leads to further commissions.

"Putting more time and more savings from my day job into developing Paceracer quickly became a no-brainer," he says.

HIGHLIGHTS AND LESSONS

Asked to name the absolute highlights of his business journey so far, like a true craftsman Brett admits it's seeing the watches on his clients' wrists.

"I love working with clients and hearing their stories; then bringing those stories to life in a watch," he explains.



Brett has learned that in business it's important not to believe the hype; to always keep a level head, and when making decisions analyse things from different perspectives.

"When making important decisions I've learnt to decide by a measurement of asking: will it make a difference in two to three days? In two to three months? And two to three years?"

The true value of decisions comes into play by asking 'is it short-term thinking? Or long-term?' he says.

He also believes that people will respect and support what you do for longer if you just be yourself and stick to your guns.

He's not alone either in saying that the past three years have been an incredible test of patience for business start-ups like his. He says with hindsight he would have put less pressure on himself during those huge roadblocks and delays caused by covid.

Brett realises it took him a while to

fully understand the value people give to something that has been created especially for them. He believes valuing this niche of creating bespoke mechanical watches more personally is his big takeaway from Paceracer.

"However, it would have been good to celebrate some of the small wins amongst all the tough challenges," he admits.

THE JOURNEY AHEAD

Running a business is similar to immersing yourself in a sport, says Brett. "It's not a race you'll finish – you're on a journey, and at every corner you must figure out the way forward.

"You'll meet new people, and by taking things seriously and not expecting the fruits of your labours too soon, people will either help you or you'll learn for yourself what to do next."

The biggest thing is to never get big-headed, he says. "There is so much to learn about business, and about yourself, and it never stops."

Looking ahead over the next two to three years, as well as turning a profit, Brett's keen to develop in-house precision manufacturing

of precious metals for his bespoke watches.

By introducing precious metals, it immediately increases the inherent value of each watch.

"In New Zealand jewellery manufacturing is well established, but the methods used to make jewellery don't enable the accuracy required for building a watch," he explains.

Due to clients' requests, he has already made the necessary investments.

As for Paceracer's non-custom-built offering, Brett will focus on building brand awareness around two ranges in 2023, which can be achieved through key partnerships or broadening the watches' appeal to a wider range of customers.

"The plan is to keep building brand awareness and trust, and make the watches appealing enough to be passed down from generation to generation," he says.

"The beauty of a mechanical watch is its quality and its ability to essentially outlast the person who bought it.

"The sentimentality is so powerful and I believe more people should know about it," says Brett. ■

THE FUNDRAISER'S FRIEND

BY EDITOR **GLENN BAKER**



FUNDING HQ IS A PLATFORM HELPING PEOPLE BUILD FUNDRAISING CAPABILITY AND CAPACITY IN AN EASY, COST-EFFECTIVE WAY. FOR ITS PASSIONATE FOUNDER JENNI GIBLIN IT'S THE CULMINATION OF AN ALREADY HIGHLY SUCCESSFUL FUNDRAISING CAREER.

Jenni Giblin is a born fundraiser, and a hard worker. Based out of her family sheep and beef farm near Waipukurau in Hawke's Bay she's been working 60-hour weeks to build her startup business Funding HQ – and that effort is already paying off in satisfied members and fundraising results.

Using a SaaS (Software as a Service) monthly subscription model, Funding HQ offers end-to-end fundraising support across a wide range of funding streams and for a diverse client base.

The online platform ensures charities and organisations can successfully build their own fundraising capability. It helps them to become 'funder ready', and thinking strategically about the outcomes they're delivering in their communities and what their compelling case for investment is.

It's all about providing the 'why' – why they would make an ideal partnership for potential funders.

"We then coach and support our members to develop a diversified

funding plan," Jenni explains, "where they look for a range of funding partners across central and local government, corporates and businesses, philanthropists, trusts and community fundraising initiatives."

She has a team of people at Funding HQ with successful fundraising experience. "They understand the challenges and frustrations that our members face but have the energy and expertise to provide quality support and advice."

For the mother of five, Funding HQ has been her destiny. Generating funding is in Jenni's blood. Her first taste came while helping Hastings Mayor Lawrence Yule raise \$7.5 million in external funding for the Hawke's Bay Opera House in 2005. That was followed by a Napier city council contract to secure funding for a new stand at McLean Park.

After securing more than \$175 million in funding over 16 years for projects across the country, and seeing first-hand the large number of organisations struggling to secure funding and unable to afford the assistance of a large consultancy,

it was time to put her experience to work and launch Funding HQ.

"I wanted to help build fundraising capability and capacity in a way that was accessible and cost-effective," Jenni explains, "so that a wider range of organisations could learn how to access funding efficiently and remain financially viable."

She believes New Zealand's funding landscape is uneven, with a large proportion of funds distributed to just a small number of charities. This is because they have the internal resources to access funds and look after their partners.

"Unfortunately it means that up to 90 percent of New Zealand charities really struggle to access funds. Many Māori, Pasifika and ethnic minority organisations also struggle year-on-year to access funding and this needs to change.

"Fundraisers are often volunteers or part-timers too, and they don't have time to go out and seek funding, and it does take time."

There's no doubt that Covid-19 also impacted fundraising in this country, says Jenni, quickly exhausting central government funds. And with a recession looming, funding from corporates and businesses is expected to reduce too.

Add to this the fact that the charity sector is one of the fastest growing sectors out there, and you realise that there has never been a more appropriate time for a service provider such as Funding HQ.

GETTING OFF THE GROUND

Like any new start-up, a limited availability of finance means Jenni has been "living on the smell of an oily rag" and allocating all her resources into the business. It's a platform-based business that has required a lot of development investment, and yes, again like many businesses, getting it off the ground has taken longer and cost more than originally planned.

While Jenni already has clients nationwide and a team around her, the business journey has taken three years so far. When *NZBusiness* caught up with her earlier this year she was about to launch and self-fund her first official marketing campaign, and was looking for investors to get on board.

The official launch of the Funding HQ platform was in February, followed by the opening of a specific arts, culture and heritage website portal in March, funded by the Ministry. There is also a sports portal under development.

The long-term goal is to have specific funding information catering for the needs of every sector, including arts, sports, social services, schools and environmental organisations.

Funding HQ is all about how to develop a compelling case for funds, teaching members to cross the various streams of fundraising (central and local government, corporate partnerships, trusts) and then measuring the success and impacts.

FUNDAMENTALS OF FUNDING

Funding HQ is about teaching charities, including Māori and Pasifika, to think commercially around funding relationships, explains Jenni, and to aim for long-term, sustainable partnerships.

"So what does the relationship, and the partnership, look like? And if you're a charity receiving funding from a corporate, what are you going to offer that corporate in return?"

"It's far from just saying 'here's \$10k, see you next year.'"

Looking at the relationship from the corporate's point of view is another speciality of Jenni's. "It's not about just handing over money – the partnership also needs to work for the funder as well. What's in it for them?"

"Remember, the people responsible must go back to their

shareholders and be accountable about that investment and explain the impact it has for the company.

"It all has to be much more commercial," she explains. "And that's what having a really good two-way partnership is all about."

Looking ahead, Jenni has big business goals, with plans to expand across the Tasman and to work

closer with funders on how they can eliminate the bureaucracy and accentuate efficiencies around the distribution of funding. ■

JENNI'S ADVICE FOR FUNDRAISERS

New Zealand's voluntary charitable sector plays a vital role in keeping the country functioning. It's encouraging to note that since covid there have been more organisations looking to support new, emerging charities. However, Jenni predicts the brakes will go on with the arrival of a recession.

Her key tips for fundraisers is to:

- Really look after your existing partners. "Demonstrate the

impact they're having on your organisation, and inform them of the impact you're having on theirs."

- Have a diversified funding plan. "The days of just relying on a Gaming Trust or local Council are over."
- Be clear on your 'Why'. "Why should someone invest in you? Have a strong alignment and be clear on what you're delivering on."

JENNI'S ADVICE FOR FUNDERS

- Look at your activations. How are you making your investment for the charity work for your business?
- Think beyond the financial transaction. What can you be doing to collaborate? How can the charity help drive their audience or users back into your business?
- Check that there is a strong alignment and a level of activation around any investment you make.
- Ensure you can measure the impact of your investment in the charity. Let your owners and shareholders know that you can account for every dollar spent into the charity.

Social media marketing GUIDE 2023



YOU MAY THINK YOU HAVE YOUR SOCIAL MEDIA STRATEGY SUSSSED, BUT IT'S IMPORTANT TO REMEMBER THAT THE PLAYING FIELD IS CONSTANTLY BEING SHUFFLED. NZBUSINESS CONSULTED TWO LEADING SMM SPECIALISTS FOR AN UPDATE.



Let's begin with an interesting statistic. In January 2023 there were 4.76 billion social media users worldwide¹. That is almost 60 percent of the global population.

If you're still making excuses about seriously getting on board with social media marketing – while you hesitate, your business competitors are gaining the advantage.

There is a new wave swooping down on all of us, and faster than we all believe, explains Melanie Spencer, Group CEO of Socialites,

¹ <https://www.statista.com>



MELANIE SPENCER.

an Auckland-based full-service social media agency.

"If you think about the speed at which social media took on a new shape during Covid, we ain't seen anything yet," she says.

"New technologies and trends are poised to have a significant impact on the way people use these platforms.

"In the coming years, with AI, Virtual Reality, the Metaverse, and influencer marketing, building stronger communities and customer service on social media are likely to become critical components of the social media landscape," Melanie continues, "but this doesn't mean a big scary world for a small-to-medium sized business as there're some really easy steps to take to get started, be successful and be cost effective." (See sidebox next page.)

APPROACH FOR BEGINNERS

If you're a new business launching in 2023, first things first. Begin by working on your brand and engagement strategy.

Robbie Lawton, co-founder and marketing director of Werk Agency, a Wellington-based brand, web, content and digital marketing specialist, says this means instead of blasting out a bunch of paid ads and expecting go

CASE STUDY: FLIGHT COFFEE CAMPAIGN TAKES OFF



A multi-channel marketing campaign across Facebook, Instagram, TikTok and LinkedIn for Flight Coffee in 2022 resulted in a bigger customer base and repeat business.

For the client it was about starting a long-term relationship with customers, says Robbie Lawton (pictured).

"Flight Coffee was able to educate its audience on why speciality coffee can improve your work from home and mornings.

"This was done by integrating social ads with email, marketing, a great website and remarketing ads that continued to tell the story.

"When social media advertising works as part of the whole customer experience you can create a dynamic customer base, rather than just focusing on that first transaction."

Robbie believes the best social media campaigns are ones that are part of a wider ecosystem. "Don't just blast out ads. How do your social media ads showcase your product or service, brand, story and values? How does it provoke engagement from potential customers? And what happens when they click on the ad? Are you focusing on just getting a sale or starting a relationship with a new customer who will continue to purchase your product?"

from zero revenue to massive profit, focus first on organic tactics to boost your current sales channels, which could be anything from a market stall, wholesale network or selling organically through a subculture or niche.

"All you'll need is to spend just a little amount of budget boosting key posts. If you are a B2B business this means focusing on platforms like LinkedIn, building your personal brand and bringing in leads that way," he says.

"If you are a D2C business, platforms like TikTok are great for getting a lot of reach."

The key is making content for your

demographic and joining in with the trends they relate to, Robbie says. "If your business profile is optimised it will lead curious engagers to check out your products and website. You can also build a big following on TikTok by putting spend behind key posts to make sure the right people see you."

Once you've demonstrated product, audience and market fit through organic tactics and your online monthly revenue is at a 20-30k-plus threshold, then Robbie suggests using this revenue to create



BusinessCentral part of the BusinessNZ Network BusinessNZ

HEALTH AND SAFETY ROADSHOW

15-31 May #Vulnerability&Risk

SPONSORED BY



SCAN FOR FURTHER INFORMATION

7 KEY STEPS FOR A POWERFUL, EFFECTIVE SOCIAL MEDIA STRATEGY

1. Define your goals.

What do you want to achieve through your social media presence? Do you want to increase brand awareness, drive website traffic, generate leads, or improve customer engagement? Also, think of the journey your audience needs to take to make the purchase. Remember, you wouldn't ask someone to marry you on your first date. You need to build trust, attraction and a kinship before you're on bended knee, and this is the same with your audience on social media.

2. Know your audience.

Understand who your target audience is and where they are active on social media. Consider factors such as age, gender, interests, and buying habits to help you determine the platforms most relevant for your business. This will help you choose the right platforms to focus on and tailor your content to their interests.

3. Choose the right platforms.

With so many social media platforms available, it's important to choose the ones most relevant for your business. For example, if you're a B2B company, LinkedIn might be the most effective platform for reaching your target audience. On the other hand, if you're a B2C, then Meta, TikTok or Pinterest may be a better fit. Consider your audience, goals, and resources. But don't try and be on all platforms at once if resources are limited.

4. Develop a content strategy.

Determine what type of content you want to share on social media and how often you want to post. Create a content calendar to help you stay organised and ensure that you have a steady stream of content to share. Organise your content in pillars throughout the week. Think Hero (big tentpole moments to raise awareness); Hub (regularly scheduled push content designed for your prime prospects); Hygiene ('pull' content designed for your core target audience).

5. Your community is everything.

Put them at the heart of everything you do. Engage with your followers. Remember social media is a two-way conversation. This means responding to comments and messages, sharing user-generated content, and engaging with other businesses and individuals in your industry.

6. Data is everything.

It should inform your business at all levels – from the content you put out; who your audience actually is, as well as making larger strategic business decisions. Monitoring your progress is critical. Use analytics to track your progress and measure the impact of your social media activities. This will help you see what is, and isn't, working and make data-driven decisions about your strategy moving forward.

7. Stay up to date.

Social media is constantly evolving, so stay informed about the latest trends and changes in the platforms you use. Experiment with new features and strategies, and be willing to adapt your approach.

Source: Socialites



financially stable ad campaigns to grow your customer base.

INFLUENCERS AND AMBASSADORS

You often hear about their exploits for various brands, and 2023 could be a good time to test one in your marketing strategy. Influencer and content creator marketing is a cost-effective way to not only create powerful and engaging content but also leverage larger communities, explains Melanie.

"With 61 percent of consumers trusting influencer recommendations compared to 38 percent trusting branded social media content, the proof is in the pudding," she says.

It's interesting to note that:

- Businesses make \$5.20 for every \$1 spent on influencer marketing.
- 63 percent of marketers intend to increase their influencer marketing budget in the next year.
- 51 percent of marketers say influencer marketing helps them

acquire better customers.

- Marketers find that influencer-generated content receives an average of eight-times more engagement than branded content.

"The numbers stack up and the industry is booming," says Melanie. "It will continue to grow as users become more engaged with influencer communities and seek out recommendations from people they trust."

You will also start to see influencers feature across alternate channels, she adds. "Think of influencers popping up on traditional channels and as stars of their own shows."

Melanie believes social media and influencer marketing is an essential tool for small businesses looking to reach and engage with their target audience. The key is to develop an effective social media strategy that helps you achieve your goals and grow your business, she says.

"Remember to be patient and



5 COMMON SMM MISTAKES

1. Treating social media as a broadcast, not a relationship.

Social media is a two-way street – not just ‘posting’ and expecting a hoard of loyal fans to start showing up. It’s important to interact with your audience, follow other accounts and learn about what people want, and show them some love. Often I see people just lurking and wanting the Internet to come to them.

2. Making content that’s self-serving and not putting the audience first.

You are competing for attention, so make content for social media that’s relevant to potential customers who’re constantly scrolling through entertaining, educational and interest-based content. If you don’t make content that resembles this, your ideal customers will keep scrolling. Simply posting pretty pictures of your products no longer does the trick.

3. Not posting enough.

Post regularly. Identify what works and what doesn’t. Once you’ve honed your voice and style of content you must then stay top of mind. Regular posts will help you

stay in the conversation and keep your audience warm for when you have a new announcement or product launch.

4. Only using a single platform.

It’s good to find the platform you’re most comfortable with. Start there and get something good going. But once you’ve got this nailed, get across other platforms too, as there are different types of people to engage with on each platform. This helps protect you from being too dependent on one platform (in case there is an algorithm change or it becomes a stale platform).

5. Not having a solid paid social strategy.

Although great content and jumping trends can help you reach beyond your current audience, this will only get you so far, especially while you wait for that viral video to get big! So, running an engagement campaign or boosting a post will help you get to who you want to reach, and to target. Remember, set some budget aside to help boost your social media growth.

Source: Robbie Lawton, Werk Agency.

persistent, be willing to experiment and adjust your strategy as needed. With the right approach, social media can be an incredibly powerful tool for small businesses.”

TIKTOK THE ONE TO WATCH

In 2023 TikTok continues to be the star platform for marketers. It isn’t strictly social media, more an entertainment platform. And while it was initially adopted by teens, it has steadily gained a broad and diverse user base – a prime e-platform for brands seeking the attention of millennials and Gen Z.

Robbie Lawton calls it “super-intuitive and user-friendly,” and the best value for money for businesses wanting to advertise directly to consumers. “It has the most authentic engagement and its audience insights are only getting better,” he says. “TikTok are building out a comprehensive ad platform that will help you get in front of the people you most want to talk to.”

His advice for business owners is to spend time getting to understand how the platform works and feels to use. “The medium is the message, and if you want to get your message across you need to understand how people now experience information,” Robbie explains.

“TikTok right now is a great platform to start running ads. If you haven’t already, sign up for a business account and you will see all the great opportunities for creating ads to showcase your business. It’s not just young people on there either, and there are different demographics and niches all represented.”

He says from a creative perspective, you can access the TikTok Creative Centre to view all of the trending videos and hashtags to research what video might work best for your ads. Then you can get started shooting your first videos in a trending style.

“Getting good at this process early will help you create high-performing

ads that will help grow your business faster,” says Robbie.

THE WAY FORWARD

In 2023 social media marketing is continuing to adjust to real-world trends.

For example, vertical video¹ is here to stay, says Robbie. “Gone are the pretty pictures and press shots. Now it’s about engaging video content that looks and feels like all the other content that people are watching online.

“The beauty of this is you can now use that elevator pitch for your product right there in the ad itself. Just find a clear, succinct way that your product or service can help your audience.

“Try a range of different styles and formats. For example, you could even act out a skit to illustrate the most relatable way your product helps your audience.”

¹ A video created either by a camera or computer that is intended for viewing in portrait mode.

It’s important that your social media ads help build a customer base. “So, look at your website. Is it consistent with your messaging on your ads? Are you also building an email database to keep the conversation going?

“If you can build a marketing ecosystem for your business your customers will keep coming back for more. They will look out for your next post, email, or go on your website to check for regular blog updates.” ■





KIWI INVESTORS LATCH ON TO REAL BENEFITS OF NEW FOUNDATION SERIES FUNDS.

L launched late 2022, the two newest additions to the InvestNow Foundation Series Funds are a big hit with Kiwi investors, especially for those focused on long-term returns.

The new Foundation Series US 500 and Total World Funds – both invested through index funds management pioneer, Vanguard – bring a popular flavour to the InvestNow house-brand product range that began in 2020 with a suite of diversified solutions.

InvestNow created the Foundation Series Funds to help Kiwis achieve their investment goals more effectively by using some of the most cost- and tax-efficient vehicles in the market.

Unlike some offshore investments, the Foundation Series products are constructed to institutional-grade tax-efficiency standards, meaning more money in the pockets of Kiwi investors and less 'donated' to foreign governments.

And in keeping with that tradition, the two new funds now offer the most compelling way for Kiwi investors to gain access to broadly diversified global share markets based on three key attributes:

- Underlying investment manager, Vanguard, is one of the most highly respected investment firms in the world;
- Incredibly low management fees of 0.03 percent and 0.07 percent per annum for the Foundation Series US 500 and Total World Fund, respectively; plus,
- As Portfolio Investment Entity (PIE) funds both products are only taxed at the individual investor's Prescribed Investor Rate (PIR), meaning tax is capped at 28 percent which is favourable for those investors on Resident Withholding Tax (RWT) rates of 39 percent, 33 percent or 30 percent.

VANGUARD – LEADING GLOBAL INVESTMENT HOUSE

The two new funds provide investors with direct exposure to two of the most popular Exchange-Traded Funds (ETFs) offered by Vanguard – now the second-largest investment firm in the world with more than 7 trillion USD under management.

NZ investors have shown a real passion for investing in growth funds (or those weighted towards shares), particularly via the passive Vanguard vehicles that follow US and global markets, which the Foundation Series Funds invest into:

- The Foundation Series US 500 Fund aims to generate long-run returns by allocating to the Vanguard 500 Index Fund ETF (Ticker: VOO), which in turn invests in shares of the largest listed companies in the United States.
- The Foundation Series Total World Fund targets long-term returns by investing in the Vanguard Total World Stock ETF (Ticker: VT), a broad listed global index fund that houses thousands of large, mid and small capitalisation stocks from both developed and emerging share markets.

INCREDIBLY LOW MANAGEMENT FEES

Costing just 0.03 percent and 0.07 percent in annual management charges, respectively, the Foundation Series US 500 and Total World Funds feature some of the lowest management fees in the entire NZ PIE fund market. For example, other Vanguard funds on InvestNow have management fees set three- to six-times higher – despite investing into the same underlying ETFs and stocks.

The Foundation Series US 500 and Total World Funds do include one-off transaction fees of 0.50 percent for each buy order (entry fee) and each sell order (exit fee), which enables InvestNow to keep the annual management costs so low for the benefit of long-term investors.

Investors who stand to gain the most from this fee arrangement are those who adopt a long-term buy and hold strategy.

REAL-WORLD TAX BENEFITS

PIEs can increase investor returns by up to 0.55 percent per annum by tax-efficiencies alone. Multi-rate PIE funds like the Foundation Series Funds have a maximum tax rate of 28 percent; by contrast, Kiwi investors who buy Vanguard Australian unit trust funds on InvestNow or in the

same Vanguard ETFs via share brokers or other platforms will be taxed at their RWT rate, which can be as high as 39 percent. This results in Foundation Series Fund investors on 39 percent tax rates paying nearly a third less tax in any year where they are taxed using the Fair Dividend Rate methodology.

Furthermore, PIE tax is a final payment, so no more administration hassles such as filing an annual tax return – a situation that many investors face when they invest directly in global shares using broker platforms, or offshore domiciled funds like the Vanguard Australian unit trusts available on InvestNow.

DO THE MATHS

We think the combination of low management fees, one-off transaction fees and the PIE tax incentive make the new Vanguard-powered Foundation Series Funds a no-brainer for long-term investors, especially those investors on 39 percent or 33 percent marginal tax rates.

Let's consider the example of one investor, Joe.

Joe is on a 39 percent RWT, a 28 percent PIR and wants to invest a lump sum of \$100,000 in the Foundation Series US 500 Fund.

Assuming no additional investments or withdrawals over the period and an annual gross return from the underlying ETF of nine percent per annum, which includes two percent in annual dividends, we can calculate what Joe's portfolio can look like in 10 years' time. The table below compares the different index funds that are available to Kiwi investors on the InvestNow platform and other similar platforms.

S&P 500 Comparison	10-Yr Portfolio Value
Initial Lump Sum Investment	\$100,000.00
Marginal Tax Rate	39%
Foundation Series US 500 Fund (via InvestNow)	\$205,337.05
Kernal S&P 500 Fund	\$202,142.75
Smartshares US 500 ETF (via InvestNow)	\$200,921.90
Smartshares US 500 ETF (via Sharesies)	\$200,497.52
Vanguard S&P 500 ETF (via Interactive Brokers)	\$196,799.92
Vanguard S&P 500 ETF (via Hatch)	\$194,650.01
Vanguard S&P 500 ETF (via Sharesies)	\$194,579.53
Vanguard S&P 500 ETF (via Stake)	\$192,673.50

Portfolio values are at the end of 10 year period net of all costs, including tax, foreign exchange fees, brokerage, spreads, and any account or transaction fees.

Based on the assumptions used in the table above, the Foundation Series US 500 Fund provides Joe with clearly superior returns over the long term that are almost 14 percent* greater in dollar terms compared to the worst performing option that – remember – invests in exactly the same underlying basket of shares.

Of course, the Joe example is for illustrative purposes only: investors should take into consideration other individual factors when making investment decisions; guidance from a professional financial adviser is recommended.

The InvestNow Foundation Series US 500 and Total World Funds represent two of the most competitive options for NZ long-term investors

“INVESTNOW
CREATED THE
FOUNDATION SERIES
FUNDS TO HELP KIWIS
ACHIEVE
THEIR INVESTMENT
GOALS MORE
EFFECTIVELY.”

seeking a low-cost, tax-efficient exposure to global markets, especially for those investors on higher marginal tax rates who have more than \$50,000 invested in global shares .

THE KEY TAKEAWAYS

The Foundation Series US 500 and Total World Funds offer investors:

- Exposure to popular underlying Vanguard ETFs namely the Vanguard 500 Index Fund ETF (VOO) and the Vanguard Total World Stock ETF (VT).
- Super-low management fees.
- Lower tax rates (capped at 28 percent), reflecting these are PIE funds.
- No tax returns required, reflecting that PIE is a final tax.
- One-off transaction fees of 0.50 percent on each buy and sell order.

To learn more please visit

www.investnow.co.nz/dothemaths/
or contact InvestNow on 0800 499 466
or at contact@investnow.co.nz ■

*Taking into account that Joe's original investment of \$100,000 does not form part of the “return”.

Implemented Investment Solution Limited (IIS) is the issuer of the InvestNow Foundation Series Funds. For a Product Disclosure Statement please visit www.investnow.co.nz/fund-foundation-series/

Neither IIS nor any other party guarantees the return assumptions used in the table above.



BY EDITOR **GLENN BAKER**

BRINGING BACK THE DOWNTOWN SHINE

DESPITE COVID'S THREE-YEAR ASSAULT ON THE FORTUNES OF AUCKLAND'S CBD BUSINESSES AND SEVERAL ROUNDS OF DESTRUCTIVE WEATHER, 2023 IS PROMISING TO BE A YEAR OF REJUVENATION FOR THE EMBATTLED CITY CENTRE. RENEWED OPTIMISM IS DEFINITELY IN THE AIR.

Before Covid came along to test us in 2020, many would argue that the gloss had already departed the City of Sails' CBD. However, now the pandemic's cloud has lifted, a new, clearer and brighter picture of the city centre's future is becoming evident.

"Optimistic" is how Viv Beck, Heart of the City's chief executive, describes the mood amongst businesses.

"Despite the immediate economic pressures that businesses are facing, we are buoyed by positive leasing and ongoing investment, which

demonstrates confidence in the future.

"Overall spending has been tracking up since the border reopened. The December 2022 quarter was 85 percent of the same quarter in 2019 and spending in December was 91 percent of December 2019."

Beck says the biggest misunderstanding in the media has been that the city centre's future as a central place of work is under threat, and that generally it's shine has worn off.

"In reality, there is very good demand for quality commercial

spaces, and we continue to hear about businesses wanting to bring their teams to the city – for the amenities, transport connections and general buzz."

Beck is also buoyed by the diverse range of events and activations scheduled for Auckland, and the amount of public and private investment that is continuing to be poured into the CBD – particularly in the waterfront and midtown areas being regenerated by the Auckland Council group, in anticipation of the completion of the City Rail Link (CRL).

"The CRL will create a more

connected place to do business and bring more people here," she adds. "Investment in the city centre will continue to create an increasingly attractive place, and construction will become less prominent and disruptive as the CRL is completed."

ATTRACTING LEADING RETAILERS

Big retail brands are putting their money where their mouth is over the revitalised CBD.

Partridge Jewellers is so confident of the main strip's pulling power on shoppers, particularly since the Lower Queen Street redevelopment, that it



one of this country's favourite music stores, Real Groovy, to the Midtown quarter.

Opening in late January this iconic brand's new store reflects its non-conformity, philosophy and passion.

Managing director Chris Hart says they could see that the area would become a thriving shopping precinct when the CRL was completed. "And right now, rents are realistic, which made it an attractive proposition.

"We've long believed that there needs to be an easily accessible space for independent, locally owned specialist and boutique stores: the kind that enriches the fabric of a vital metropolis," he says.

"The proximity of this site to what may be the busiest portal of the busiest station in the country was compelling. When we started looking in September, pedestrian traffic was double that of our previous location and in the last six months it's doubled again."

Hart's message to customers coming into Auckland's central city is that, while there will continue to be disruption for some time yet, the end result will definitely justify the means.

"The city centre in general, and Midtown in particular, has a bright future." ■

recently opened its third store there.

Madeline Saxton-Beer, their marketing and communications manager says it was the continued investment from global luxury brands in lower Queen Street that convinced them. And they wanted to ensure their brand's place in the street's future.

With the return of cruise ships to Auckland, she says even though tourism plays a limited part in the business, they're fortunate that many of the brands carried by Partridge Jewellers are sought after on an international level.

"We have been operating on Queen Street for more than 20 years and have developed a strong clientele from the local market thanks to our existing stores," explains Saxton-Beer. "We're excited to count ourselves as a New Zealand, sixth-generation, family-owned business whose name sits comfortably amongst some of world's biggest in luxury retail. We will continue to deliver an exceptional luxury experience in our own, local way."

At 131 Queen Street, Australian-based SC Luxury has also joined the growing cluster of luxury brand shops in the redeveloped section of Auckland's city centre. Owner and ex-Auckland Ian Cavit has been impressed by the improvements to the harbour/downtown area too.

"Developments around the Viaduct Basin, Britomart, Commercial

Bay, Lower Queen Street and on the old CPO site are world-class and Aucklanders should be proud of them," he says. "They've given downtown Auckland a lot of soul which in turn has attracted restaurants, cafes, luxury hotels and retail outlets.

"It's exciting. I see this area being a focal point of international standards."

Cavit says the opportunity to tenant the original iconic Milne & Choyce building, which has been given a complete restoration, was too tempting to pass up.

"We are surrounded by other

luxury shops and galleries and have great exposure. It's also good to be different."

MEANWHILE MIDTOWN

With the revitalisation of downtown Auckland, Wynyard Quarter and Karangahape Road almost complete, attention is now focusing on midtown Auckland. With shovels almost in the ground this year, Victoria Street is destined to become a tree-lined avenue or 'Linear Park' called Te Hā Noa by the end of 2024, complete with new public spaces and infrastructure.

All this revitalisation has attracted



CUE IMAGES AND SOUND

POST PRODUCTION COMPANIES, LARGE AND SMALL, ARE THE ENGINE ROOM OF NEW ZEALAND'S FILM AND TELEVISION INDUSTRY. NZBUSINESS PROFILES ONE OF THE COUNTRY'S LARGEST AND MOST SUCCESSFUL PLAYERS.

Auckland-based Images & Sound has long been a stalwart of New Zealand's local film and television post production world.

While you may not know the name, you will certainly recognise many of the programmes the company has worked on – such as Season 1 of Amazon Prime's *Lord of the Rings: The Rings of Power*, Jane Campion's *Power of the Dog*, the Netflix series *Power Rangers*, as well as a number of shows for international studios, such as NBCUniversal and the BBC, plus local productions *Whina*, *Muru*, *My Life*

is Murder, *The Brokenwood Mysteries*, *Outrageous Fortune* to name just a few.

Launched in 1983 as Video Images, the business rebranded ten years later to Images Post, reflecting a shift in focus from adverts to feature films and television.

"Around this time Steve Finnigan and I became staff members at Images Post and its sister company Mandrill Audio, which eventually merged to become Images & Sound Complete Post Production," recalls co-founder Grant Baker. "Steve and I were both prominent in our divisions as heads who knew how to run things, and we took over sole

ownership in 2008."

Fast forward 15 years and the business now occupies two adjoining buildings in Grafton Road, where 30 full-time staff and a number of regular freelancers pump out the work.

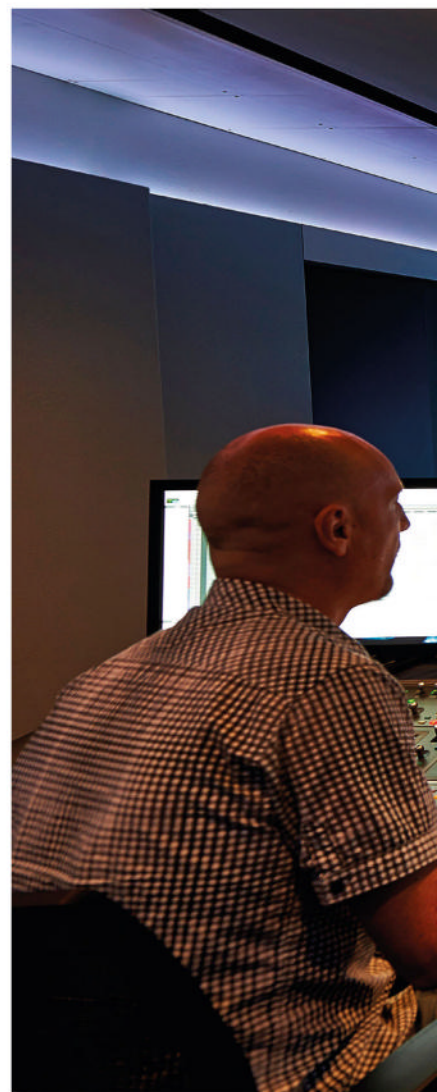
Each year that production volume has steadily increased, says Grant, requiring a rigorous upgrade program to allow the company to work across multiple projects simultaneously.

This is a business that has had to move with the technology times, one of the biggest being the move away from film to data cameras.

"Back in the day we needed Telecine chains worth millions of dollars to transfer film to videotape. Now we require servers worth millions of dollars to handle the masses of data from modern cameras," explains Grant.

"We've also witnessed a large increase in the amount of international projects being shot in New Zealand. In the 1990s we saw several scripted TV series being shot here, putting New Zealand on the map as a filming destination, which has steadily grown over the years into a big part of the industry today."

Grant says the major milestone in the company's history was the building of its purpose-built facility that allowed clients to complete their entire post production in the one place. This was a game-changer for the producers of scripted, episodic TV series that have



multiple episodes in various stages of completion.

"It introduced a lot of efficiencies for producers and directors," he recalls.

NAVIGATING THE DISRUPTIONS

When Covid-19 struck at the start of 2022 Images & Sound had to come up with a whole new way of operating virtually overnight. Production deadlines still had to be met.

"As business owners you constantly need to adapt to challenges as they present themselves and you can't rely on doing things the same way you always have," says Grant. "Thankfully our staff are on the same page with the business and had no issues shifting to a new way of working."

"Our clients were just pleased we could still meet delivery deadlines and 'On Air' requirements through the various lockdowns."



STEVE FINNIGAN (LEFT) AND GRANT BAKER.



“WE ARE A TEAM WITH A RANGE OF INDIVIDUAL CREATIVE SPECIALISATIONS THAT COMBINE TO CREATE MAGIC ON SCREEN.”

Covid validated the shift in how Images & Sound now post produce content, he adds.

“Some of our artists had been working remotely prior to Covid anyway, but the lockdowns meant most needed to do just that. And all of our clients needed to be able to approve things remotely.

“While we had been doing this previously for our overseas-based clients, Covid meant our local clients needed to adopt this same method of approval, which has now become a more accepted and efficient way of signing off work.”

HANDS-ON MANAGERS

Having worked their way through the company, Grant and Steve are still very much hands on when it comes to management style, and across all aspects of the business’s daily operation.

“We are fortunate that most of

the staff have been with us for a long time and need very little direct management,” says Grant. “We are a team with a range of individual creative specialisations that combine to create magic on screen.”

The post production industry is driven by creativity, attention to detail and deadlines, he explains. “And with schedules constantly changing but deadlines rarely moving it is often a juggle getting those planets to align.”

A BUSY YEAR AHEAD

2023 is proving to be another busy year for Images & Sound. Grant says they are witnessing a slight slowdown in the global film and TV industry, but it’s not affecting them.

“As we’re at the end of the production process we are flat out working on a number of projects that were shot or commissioned last year and going into production this year.”

He believes the global slowdown

means New Zealand must now promote itself as the preferred place to shoot and post produce international productions.

“In addition, local productions must continue to find an international audience that helps grow the local industry.”

The Auckland film screen industry has seen a ten percent growth in GDP every year for the past four years, and 13 percent growth in the post production sector in 2022.

Grant says this growth has fuelled creativity and created opportunities for Images & Sound to continue growing.

“We are incredibly proud of the calibre of projects we have been trusted to deliver and the opportunities we have been able to provide our staff to collaborate with some of the best in the business. And we look forward to that continuing to grow into the future. Every year we see the calibre of projects improve and 2023 is no different.” ■

Q&A

THE BUSINESS OF “HAPPILY EVER AFTERS”

JENNI RAYNISH IS THE FOUNDER AND CEO OF NEW ZEALAND'S ONLY CORD BLOOD BANK. THE FORMER HIGH-PROFILE COMMS AND PR CONSULTANT IS THOROUGHLY ENJOYING WHAT HAS BECOME HER LIFELONG PASSION PROJECT.

NZB What sort of feedback did you get when you first decided to set up CordBank?

JENNI: My Mum asked, “Why would you want to start something new when you already have a successful business?” But I was completely convinced that starting CordBank was something I just had to do. I was so frustrated that I couldn’t bank my children’s cord blood and no one else would be able to either unless I started one.

I was 100 percent supported by my husband, who said “that sounds like a great idea” because he is the most positive person I know.

I felt, and still feel, so passionately about establishing CordBank that I wasn’t worried that some people didn’t understand. I knew they’d get it eventually and now, 20 years later, they have.

NZB What unique set of challenges did you have to overcome

when initially setting up the business?

JENNI: We had an expert consultant who didn’t get around to mentioning that you needed to be licensed by the Ministry of Health, until the day before we launched.

We postponed the launch.

We then spent the next ten months learning how to get a pharmaceutical manufacturing license. At that stage New Zealand was the only country in the world with that requirement for cord blood banking. Medsafe had determined that cord blood stem cells were being saved as a medical therapy, so we needed a pharmaceutical manufacturing licence.

While other countries have now followed, we’re pleased that New Zealand’s regulatory regime is still the most stringent. I went from having no idea that a license was even required, to now really valuing that degree of oversight 99 percent of the time. Having clear rules in place means we can be trusted that we’re doing

it right. The code of manufacturing is very clear. Everyone in the organisation understands that.

NZB Describe CordBank’s milestones. Which are you most proud of?

JENNI: First of all, just launching successfully! Getting licensed after such a rigorous process.

The second one was the first child who needed their cord blood released for the successful treatment of a neuroblastoma. Her parents were among the first to bank cord blood with CordBank. They were told, with their daughter’s stage-four cancer, to take her home to die. But after treatment and reinfusion of her cord blood, she’s alive today. It made me feel like all of the reasons I’d wanted to start the company in that moment were achieved.

Since then, there’ve been many families who have used their children’s cord blood for treatment here and overseas. Every single

one of those experiences has been intensely moving – because I want all families to have a happily ever after, and for children not to be ill.

I established CordBank to save babies. If cord blood banking can help them, then that’s a huge contribution to everyone’s lives. Our job is providing that opportunity and knowing that if you saved your cord blood it can save your child’s life. That’s what is meaningful to me.

NZB How have your business’s services been received in the marketplace?

JENNI: Very positively. Clients who banked their children’s cord blood are still clients – with new families joining the CordBank family every day. So many families have been aware of the benefits of storing cord blood – while others are just learning about it. We’re continuing to see new uses for cord blood stem cells and experts anticipate more uses in ten, 20, 50 years. The number of case studies

and clinical trials demonstrating that cord blood stem cells have unique regenerative abilities increases every year.

I want to see every baby in New Zealand with their cord blood banked. But until it gets some form of government funding this might not be achievable for every family.

NZB **Some core skills would have been transferable from your time in comms and PR. But what new skills have you had to learn or refine with CordBank?**

JENNI: Learning about pharmaceutical manufacturing! It's a regulated, very prescriptive process. I didn't encounter that while I was running my PR company!

Reading medical and science papers was initially quite a learning curve. But it's like anything else, if you're passionately interested in it, and you want to know as much as you can, then learning about it is exciting.

NZB **What advice can you offer other business startups to help them succeed?**

JENNI: Believe in your vision. To be successful you have to back yourself and remain passionate about your reasons for starting your business.

You need persistence and determination...it's not going to be straightforward.

It's also important to have professional advisors. A trusted accountant, lawyer, and people who may not be in the business but who will discuss concerns and worries with you. You can lose perspective if you are trying to do it all alone.

It's really important to have, I want to say friends, but people who will give you honest advice about issues you may never have dealt with before.

But mostly hold on to your vision. Use that vision to remind yourself of why you're working this hard on days when you may be feeling a bit tired, or your job list seems too long.



JENNI RAYNISH.

NZB **What has given you the most satisfaction from this business? Are there any great feel-good stories?**

JENNI: Every single family that banks their cord blood is a feel-good story. Every person has a reason for doing it, and hearing their reasons is incredibly moving. People have had family members suffer from illnesses like my dad did. People have struggled through IVF and really want to give their hard-fought-for baby every protection they can.

People have well-founded hope about what the future might bring and are excited to give their child that opportunity.

And I love babies, and families. I get to see pictures of the babies and hear parents tell their stories. It's an incredibly privileged position to be part of so many families, to hear what they've named their babies, to hear when they're having another baby.

And to think that if I hadn't missed out on being able to bank my daughter's cord blood, none of this would exist. That's humbling.

NZB **What are your business plans going forward?**

JENNI: To have more families join us. One day I'd like to see cord blood banking subsidised so everyone can do it. I've been studying law for the last two years so I can understand the way in which it might be possible to influence policy. So maybe one day cord blood banking, like IVF treatment, could be accessible for everyone. ■

MAKING TIME TO THINK

SOPHI ROSE



SMES THAT TAKE ON A BOARD CREATE TIME TO EXPAND THEIR THINKING, LOOK AT THE BIG PICTURE AND TAKE A LONG-TERM VIEW, WRITES SOPHI ROSE.

Many SMEs will benefit greatly from the governance of a board, if it is scaled to match the needs and budget of the particular business.

It's a short sentence but there is a lot to unpick in that statement.

So let me back up a little and share a few ideas about what governance is, what is a board's role and what 'scaled' means in the SME context.

GOVERNANCE

You can find many definitions of governance and few good discussions on what should, or should not, be included in the concept. There are also a lot of misconceptions that boards are just for the 'big operators', risk averse, compliance heavy and stifling entrepreneurial thinking.

At the Institute of Directors, we believe that governance can actually help a business to thrive, grow and be sustainable. It is as much about challenging your thinking, sticking to your purpose, driving your strategy – and seeing what might be coming at you in the future.

Governance is underpinned by responsibility, accountability, fairness and transparency. It is the piece of the puzzle that is not day-to-day management. It's time out of the

day-to-day space to work 'on' not 'in' your business.

In the SME sector, directors are usually also shareholders and owners. Sometimes the owner is the sole director. Working 'on' the business can be inextricably interwoven with working 'in' the business. Sometimes it's a time thing – but also the beauty of a board is that it brings together a range of skills and perspectives to help guide a business forward, act as a sounding board and a place to test your thinking. It makes you make time to think.

That's where an external board, not bogged down in day-to-day management, can improve governance.

Good governance, delivered by an external board, is known to deliver benefits in areas such as:

- Anticipating and managing cashflow challenges.
- Deciding whether to expand, or downsize.
- Managing difficult employees.
- Attracting senior staff.

Good governance can help your business thrive by:

- Creating a clear vision for the future, and a strategy to get there.

- Improving performance and financial results.
- Recognising and pushing for action on new opportunities.
- Helping to attract investment.

THE BOARD

Governance is often the role of a dedicated board of directors – that is the framework anticipated in the Companies Act. But governance might also be convening an advisory board, or simply bringing in expert advice.

For SME owner/directors or shareholders, it is easy to view a board as a cost. Where is the value for me in a formal, regulated structure of operational oversight?

A board of directors could, to those in the SME sector, seem more like an impediment than a benefit. A handbrake rather than a supercharger when things need to move quickly.

At the IoD, we would re-frame that slightly. If I offered you access to a diverse panel of experts for business mentoring, advice, input and feedback on your strategy for a day every month, I suspect a lot of you would ask: "How much? And where do I sign up?"

Yet, if I call this panel of experts a board, the dynamic shifts: it no longer

seems like an opportunity, rather a form of compliance and control.

In reality, a board is an opportunity to ensure good governance; and good governance can help you:

- Understand current risks and anticipate future risks.
- Identify new opportunities and explore whether they are 'on purpose'.
- Reduce opportunities for fraud or mismanagement.
- Bring the experience of others into your decision-making.
- Understand, and manage legal responsibilities.
- Reassure potential investors that you have checks and balances in place.

SCALING YOUR GOVERNANCE

To get best value governance advice you need to know what you want, why you want it and how a board, advisory board or governance advisor can deliver it. You'll also need to consider what you are prepared to pay for it. That will depend on your business, the challenges you are trying to overcome and the opportunities you want to seize. It will all be about the context.

There will be many things to consider, but rule of thumb is that you



“THE BEAUTY OF A BOARD IS THAT IT BRINGS TOGETHER A RANGE OF SKILLS AND PERSPECTIVES TO HELP GUIDE A BUSINESS FORWARD.”

should have a formal board – if you can see how it will add value.

As a first step, an advisory board can help bring external expertise into the governance of your business while allowing you to retain ultimate decision-making control. This may be an attractive option for family businesses that already have directors.

Often SMEs look to create a full board of directors when growth is not only a possibility, but a priority. Sometimes the strategic needs of the business simply progress beyond the

capability and potential of the owner, particularly if they are working ‘in’ the business, and a board can help deliver more capability.

DIRECTORS HAVE RESPONSIBILITIES

Whatever type of governance arrangement is right for your business, bear in mind that if you are legally a director, you are just as responsible under legislation such as the Companies Act or the Health and Safety at Work Act as any other director on any corporate board.

If you are also a manager, that doesn’t reduce your personal responsibilities. The fact it is a family business doesn’t reduce your personal responsibilities. Even if you hardly ever exercise your power as a director, your personal responsibilities remain under the law.

Our Four Pillars of Governance Best Practice offers an interesting case study of a business in which three directors – a husband and wife, and the wife of the business manager – became out of their depth and ended up personally liable for reckless trading.

The Court noted the directors had little appreciation of the duties of directors, recorded very little about the decisions taken on behalf of the company, allowed the affairs of the company to sit in the hands of the

manager, and paid little attention to the financial affairs of the company.

When the company went into liquidation, the directors were found to be personally liable.

This case highlights the need for directors to actively understand and be involved in the governance of an organisation.

Of course, it’s also important to have the ‘right’ board or a board with the right skills and experience to navigate your course.

Hindsight is a wonderful thing. But it would be nice not to look back and say, “I wish we had brought in a better governance structure”. ■

Sophi Rose is General Manager of the Institute of Directors.

WHAT SELF-PROMOTION CAN DO FOR YOUR BUSINESS

MANY CAPABLE BUSINESS OWNERS ARE MISSING THE OPPORTUNITY TO STAND OUT AS MEDIA EXPERTS, AND PROMOTE THEMSELVES AS AN INDUSTRY LEADER, WRITES PETE BURDON.

Since the advent of the Internet and social media, fewer business people are approaching traditional media to offer their expertise, despite the massive promotional and reputational benefits this creates.

Many businesses post advice on their social media feeds, but with so many doing this it's difficult to stand out above the competition as an industry leader. It's also unlikely that most potential clients will even see this information.

The first special thing about news media coverage is the reputational benefits it creates. The third-party endorsement it offers is priceless and it's the best way to 'stand out' from your competition. This is one of the few ways to become the recognised leader in your niche.

Reach is another reason why media coverage is so effective. It reaches a huge audience and business people are able to approach media with a focus on their niche.

Editors of specialist newspapers and magazines are often open to

receiving submitted articles. It can be a cost-effective way of sourcing quality material at short notice. That's why they often welcome approaches from sources who have an interesting story or article ideas.

TOPICS

The best topics are anything related to a topical issue. For example, accountants could have had a field day recently with articles about how to survive the cost-of-living crisis. The same goes for real estate agents. When national and regional house sales figures come out, they could be approaching local media in their patch with comments on the figures and what they mean for the local area. The possibilities are endless and every business has expertise in an area that would interest relevant media.

Media also welcome subjects that are out of the ordinary – human-interest stories about people and selected articles that are either new or a first. The other obvious topic is conflict, but that's one I recommend you stay away from.

HOW DO YOU GET COVERAGE?

The first thing to do is search online for the best media to focus on. The best place to start is niche media because that's where your potential clients will be. The great thing about this type of media is that there is far less competition for space. If it's advice you are offering, the best option would be to suggest you write an article, where you are identified as the author.

A good example of this was when I contacted a leading magazine in the franchise sector. The focus was on how the changing needs of the news media had left franchise and other leaders vulnerable. This was because if there was a negative issue attracting media attention, these leaders now had to be ready to communicate within minutes. Very few knew how to do that and were at risk of serious reputational damage.

The subsequent article led to an invitation to speak at the Franchise Association of New Zealand and a whole new niche to focus on. That

all led to new clients, plus media coverage in franchise media across Australia. This is just one small example of what media attention can do for a business when offering advice. If it's not advice you are offering,



PETE BURDON IS A MEDIA TRAINING SPECIALIST WHO PRACTICES WHAT HE PREACHES. GO TO PETEBURDON.COM AND DOWNLOAD THE FREE REPORTS: "EXPLODE YOUR PROFITS BLUEPRINT" AND "MEDIA INTERVIEW SURVIVAL SYSTEM."

you are best to send story pitches rather than article ideas to reporters at selected media. This is where you suggest an interesting story idea that they might like to cover. The reporter would then write or produce the story and you would be mentioned as a major source. Stories dominate newspapers, while magazines tend to have a mix of stories and guest articles.

Before you pitch anything, I suggest you look at back issues of any particular publication to get a flavour of the content they typically use. A good example of this was a few years ago when there were many stories about schools that required legal advice. I realised this was a growing trend and often when

schools need legal advice, they also require media advice.

Because schools are another niche of mine and the legal advice issue was topical, I pitched a story idea to the *Sunday Star Times* about the need for school leaders to understand the media if legal issues led to interest from reporters. This led to a story and lots of enquiries from school leaders across New Zealand wanting training.

Another vital part of this process is to find the email address of the person to contact. You should be able to do this with an online search. For magazines it's usually the editor you would contact, while daily newspapers often have reporters who focus on particular subjects.

THE EMAIL

There are some vital things you will need in the email. Firstly, the subject line needs a news hook in it to make sure the email is opened. Then you need to sum up your idea in a few sentences and say why you think this would be of interest to the audience. It's important that you show that you are genuinely wanting to help, rather than score some free publicity. If it's an article you are pitching, you would also say you can work to any word count and deadline. Articles are usually quite brief ranging from around 600 words to 1500.

Remember that advice articles are just that. They are not the place to promote your services. The media

outlets won't want that. The expertise you share will speak for itself anyway.

If it's a story idea, you either just send an email or an email with a press release. A press release is a document similar to the actual news stories you see in daily newspapers. They can grow your chances of success with some media, but if you don't have the time, just send the email pitch.

SHARE YOUR ARTICLES

When your articles are published, share them on social media, link to them from your newsletters and post them on your website. This will show visitors that you are an expert and will help you to stand out from your competitors. Good luck. ■





SUSTAINABILITY

CLIMATE RESILIENCE IS DUE DILIGENCE

CUTTING CLIMATE CHANGE ACTION AFTER THE CYCLONE IS LIKE ACCELERATING AWAY FROM A CRASH WITH YOUR WHEELS WOBBLING. BUSINESS NEEDS BETTER LONG-TERM LEADERSHIP, WRITES ANDY KENWORTHY.

Business owners around the country are still counting the cost of Cyclone Gabrielle. Its severity and the increased frequency of such events are symptoms of climate change.

For decades we've been warned of the oncoming storms. Now they have come crashing into our lives. But the political response has been to cut climate change initiatives. This is stacking up uncertainty and long-term risks in the way of progress. As journalist Bernard Hickey put it: "Isn't this the rainy day we've been saving for?"

Apparently not.

So far, the government has binned the Sustainable Biofuels Obligation. It's abandoned the Clean Car Upgrade, and the Social Leasing Scheme. These were all aimed at helping to get storm-forcing emissions down. It has also shifted transport policy away from focusing on cutting emissions.

Fuel subsidies are continuing to effectively fund climate change with taxpayers' money, while offshore

owned oil companies enjoy record profits.

And nobody felt it was worth paying the low, going rate for carbon credits in the latest New Zealand Emissions Trading Scheme auction. This points to plummeting confidence in the scheme, which took years to get rolling after it was hobbled by previous governments.

Basically, everyone's waiting to see if the government is now serious enough about climate change for the credits to be worth anything. That leaves a \$1 billion dollar hole in the government's budget that the auction was supposed to raise. And more losses could follow if government policy suggests the credits aren't worth the pixels they're written on.

At the same time, we have Auckland Council's first budget under Mayor Wayne Brown. This acknowledges that climate change damage is going to be costly in years to come. So we need to take money from the Climate Action Targeted Rate to shore up Auckland Transport. AT should then do less to support low carbon transport options like buses,



cycling and walking in favour of drivers. That's like taking up smoking in the run up to doing a marathon after you've just had a heart attack.

As a nation we've ditched ideas that amount to just over a quarter of the emissions cuts we're supposed to be making in the next two years. It's unclear how we're intending to make up the difference. Are we just going to send more of our money overseas to cover it with other people's credits? Or crash out and miss our targets completely?

The renowned Climate Action Tracker analysts already rate our climate response "Highly Insufficient". Do we really want to become an also ran in the race for workable 21st century economies?

MORE UNCERTAINTY

One of the major impacts of the cyclone has been business uncertainty. This startling loss of nerve is making that worse. And we're heading into an election where the major opposition party doesn't even list climate change as a priority.

So, what's all this got to do with

your business? Well, the ETS auction reflects the kind of investment decisions businesses of all sizes are having to make. Climate change and our response have an ever increasing effect on the business playing field. What we need most is consistency and fairness right across the system.

BATTERED BUSINESS PLANS

Let's take one example. Jacqueline Farman and her husband Al own the Hammer Hardware store in Whitianga. The store wasn't directly damaged by the storms. But their business plan has been shaken to its foundations.

"Tourism has fallen through the floor," she explains. "So many people have just left the Coromandel and not come back. Before Christmas it was heaving. We were having the best summer we had had for about three years. There was so much pent-up demand after Covid."

Then came the poor weather in January, cancelling events all over the region. Then the cyclone. The couple are Auckland-based. The

disruptions have effectively moved their workplace another hour or so down the road.

Jacqueline also runs the Purpose Business and chairs the board for the Sustainable Business Network. She understands the issues that have helped set these calamities in motion. But that isn't providing great comfort at this point.

"This isn't a one-off event, and there doesn't seem to be a plan," she says. "This is going to get more common. It raised big questions for us. We had been growing really well. We had been considering expanding into a Mitre10. But we're looking very carefully again at what that means for us now. It makes you very cautious about investing to grow.

"Last year we invested a lot, but we're not going to do that this year, and we'll pull back on our ordering. It all feels like really hard work at the moment."

Jacqueline is confident that their shop will weather the storm, for now. But she's concerned how this kind of uncertainty will impact the overall economy and community.

"There's no insurance for a general slow-down," she points out.

STAY ON COURSE

That is what we're going to increasingly experience if we don't step up and face reality. We have to make brave decisions, stay the course and get to grips with climate change sharpish.

We have a national plan. We have targets. We have the Climate Commission. What we need to do now is stick to the plan. We can't allow ourselves to be blown off course by the very events the plan is supposed to address.

That means not just trying to 'mitigate' by patching up our infrastructure. Yes, we have to do that work, but we can't mitigate away from the climate.

We need to swing our investments towards a stable low carbon circular economy, where waste and pollution become largely things of the past.

Otherwise we'll end up desperately trying to fix the roof over and over again, when the sun isn't shining any more. ■



THE ROLE OF TALENT ENGAGEMENT IN CHINA EXPORT SUCCESS

DAMON PALING REVISITS SOME CORE PRINCIPLES KIWI EXPORTERS CAN FOLLOW WHEN BUILDING COMMERCIAL ENDEAVOURS IN CHINA.

New Zealand and China retain a strong trade relationship built on mutual respect. In December 2022 political and business leaders from both nations marked 50 years of diplomatic relations. The relationship is complex spanning political, economic, cultural, and security dimensions.

However, the two countries have developed a robust bilateral relationship over the years.

The April 2022 upgrade of the original 2008 bilateral Free Trade Agreement underscored the commitment of both parties. Whilst there have been some tensions and challenges, the two countries will hopefully continue to navigate the relationship in a way that advances their respective interests.

At an enterprise level, there are approximately 300 New Zealand companies targeting China and at various stages of their growth journey. Around 70 percent of these companies are in the food and fibre sector.

Chinese talent is typically recruited and retained by the New Zealand head office as the market becomes financially material to global

revenues. This talent often supports in activities such as:

- Conducting ongoing market research.
- Expanding distribution and retail reach.
- Delivering offline events with retailers and consumers.
- Co-marketing with other non-competing like-minded brands.
- Accelerating new product development.

Since China's dynamic Covid-zero policy was relaxed in late December 2022, Chinese talent has been returning to New Zealand for a well-earned rest and to reconnect with head office.

New Zealand business leaders have been revisiting plans and lining up their well overdue business trips to China.

BACK TO BASICS

Some skills on cross-cultural leadership may have softened during the pandemic. Getting the basics right ensures a strong understanding of the fundamentals before moving on to more advanced or complex concepts. Managing and leading teams in China can be challenging, due to cultural and linguistic differences, as well as the unique political and economic environment.

Here are a few refresher points for leading teams in China:

- *Understand Chinese culture:* It is essential to have a deep understanding of Chinese culture and how it affects communication, decision-making, and relationships. This includes understanding the importance of face, hierarchy, and the concept of Guanxi (networking and building relationships).
- *Respect hierarchy:* In Chinese culture, there is a strong emphasis on hierarchy, and it is important to show respect to those in positions of authority. This includes showing respect to your Chinese colleagues and managers, as well as to government officials and other leaders.
- *Build relationships:* Building relationships is considered an essential part of doing business in China. Take the time to get to know your Chinese colleagues and be patient when building relationships.
- *Communicate effectively:* Be mindful of the differences in communication styles. Chinese people may not express disagreement openly, or may use indirect language to convey a message. Be aware of these differences, be



patient, and use simple, clear language when communicating with Chinese colleagues.

- **Empower your team:** Chinese employees may be used to a more hierarchical management style. They may be less likely to take initiative or speak up at meetings. As a leader, it is important to empower your team and encourage them to express their ideas and opinions. A practical example would be empowering your Chinese team to create limited edition offerings around cultural festivals, such as the Lunar New Year or QiXi Festival.
- **Lead by example:** Chinese employees tend to follow the leader's example, so lead by example and demonstrate the behaviour and work ethic you expect from your team.
- **Be aware of the legal and regulatory environment:** China continues to have a unique legal and regulatory environment, so familiarise yourself with the laws and regulations that apply to your business and seek professional advice when necessary.

Some normal training and development opportunities were absent during the pandemic. Chinese employees tend to value these for personal and professional development, so it is beneficial to reignite them post-Covid.

DEVELOPING CHINA KNOWLEDGE FROM NEW ZEALAND

New Zealand organisations such as NZTE and the New Zealand China Trade Association offer a wide range of resources and opportunities to build networks and knowledge. Certain digestible podcasts are also worth tuning into, such as:

- *The Prince:* A 12-episode feature produced

by *The Economist* on Xi Jinping which delves into how he rose to the top, and what it may mean for China and the rest of the world.

- *The Drum Tower:* Produced weekly by *The Economist's* China correspondents spanning everything from party politics to business, technology and culture.
- *Caixin China Biz Roundup:* Produced each weekday by *The China Project* with 15-minute reporting on the biggest developments spanning the economy, finance and tech sector.

Putting in the mahi at home in New Zealand results in endearing yourself towards colleagues in China.

FINDING YOUR WAY

The outlook for the Chinese economy is positive, but with some uncertainty due to various factors such as trade tensions, demographic changes, and the lingering impact of the pandemic. In the short term China's economy is expected to grow five percent in 2023 and Beijing has implemented several measures to support economic growth, including monetary policy, fiscal stimulus and infrastructure spending.

In the long term, China's economy is expected to continue to grow at a moderate pace, driven by factors such as urbanization, an expanding middle class, and an increase in domestic consumption.

However, there are also some potential headwinds impacting China's outlook. For example, for the first time since the 1960s, China's population is shrinking. The state pension system may struggle to handle the

unbalanced ratio of older adults to a shrinking working population. The decline may well harm China's overall productivity.

Whilst Beijing is managing State-led investment and cleaning up the bloated real estate sector, with a falling working population and the number of families declining, China needs fewer new factories, new office buildings and new housing.

Either way, engagement of Chinese talent is going to be at the heart of export success in China. So make the bridge between head office and in-market talent stronger than ever. The division of labour and the division of decision-making therein can be well balanced.

By following the above tips, you can successfully work cross-culturally in China and build strong and productive relationships with your Chinese colleagues.

Remember, 2023 is the Year of the Rabbit – a symbol of longevity, peace and prosperity in Chinese culture. ■



DAMON PALING

is a former NZTE trade commissioner to China, and now an NZTE Beachheads Advisor based in Auckland.

Email damonpaling@outlook.com



KEEPING AN EYE ON EXPORT ISSUES

JOSH TAN HIGHLIGHTS THE CHALLENGES CURRENTLY FACING OUR EXPORT SECTOR AND THE SILVER LINING THAT LIES AHEAD.

The first quarter of 2023 brought many new challenges and opportunities for

New Zealand's exporters. Despite holding an optimistic outlook for the year ahead, the country's trade experts have heralded 'the end of the golden weather' for the sector.

There are three key things exporters should be keeping their eye on in 2023:

- Bringing inflation under control.
- Sorting out any issues with our end of the global supply chain.
- Ways to make it easier for exporters to recruit the skills and talent they need to operate.

TAMING INFLATION

No doubt about it, if you ask consumers how they are feeling financially compared to just 12 months ago, they'll tell you the cost of 'just getting by' is getting harder to keep up with.

Domestically, inflation means the cost of doing business is costing more and more. The cost of importing materials from overseas has increased significantly over the past few years.

Globally, we're seeing a cooling off on spending and consumer demand for goods. Inflation is an insidious and complex issue that eats away at household income and leads to many people tightening their purse strings, as they choose to 'wait it out'.

Kiwi goods on shelves overseas can struggle to remain competitive, especially compared to a local alternative. For exporters, that could mean consumers choose to go without what they consider to be

luxury items, as the price of keeping your goods on international shelves needs to keep up with inflationary prices.

WORK OUT KINKS IN THE SUPPLY CHAIN

Like inflationary pressure, there is only so much we can do at home before we're impacted by what happens abroad. Several international factors are currently making waves, with the ripples being felt here at the bottom of the world. Supply lines remain an issue, albeit one that seems to be working itself out slowly. Globally, supply chains look to be on track to reach stability by the end of the first quarter of 2023 as schedule reliability and vessel capacity availability both continue to improve.

With New Zealand at the end of the global supply chain, we continue to have a delayed reaction to global improvements. Recent weather events around the North Island have further delayed any improvements we would have seen, and labour shortages across our major ports are also having an impact.

We know the largest barrier to exporting from New Zealand is the cost and availability of transport and logistics. So it makes sense for us to get our own house in order first. We can do this by investing in our ports – including its people.

RECRUITMENT

New Zealand has severe skill shortages across the board. Recent research by Sense Partners, commissioned by BusinessNZ,

shows that things aren't just anecdotally tight – we're looking at a quarter-million person shortfall in labour by 2048.

Immigration has always been an important part of our economy, that's why it's vital that our immigration policy is as effective and efficient as possible, with a co-ordinated global attraction strategy in place. The export sector needs access to a larger talent pool in order to meet demand.

THE BIGGER PICTURE

While a little outside our control, it's worth keeping an eye on what's happening in the geopolitical space. For many of our primary industry exports, China continues to be the dominant market. As the region emerges from strict lockdowns and its zero-Covid policy, exporters are wise to watch closely for shocks and opportunity. Likewise, global restrictions on trade with Russia following their invasion of Ukraine will continue to cause disruptions for the foreseeable future.

Smaller countries like New Zealand had once been able to rely on the WTO and the rules-based international trade system. However, as the United States continues to block appointments to the Appellate Body, the Dispute Settlement process continues to be non-functioning. There is a temporary solution in place with a "coalition of the willing" of 53 WTO members (including New Zealand and most of our major trading partners) forming a group to review trade disputes and hear appeals in lieu of the WTO Appellate Body.

THE SILVER LINING

The hard work of our trade negotiators is producing favourable outcomes for exporters in 2023 and beyond. New Zealand exporters will (very soon) have a brand-new Free Trade Agreement to leverage.

The NZ-UK Free Trade Agreement will finally come into force this year – an agreement announced in 2022 which among other things will remove 99.5 percent of tariffs on New Zealand goods entering the UK.

This FTA would potentially also increase New Zealand exports to the UK by up to 53 percent by the time it is fully implemented.

The NZ-European Union FTA will soon begin its journey through New Zealand parliament too.

So whatever 2023 throws at us, we can continue to improve our situation by advocating for change in the areas that make a significant impact to exporters.

ExportNZ will continue to champion the sector in your region and central Government. ■



JOSH TAN

oversees policy and advocacy for ExportNZ.



THE DAVID AWARDS

PROUDLY
SUPPORTED BY



If you're a David taking on the Goliaths of the
New Zealand business landscape ...

THEN YOUR STORY DESERVES CELEBRATION!

The David Awards recognises ordinary, everyday Kiwi small business
owners forging success on their own terms.

Aimed at businesses with 10 or fewer employees, The David Awards
recognise the unsung heroes of New Zealand's home and small
business community.

COME CELEBRATE YOUR STORY!

Give your great little business the recognition it deserves!



2021
Supreme winner:
Hybrid Bikes'
Frank Witowski



2022
Supreme winner:
Block Dock's
Clare Wilson

ENTER THE DAVID AWARDS

www.thedavidawards.co.nz

Entries open May 1st, 2023 and close August 11th, 2023 at 5pm.
Entry is free, online and easy.



PHISHING, VISHING, SMISHING AND BEYOND

IF YOU'RE NOT TAKING CYBERSECURITY SERIOUSLY, YOU COULD WELL BE THE TARGET OF CRIMINAL ACTIVITY. BILL BENNETT WALKS YOU THROUGH THE THREATS AND YOUR BEST DEFENCES.

'Phishing' has been around since the dawn of the Internet, yet it remains New Zealand's most reported cybercrime. It's a way of getting past cyber defences by tricking people into handing over passwords or other key information. When criminals get this information, they use it to steal money, install ransomware or access private data.

Cert NZ, the government's Computer Emergency Response Team, says that in addition to passwords, criminals may be looking for your credit card or online banking details, or personal information and documents they can use to impersonate you – such as your drivers' licence or passport. PayPal accounts are another favourite.

It is not new. As I said, phishing is as old as the Internet. Yet people still fall victim.

Kordia, a New Zealand-based technology company that helps corporations and government organisations with cybersecurity, says that phishing made up more than one third (37 percent) of attacks on businesses in the past year. It says almost one in four businesses that were attacked saw commercially sensitive data or intellectual property accessed or stolen.

You may come across one of the variations on the phishing theme.

Common or garden phishing uses emails and links to websites where the main damage is done. You may get an official looking email message linking you to an equally plausible official-looking site where you are asked to enter bank account details, passwords or other information. Some emails include a form where you are asked to fill in data and send it back.

'Smishing' is much the same thing, but instead of email it uses SMS text messaging or one of the other popular messaging systems like WhatsApp, WeChat or Facebook Messenger.

Like phishing, the message can look like an official communication. It may include a link to a website where the criminals hope you'll hand over data. The scammer might pretend they are from your bank or another organisation and tell you something has happened that requires you to log in and change your password. At that point they'll be able to access your real account.

'Vishing' uses voice calls and voicemail to get at your sensitive data. It can be more complicated though. At some point you might, for example, be asked to enter a password or PIN code using your phone's keypad.

Phishing, smishing and vishing

campaigns target large numbers of people at the same time. Often the campaigns are random, using mailing lists or other easily obtainable sources of names and contact details. The criminals know that only a tiny number of victims pay up, so the more they contact, the more effective the campaign.

'Spear-phishing' campaigns are carefully targeted. The criminals identify their targets, then get information to craft a more personalised message. In large organisations they might look like internal messages coming from another department or even from a named person within the organisation. Again, they'll be looking for confidential company information which can be used as the basis for a more serious cybercrime.

'Whaling' is even more specific. It's when the criminals target a specific manager or executive in a large company or a business owner – the big fish. Here the thinking is that senior people have more access to the most valuable information and are worth making a bigger effort.

Another targeted version of phishing, with business owners in the gunsight, is called the business email compromise or BEC. This is when criminals gain access to an

email inbox. They may have got the password in an early phishing raid. The criminals watch the incoming emails looking for when you receive a legitimate invoice, usually they are looking for a larger invoice. They then modify the invoice asking for the payment to be made to their bank account instead of the legitimate one.

YOUR BEST DEFENCES

Enforcing strong passwords, multifactor authentication and educating everyone in the business about the risks are the best defence against phishing and data theft.

If you use Apple devices, the password manager will tell you when your passwords are not strong enough or if you have used one more than once. It will also generate strong passwords for you.

If you don't use Apple kit or if you want more, it may pay to use a third-party password manager. There are many to choose from, but avoid LastPass which has been repeatedly breached by hackers over the years. Some are free and many come with other security features. Bitwarden is an excellent choice for non-technical users. It's easy to understand and there is a free version. Although the paid versions are not expensive, a personal account costs US\$10 a year.

Multifactor (MFA) or two-factor



authentication (2FA) is a way of checking if the person using a password to access online information is genuine. Two-factor means making one extra check, multi-factor authentication is when there is more than one extra check.

Using more factors adds layers of security but requires more effort.

Popular websites like Gmail, Apple iCloud and Microsoft cloud use MFA. There are different approaches, the simplest uses SMS text messages. When you attempt to access an MFA-protected site a short code is sent to your phone. You have to enter this as well as the password. It's straightforward and painless.

However, SMS-message 2FA

isn't foolproof. Determined hackers can intercept SMS messages but it will stop 99 percent of criminal attacks.

A better approach uses an authenticator app on your phone. Google Authenticator and Authy are the best-known versions on the market. The app gives you a six-digit code to type in, along with your password. Each code lasts for 30 seconds. If you miss one, another one appears immediately.

Some devices have fingerprint readers or built-in facial recognition they can use for multi-factor authentication. This is the most convenient and it can be worth upgrading hardware to get one of these biometric readers.

START WITH EDUCATION

Remember, none of the above approaches will help if you work with people who aren't aware of cybersecurity. If you work with others, consider some basic education on the subject.

They need to know why cybersecurity matters and what measures you've put in place to keep the business safe.

You should make certain they understand their responsibilities and what you expect of them. Consider sending them on an external cybersecurity training course. The government-supported Digital Boost programme is an excellent place to start. ■



BILL BENNETT

is an Auckland-based business IT writer and commentator.

Email bill@billbennett.co.nz



JO DOUGLAS IS A PARTNER AT DOUGLAS ERICKSON, EMPLOYMENT LAWYERS.
EMAIL: JO@DOUGLASERICKSON.CO.NZ THIS ARTICLE IS WRITTEN FOR THE PURPOSES OF PROVIDING GENERAL INFORMATION ONLY AND IS NOT INTENDED TO BE LEGAL ADVICE.

NAVIGATING RECESSION AND RESTRUCTURING

JO DOUGLAS WALKS YOU THROUGH THE CONSULTATION PROCESS WHEN RESTRUCTURING YOUR BUSINESS, AND HOW TO HANDLE ANY REDUNDANCY COMPENSATION.

According to various commentators, we are again heading into a poor business outlook and talk of recession. Companies are starting to think about retrenchment and this is a global issue.

New Zealand businesses can be impacted by the flow-on effect from multi-national decision-making to reduce headcounts.

Small businesses will feel the pinch too. They can't always reduce headcount without slashing reserves of talent. Recently we have been through a tight labour market and the challenges have been to secure and keep talent. Restructuring in 2020 in response to the pandemic also left some companies short when things reopened.

Will New Zealand businesses need to restructure to reduce costs against strong economic headwinds? Employers may need to ask themselves, is it really wise to reduce numbers given the ongoing issue with talent?

A more long-term view may be better if keeping staff on board can be economically sustained.

However, if it is decided that reducing headcount is needed, businesses should consider how they will go about it to ensure a smooth transition. Careful planning in advance is key.

WHAT DOES A RESTRUCTURING PROCESS INVOLVE?

In undertaking restructuring activity, employment law places emphasis on consultation before decisions are made.

Corporate decisions made offshore may restrict the length and genuineness of consultation that is carried out here. Similarly, in a small business, the desire to

get the job done fast can be tempting.

However, rushed consultation can seriously impact an individual confronted with the loss of their job and their financial security.

In a recent case of the Employment Court¹, a rushed conclusion to what was otherwise a clearly commercially justifiable redundancy resulted in a personal grievance and compensation payable. In this case, due to the loss of a service contract, redundancies were necessary. An intention to reschedule a consultation meeting was withdrawn due to the start of the first lockdown in March 2020, and final decisions were made quickly.

A previously offered extended four-week notice period was reduced to the contractual two weeks' notice period, with little time for comment on this change to the proposal.

The Court found that these process flaws supported a claim to unjustified action causing disadvantage.

WHAT IS CONSULTATION?

What a good consultation process looks like is not difficult. However, as noted above, it should not be rushed or cut short. It involves giving people time to express their views, giving them enough information to understand a proposal, and taking on board their comments and ideas. The purpose of consultation is to consider ways that termination may be avoided.

Factors to consider might include alternative proposals which still achieve the company's stated objectives for the restructuring, or it might involve alternatives more personal to the individual, such as re-training or redeployment.

DOES REDUNDANCY COMPENSATION EASE THE WAY?

Some companies opt for the approach to provide redundancy compensation where it is not contractually due, to ensure a smooth transition for the individual concerned.

Redundancy compensation is not a requirement in New Zealand law. It is a purely contractual entitlement. Where employees are facing the loss of their job, but with all their financial commitments in front of them, they will commonly look for some form of compensation. Considering what financial compensation you might be willing to provide prior to entering into a process is a wise planning move. It may avoid employees looking for other arguments to support a payment on termination.

HOW TO AVOID LEGAL CLAIMS

Aside from being upfront about possible compensation, the best path is to treat people with respect and dignity. Easier said than done? It can be tempting to get an expert to assist.

However, I have recently observed that the task of delivering dignity cannot be outsourced to a third party, such as an outplacement provider, or HR consultant. These consultants can assist you, and it is wise to get help, particularly if consultation is foreign territory.

However, in cases where the first and/or final advice that someone's job is on the line comes from a third-party consultant – you will inevitably deepen, not lessen, the sense of grievance for the individual.

IN CONCLUSION

- Be honest and up front about what is impacting the business and what is being proposed.
- Allow and respect genuine input from your staff. They may have some good ideas to help move things forward.
- Pressure to respond quickly to economic or external factors should not result in a predetermined or rushed consultation process.

Remember that redundancy shouldn't be used as a solution for other performance or difficult issues. That will involve a courageous conversation for another day. ■

¹ Drivesure Limited v McQuillan and ors [2022] NZEmpC176

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



CUSTOMER EXPERIENCE

GOOD TO GREAT: BECOMING AN IRRESISTIBLE BUSINESS

COULD YOU BECOME THE BUSINESS YOUR CUSTOMERS CAN'T LIVE WITHOUT? MAT WYLIE SHOWS YOU HOW.

Every time we go to a business we go with an expectation of certain standards. If it's a café, we expect the coffee and food to taste good, and the employees should be polite, if not friendly. You know that your dentist is qualified and should provide good dental care. Vets need to be good with animals and be qualified to solve pet health problems – at the very least.

But here's the problem: "Good" really isn't good enough these days – especially in potentially tough economic times.

If you want to retain customers and attract new ones, you need to be great.

WHY AIM FOR GREAT?

Think of your own experiences. We'll go out of our way to support a business that treats us well – and we won't go back to those that leave us underwhelmed. We come back to businesses even if they're a little more expensive. We refer those businesses to others. We post great feedback online.

It costs a business up to 25 times more to get a new customer than to retain an existing one. Plus, customers are happy to pay more if they feel like they've received value in return.

In fact, data from more than six million pieces of customer feedback, across multiple industries, showed that happy customers are less likely to mention price in their feedback.

In comparison, when customers are unhappy with the service, price becomes a bigger issue.

You don't need to re-engineer your business, but there are small things you could do that will help you improve

the customer experience, drive more referrals, and help your business thrive.

AIM FOR SMALL CHANGES

Providing a great experience doesn't mean overhauling your whole business. It could be as simple as sending a text message to let your customers know you are running behind schedule. Or making sure your team knows how to handle a customer complaint. For one business we work with, they received some customer feedback that it felt like the wait times were too long. Although they couldn't instantly speed up the wait, they made one small change which immediately improved the customer experience: simply offering customers a biscuit while they waited.

The goal is evolution, not revolution. You're looking for those one-percent improvements that will take you from good to great and encourage people to tell a positive story about you.

Which one-percent change would make the biggest difference in your business?

START THINKING LIKE A CUSTOMER

One of our team recently went for an X-ray. The technician was perfectly professional, qualified, and did exactly what they needed to do technically. But every time they touched her, they didn't

give her a heads up. And every time, it gave her a fright.

They forgot that communicating what was going to happen would have made the experience less anxiety-inducing. They were good, but that little change could have made them great.

Put yourself in your customers' shoes and take a look at your business with fresh eyes. What would turn customers away from your business, and what tiny change could you make that would prevent that?

WHAT WILL TAKE YOU FROM GOOD TO GREAT?

Running a business is hard, and often overwhelming – so I get why figuring out what to change might be in the 'too hard basket'.

But here's the good news – you don't need to make the decision. Don't know which tiny change to make? Ask your customers. They'll tell you what they like and don't like.

So, if you want to ensure price is a non-issue, become the business your customers can't live without, and handle any challenges that the economy throws your way, it might be time to go from good to great – and your customers will be the ones that tell you how. ■

***“PUT YOURSELF IN YOUR CUSTOMERS’
SHOES AND TAKE A LOOK AT YOUR
BUSINESS WITH FRESH EYES.”***



LOGAN WEDGWOOD (MBA, MINSTD.) IS CEO OF STRATEGY EXECUTION ADVISORY FIRM, ADVISORY.WORKS. WWW.ADVISORY.WORKS

MAKE COLLABORATION A CORNERSTONE

“MARKETERS ARE STUPID” AND “SALESPEOPLE ARE LAZY”. IT’S A FAMILIAR TALE, AND LOGAN WEDGWOOD SAYS IT’S TIME TO CHANGE THE TUNE.

Stay with me a minute as you picture this scene.

A marketer throws the door open, storms into the shark pen, and yells, “What happened to the lead we got you yesterday?”

The salesperson slides his feet off his desk, sits forward and whispers, “It wasn’t warm enough...”

The marketer and salesperson eyeball each other across the room in silence. The tension builds, and suddenly the marketer leaps across the desk and tackles the salesperson to the floor, looking desperately for a phone cord to strangle him with – only phones don’t have cords anymore and nor do keyboards or mice.

Times have changed.

‘Us’ and ‘them’ doesn’t work anymore when it comes to sales and marketing.

While a human can still specialise and choose a career in marketing or sales, teams need empathy and an understanding of both in order to be successful.

NO MORE SILOS

Sales and marketing can no longer be in separate silos (if that ever worked).

Marketing is an intellectual pursuit. It takes data, testing, iteration, workshops, studying, technology, as well as failure, to arrive at strategies and tactics that work.

It requires a deep understanding of a businesses position, market, customer and environment.

Sales, meanwhile, is a discipline. It is the hardest job in any company.

You have to consistently do all the right

things, in volume. Every single day.

You have to get up, try again, and face rejection, failure and disappointment constantly.

A salesperson’s numbers are the most scrutinised in the company, and the stakes are high – everyone is judging your performance.

But if salespeople and marketers can work together to understand the entire customer journey – that’s from right at the start, even before the ‘awareness stage’, through to loyal repeat purchases – then both will have more empathy as to the

Nurturing leads takes planned strategies from marketers, a smooth handover to sales, and structured sales processes to continue to deliver value that results in an eventual sale.

COLLABORATION THE CORNERSTONE

Now, more than ever, it is crucial that collaboration becomes the cornerstone of sales and marketing so that businesses can maximise the opportunities available in a contracting market.

Great marketers can become great

“IT’S CRUCIAL THAT COLLABORATION BECOMES THE CORNERSTONE OF SALES AND MARKETING SO BUSINESSES CAN MAXIMISE THE OPPORTUNITIES IN A CONTRACTING MARKET.”

effort each is expending and a shared understanding and appreciation for the true value of a real lead.

LEADS ARE THE LIFEblood OF A BUSINESS

Leads give energy and victories to salespeople. They help marketers deliver with confidence in the boardroom meeting. They’re not merely a ‘nice to have’, or a ‘vanity measure’ either – they’re an indicator of future revenue.

salespeople and great salespeople can become great marketers. It’s time they start really working together.

Together you have a team capable of rewriting the scorecard. ■



TIME TO PUT AI TO THE TEST

RICHARD CONWAY EXPLAINS HOW AI TECHNOLOGY CAN STREAMLINE YOUR WORKFLOW AND BOOST CREATIVITY.

I believe we are at a pivotal moment in history.

In November 2022, OpenAI, funded by Microsoft among others, launched ChatGPT.

The uptake was immediate, and adoption was profound. As of January 2023, there were more than 13 million daily visitors and more than 100 million users.

Technology like this (and Google's equivalent, Bard) is set to disrupt many industries, including digital marketing.

Generative AI (artificial intelligence) can create a blog post based on defined parameters in seconds; the technology can debug code, write a poem, and even create a business plan – and we are only just scratching the surface.

Many companies have already started leveraging AI and churning out AI-generated content.

In response, Google released the following commentary:

"When it comes to automatically generated content, our guidance has been consistent for years. Using automation – including AI – to generate content with the primary purpose of manipulating ranking in search results is a violation of our spam policies.

However, not all use of automation, including AI generation, is spam. Automation has long been used to generate helpful content, such as sports scores, weather forecasts, and transcripts. AI has the ability to power new levels of expression and creativity and can serve as a critical tool to help people create great content for the web.

This is in line with how we've always thought about empowering people with new technologies."

WHERE CHATGPT EXCELS

In our experience with ChatGPT, it often comes back with incorrect facts and misses the human element. However, where it seems to be of great value is in mining information quickly to generate ideas for a subject matter expert to supplement his or her research.

ChatGPT is particularly useful for stimulating creativity when experiencing writer's block. For example, I recently used the platform to suggest some ideas for an article. I asked for ten ideas of articles for a certain topic based on current search trends, which produced some excellent ideas, one of which I used as the basis for the article I was writing. I then asked for bullet points on that topic to see what it came out with. Interestingly, at this stage, it suggested some things that were factually incorrect. Luckily, as a subject matter expert, I was able to pick that up immediately. I used some of the ideas that resonated with me and elaborated on them with personal experiences and anecdotes.

However, AI has raised ethical questions. Recently, ChatGPT managed to pass the United States Medical Licensing Exam, no mean feat. Thousands of reports show that students are using the software to write assignments and essays for them.

My friend's daughter and her friends go one step further, they use ChatGPT to write the assignments and then use other software that 'detects AI written content' to ensure they don't get caught out!

It begs the question, how are teachers going to be able to differentiate between 'human' and machine copy reliably?

Another concern is what happens to the

data generated when we use the platform to crunch our data to provide trends and insights. Does it become accessible by everyone?

AI'S NOT-TO-DISTANT FUTURE

In ten years, AI technology will likely permeate everything we do, and we will have our own AI assistant to book meetings, generate code, and find the cheapest price on items.

However, one of the biggest worries is that too many people will use AI to create website copy, and AI will learn from that copy to produce even more.

What does this mean for human creativity?

I believe that there will always be a need for brands and companies to promote and advertise themselves. The mechanism for that may alter dramatically, though.

My challenge to small business owners in New Zealand is to test ChatGPT themselves and think about which areas of their business are inefficient, repetitive, and mundane.

What can they automate and ultimately get AI to do, leaving them to focus on the creative or practical side of their business? ■



KATHRYN SANDFORD IS THE CO-FOUNDER AND DIRECTOR OF M2M COACHING & RECRUITMENT. WWW.M2M.CO.NZ

GUEST COLUMN

UNLOCKING THE POWER OF WORKFORCE MANAGEMENT

KATHRYN SANDFORD HAS SOME TIMELY ADVICE FOR EMPLOYERS LOOKING TO ATTRACT, RETAIN AND DEVELOP TOP TALENT.

Inefficient and antiquated hiring practices are not only preventing New Zealand businesses from attracting the right talent but also causing them to lose top performers at an alarming rate.

Many businesses are struggling with too many gatekeepers, long and arduous hiring processes, and an unrealistic set of expectations and requirements for the current job market.

As a result, businesses are left with a revolving door of employees, with high turnover rates and low morale.

Furthermore, companies often desire top-notch talent, but they are unwilling to pay the high salaries that come with it, leading to a significant talent gap in the industry.

This talent gap not only hinders businesses' ability to grow and innovate but also leaves them vulnerable to competitors who are more agile and able to adapt to the rapidly changing job market.

WORKFORCE MANAGEMENT PLAN

The problem of attracting and retaining top talent in New Zealand is a persistent issue that is unlikely to go away soon. Many businesses struggle to develop a robust workforce management plan, either due to a lack of understanding of the link between workforce management and business success or a lack of resources to invest in it.

Additionally, the job market is highly competitive, with businesses vying for a limited pool of skilled and qualified candidates. The ongoing impact of the Covid-19 pandemic has also created a shift in employees' mindsets, with many seeking

more flexible work arrangements and better work-life balance.

To address this issue, businesses must recognise the importance of workforce management and prioritise it as a strategic priority to attract and retain top talent.

Employers also need a radical shift in mindset, away from traditional thinking and towards a leadership style that is based on trust, empathy and innovation.

It's time for SME owners to take bold action and adopt new approaches to workforce management if they want to succeed in the current job market.

STRATEGIC FOCUS

The solution for business owners lies in taking a holistic approach to workforce management. This means developing a strong employer value proposition (EVP), which articulates the unique benefits of working for their organisation. It also means shifting the focus from a short-term, reactive hiring process to a long-term, strategic talent acquisition plan that considers the evolving needs of the organisation.

Additionally, creating a culture of trust, empathy, and inclusivity can help to attract and retain top talent, while investing in employee development and growth can help to increase both their engagement and productivity.

It's time for SMEs to step up and unleash the power of their workforce.

Also, addressing the stigma of ageism and tapping into hidden talent can help create a diverse and inclusive workplace. Simple practices like regular feedback and avoiding micromanagement can also go a long way in nurturing a strong EVP.

TRUSTED PARTNERSHIPS

The next link in a strategic recruitment process that delivers value for SMEs is developing trusted partnerships with like-minded recruitment agencies.

SMEs today, if they want to retain and attract the best talent for their business, have to bury traditional recruitment practices of "post and pray" and also calculate the hidden cost of doing it themselves as opposed to the benefit and value that specialised recruitment agencies deliver.

Partnering with trusted recruitment agencies can be a game-changer for businesses looking to take their talent acquisition strategy to the next level. Not only does it save time and resources, but it also allows businesses to gain access to top-tier talent that would have otherwise been out of reach, as well as invaluable insights into market trends and competitive intelligence.

It's time for SMEs to break free from the constraints of traditional workforce management and unleash the full potential of their workforce.

The future is here, and those who dare to think outside the box and embrace the unknown will be the ones who come out on top.

So, are you ready to take the leap? ■



NEW ZEALAND

Management

INSPIRING BUSINESS LEADERS

MAY 2023

*Climate-related weather:
Quick-fix damage
limitation ideas*

*Seven questions
about ChatGPT
answered*

*Future
workplaces:
Sustainability
from the outset*

*The privacy
mistakes
leaders make*

*The role
of AI in
cybersecurity*

**FOCUS:
IS TOMORROW
ALREADY HERE?**



CONTENTS

6| **Climate-related weather events: Damage-limitation ideas for today**

In the wake of the carnage wrought by the January and February flooding, what might provide a few quick fixes? *Management* asked leaders for their thoughts on one thing New Zealand could do today, or pretty immediately, to mitigate the damage future extreme weather events might bring.

8| **Seven questions about ChatGPT answered**

Gartner experts weigh in on how valuable ChatGPT is, and whether it's safe to use.

10| **Future workplaces: Sustainability from the outset**

As global communities are recognising the need for stronger action on climate change, particularly in light of the IPCC's recent damning report on global warming efforts, businesses that don't prioritise sustainable practices and workplaces will find themselves left behind by an increasingly climate-conscious workforce. By Mayurie Gunatilaka.

12| **The role of AI in cybersecurity**

AI solutions for enhancing an organisation's cybersecurity are there, and they're getting better all the time. Chris Fisher says it's just understanding what they are and how they can be integrated for maximum benefit.



COLUMNS

14| **Leadership thinking**

Don't hold your breath. By Ed Sims.

15| **Remuneration**

Are high salary movements going to continue? By Cathy Hendry.

16| **Diversity**

Creating connections key to inclusivity. By Ola Ioane.

18| **Governance**

Rain, hail and pestilence. By Cathy Parker.

19| **Technology**

Spurring the growth of NZ's innovative tech. By Graeme Muller.

20| **Managing for a Better World**

Allyship and making a difference. By Kate Kearins.





3



4



FROM THE EDITOR

SO, WHO IS ACTUALLY IN CHARGE HERE?

It is a question that plagues us here at *Management*: Who is really in charge here? Who is ensuring that the technological revolution, that just seems to keep coming and coming, at a faster and faster rate, is actually going to be for the good of humanity and the future of our children and grandchildren?

This thought was very much to the fore this month – with the extreme weather being felt all around the world; with the Intergovernmental Panel on Climate Change stressing the urgency with which the world needs to act, and with the phenomenon of ChatGPT (who hasn't had a go yet?). Just as we were going to print, some 1,000 tech leaders were wanting a moratorium on any more development for at least six months. See our story answering your ChatGPT questions on page 8.

We've also asked New Zealand leaders for their take on what might be some quick-fixes to limit the damage next time extreme weather events strike New Zealand, as they did in January and February this year (see page 6).

This issue we also introduce two new columnists. Ed Sims (page 14) most recently headed up a large Canadian corporate and is now back in New Zealand with plenty of interesting observations for New Zealand leaders.

And Privacy Commissioner Michael Webster will also be joining us on a regular basis, helping companies navigate the increasingly knotty world of keeping your customers', suppliers' and employees' privacy safe (see page 3).

As always if you would like us to cover any particular leadership topics, please don't hesitate to let us know.

Annie Gray

www.management.co.nz

NEW ZEALAND Management

INSPIRING BUSINESS LEADERS

NZ Management magazine is published by Adrenalin Publishing Limited.

Copyright: NZ Management is copyright and may not be reproduced in whole or in part without the written permission of the publisher. Neither editorial opinions expressed nor facts stated in advertisements are necessarily agreed to by the editor or publisher of NZ Management and, whilst all efforts are made to ensure accuracy, no responsibility will be taken by the publishers for inaccurate information, or for any consequences of reliance on this information.

NZ Management is a four issue magazine. Subscription in New Zealand is \$39 (incl gst). Please call us for overseas rates. Enquiries: Adrenalin Publishing Limited, PO Box 65 9092, Mairangi Bay, Auckland 0754, New Zealand. Phone: 09-478 4771.

EDITOR

Annie Gray
editor@management.co.nz

ADVERTISING MANAGER

Leanne Moss
leanne@management.co.nz

DESIGN & PRODUCTION

Rachel Walker

COVER IMAGE

Getty Images

PROOFREADER

George Ward

PUBLISHER

Cathy Parker
cathy@adrenalin.co.nz

CONTRIBUTORS

Chris Fisher, Mayurie Gunatilaka, Cathy Hendry, Ola Ioane, Kate Kearins, Graeme Muller, Cathy Parker, Ed Sims.
annette@adrenalin.co.nz

SUBSCRIPTIONS & CIRCULATION ENQUIRIES

ISSN 1174-5339 (Print)
1179-3910 (Online)



MĀORI TECH COMPANIES CRITICAL LEVER FOR THE FUTURE OF WORK

A higher proportion of Māori technology workforces are grown within Māori-owned companies than anywhere else, according to the first *Toi Hangarau: A Report on Māori-owned Technology Companies 2023*.

The 107-page report showcases an ecosystem of start-ups through to mature companies, and their funders and investors who want to grow Māori tech workforces on-the-job.

The report's founder and CEO of Pāua Interface, Robyn Kamira (Te Rarawa), says that growing skills inside these companies is working "but the

companies need more support from government and funders to scale, and to help the country meet its future workforce and economic goals."

A statement from the company says that Toi Hangarau brings business, financial, workforce, economic, environmental and cultural information into one place, providing detailed benchmark data, analysis and insights on Māori-owned technology companies.

It says that the 72 companies included in the report employ 1,310 people across Aotearoa with an average of just over 18 staff.

A detailed survey of 16 of the Toi Hangarau companies

shows they employ an average of 32 percent Māori staff – and 22 percent of those are technology workers compared to just four percent Māori in the country's overall IT workforce.

The company says that Toi Hangarau takes "a deep dive into the top nine earners of the 72, sharing their revenue ranges, markets, and alignment with global technology trends. These larger companies earned between \$5m and \$73m last year and most operate internationally. Together they employ almost 400 staff."

Kamira says the firm intends for Toi Hangarau to be a



regular benchmark for Māori-owned tech companies, and to help their owners, funders and investors get a clear view on how they can invest wisely for high-value returns.

See: www.toiHangarau.nz **M**

PAY GAP REPORTING GROWING

One hundred New Zealand businesses are now committed to reporting their pay gaps.

MindTheGap launched a business registry just over a year ago for businesses to voluntarily report their pay gaps and campaign co-founder Dellwyn Stuart says a large increase in registrations demonstrates that pay gap reporting is seen as modern business practice.

"When we started the campaign in late 2021 we could only find about six organisations that were being transparent and reporting

on their pay gaps. Now, a year after launching the Pay Gap Registry, we have 100 committed organisations," she says in a statement.

MindTheGap focuses on employers with more than 50 staff, of which there are about 6,000 in Aotearoa New Zealand.

Stuart says she is delighted with the leadership shown by these organisations. "We know businesses don't set out to have pay gaps, but when they do the analysis most discover they have them."

She adds that with the current labour market, it is

important for businesses to be seen to be transparent about their reporting.

"Attracting and keeping great employees is a key priority for business at present and being fair about pay is crucial. Employees are placing a high value on transparency and they want to know their organisation is being open and honest."

Of the 100 businesses there is a broad range of sectors stepping up. Early reporters include the energy and financial sector. In the past year the organisation has seen infrastructure companies like

Fletcher Building, Aurecon and Beca reporting, and the first architectural firm Studio Pacific Architecture.

Shaun Philp, chief people officer, Chorus NZ says the biggest piece of advice for businesses is to start. "We're all out there trying to solve the same problem. Get the data, because it's the data that will make you take action."

Stuart says those reporting on their Pacific and Māori pay gaps remain a small percentage of the overall group with 16 of the businesses on the registry reporting these gaps. **M**

FIVE EASY PRIVACY MISTAKES LEADERS MAKE

Businesses have an obligation to educate and prevent staff from employee browsing, or looking up data for their own interest, writes Michael Webster.

As New Zealand's Privacy Commissioner, it's my job to promote and protect individual privacy. Privacy needs to be a core business focus in the same way health and safety is, and as managers it's important to be savvy about what privacy is, how it works, and where you might go wrong. Here are some easy mistakes business leaders make:

Mistake one: Assuming staff know how to protect and respect people's privacy: I encourage all businesses to train their staff on the importance of respecting the right to personal privacy, especially when they handle client or customer information.

Businesses have an obligation to educate and prevent staff from employee browsing (looking up data for their own interest). We see this practice reported as privacy breaches and they range from accidental to malicious.

An easy way to prevent this is to have clear policies about employee browsing in your agency's code of conduct, educate staff about what it is (and not to do it), and have clear consequences.

Mistake two: Thinking you've done enough to protect yourself from

malicious cyber-attacks:

There isn't anything wrong with planning for the worst-case scenario; in fact, I encourage people to be over-prepared, especially when it comes to keeping client information safe. Ignorance and inevitability are not legal defences under the Privacy Act.

I recommend as minimum-security that all staff have secure and strong email passwords – long phrases with additional numbers. Tricks like making your way through a catchy song you know all the lyrics to is also a good bet for long and strong.

Two factor authentication (2FA) is another valuable tool in the breach prevention kit and there's several options there from text message to apps. And, of course, businesses need to ensure their device software is up to date.

Mistake three: Personal information is only 'sensitive or private' information: Personal information is any information that can identify a person.

Names are the most basic example. But there's also addresses, contact details, employment or medical records, bank details, a picture of a face, an NHI



Privacy Commissioner, Michael Webster.

number, or sometimes even someone's opinions on social media.

When you think about it, all sorts of things have the capacity to contain personal information including notes, emails, recordings, photos, and scans.

Whether this is in hard copy or digital format it's covered by the Privacy Act 2020 and managers need to be clear about how they're managing that.

Mistake four: Privacy breaches happen to other people: We have seen that privacy breaches can (and do) happen to anyone or any organisation in any demographic or profession. The media will often cover the larger breaches that get reported, but smaller organisations can breach a client's privacy too and sometimes in very simple ways; giving information to unauthorised staff (like delivering a letter to the wrong house), not correcting personal data when asked

(like not removing a record of debt that a client never had), or taking personal information without informed consent (like unauthorised filming in the workplace).

Mistake five: The 13 Principles of the Privacy Act are complicated:

Having a dedicated staff member focused on helping your organisation comply with its privacy obligations is a requirement under the Privacy Act. Agencies must appoint at least one individual as a privacy officer (who is responsible for ensuring the organisation complies with the Privacy Act). Find out who your privacy officer is because they should be a great source of knowledge and will assist your business to know what it should be doing to comply with its privacy obligations. ■

Michael Webster is the Privacy Commissioner. More information at privacy.org.nz

TOP FOUR TIPS TO STAY SECURE

◆ The changing landscape of cyber threats means that the reliance on awareness, training and detection methods alone have proven inadequate, says Chad Thunberg.

The introduction of phishing-as-a-service and other sophisticated toolkits that target weaker forms of two-factor authentication (2FA) is changing the cyber landscape, with more security teams now prioritising phishing-resistant multi-factor

authentication (MFA). Below are four tips for businesses to stay secure.

1. Be ready for an increase in low-effort tactics from hackers.

The path of least resistance for most attackers becomes obtaining the credentials necessary to access the environment.

Phishing kits, dark web marketplaces, and insiders have substantially lowered the bar for attackers to get this information while the adoption of countermeasures, like phishing-resistant MFA, has

lagged behind.

In some cases, this becomes as simple as an employee who was willing to sell their credentials in dark corners of the web.

The disclosure of credentials due to phishing, social engineering attacks, or a disgruntled employee should not be enough to lead to a wholesale compromise of an environment. Yet, we saw this quite a bit in 2022. It's nothing less than irresponsible to assume we can operate in a zero-accidents environment; it's just not realistic.

A recent Yubico survey

found that 59 percent of employees still rely on usernames and passwords as their primary method to authenticate into accounts. Additionally, nearly 54 percent of employees admit to writing down or sharing a password. These trends simply do not set up businesses for success.

2. Expect increasing attacks targeting critical infrastructure and the public sector.

Attacks on critical infrastructure, healthcare and education systems continue to rise. The impact of downtime



or loss of availability in these environments leads to a scaled impact on a broad set of the population.

This has, and will, continue to lead to large and timely ransom payouts. We know from history that the willingness to pay a ransom often leads to additional interest within, and from threat groups with links to, organised crime.

With the increase in IoT monitoring devices at power stations and the general adoption of connected sensors at industrial sites, the number of attack vectors has also greatly increased.

The 2021 cyberattack in the US on the Colonial Pipeline showed that password compromises

can impact both IT and OT systems and that disruptions to these systems have far-reaching implications; not only for the company but also shareholders and customers.

3. Zero-trust architecture is essential but pressure on vendors will be required.

Companies have moved some of their business-critical Internet-facing applications to Zero Trust Architecture (ZTA) over the last few years, but a large contingent of back-office applications and services either require a migration strategy or ZTA support that simply isn't there yet.

Therefore the cybersecurity industry needs to encourage

technology vendors to incentivise the adoption of the protocols and technologies that enable ZTA.

4. Standardising compliance is important

Compliance continues to be a hot topic but for the wrong reasons.

Security organisations are inundated with a divergent set of bespoke questionnaires and risk assessment portals from customers and their insurance companies.

The questions are sometimes out of touch with modern environments or are focused on a control type instead of an objective.

This is leading many CISOs to look for better strategies on how to instil trust and confidence

in practices while drastically reducing workloads.

The changing landscape of cyber threats means that the reliance on awareness, training and detection methods alone have proven inadequate.

Whilst there are other options to help protect organisations from threats, adopting modern MFA solutions is one solution to help mitigate some of the issues we face. ■

Chad Thunberg is the chief information security officer at Yubico, responsible for the company's security, risk management, and compliance programs. Yubico is a leading provider of hardware authentication security keys.

Accelerate your career in diversity, equity and inclusion

Join New Zealand's first Workplace Inclusion Professional Accreditation programme

FIND OUT MORE AT diversityworks.nz/accreditation

Workplace Inclusion
PROFESSIONAL ACCREDITATION

CLIMATE-RELATED WEATHER EVENTS: DAMAGE LIMITATION IDEAS FOR TODAY

In the wake of the carnage wrought by the January flooding throughout the North Island and the devastation the subsequent cyclone and downpours brought to other parts of the country, what might be a few quick fixes? *Management* asked New Zealand leaders for their thoughts on the one thing New Zealand could do today, or pretty immediately, to mitigate the damage future extreme weather events might bring.

SIMPLE WINS

Cathy Parker, Director, Adrenalin

Publishing: While there are obviously some major infrastructure changes needed, there also seem to be some simple wins that could be had. In fact, it seems amazing they were not in place.

The most obvious would be having a supply of Starlink terminals available at either police stations or Civil Defence in regions likely to be cut off (in fact, ideally all regions).

Also having a legal requirement for cell sites

to have better standby capacity – preferably generators. Phone exchanges used to have to have this and with cellphones being the main form of communication this would seem a good disaster-proofing option.

USE AI TO HELP PREDICT EXTREME WEATHER EVENTS

Graeme Muller, CEO of NZTech: Ideally, with the increased use of data and artificial intelligence we can get better at predicting the scale of extreme weather events and where damage is most likely to occur.

Rainfall and climate records, plus crowd-sourced data, can be tested with flood simulations.

If we can improve predictions for natural disasters in advance, it will also enable more targeted responses.

For example, if the data and modelling show certain areas are at greater risk we can move people to safety earlier, activate damage control faster (for example, stream diversions) and enable smart investment to mitigate future impacts.

THE BUSINESS OF NATURE

A new legal opinion outlines emerging expectations on directors to manage nature-related risk.

A new legal opinion by Chapman Tripp advises that prudent directors and businesses should be starting on the path to identify, assess and manage nature-related risks, particularly if they depend on the environment for their business model.

Chapman Tripp was engaged to provide the legal advisory opinion on director duties to manage nature-related risk by The Aotearoa Circle, a partnership of public and private sector leaders, formed to restore natural resources and ensure sustainable

prosperity for future generations.

A statement from the law firm says the opinion seeks to highlight current and anticipated regulatory and market trends to allow directors on the boards of New Zealand businesses that are particularly reliant on natural capital to stay ‘ahead of the curve’ as new frameworks, regulations and expectations emerge globally and locally.

Vicki Watson, chief executive of The Aotearoa Circle says that thriving

nature, which includes well-functioning ecosystems and healthy biodiversity, “represent the foundations of Aotearoa’s nature-based economy. It is those systems which The Aotearoa Circle was founded to protect and restore, so this advice is central to our vision”.

Chapman Tripp says that globally, the threat to nature (particularly biodiversity loss) is an emerging crisis – one that has the potential to outstrip the impact of the climate crisis.

HONEST CONVERSATIONS

Tim Grafton, chief executive, Insurance Council of New Zealand

Te Kāhui Inihua o Aotearoa: Local community leaders should ask where the areas are that are most vulnerable to natural hazard risks and lead honest conversations with those communities about the options for making them more resilient, so communities themselves can be part of the solutions.

BUSINESS CONTINUITY PLANS

Rabobank NZ CEO Todd

Charteris: Following the devastating weather events earlier in the year, we've had a number of discussions with our Client Councils (groups of the bank's farming clients located across New Zealand who work with us to tackle key industry and community challenges in farming and agribusiness) to address how we can best support our impacted clients, as well as what we can do to help mitigate the impacts of future natural disasters.

One of the topics that has come up in these discussions is Business Continuity Plans for farming businesses and we're currently looking at what more we can do to help farmers and growers develop robust BCP for their operations.

As part of this, we're keen to engage with the insurance industry with a view towards improved sharing of data which would enable farmers to better understand the specific climate change risks for their businesses.

STRONG, SOCIAL NETWORKS

Mindy Leow, Acting CEO, B Lab Australia and Aotearoa New Zealand:

While we cannot prevent natural disasters from occurring, we can be better prepared to respond when they do happen. Building cohesive and connected communities is one way to reduce the impact of disasters, when resources need to be mobilised quickly and effectively to prevent loss and rebuild afterwards.

Developing strong social networks needs to involve all stakeholders in the system – from citizens to government and, importantly, businesses too.

We can look to the growing B Corp community in Aotearoa, which now has 100 Certified B Corporations that meet high standards of environmental and social performance and are united in their vision for an inclusive, equitable, and regenerative economy.

When the floods occurred, our B Corps responded by providing essential products, services and support to each other and their wider networks. B Corps offer an example of what can be achieved when communities unite with shared values and goals and work together to address some of our biggest challenges.

PRACTICAL IDEAS – INSURANCE/CASH/SOLAR

Rebecca Ingram, CEO of Tourism

Industry Aotearoa: Make sure your insurance is adequate – a number of tourism businesses were operational but because roads are cut off they had no customers. This has created some

complications for accessing business interruption insurance.

Have some backup cash. When power is down payment options go old school. Always ensure you have enough cash for a tank of petrol and basic groceries that will support you to survive away from home for a few days.

Consider adding solar panels to your home. There are number of interesting options now with organisations that install panels, and then you pay a fee for them monthly. The solar powers your home and then any extra goes into the grid. A battery means that in an outage you won't lose all your power. It also supports reducing household's carbon footprint.

IDENTIFY CHAMPIONS

BusinessNZ Energy Council Executive

Director Tina Schirr: Change doesn't happen overnight – especially in the energy sector. Take for example our transition to a more sustainable energy future. There's also always going to be trade-offs when dealing with such a broad area of the economy and its impact on the climate.

That said, in terms of immediate relief, the government should make full use of knowledge found within the energy sector. Ministers, agencies and other parts of government will have a wealth of support from energy companies and experts looking to assist national recovery efforts.

Identifying champions within the sector now is a great first step. While good things take time, it's the connections we can make now that will have a positive impact on the ground. **M**

“As a result, regulation and markets are moving rapidly to adopt ‘nature positive’ approaches, including through New Zealand’s Resource Management Act reforms and European Union supply chain requirements, new reporting frameworks such as the Taskforce on Nature-related Financial Disclosures and voluntary corporate initiatives.

“Nature-based risk management is therefore emerging internationally as the next area that companies – and their directors – will need to be across.”

Chapman Tripp partner Nicola Swan says the key takeaway is for directors to make sure their businesses are conscious of their dependence on the natural

environment given the global biodiversity and climate crisis.

“This is an opportunity for our exporters to get ahead of the increasing focus overseas on supply chain transparency and regulatory pressure at home on better management of our natural capital.”

The legal opinion advises that New Zealand company directors are required to ensure their businesses are identifying ‘nature-related risks’ where these are foreseeable and material for their businesses, and equally take any such risks into account in their decision making.

“Whether they are foreseeable and material for a particular company will be impacted by anticipated domestic

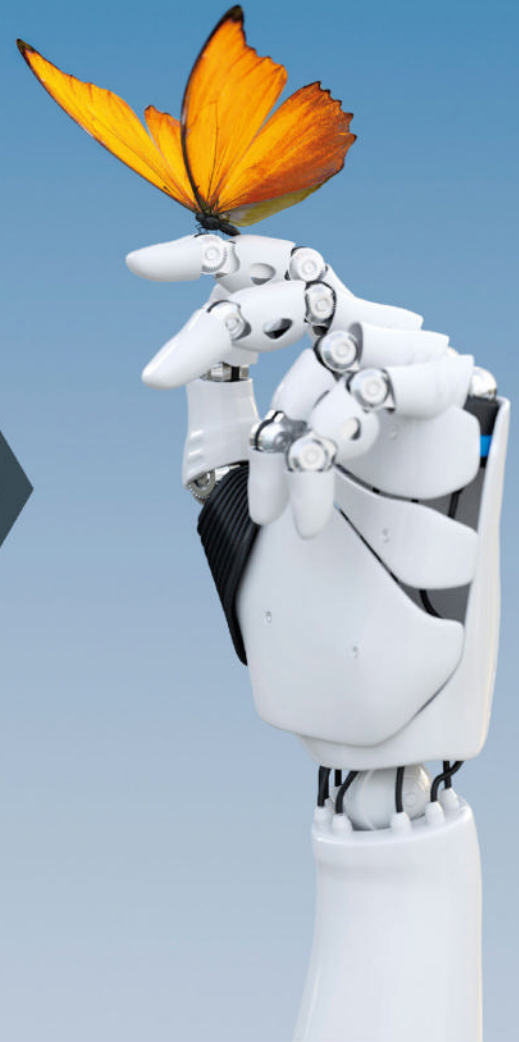
and international regulatory change that prioritises protection of nature, the degree of understanding of the risk, their dependence on the environment, and stakeholder expectations.”

Swan says it's clear that the main risk to directors “comes from not identifying or underestimating the potential impact of nature-related risks.”

Business decisions made in ignorance of nature-based risks that result in financial loss may be open to challenge in the future.

See: <https://chapmantripp.com/trends-insights/the-business-of-nature-emerging-expectations-on-directors-to-manage-nature-related-risk/>

SEVEN QUESTIONS ABOUT CHATGPT ANSWERED



Gartner experts weigh in on how valuable ChatGPT is and whether it's safe to use.

Chat Generative Pretrained Transformer, or, as you may know it, ChatGPT, is a chatbot and generative AI language tool launched by OpenAI in November 2022. At times, it feels as if we've heard about nothing else since.

But amidst all the excitement – about ChatGPT in particular and conversational artificial intelligence in general – many questions remain about what generative AI really is and what it can do, both for people and in enterprise use cases. Here, Gartner experts address some of the most common inquiries they've received from clients and vendors.

1: WHAT ROLE WILL CHATGPT PLAY IN THE ENTERPRISE?

ChatGPT – and other foundation models like it – is one of many hyperautomation and AI innovations. It will form a part of architected solutions that automate, augment humans or machines, and autonomously execute business and IT processes. It will also likely be used to replace, recalibrate and redefine some of the activities and tasks included in various jobs.

2: WHAT ARE THE DIFFERENT WAYS YOU CAN USE CHATGPT?

ChatGPT is capable of:

- Generating and helping to improve prose and code development.
- Summarising text.
- Classifying content.
- Answering questions.
- Translating and converting language (including programming languages).

Beyond that, there are four main ways to deploy the ChatGPT technology, two of which are currently possible:

- As-is: Inputting prompts and receiving results via the web-based interface. This is by far the most popular approach today.
- Prompt engineering without APIs: Prompt engineering refers to the use of a service like ChatGPT in conjunction with other technologies, as part of a workflow. You can create this workflow manually or by using screen scrape and robotic process automation (RPA) technologies.
- Prompt engineering using APIs: This model is not yet available, but it is expected to debut by the middle of the year. While you may find solutions that enable an API wrapper around

ChatGPT, we don't recommend them for production builds or scale, and OpenAI, the company that created ChatGPT, does not support them.

- Custom build: It is possible to create a custom build of the core GPT2/GPT3 or other foundation model for a bespoke implementation, but you would lose the conversational interaction or prompt filtering provided by ChatGPT.

3: WHAT WILL THE WORKFORCE IMPACT BE?

It's hard to say. There will be new jobs created, while others will be redefined. The net change in the size of the workforce will vary dramatically depending on the industry, location, enterprise size and offerings, etc. However, it is clear that the use of tools such as ChatGPT, hyperautomation and other AI innovations will focus on tasks that are repetitive and high-volume, with an emphasis on efficiency, increasing productivity and improving quality control.

4: WHAT ARE THE CURRENT LIMITATIONS OF CHATGPT?

- It is only trained on data through 2021,

so it lacks information about recent developments.

- It cannot cite its sources, and it's only as reliable as these sources, which may be wrong and inconsistent, either in themselves or in how they are combined by ChatGPT.
- It cannot generate images (though in the future, it could be used in combination with visual generative AI models).
- There is currently no supported API available.
- You cannot train ChatGPT on your own knowledge bases.
- Although it gives the illusion of performing complex tasks, it has no knowledge of the underlying concepts; it simply makes predictions.
- It does not provide data privacy assurances.
- Despite some recent improvements, it cannot be relied on to do math.

5: HOW SECURE IS CHATGPT FOR MY STAFF TO USE?

We recommend no one posts personally identifiable, company or client information that is not generally already available to the public, because there are currently no clear assurances of privacy or confidentiality.

Instruct all employees who use ChatGPT to treat the information they share as if

they were posting it on a public site or social platform. In addition, be aware that any information posted may be used to further train the model.

Still, we recommend you create a company policy around rather than block ChatGPT. Your knowledge workers are likely already using it, and an outright ban may lead to “shadow” ChatGPT usage, while only providing the organisation with a false sense of compliance.

A sensible approach is to monitor usage and encourage innovation, but ensure that the technology is only used to augment internal work and with properly qualified data, rather than in an unfiltered way with customers and partners.

6: WHAT'S NEXT FOR CHATGPT – AND GENERATIVE AI MORE BROADLY?

In mid-January, Microsoft announced the introduction of Azure OpenAI Services, which will include ChatGPT this quarter. The Azure version promises significant enterprise operational features, but details, including pricing and packaging, are still emerging. It is likely to add APIs and offer greater privacy and security.

7: IN THE MEANTIME, WHAT ACTIONS DO YOU RECOMMEND WE TAKE?

- Proceed but don't over-pivot. Recognise that this is very early stage and much of what you are hearing is hype. That said, the potential is significant.
- Explore other emerging generative AI use cases. Go beyond GPT language-focused ones.
- Encourage careful experimentation. Encourage out-of-the-box thinking about work processes, but not before you define usage guidelines, ensure understanding of the risks, issues and best practices, and have all generated text reviewed by humans.
- Create a task force reporting to the CIO and CEO. Explore existential threats and posed and major opportunities, plan a roadmap for discovery, and scope the skills, services and investments needed. **M**

Source: Gartner <https://www.gartner.com/en/articles/your-7-biggest-chatgpt-questions-answered>.

Editor's note: As *Management* was going to press, the BBC reported that key figures in technology want training of powerful AI systems to be suspended amid fears of a threat to humanity. The BBC website said that they have signed an open letter warning of potential risks.

ASK CHATGPT

Management asked ChatGPT how a CEO in a New Zealand-based corporate could use ChatGPT. Here's the reply, back within seconds, and unedited by our team (note the use of American spelling and grammar).

“As a CEO in a New Zealand-based corporate, you could use ChatGPT in various ways to improve your business operations and decision-making processes. Here are some suggestions:

1. Market research: You could use ChatGPT to conduct market research and gather insights about your target audience, industry trends, and competitive landscape. ChatGPT can analyze vast amounts of data and provide you with valuable insights that you can use to make informed decisions.
2. Customer service: ChatGPT can be integrated into your website or social media channels to provide 24/7 customer support. It can answer common customer queries and provide personalized recommendations

based on the customer's purchase history or preferences.

3. Employee training: ChatGPT can be used to create interactive training programs for your employees. You can use ChatGPT to create scenarios and simulations that help employees learn new skills or reinforce existing ones.
4. Strategic planning: ChatGPT can help you develop strategic plans by analyzing data, identifying patterns, and providing recommendations. You can use ChatGPT to forecast future trends, predict risks, and develop contingency plans.
5. Content creation: ChatGPT can help you create high-quality content for your website, social media channels, or marketing

campaigns. You can use ChatGPT to generate blog posts, social media captions, product descriptions, and more.

Overall, ChatGPT can be a powerful tool for CEOs in New Zealand-based corporations. By leveraging its capabilities, you can gain valuable insights, improve customer experiences, enhance employee training, and make more informed decisions.”

Can I use your answer in our magazine?

“Yes, you may use my answer in your magazine. However, please make sure to attribute the answer to me, ChatGPT, as a language model trained by OpenAI, based on the GPT-3.5 architecture. Thank you for considering my answer for your magazine.”



The Hong Kong-Zhuhai-Macau Bridge, the world's longest sea crossing which connects three cities across a 55km crossing. Photo credit: © Marcel Lam Photography

FUTURE
WORKPLACES MUST
FOCUS ON
SUSTAINABILITY
FROM THE
OUTSET

As global communities are recognising the need for stronger action on climate change, particularly in light of the IPCC's recent damning report on global warming efforts, businesses that don't prioritise sustainable practices and workplaces will find themselves left behind by an increasingly climate conscious workforce. By Mayurie Gunatilaka.

Current events, not least of which include the global pandemic and a multi-industry skills shortage, have prompted employers around the world to pause and think about the state of the modern workplace.

What kinds of environments will attract and retain talent? As global communities are recognising the need for stronger action on climate change, businesses that don't prioritise sustainable practices and workplaces will find themselves left behind by an increasingly climate conscious workforce.

Globally, the built environment directly accounts for around 40 percent of greenhouse gas emissions, and while most in the industry recognise the need to take steps towards reducing climate change, there's plenty more work to be done to improve sustainable practices.

The hard truth to face is that we have not

pulled down the global emissions curve as quickly as we need to, so it's important we take stronger action to ensure a better future for the next generations.

As a global collective of designers, consultants and experts dedicated to sustainable development, Arup's work revolves around putting sustainability at the heart of every project.

THE HONG KONG-ZHUHAI-MACAU BRIDGE

Infrastructure projects of note around the world include the Hong Kong-Zhuhai-Macau Bridge, the world's longest sea crossing which connects three cities across a 55km crossing, reducing travel time from a one-hour ferry trip to a 40-minute car journey.

Resilience and sustainability were high on the agenda, arising from a need to address concerns such as the threat of frequent typhoons and protecting dolphin habitats.

Arup's services ranged from the

preliminary design for the main bridge in the mainland waters to environmentally friendly reclamation solutions for the Hong Kong Boundary Crossing Facilities (BCF) artificial island, and the tender and construction of the Hong Kong Link Road.

We also undertook the feasibility study and detailed design for the Tuen Mun – Chek Lap Kok Link Northern Tunnel and Southern Connection Viaducts, preliminary and detailed design for the Macau Link Road, and the infrastructure works of the Macau BCF.

Across the ditch, our recently completed Quay Quarter Tower in Sydney, Australia is a striking aesthetic addition to the city skyline while exemplifying sustainable design. Designed in partnership with AMP Capital, the tower features hidden engineering gems that allowed 98 percent of the building's core structure to be retained, saving approximately 12,000 tonnes of embodied carbon.

These projects share a common target



Arup's new offices in Auckland's historic Britomart.



Mayurie Gunatilaka

to integrate sustainability beyond the bare minimum. That's why it makes sense that Arup's new offices in Auckland's historic Britomart illustrate our commitment to shaping a better world.

With this in mind, our Auckland team chose to target the Living Building Challenge, one of the most rigorous sustainability credentials, when designing and building our custom-designed 620 square metre office space in the Hayman Kronfeld building.

The challenge asks the building industry to go beyond harm minimisation to have a positive impact on the health and wellbeing of people and planet. For us in New Zealand, this aligns with Auckland Council's 'Zero Waste by 2040' goal as well as the te ao Māori (the Māori world view) concept of kaitiakitanga (guardianship) to sustain and restore our collective resources.

In taking on this challenge, Arup and its building partners were able to divert more than 99 percent of construction waste away from landfill whilst offsetting the fit-out's carbon footprint. In line with the project's commitment to sustainable outcomes, the new office will be powered by 100 percent renewable energy.

Our project team worked hand in glove with workplace designers Unispace, and cultural advisors Te Manu Taupua to design and co-create a workplace that celebrates our values and strong connection to Māori culture.

They went above and beyond to minimise impacts, communicating regularly with suppliers who took back and recycled offcuts, and even recycling plaster dust generated in construction for use in compostable toilets.

One of the most attractive components of the Living Building Challenge is its rigour. For us to qualify for certification, everything must be monitored, from air quality to energy use to recycling, to ensure that our claims stack up.

The independent Living Futures Institute will assess our performance after 12 months before allowing us to say that we are genuinely having a positive impact on the environment, as well as the people who use the space.

The certification is globally recognised as the leading international standard for sustainable buildings that protect and restore the natural environment. On the world stage, other notable offices that hold the certification include Google's Sunnyvale campus and Etsy's Brooklyn headquarters.

Arup's Auckland workspace embodies biophilic design, from the multi-sensory focal point of the Te Whatu stone with continuously flowing water surrounded by planted punga logs, to the retreat space with large plants, and the strandboard wall finishes; all celebrate connection to place, natural materials and New Zealand cultural significance.

The response from our people has been overwhelmingly positive. Our teams have been effusive in their support of acknowledging the cultural importance and connection to the land on which we work, while saying that the space has improved their ability to collaborate, improves their sense of social connection to colleagues, and improved feelings of productivity.

Another bespoke feature of the space is the kitchen island bench made of completely recycled plastic bags. This central feature visually tells a story about how all of us must put sustainability at the heart of everything we do.

At a local level, Arup is committed to putting sustainability front and centre in our work across New Zealand. This is evidenced in our work on projects including planning for the Te Papa Museum, and design work on the Central Interceptor, the country's largest wastewater project which will safeguard the environment and the people of Auckland.

When it comes to realising the vision of a

sustainable future, I'm particularly excited about our work on the Auckland Light Rail project. As our cities grow, it's imperative that we centre sustainable design in our urban environments.

To address not only current congestion, but also population growth forecasts which will see an additional one million people living in Auckland by 2046, Auckland is investing in light rail to alleviate some of the pressure on transport networks into and out of the city.

The project will encourage quality growth, give people more travel choices, make the transport network for Auckland and beyond more resilient, and tackle congestion and harmful pollution.

I'm excited by the opportunities we have working with our partners at Aurecon to support Auckland's sustainable development and deliver transformational change. Our involvement will bring global and local multidisciplinary expertise to this legacy project which will provide significant benefit to the people of Tāmaki Makaurau.

As our cities grow, development of transport links and urban amenities must also grow at pace. The investments we make now will ensure the city remains an important economic hub on the global stage, enabling strong economic growth for the people who call this place home. ■

Mayurie Gunatilaka is the New Zealand Lead, Arup. Dedicated to sustainable development, Arup is a collective of designers, consultants and experts working globally. As an independent firm, with a trust structure, Arup has no external investors. The Australasia region encompasses Australia, New Zealand, Singapore, Indonesia, and Malaysia, with a 3000-strong team providing consultancy services to government, corporate and community-based clients.



THE ROLE OF AI IN CYBERSECURITY

Security breaches and incidents are occurring with alarming regularity, with the big names reported in the media only a fraction of the actual number of breaches taking place.

Just recently, Latitude Financial, a major financial services provider operating across Australia and New Zealand has released details of a cyber attack and data breach that has impacted 14 million of its customers.

If we are to keep our people and systems safe, we must adopt an ‘not if, but when’ mindset and take steps to improve clarity of understanding and efficiency in catching and responding to threats.

Today’s world demands businesses to improve cybersecurity measures and gain greater visibility over threats and attack surfaces, else fall prey to sophisticated and targeted attacks. The more visibility an organisation has, the better equipped to detect and respond in a timely, meaningful way. Luckily, with security of increasing importance, there are more tools and solutions available, with the likes of artificial intelligence (AI) arming us with

AI solutions for enhancing an organisation’s cybersecurity are there, and they’re getting better all the time. Chris Fisher says it’s just understanding what they are and how they can be integrated for maximum benefit.

greater ability to understand our attack surface and catch threats fast.

MAKING UNKNOWNNS, KNOWN

Let’s first consider unknownns. The last couple of years have led to significant changes in how we work, including a massive rise in remote working, notable changes in systems, including a huge rise in cloud adoption, greater financial pressure, and a struggle to find talent.

These changes have led to a larger attack surface, more vulnerabilities and exploits, more tools and alerts, and smaller, more overworked teams. Meanwhile, attackers are more evasive and more sophisticated in their infiltration methods.

Analysts at Gartner predict that nearly

half of cybersecurity leaders will change jobs by 2025 due to mounting stresses and burnout.

Part of the problem, as highlighted by Gartner VP Analyst Paul Furtado, is insider risk and the fact that traditional cybersecurity tools lack the ability to provide visibility over threats not only from outside but within the network.

It is true that oftentimes our attack surface is far larger than we assume. Let’s say I’m leading a security team and I’m responsible for taking care of 4,500 employees. I have an asset register that has logged 4,500 laptops, 2,500 servers, and I have 7,000 assets total on my network. However, it also shows that I have 15,000 active IP addresses on the network.



network or application without express permission or authorisation – as the name suggests.

As was reported in March, Commonwealth Bank of Australia’s Indonesian unit was recently impacted by an incident involving unauthorised access of a web-based software application used for project management.

Similarly, AT&T has recently publicly announced that back in January, an unauthorised person breached a vendor’s system and gained access to the company’s Customer Proprietary Network Information.

We can’t take this lightly. Gaining visibility and clarity through expert tooling reduces the burden on security teams and greatly improves an organisation’s ability to understand threats, while also giving the chance to remediate quickly and effectively.

THE ROLE OF AI IN VISIBILITY AND SECURITY

According to MarketsandMarkets, the AI in cybersecurity market size is valued at US\$22.4 billion in 2023 and is anticipated to be US\$60.6 billion by 2028, growing at a CAGR of 21.9 percent from 2023 to 2028.

Meanwhile, IDC finds that cybersecurity

infiltration points.

Attackers may be utilising AI or automation to speed up their attacks, but this doesn’t inherently change their behaviour. There are still certain actions they need to take to compromise a network, and these behavioural markers are what we can pick up on.

Security teams are alerted to suspicious behaviour, improving efficiency and helping them to sift through the noise of alerts.

We hear from many organisations that they receive far too many false positives from their security tooling and security teams are inundated with information that they don’t know what to do with.

Leveraging AI is not about replacing a human being, it’s about making what we do far more efficient and clarified. We can automate mundane tasks to free up employees, amplify an attack, and improve our ability to respond.

When it comes to response, we must know what to do with the attack alerts that come through, otherwise all our clarity is for nothing.

First, we determine what the attack is, and second what to do about it. Remediation is a helpful metric because it highlights that our goal is to remove the attacker from the environment but considers that there will be various ways to do this, depending on the systems and environment.

There can’t be a blanket rule, we must be flexible, but we can create repeatable procedures that have flexibility built in. Metrics such as ‘meantime to remediation’ can showcase the value and benefit of AI in terms of real outcomes and returns.

Moving forward we expect to see CISOs and security leaders invest more into tooling that improves efficiencies and supports security teams in sifting through alerts and uncovering threats in a sprawling and broad attack landscape.

The solutions are there, and they’re getting better all the time, it’s just understanding what they are and how they can be integrated for maximum benefit. ■

Chris Fisher is the Head of Security Engineering for Vectra.ai in the Asia Pacific and Japan Markets. Vectra is a leader in AI-driven threat detection and response for hybrid and multi-cloud enterprises. www.vectra.ai.

It’s not an uncommon statistic to only see 50 percent of assets logged as endpoints, with the additional IP addresses routers, switches, printers, cameras, telephones and other services. These additional IP addresses could be personal devices on a guest network, cloud computing services and container workloads, or even traditional server application services that are running hosts of activities that aren’t being monitored.

Security teams are now tasked with defining vulnerabilities within each of these items and executing controls in those environments.

For instance, closed operating systems don’t allow endpoint control measures, but an attacker can still leverage it for an attack. As a result, having a full depth of view is critical, and this is where technology solutions can shine.

Gaining visibility over an attack surface means understanding threat vectors that sit beyond what you as a company own.

Consider unauthorised access. An increasingly common term, this refers to the act of gaining access to a computer system,



has been identified as a top investment in APAC, with one of the leading categories being AI and machine learning. However, the study found that only 13 percent of Asia/Pacific respondents stated this was an investment priority, hinting that the region is lagging.

AI is a powerful tool in driving signal clarity and maximising the use of our now more visible attack surface.

AI enhances signal clarity by allowing us to zero in on the behavioural aspect of attacks and considering all possible



ED SIMS

is a professional director and
management consultant

DON'T HOLD YOUR BREADTH

SPECIALISATION CAN CREATE STEEP PYRAMIDS WITHIN COMPANIES, WHEN THE ROUTE TO SUCCESSION AND RECOGNITION SHOULD BE MORE LIKE A RANGE OF HILLS WITH MULTIPLE PATHS AND OPTIONS TO THE SUMMIT, WRITES **ED SIMS**.

“When facing uncertain environments and wicked problems, breadth of experience is invaluable. Facing kind problems, narrow specialisation can be remarkably effective. The problem is that we often expect the hyper specialist, because of their experience in a narrow area, to magically extend their skills to wicked problems. The results can be disastrous”

This quote from *Range* by American writer David Epstein, atypically praises generalisation and a breadth of skills when faced with crises of the dimension of Covid.

I say “atypically” to find a North American extolling range, from a position of personal experience.

I recently spent five years leading a large Canadian corporate where high degrees of technical capability were often deemed more relevant, more valuable, than the ability to cover many disciplines and functions in one role, as one leader.

Of course, a culture that seeks and rewards depth over breadth can have advantages.

Management develop high levels of technical proficiency, making themselves invaluable in highly regulated, or operationally specific, environments.

But there’s a risk both corporately and individually.

For the company, an emphasis on specialisation can create over-dependency on individuals who carry enormous amounts of IP in their heads, often without keeping an eye on succession management.

For the individual, they risk being defined purely by their discipline; the better they become as an engineer or accountant, the less transferable their skills to other areas.

When senior management look to share the management of a business or division, they look for the generalist leader rather than the technical specialist. Managing stand-alone divisions requires a focus on customer and staff issues as well as the shareholder lens, and the good generalist stays firmly between those three points, while the specialist will move closer to one audience than another.

In my own career, I could possibly not have become a successful CEO without consciously leaving my commercial comfort zone for direct operational responsibility.



Management by specialisation also has another unwanted side effect. It creates both complexity and cost.

Here’s a specific example from North American corporate culture.

The title “Director” implies ownership of direction and strategy and conveys the authority to get stuff done.

But in some organisations even the lofty Director can be five levels from the CEO with Vice Presidents, Senior Vice Presidents, Executive Vice Presidents and even a President in between. Pretty complicated eh?

Hyper-inflated job titles create more cost.

Not just in the direct salaries of so many big roles, but also in the lost productivity of more staff vying for those elusive senior titles.

Specialisation can create steep pyramids within companies, when the route to succession and recognition should be more like a range of hills with multiple paths and options to the summit.

A ‘wicked problem’ like Covid reminds us to broaden our personal experience base and to simplify.

If your organisation defends multiple layers of technical specialisation, even bureaucracy, because of the ‘unique’ nature of what they do, perhaps reflect on the experience of HSBC – a complex service provision spread globally across multiple cultures, continents and time zones.

Yet HSBC prides itself on a “6x6” culture where no frontline employee is more than six layers from their CEO and no one has more than six direct reports.

I have worked in companies where some staff had over 200 ‘direct’ reports. I have inherited managers with over 100 KPIs.

Scaling this back to spread genuine accountability to the broadest level requires high levels of transparency and equally high levels of trust.

It also requires a firm commitment to simplify.

Because of our relative scale, our entrepreneurial spirit, and maybe even our history of doing less with more, post Covid Aotearoa New Zealand is well placed to simplify our organisations and extend our range.

Let’s ensure we don’t waste that recent crisis. **M**

**CATHY HENDRY**

is the CEO at Strategic Pay.

www.strategicpay.co.nz

ARE HIGH SALARY MOVEMENTS GOING TO CONTINUE THIS YEAR?

IN A FINANCIAL YEAR WHERE MANY ORGANISATIONS ARE LIKELY TO BE FACING TOUGHER TRADING CONDITIONS OR SLOWER GROWTH, BUDGETING FOR HIGH WAGE GROWTH IS LIKELY TO BE QUITE A CHALLENGE. HOWEVER, THE INDICATORS ARE THAT WAGE PRESSURE IS GOING TO CONTINUE WELL INTO 2023, WRITES **CATHY HENDRY**.

The beginning of the year often kicks off the budgeting rounds for organisations and for most employers wage bills represent one of the larger costs to account and budget for.

Typically, many clients come to us at this time of year looking for advice or projections on wage movements and this year, in spite of slowing economic conditions, we are not seeing any evidence of lower wage increases.

We recently conducted a pulse survey to see if organisations had reduced their forecast this year following the Reserve Bank's efforts to slow growth; the results were surprising.

Median forecast salary increases for all sectors including the public and not for profit sectors are at an impressive five percent across all levels.

Figures this high have not been seen since pre-GFC times, however, this figure is still not matching inflation and those on lower wages are continuing to feel the impacts of the stubbornly high costs of living. Results from the same pulse survey this time last year showed only the private sector was forecasting five percent increases.

However, in August last year we asked how many organisations were forced to re-forecast their salary increases, with 58 percent of organisations revealing they had to increase their budgets as a result of increasing wage pressure and skill shortages.

Wage increases typically lag economic



“Figures this high have not been seen since pre-GFC times, however, this figure is still not matching inflation.”

indicators and, following the GFC, wage increases remained high for 12 months before dropping dramatically.

However, as mentioned in one of my previous columns last year, the shocks of the initial Covid lockdown, followed by significant skill shortages driving wages back up again, have resulted in the fastest turn around in salaries that we have witnessed in over 20 years of salary surveys.

This year is also shaping up to be challenging, with unusual trading conditions which are likely to create headaches for most organisations around business planning and budgeting.

Although net migration into New Zealand is no longer negative, thanks to the reforms in immigration, skill shortages remain.

While we are now seeing impacts of a slowing economy both in New Zealand and overseas, including some relatively high-profile insolvencies and staff layoffs, over a quarter of respondents to our pulse survey said they were planning on increasing headcount.

Other business confidence surveys are continuing to cite the lack of quality, skilled staff as a major barrier to growth.

While unemployment has increased marginally, the stubborn skill shortages continue to put employees in a strong position to demand higher salaries.

Another consideration is that around half of all mortgages will be up for repricing this year, while inflation is expected to reduce over the year but still estimated to be sitting at around five percent by the end of 2023. Employees are going to continue to feel the pain in their back pocket and expectations for wage increases are likely to remain high.

We are already seeing an increase in industrial action, and this is unlikely to decrease in 2023.

In a financial year where many organisations are likely to be facing tougher trading conditions or slower growth, budgeting for high wage growth is likely to be quite a challenge. However, the indicators are that wage pressure is going to continue well into 2023. ■

CREATING CONNECTIONS KEY TO INCLUSIVITY

STORIES BRING PEOPLE TOGETHER AND THE SIMPLE ACT OF TELLING THEM CREATES SPACE FOR MORE SHARING. THAT'S WHY INCLUSIVE LEADERS NEED TO EMBRACE STORYTELLING AS A TOOL TO MOBILISE PEOPLE AND ORGANISATIONS TO CREATE WORKPLACES OF BELONGING. BY [OLA IOANE](#).

When we set out to create an inclusive culture within our organisation or team, we want our people to engage with the experiences of others and feel empathy.

We need to raise awareness of the experiences of marginalised communities and create an understanding of diversity, equity and inclusion (DEI) concepts that can be complex and challenging.

Storytelling is a powerful tool that helps us create those emotional connections and open hearts and minds to DEI kaupapa.

But often in business we tend to take a western analytical approach to learning, forgetting to tap into the oral culture that is part of our DNA, leaving us at a disadvantage when it comes to storytelling.

If we feel the fear and do it anyway, the benefits are immense, whether you are sharing your own lived experiences, sharing the lived experiences of others as an ally or creating a space where diverse voices feel safe to tell their own stories.

It can also be a great equaliser – when a senior leader in a business shares their personal experiences, it humanises them.

If you have been, or are, part of a non-dominant group in a workplace, whether that's because of your ethnicity, gender, sexual orientation or any other factor, share examples of exclusion bias that have impacted your experience of work or your career development. Being open about how that made you feel can help others understand. It's also helpful to talk about where you have drawn support from, what forms of support are effective and what allyship looks like for you.

Divulging your own ignorance and subsequent learnings around creating cultures of belonging requires vulnerability but can also be a commanding way to illustrate concepts. Talk about those times when you, personally, or the organisation got it wrong, which unwittingly contributed to the marginalisation of people.

This provides greater clarity around complex inclusion issues, and creates a space where it's safe for everyone to acknowledge we have a great deal to learn.

It's also inspiring to talk about initiatives that have been implemented with positive outcomes for people in your organisation and the wider community, creating an opportunity for the business to role-model inclusivity.

Here are some points to remember as you strive to rediscover the skills you need to create compelling narratives and reignite your creativity to build relationships and connections in your workplace.

- Determine the purpose of the storytelling. Is it to educate, inspire, or create a sense of belonging? Understanding the purpose can help guide the selection and delivery of the stories.
- When you bring to life the stories people need to hear, be mindful of your role. You don't need to be the main character – advocates and allies have a powerful part to play.
- Consider the audience and their experiences and backgrounds. This can help to ensure that the stories are relatable and meaningful and avoid potential misunderstandings or

unintended consequences.

- Elevate different voices by ensuring stories reflect the diverse experiences and perspectives within the organisation. This can include stories from individuals of different racial, ethnic, gender, and socioeconomic backgrounds, as well as stories from allies and advocates. Be mindful that sharing personal narratives can be taxing. Organisations should consider providing support and resources for those who may need it after talking about their experiences. This may include access to mental health services, employee assistance programmes, or other support resources.



DIVERSITY



- Emphasise authenticity and encourage individuals to share their stories in their own words and style. This can help to create a more powerful connection with the audience and foster a sense of trust and understanding. Sharing your own experiences and stories helps others understand the impact of exclusion and the importance of creating inclusive workplaces.
- Use data to support your storytelling and highlight the impact of exclusion on business outcomes, as well as the benefits of creating inclusive environments. This can help to make a strong case for action and create a sense of urgency.

- Highlight success stories of organisations that have successfully created workplaces of belonging, and the positive impact that it has had on their employees and business outcomes. The most effective success stories include a shift in perspective from leadership, not just success stories from employees. Finally, consider the follow-up and action that will be taken after the storytelling. This can include creating opportunities for dialogue and reflection, developing action plans for change, and providing resources and support for individuals who may need it. The newly launched Workplace Inclusion

Professional Accreditation programme provides a framework to recognise the experience, knowledge and skills of DEI professionals across Aotearoa. **M**

OLA IOANE is the

GM of Membership and

Community at Diversity Works

New Zealand.

diversityworks.nz



CATHY PARKER

is the director of Adrenalin

Publishing, the owner of *Management*

magazine. She also sits on a number

of boards.

RAIN, HAIL AND PESTILENCE

AS THE COUNTRY BEGINS TO EMERGE FROM THE GENERAL STATE OF SHOCK THAT HIT US ALL IN JANUARY AND FEBRUARY, **CATHY PARKER** SAYS THERE ARE OFTEN VALUABLE, FRESH INSIGHTS TO BE GAINED FROM DEALING WITH A CRISIS.

Another year and another plague on the house of New Zealand! People and businesses seem to just get through one crisis and then there is another.

The effects have come, not just from any direct damage due to flooding or wind damage to business premises, but also longer-term issues. Many areas were still cut off a week after Cyclone Gabrielle due to damage to roading and bridges. Or, if there was access, it was often a slow and circuitous route which delayed, or stopped, transport, stifled tourist visits and made life generally difficult.

Even in areas that were not directly affected there are shortages of some products which come from the cut-off regions. Some relatively major roads may take a year or more to reopen (State Highway 25A from Kopu to Hikuai is one example).

On top of that there is a general state of shock affecting most of the country. Even for those less affected, there seems to be no chance to recover one's equilibrium/mental health between challenges.

So what are some of the governance issues? These can be split into the short-term issues to address but also long term as while New Zealand has faced similar cyclone damage in the past (Cyclone Bola for example) the strength and frequency is likely to increase as general warming from climate change increases

average ocean temperatures which, in turn, drive the intensity of the cyclones.

The Institute of Directors has produced a good online resource for directors entitled *After the Storm*. IoD notes that it is still important that boards keep to governance rather than hands on, and provide guidance for management on delegation so they can proceed at pace where needed and know what needs to be referred back to the board.

In the short term some issues to consider are:

- Staff safety both in the workplace and at home. Look at getting staff safely home before major weather events reduce travel during and immediately after, and ensure health and safety is in place for staff that have to work during weather events.
- Business clean-up and insurance. If you are directly affected you need to institute clean up processes and insurance claims.
- Staff mental health: Ensure managers

keep in touch with staff, make sure they know who is directly affected or have friends or family affected. Look to provide time off as needed to sort out any direct issues and then what mental health support the business has in place such as an employee assistance programme.

- Is there a risk of financial failure due to the crisis? In which case the board needs to closely monitor this and if required seek expert outside guidance.

Longer term issues include:

- Do you need to make adjustments to your premises to reduce the risk of future flood damage? Or consider moving to a different location?
- What are the potential risks from the effects of climate change which might result in more frequent and severe weather events, and increased sea levels which might worsen flooding in coastal areas.
- What are the logistical risks going forward of either one of your business locations being cut off for some time (how would you operate?) or being cut off from a key supplier for a period of time?

We should also never forget Winston Churchill who said: "Never let a good crisis go to waste." Meaning there is often valuable, fresh insights generated from dealing with a crisis. **M**





GRAEME MULLER

is the chief executive of NZTech, a NFP which brings together 20 tech associations and more than 1,600 member organisations.

SPURRING THE GROWTH OF NZ'S INNOVATIVE TECH SECTOR

TECHWEEK23 IN MAY IS SHOWCASING NEW ZEALAND'S TECHNOLOGY INNOVATION AND OUR GROWING INTERNATIONAL REPUTATION AS A LIVING TECH LABORATORY THAT IS GOOD FOR THE WORLD. BY **GRAEME MULLER**.

Techweek23, which kicks off in more than 35 cities and towns around New Zealand on May 13, has grown 12 times in just eight years.

As the global thirst for digital knowledge rapidly accelerates, tech is growing exponentially all over New Zealand and Techweek23 is the focal point for learning more about trends in the booming sector.

Techweek23 is running in every single region in New Zealand with more than 600 events in hundreds of locations, plus Techweek23 TV is live streaming from many of these places.

The week gives New Zealanders a chance to discover the latest tech, for kids to try new things, for businesses to connect and learn and to showcase our best tech success stories to the world.

The series of events will showcase the latest advancements in tech and bring together entrepreneurs, investors, businesses, educators, students and other stakeholders.

Techweek23 will provide the nation with a week-long, nationwide, opportunity to meet and share ideas through a mix of live, virtual and hybrid events.

It plays an important role in promoting the growth and development of New Zealand's technology sector, and in creating a more innovative, connected, and resilient society.

Aotearoa needs to be more digital to help promote resilience, assist with emissions reductions and help to manage the impact of other forces of change.

The adoption and smart integration of technology across business, community, and society will help create a more equitable, sustainable and prosperous country.

It's not just our cities that are hubs of technological innovation. Our regions are amazing proving grounds for groundbreaking ideas. Techweek23 celebrates all Aotearoa and champions activity and stories from Cape Reinga to Bluff.

The deployment of sustainable tech solutions across the energy, agriculture, transport, waste and other key sectors is enhancing our standing among nations by demonstrating our leadership in combating the climate crisis.

The most exciting thing to see this year is the growth of schools and community events for kids to learn about coding or to try new things like 3D printing, building robots and using tech to clean up our water ways.

Techweek23 is driven by NZTech.

Former Prime Minister Jacinda Ardern set a world first opening Techweek a few years ago appearing as a hologram. She was the world's first national leader to undertake an official engagement as a hologram.

In May New Zealanders will hear and learn all about the country's most amazing world-leading innovation, projects and breakthroughs.

New Zealand is great at technology innovation and there is a growing international reputation developing that we are a living tech laboratory that is good for the world.

Some examples of our cutting-edge technology include:

- Biotech such as the kiwiberry, one of the innovative fruit products created through collaboration between Zespri and Crown Research Institute Plant and Food Research, driven by customer insights from around the world.
- We're seeing Trimax's lawnmowers develop world-leading components to become the most advanced lawn mowers in the world. Based in Tauranga, these were initially developed in the 1960s for New Zealand kiwifruit orchards, now they're mowing the lawns at Buckingham Palace and Manchester United's training ground.
- Then there is the robotic apple packer in action, a product of one of Techweek23's keynote companies, Robotics Plus, which is using autonomous robotic solutions to address the labour shortage in global horticulture.
- We have the incredible nanofibre made by Revolution Fibres which is a world leader in a very sci-fi process called sonic electrospinning. The fibres they make out of their factory in Henderson are being used all over the world across many sectors, from motorsports to health, from clothing to cosmetics.
- Finally, there is Auckland-based company, Stretchsense, its wearable sensors have the potential to change the way we interact with technology and the world around us. **M**



ALLYSHIP AND MAKING A DIFFERENCE

ALLYSHIP IS ABOUT ACKNOWLEDGING AND UNDERSTANDING INEQUITIES AND TAKING ACTION TO HELP LEVEL THE PLAYING FIELD, EXPLAINS **KATE KEARINS**.

KATE KEARINS

is Professor of Management and Pro Vice Chancellor and Dean of the Faculty of Business, Economics and Law at Auckland University of Technology.

Listening to senior business colleagues introduce themselves, I'm hearing less about their specific areas of expertise and more about what they stand for and why they choose to do work they do.

There's often a sense of being in a privileged position and a strong current of wanting to make a difference, including for others less privileged. But it can be challenging to effect.

Here's where the idea of allyship can be helpful. At its core, allyship is about acknowledging and understanding inequities and taking action to help level the playing field.

But before we can be allies to those whose lived experiences differ from our own, we must, of course, acknowledge and understand our privilege – be it based on our ethnicity, gender, upbringing, socioeconomic status, sexual orientation, religious beliefs, and/or physical and mental abilities.

Different aspects of our identity combine to expose us to advantage or disadvantage.

Intersectionality is, therefore, central to allyship, since our positions of privilege (eg, as a white member of the executive team) can co-exist with experiences of marginalisation (eg, as an older woman in the workforce).

It's also about acknowledging that it can be uncomfortable to sit in this space, where good intentions around allyship can be unintentionally poorly executed or misconstrued.

How, then, can managers approach allyship – as individuals, as team leaders, and as members of a wider organisation?



Leanin.org, a US-based company that develops workshops on allyship for organisations worldwide (including here in New Zealand), defines allyship as: an active and consistent effort to use your privilege and power to support and advocate for people with less privilege.

The key words here are “active” and “consistent”.

The mandate to be “active” in this space can be particularly hard for us Kiwis – we often appear culturally bound to keep a low profile, stay under the radar, and shy away from anything that could be considered tall poppy syndrome.

But that ability to speak up and speak out when inequity is at play is vital to being a good ally. As the facilitator of a recent workshop noted, “Silence is a neutral position.”

When it comes to allyship, the mantra is “don't be a Switzerland”.

Equally important (and challenging) is the need to be “consistent” in our allyship – addressing issues of injustice from a

personal position while also understanding the structural forces that create and maintain privilege in the first place.

It won't be surprising to know that authenticity is key to allyship.

Authentic listening to the experiences of others, authentic communication about our own experiences with privilege, authentic efforts to remedy the experiences of being overlooked (for plum roles or promotion), underpaid (compared to colleagues), and uninvited (to develop policy, create strategy, or sit at the decision-making table).

Check your own privilege, chuck out your assumptions, and check in with those who you could meaningfully support.

There's work in being an ally, in not assuming we know how it is for others and in taking the time to learn about and understand others' positions, and in standing up for, and alongside, them appropriately and effectively.

It's not about one-offs and grandstanding, but really caring, and being committed to make a difference for others not oneself. **M**

SUBSCRIBE NOW



4 issues
for \$45.00

Two top business magazines combined to offer information, inspiration and education for business leaders and owner managers.

NZBUSINESS

SUBSCRIPTIONS:

www.nzbusiness.co.nz/subs | 09 478 4771

DIGITAL SUBSCRIPTIONS:

www.nzbusiness.co.nz/zinio

MANAGEMENT

SUBSCRIPTIONS:

www.management.co.nz/subs | 09 478 4771

DIGITAL SUBSCRIPTIONS:

www.management.co.nz/zinio

Business

NEW ZEALAND
Management
INSPIRING BUSINESS LEADERS



A digital currency
designed for everyday
payments

qoin.world

Available to download on

