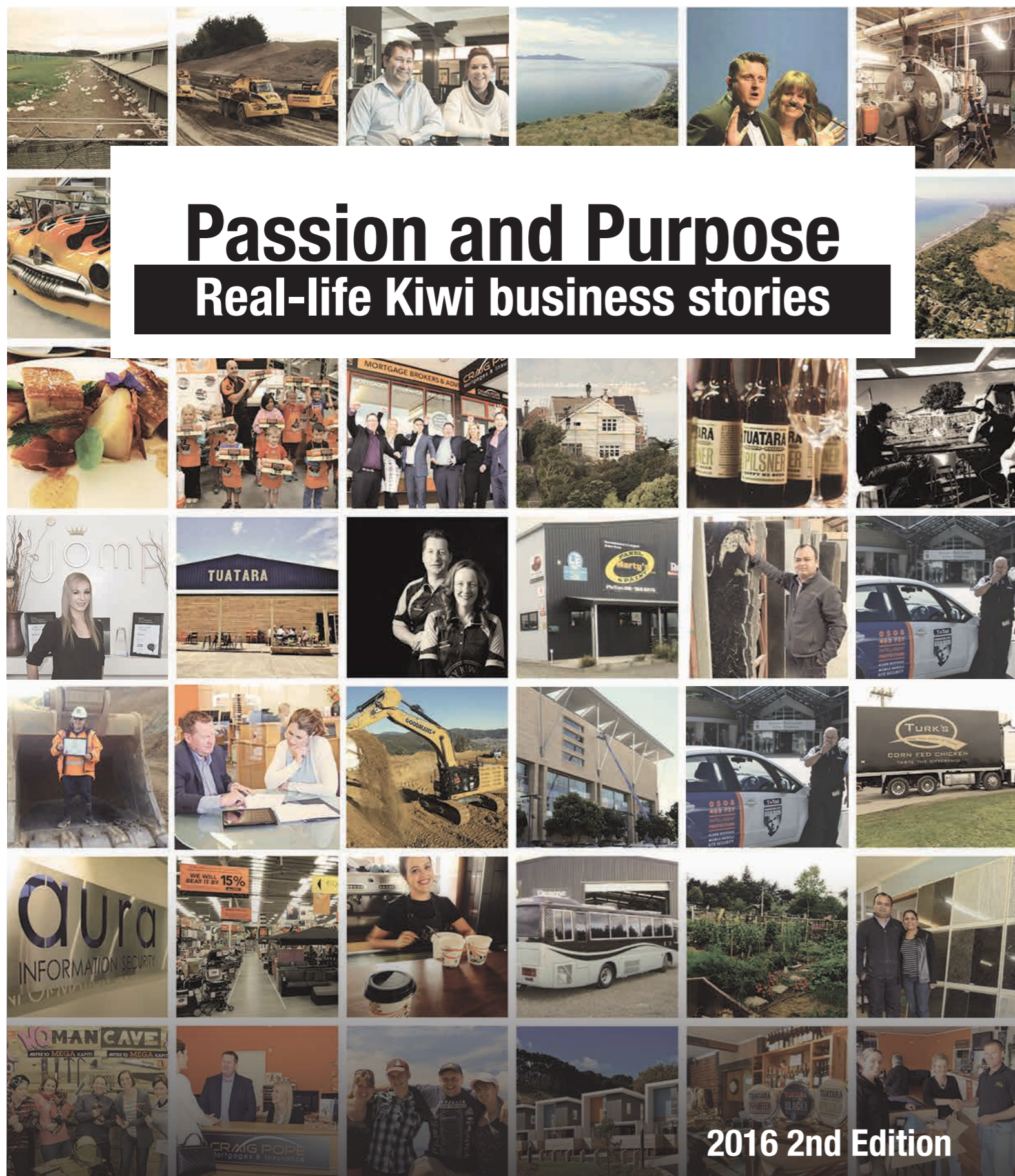


Passion and Purpose

Real-life Kiwi business stories



A collection of case studies of award winning businesses from the Electra Kapiti Horowhenua Business Awards sheds light on what it takes to grow a SME business in New Zealand.

Essential reading for business people on the up, people getting into business, and students of entrepreneurship.



Foreword

By Mark Ternent MNZM



Throughout the Kapiti and Horowhenua Districts, throughout New Zealand, and around the world, there are huge numbers of entrepreneurs and owners of small and medium sized businesses (SMEs), and

this e-book is dedicated to them, and to the passion and purpose that they bring to what they do.

This e-book comprises a collection of case studies from award winning businesses from the Electra Kapiti Horowhenua Business Awards and sheds light on what it takes to grow a SME business in New Zealand.

We recommend it as essential reading for business people on the up, people getting into business, and students of entrepreneurship.

The Excellence and Achievement Award categories of the Electra Awards are based on the Baldrige Program, widely known as the Business Excellence Criteria. These criteria are in turn based on leading research into contemporary business and organisational best practice. The entry and assessing processes undergone by entrants are cut-down and re-focused versions of the corporate Business Excellence experience, designed to be value adding in the kiwi SME environment. The Awards are run in a professional manner with robust processes, experienced assessors and overseen by independent judges.

Entering the Electra Awards is no easy task, and all entrants are commended. Entrants to the Excellence categories report many benefits from the self-analysis of preparing their entry, through the assessors visit, to the feedback report that they receive. Other benefits include recognition and credibility from public exposure, team-building, bench-marking, improved self-confidence and business knowledge, and networking with other like-minded business people.

This e-book is free to download and distribute in its original form. The publishers are a volunteer based not-for-profit with charitable status, and donations or registrations of sponsorship interest are always welcome, please email awards@bkh.co.nz for ways to do this both recognised and anonymous.

As the publishers of this e-book, Business Kapiti Horowhenua Incorporated (BKH) retains all rights to the material contained herein. Businesses agreeing to be interviewed for a case study agree that once they have approved their case study, BKH may use it in this e-book or in other situations at its discretion. BKH encourage the wide use of the book, and limited excerpts may be taken from it and used as long as the source is clearly acknowledged. More substantial uses of the material herein require the prior approval of BKH.

First produced in 2015, BKH will add more case studies and re-issue this e-book as time goes on.

Mark Ternent MNZM

Chairman (and Chief Assessor)
Business Kapiti Horowhenua Incorporated

Business Kapiti Horowhenua Inc.

PO Box 783, Paraparaumu 5254
 www.bkh.org.nz
 awards@bkh.org.nz

Excellence Awards
 Achievement Awards
 Customer Choice Awards
 Business Hall of Fame

Please visit our website for all information, including how to get on our mailing list, enter, attend an event, and vote in the customer choice category.

Acknowledgements

A large number of people and organisations make significant contributions, both financially and personally, to ensure the continued success of the Electra Kapiti Horowhenua Business Awards. We are grateful for their commitment and look forward to continued support.

Assessors

Mark Ternent MNZM (Chief Assessor)
Graham Smellie
Heather Hutchings
Richard Eltherington

Judges

Suzanne Snively ONZM (Head Judge)
Gerry McCullough
Gus van de Roer
Ann Verboeket
Steph Dyhrberg

Case study authors



Stephen Leslie, FCIM, BBS

Stephen is the Managing Director of The Perfect Angle, a marketing agency that helps businesses to stand out from their competition. The company provides its

clients with a full range of marketing services, from strategy and planning to content marketing, copywriting and graphic design. He is a Chartered Marketer (FCIM) and a regular commentator for the Marketing Association. He's a proud Dad and a bad golfer.



Chris Ineson

Chris is the founding partner of Drivingforces, a business consultancy that looks to add peak performance to business practice. He combines his experience as an Olympian with

more than 30 years business experience across a range of industries to advise small – medium size businesses on business excellence, continuous improvement, measuring performance, and achieving results. He is an independent director and chair of several boards.

Contents

Click on the thumbnail image to go to the full article.



Aura Information Security
2010



Granite Tops
2014



Marty's Panel & Paint
2013



Aura RedShield Security
2013



HLC
2016



Mitre 10 MEGA Kapiti
2012



Craig Pope Mortgages & Insurance
2014



JMA Decorators
2014



Tuatara Brewing
2011



Focal Point Cinema & Cafe
2016



Jomp Hair Design
2016



Turk's Poultry Farms
2009



Goodman Contractors
2014



Longbeach
2014



Supporting Sponsors

Aura Information Security, HMC Kapiti & Horowhenua Motor Co, GTB IT Solutions, Luvly Advertising, Kapinua, Kapiti Coast Chamber of Commerce, Tuatara and The Perfect Angle.



Aura Software Security Ltd is a security software development company, based in Otaki with offices in Wellington and a sales and business development manager in Auckland servicing customers in Christchurch, Sydney and London. The company provides specialist IT security services to NZ and overseas businesses. Their mission is to “protect our customers from the bad-guys”.

Business of the Year



Protecting Customers from the Bad Guys



Creating end-to-end IT security consulting services has led to international success for Otaki-based company, Aura Software Security Ltd.



2010 Electra Business of the Year

Article written by Chris Ineson in 2010

Aura Software Security Ltd's success is based on visionary leadership, a positive can do attitude, commitment to being as good as possible, sound business practices, being prepared to take calculated risks, learning from their mistakes and employing high quality people.

Aura employs 16 staff; its head office is in Otaki (on the Kapiti Coast) with a second office in Wellington, and a sales and business development manager in Auckland servicing customers in Christchurch, Sydney and London.

The principal shareholders are Diane and Andy Prow (75%) with two founding partners as minority shareholders.

“As an entrepreneur you have to strike that hard balance between having faith that your business plan is “going to work”, and the strength to admit when it’s not! The key is to realise when it’s not working and, if you fail, fail fast!”

The origins of the business began ten years ago when Andy Prow worked as a software developer and IT consultant. After a stint in the UK he had made enough money to set up his own business in NZ. As a budding entrepreneur he realised there were potential business opportunities but felt he had neither the resource nor the experience to take them to market. After researching his options he formed a commercial partnership with a company and, although he felt it was an enormous opportunity, issues over control of product and marketing as well as the cost of patents meant it did not work out.

It was a steep learning experience but the lessons have lasted to this day:

- Test whether there is a market for your product, the true value of the product, whether it has a life beyond the short term, the most effective way of getting it to market, the nature of future business relationships (including partnerships and joint ventures), and the most appropriate model for your business.
- No matter how much thought and research goes into the business plan and how well it is executed, there is always an element of risk associated with any business venture.
- Relying on a major element, such as a partnership, for your success is potentially fraught as its performance (or lack of) can seriously affect your business. In short, do not put all your business eggs into one (partnership) basket.
- When working with another business that is responsible for selling your product, get to know and understand what motivates and drives them as it may not be the same as yours.



Aura Software Security Ltd entered the 2010 Electra Kapiti Horowhenua Business Awards, winning the Customer Service, New Thinking and High Growth Achievement Awards, and being named the overall Business of the Year.

Since being named 2010 Business of the Year, the company changed its name from Aura Software Security Ltd to Aura Information Security Limited, before being sold to Kordia in November 2015.

Aura Information Security Ltd

Level 12, 79 Boulcott Street, Wellington

📞 04 894 3755

✉ sales@aurainfosec.com

🌐 www.aurainfosec.com



Rapid growth – change or perish

In 2001 the company started out as Aura Software Architects Ltd; three years later Aura Software Ltd was formed; followed in 2006 by Aura Software Security Ltd and in 2009 Aura Redeye Security Ltd emerged.

Each stage was the result of its owners redefining its core business. This was in response to changes in the software market, and because Aura itself was defining its place in this market – establishing its key point of difference in software security.

Over time this was developed further when they became a Microsoft Certified Partner.

“The key point of difference to our competitors, who were basically ‘IT security’ experts, was that we could provide software development skills.”

What Aura provides is specialist IT security services to NZ and overseas

businesses. Its mission is to “protect our customers from the bad-guys”. To do this they created what is known as end-to-end IT security consulting services based on “penetration testing” where they (safely) attack a customer’s websites and IT systems, then give the customer feedback on how hackable they are, what needs fixing and recommendations on how to fix it.

Aura expects to keep on evolving to reflect the rapid changes in the international software development market. If it doesn’t it knows it will lag behind its competitors and eventually perish.

As they have grown, the company has discovered that not only does technology change but customers’ expectations and levels of sophistication change with it, meaning the company has had to learn to respond quickly.

Equally, understanding the market the business operates in is just as important. For most NZ businesses that have aspirations in the huge and highly competitive

international market, the niche part of that market is one of the more logical starting places. However, entering a niche market still requires research, networks, reliable advice (e.g. from NZTE), hard work and perseverance.

Know your market

The security aspect of Aura’s business has evolved to become its core driver. Four years ago it represented 10% of turnover; in 2010 it represented 99%. This is the result of:

- Retaining and growing existing customers and recruiting new ones.
- Growing awareness by the business community about the importance of IT security, especially high level security industries such as banking, communications, medical, government, military and police.
- Recognition that IT security is a growth area and that it makes good business sense to “go where the money is”.
- It is global with enormous untapped possibilities.

“We see Weta Workshop as the type of business we want to evolve into – NZ based, international, specialising in a high value niche market.”

Keep abreast, stay ahead

For Aura, staying internationally competitive means having to keep abreast of developments in the international IT security market.

This means knowing what is going on, where the cutting edge is, knowing who the market leaders are, identifying niche opportunities and how to enter them (and survive) – often against bigger and better resourced competitors.

It is standard practice that every week (often daily) Aura staff spend time searching the web for “where the action is” – who is doing what, new developments, where the market is heading, business opportunities and so on.

Successful businesses use the intelligence available to them in the market place via the media, conferences, networking, e-technology, government agencies and the like. For them, information is knowledge and knowledge is a powerful business tool.

Risk, mitigation and continuity planning

Risk, risk mitigation, and continuity underpin Aura’s activities.

Aura spends time with their customers identifying, assessing and helping them to mitigate software security risk (e.g. hacked or damaged systems and natural disasters – earthquakes, fire, serious power failure and so on). This often involves continuity planning.

For instance, in a worst case scenario such as a major earthquake this can mean having to operate with minimum capacity (i.e. a laptop) capable of accessing data via servers located in other parts of the country or overseas (i.e. outside the risk zone) and/or using some other device or Cloud-based services (i.e. servers and software fully residing on the internet – often overseas) as part of their risk mitigation/ business continuity planning.

Aim to add value

The checks and balances used by Aura to test the integrity of its customers’ software security systems are comprehensive, as are the processes used during testing. The company security tests what others have built by evaluating a real or hypothetical security breach, developing scenarios of how/ why it happened, implementing recovery, installing security and monitoring systems.

Aura aims to create added customer value from the start by advising the software developer on the security

requirements before the system is planned and built, at which point Aura tests it to ensure it works.

This is supplemented by their in-house training and the introduction of new products, the most recent being the RedEye external security scanning system (a daily monitoring system that alerts clients about their software security with recommendations on how to fix it).

Aura has created a holistic approach to software security that involves a seven step process with each step adding value to the one before it to create an integrated value added chain.

Another aspect of the value-added business approach is IT governance – a relatively recent dimension to IT security. IT security is seen as a technical and operational matter that is best managed by the IT manager. Many CEOs and boards do not see it as a high level consideration, yet business is so reliant on IT and IT security that Aura believes it is only a matter of time before it is elevated to high level governance. When this happens Aura feels it is positioned to take advantage of it and has already started to give “Exec Team” training highlighting real-world business risks in the security of everything from a call centre’s customer validation process, sales teams’ laptops to the CEO’s home internet.



In 2006 the security aspect of Aura’s business represented 10% of turnover. By 2010 it had grown to represent 99% of turnover.





Growth requires governance

Aura knows that, to be seen as a long term credible business, it needs a formally constituted governance structure that is capable of applying, testing and evaluating strategies, implementing sound business practices and laying the platform to take the business forward. Having this structure in place will also support the company's growth strategy and allow it to access its share of R&D grants, both in New Zealand (e.g. Ministry of Science and Innovation) and internationally (e.g. University of Illinois).

This is not unique to Aura. Most growing businesses come to a point where they realise that to take the next step up they have to move from the owner operator "kitchen table" to a formally constituted governance board. Often they evolve from one to the other but Aura fast-tracked the process.

Aura's Board currently consists of two people, Andy Prow and an external chair (Dion Mortensen, an expert in start-up and small business growth, mergers and acquisitions). The Board's remit is to drive the company's strategy and plan, monitor its progress and results, and change accordingly. The plan is reviewed quarterly - which gives a clear picture of their successes to date and the opportunity to change if:

- They are not achieving their performance targets

- Events have overtaken the plan or have changed, or
- The targets have become unattainable.

Aura anticipates there will be further Board appointments over the next 12 or so months. The aim is to build a team of high quality people with experience in areas of strategy, exporting and investment.

Shared ownership

Currently there are four shareholders but this is being evaluated as the business grows and more senior people join the company.

Aura is aware that to retain quality staff in a highly competitive field they need to find ways to incentivise them. One such way is to offer them shareholding in the company.

The challenge for Aura is to assess the true value of a business that is on a high growth path (projected to continue for some time into the future), and how to factor this into the shareholding evaluation calculation.

Parallel with this is the move to educate potential shareholders about the difference between investing in the business for the long haul as opposed to owning a specific percentage of shares. Translated, this means showing staff what the actual dollar value of their shareholding is worth.

Management, succession planning & life balance

The management team has been bolstered with the appointment of a Chief Executive to help Aura grow operationally in NZ.

This appointment is part of its growth strategy and is designed to take the pressure off the owners during times when they are overseas on business or at conferences. In the past this has been an issue as Andy and Diane have had to deal with operational matters on the move. Now they let their managers and staff run the operational side of the business. This also enables them to remain focused on the business development opportunities that have arisen from their overseas trips rather than having to delve into detailed operational "stuff" on their return.

"We want to give operational responsibility to others to spend 'our' money and hire and fire 'our' staff. It's not easy, but it's in the longer term interest of the business."

Many businesses go through a transition from being 'owner-operated' to being managed by staff. Some handle the transition well, others do not. In the case of Aura the aim is to plan and manage change by gradually handing over the operational reigns to management and staff while they focus on growing

the international side of the business, as well as creating a life balance of business and travel (one of their personal goals). In short, their aim is to make a seamless transition from being hands on to a more strategic and international business development role.

"Personally, we have a realistic approach about being irreplaceable. We are not and for this reason, and for our own well-being, we want to create a balance between business and life."

Strategic partnering

Aura has made a business decision to focus on businesses that align with its own strategic direction, which means that sometimes it turns down work that does not meet this criteria.

Aura is not the biggest player on the block but it has addressed this by generating its own "critical mass" through strategic partnering. Previous experience has

taught them that partnering (defined as working with, rather than being part of another business) is a better option than a partnership. Partnering suits the company's operating style and enables it to move into new markets while at the same time maintaining control over the quality of its services and the marketing of them.

A good example of this has been providing their full range of services to Xero. Xero was founded in 2007 by Rod Drury and is on its own global high-growth path, making it an international advocate for Aura's services. Another strategic partner is Endace, based in Auckland, who sell a high-end computer network device globally. Aura has partnered with Endace to provide the ability for their RedEye product to sit on the Endace system, providing Endace with a market differentiator against their competitors.

Aura has learned the hard way that protecting intellectual property rights

(IP) against bigger and better resourced competitors is extremely costly, time consuming and distracting for a small business.

Their advice is firstly, stay out of litigation and any high risk cost that is difficult to win. Secondly, and more importantly, stay ahead of the competition so that in the event they do copy, it doesn't overly matter as it has been superseded by new developments.

"Run fast and stay ahead, lead the space, understand and pick the battles that need to be won, and grow."

Be seen, be heard, be known

This strategy is a pragmatic understanding of the realities of competing in a global market. Aura knows it can be a world class business in its specialised field through strategic partnering in a niche market.

For Aura one of its biggest challenges and one that is typical of many small businesses, is "getting its name out there" as cost effectively as possible. To do this it "puts itself about", attending and presenting at conferences and workshops, as well as utilising the usual tried and tested marketing techniques such as an interactive website, customer testimonials and word of mouth marketing.





Measuring performance

Aura have had a strong financial year and are well on the way to exceeding their financial targets. In 2010 they were ranked 284 in Deloitte's Asia Pacific Technology Fast 500 (the top 500 revenue growth IT companies in NZ, Australia, China, Singapor, Malaysia, Japan and South Korea). This year they are on track to make the Top 50.

Aura apply a key set of performance indicators that they measure and report on monthly and quarterly over five areas – services, customers, staff, financial and strategy. For example customers are measured in three ways:

- Existing customer satisfaction
- New customer value
- Strategic value - (measure the growth of particular services to particular customers).

The financial indicators include:

- Current annual revenue and EBIT targets

- Monthly budgeted P&L against actual
- Balance available cash with growth expenses
- Value of the company based on historical EBIT and factoring future growth plans
- Revalue the business year-on-year (assess measurable growth in the value of asset).

Business success indicators include the “end game”. In brief, retain good people, retain the IP and the values of the business, and use its software development and IT security skills to create new security software businesses e.g. Aura RedEye Security (with more new products in the pipeline).

The 3P's – People, People, People

Aura is aware that to grow and develop it will need to employ more people with specialist skills, and as a consequence the business will have to continue to gear up its HR resources. It accepts this is

one of the “prices” of growth but it has to be done to ensure the future of the company.

“We plan and manage our growth, not let it happen by default.”

Professional development and training is encouraged by Aura. This is done by talking with staff about their professional (and personal) aspirations, how they can achieve it and the role of Aura in this.

With an eye for the future Aura is on the lookout for people who can bring skills to the company that complement its existing ones. It has an open invitation on its website to people who feel they have such skills, the right attitude and who could fit in as part of the Aura team. This is different from the usual style of staff recruitment but it works for them. Keeness, enthusiasm, attitude and behaviour is an integral part of Aura's culture

and to have a pool of potential experts (currently 12) ready and willing to sign up is an indication of how it is seen in the software development sector.

“From an employment point of view it is critical to find, attract and keep the best staff to add to the company's skills in a specialised and highly competitive field.”

Because of the expertise required there is a large amount of ongoing training and certification. Every staff member has an ongoing personal training and certification programme, focussed on their area of expertise (for instance web-site security, or network security).

As some of the fields are “too new” Aura spends time conducting research and development, funded and supported by providing time and resources for staff to research new fields. The end result is greater staff satisfaction and brand-building by staying market leaders.

Every staff member also has a development plan, including training, attending conferences, presenting at industry events, writing papers, performing leading edge research and taking strategic roles on strategic projects.

Dreaming together

Aura continues to go through its share of ‘growing pains’ of sufficiency of capital; governance and management structures; operating systems; exporting and marketing expertise and so on.

But it is determined to give it a real go and by using Weta Workshop as its model it has not only set very high standards for itself but an aspiration that, according to Andy and Diane Prow, is truly “galactic”.

With this in mind, Aura is in the process of taking another step up. In this it has a choice – it can choose to be a small NZ business where the owners will eventually get their Kiwi version of the “3 B's” – in this case a Koenigsegg (Swedish super sports car), holiday home, and a “gin palace” to travel the world in – or it can choose to be much more than this.

“In practical terms we only have essentially two options: stay small with a close knit group of people and watch others fill the global opportunities out there – which isn't a real option – or we fill them and create a vehicle for our staff and the whole team to achieve their dreams too, long after we've moved on in the company. We have definitely chosen the latter.”

~Andy and Diane Prow

Aura is not currently interested in a buy out as they value their independence and feel they still have a long way to go in terms of growth and creativity. They also firmly believe that the company won't realise its true value for a few years yet, and are not tempted for an early under-valued buy-out.

Electra Business Awards

The Electra Kapiti Horowhenua Business Awards forced Aura to look at and validate every aspect of its business – from vision and strategy, through to bottom line financial performance.

The company saw the Business Awards as a means of benchmarking their business against other businesses in the region, and used the assessment and follow up report as a tool to improve their business practices.

Winning the Business of the Year Award was a high honour and seen as an endorsement of their business excellence – something they promoted on their website.

“Although Aura has no local customers they are a high exporter out of the region and winning it was a message about what business is about – vision, focus, quality product, customer service – and above all that a small niche business is just as capable of winning the Awards as a bigger business”.

[Download the complete Aura case study here](#)



Aura is a growing, energetic, entrepreneurial business in a very competitive international IT market with a clear sense of where it wants to be.



Aura RedEye Security provides world-leading Cyber Security software and services to both New Zealand and a growing overseas client base. Aura's managed services are specifically designed for the shielding and protection of websites and online businesses from cyber attacks.



Aura RedEye entered the 2013 Electra Kapiti Horowhenua Business Awards, winning the Medium-Large Business Excellence Award and being named as a Finalist in the New Thinking Achievement Award. The company went on to be named the overall Business of the Year.

Since being named Business of the Year in 2013, the company changed its name from Aura RedEye to Aura RedShield, then to Aura RedShield Security Limited, and finally to RedShield Security Limited (following the sale of Aura Information Security Limited to Kordia).

Business of the Year



A global leader in cyber-security solutions



In 2010 the vision was to be the best computer security business in NZ. Today it is global, and it is massive.



2013 Electra Business of the Year

Article written by Chris Ineson in 2015

While Aura RedEye Security Ltd was the winner of the 2013 Electra Business of the Year Award, it was the second time the owners of Aura – Diane and Andy Prow – had won the premier Business of the Year Award, having also won it in 2010 as Aura Security Software Ltd.

Since their 2010 win the company has evolved and, in the process, realigned its strategic focus from a generic provider of IT computer security, principally servicing the domestic market, to an internationally focused business delivering a high value product in the highly competitive and crowded computer world where rapid technological change is the norm.

Recap: the road to success in 2010

In winning the 2010 Award a number of factors were identified by Aura as reasons for their success

- Setting a clear and attainable vision and planning to achieve it
- Researching and understanding the market they were in and identifying opportunities to develop it
- Meeting customers' changing expectations, especially as the market matures
- Knowing what the competition is doing and striving to keep ahead of it
- Adding value at every step
- Developing strategic partners and advisory networks

- Setting clear performance targets – financial and non financial
- Employing the right people and improving them through training
- Endeavouring to implement sound governance and management systems/processes
- Being prepared to push the envelope but equally, being prepared to pull back/change direction if need be.

The 2010 case study concluded with the comment "In practical terms we only have two options: stay small with a close knit group of people and watch others fill the global opportunities out there – which isn't a real option – or fill them. We've definitely chosen the latter." – Andy Prow

Three years on

Although the number of staff employed by Aura has doubled from 16 three years ago to 30, its head office is still in Otaki (on the Kapiti Coast). It is expanding its offices in Wellington and Auckland to service customers across New Zealand, and now has an office in Melbourne

Aura RedShield Security Ltd

Level 12, 79 Boulcott Street, Wellington
t 04 894 3755
e sales@auraredshield.com
w www.auraredshield.com



servicing their Australian customers. Beyond that there are RedEye customers in the UK, USA and Canada.

The principal shareholders are still Diane and Andy Prow (60%) with two founding partners as additional shareholders. New shareholders will be coming on board over the next few years. However the company's growing global client base means that it is their software and systems that have expanded the most, with systems located in NZ, Sydney and new installations in Los Angeles and New York later in 2014.

“With these global installations the customers measure us less on where our staff work, and more on where we can provide our service for them”.

The company's business fundamentals have not changed. Some governance and management changes have been made but not of any great significance. Staff numbers have grown which has necessitated a slight gearing up of the company's HR practices. The owners' energy and enthusiasm has not changed.

What has changed is their vision for the company and its goals. In 2010 the vision was to be “the best computer security business in NZ”. Even as recently as three years ago computer web and net based

security was in its infancy. Today it is global and it is massive. Aura RedEye views this as a major opportunity and plan to capture their share of the international market.

“We see Aura RedEye as a global leader in cyber-security solutions. We already have a world-class team, delivering a world-class service – now we're building a world-class business”.

Andy and Diane know that being a business leader is more than being a visionary. Vision has to be backed by sound business principles.

By winning the 2013 Electra Business of the Year Award, Aura RedEye was consistently at the top of the Judge's seven critical performance criteria – with their comments summarised below.

Leadership

“The owners have a pantheon of well chosen and talented advisers who are relevant to the direction and vision of the company.”

Strategy and planning

“This understanding of their SWOT flows through to their key strategic goals which are clear and quantifiable and those goals in turn flows through to their action plans and their measurements. There is strong evidence that their plans are helping them get results as evidenced by...growth in revenue over the last year.”

Customer and market focus

“They are very proactive and mobile in developing linkages and opportunities with significant global players who are complementary to their own product, and who have distribution/value chains that their products can fit into. This focus on fitting into someone else's value chain rather than just selling retail is one of the major reasons for the enormous promise of the RedEye and related products.”

Information, knowledge and performance management

“... it seems that what they are doing is very good and covers all of the major areas that we would expect a top performing company of their size and maturity to measure.”

Workforce focus

“They make use of staff and consultants situated in a variety of different geographic locations and appear to have mastered effective and successful remote working.”

Systems and operations processes

“The systems are responsive to the rapidly changing needs of the business...having been challenged on a very regular basis, this level of flexibility/agility is important given the vision of the business.”

Business results

“The business has experienced in excess of 300% revenue growth over the last year...client numbers have grown and the growth in value per clients has also grown substantially.”

“The business has a huge vision having identified a major potential global market with a seemingly industry leading innovative idea, and development of a scalable and cost effective profitable product to fill the need. Speed and agility are the two keys, and the company and its owners display these characteristics.”

For Aura the 2013 Electra Business of the Year Award was recognition of a stellar year. The challenge is to maintain the momentum. The owners have set in place a multi tiered strategy that will enable the company to continue its climb with the aim of cementing its place as a

niche player in the international web and net security market.

Seven keys to success

Aura is aware that by international standards NZ is a small market, and so any business with global intentions has to be well prepared and to think and act globally. This means ambitious aspirations; doing the core business exceptionally well; not getting distracted; thinking smart, thinking strategically and utilising the critical mass of big players; seeking the wisdom of many; and having a winning Kiwi attitude.

1. Set the strategic direction

“Our immediate goal is to become the leading provider of

cyber-security services and products in NZ. We believe we are well on the way to that goal already. However market research has shown us that the cyber security market in NZ is less than 1% of the global market. Therefore our medium to long term strategic goal is to become a leading provider of cyber-security services and products globally.”

2. Focus on competitive edge

Aura are pragmatic – they know they cannot compete on the international market as just another provider of computer security services. What they have done is to expand and refine their knowledge about computer security over the last three years to create a product



Aura is truly a family affair – Diane and Andy with their two kids Josh and Autumn Prow.





that provides them with a competitive edge – a sophisticated three step system that identifies vulnerabilities in website and network systems and implements rapid-response defences to prevent them from being exploited by cyber criminals.

“We believe it is the high-tech quality of our products and innovation that is special. It is the way we target our solutions to problems and effectiveness of our services that makes us globally competitive. I absolutely believe in Sir Ernest Rutherford’s famous quote:



Diane accepts an AUT Excellence in Business Award from Minister of Economic Development, Hon. Steven Joyce.

“We’ve got no money, so we had to think”. For all of our services we go back to our SWOT analysis for the business and strategically DO NOT target those issues for which there are already global companies offering existing services. Instead we strive to search for the issues that are not yet fixed and attempt to come up with innovative new ways to fix them, and therefore, new ways to actually get those services to the end market from down here in NZ, with no (or little) money.”

“We are constantly measuring progress towards our goals at our weekly management meetings, focusing on the 90 day plan, which feeds into the annual plan, which feeds into our 5 year strategic plan.”

3. Focus on the market you know best

The company is realistic in their appraisal of the computer security market. They know they cannot compete in the low value domestic and international markets – it is a crowded and extremely competitive space where low cost entrants from the US, Asia and China for instance, have the ability to buy market share with low price products. Where Aura is confident it can compete is in the high value, high service niche markets.

“Our research, experience and insights into the cyber-security market have clearly shown us that the highest growth market, and the hardest problem for our customers to fix, are in the

web application security space – particularly businesses that absolutely rely on the security availability of their online systems, but who are finding it increasingly difficult (if not impossible) to keep ahead of the attackers.”

4. Share synergies and utilise your partner’s critical market mass

Aura knows it cannot access the high value markets on its own because it has neither the critical mass nor the “mana” to enter such markets. Thus the importance of developing a strategic alliance with a reputable, supportive and synergetic international partner model that enables Aura to “coat tail” off a major international player into the type of markets that it would find very difficult to access on its own. In return their partners gain the benefit of working with a non-competing, flexible, service centred and highly skilled entrepreneurial business in a field that complements its core business.

5. Seek and analyse advice – from a range of sources

Aura prefer to use a range of sources for advice. As a result the more formal governance board structure they used to have did not suit their entrepreneurial needs and they have dispensed with it, preferring instead to use multiple sources ranging from government agencies (e.g. ETNZ) to individual people who are capable of providing

expert advice on specialist subjects, and from staff.

To date this has worked well for them but the company remains open to reinstating a board/ formal governance structure at some future date.

“The most effective place for improved performance, innovation and continuous improvement is through our staff. We therefore encourage our staff through the culture of our business, and therefore try to bake in innovation and excellence into everything they do. As an expert high-tech company we believe that we have an extremely smart team.”

6. Utilise the Kiwi “can do” attitude

Aura wants to replicate the Kiwi “can do” attitude of players in science, aviation, marine, agriculture, sport and many other fields.

“For a small Kiwi company we’ve still managed to achieve several global firsts (all be it very technical and geeky ones). Any partnership has to be symbiotic to really work – there has to be upside and reward on both sides. As a Kiwi company we can benefit from a US partner opening the channel to a much larger market, but only if we’re providing a unique capability and value-add to that market. It doesn’t matter how much they like you, they’ll only really help you if there are tangible benefits for them.”

7. Uphold the company reputation and staff integrity

“Our business is built on trust, and therefore strong and absolute business ethics and honesty is required at all levels of the organisation from senior management down. We demand from our staff absolute honesty and ethics in their work.”

8. Create a business whose value is many times greater than its net asset backing.

The company is inspired by the Xero success story, and the fact they (Aura) have a product that is tailored for the high end international market and backed by a strong strategic partnership with an international player application delivery networking company (F5), who can help them deliver their RedEye product. This has given the owners the confidence that, in terms of international value, they could have a business capable of matching Xero’s.

“Xero has shown it is possible to make it in the highly competitive international computer service sector and that such a company can have, by NZ standards, an extremely high valuation as rated by the international market. We believe we can achieve a similar level of success.”

“Xero is a great example of a high-growth SAAS (Software as a Service) business. We have excellent ties with the Xero founders and management team, and have ongoing advice on the successes (and not-so-

successes) that they’ve had. How couldn’t you be inspired by a success story like Xero’s, there is so much to learn from them.”

The Value of Awards

Andy and Diane are strong supporters of awards as they provide an opportunity to stand back and through the entry and judging process, take an objective view of their business and how it compares with other businesses. They value having an independent reaffirmation of the way the business is performing at that particular stage in its development and in the instance of the Electra Kapiti Horowhenua Business Awards, they get the added benefit of the assessors’ reports that provide useful suggestions on how the business can improve.

For Aura, awards also provide an opportunity to profile itself in NZ and internationally. Thus awards like winner of the ANZIA (Australia New Zealand Internet Awards 2012), Emerging Business of the Year at the 2012 Electra Business Awards, finalist in the 2012 Wellington Gold Awards, finalist in the AUT Business Excellence Awards, and first and only APAC (Asia and Pacific) F5 TAP (technology alliance partner), are used to add to the Aura story.

[Download the complete Aura case study here](#)





Launched in Kapiti in 2010, Craig Pope Mortgages & Insurance has become one of New Zealand's leading mortgage broking businesses, providing a 7 day a week mobile mortgage and insurance broking service to clients throughout the greater Wellington region.

CRAIG POPE
Mortgages & Insurance

Craig Pope Mortgages & Insurance entered the 2014 Electra Kapiti Horowhenua Business Awards, winning the Owner Operator Excellence Award.



Getting the Deals Done

“An ability to ‘get the deals done’ has seen Craig Pope named one of New Zealand’s elite top 25 mortgage advisers.”

Electra Kapiti Horowhenua Business Awards

Article written by Stephen Leslie in 2015

Launching a mortgage broking business in the immediate aftermath of the Global Financial Crisis doesn't sound like a recipe for success, but in just four years Craig Pope's ability to "get the deals done" has seen him named as one of New Zealand's elite top 25 mortgage advisers by NZ Mortgage Magazine.

Craig Pope knows this success has been the result of a lot of hard work, good processes, excellent service and a drive for continuous improvement. It has also been influenced by lessons learned from a previous, unpleasant experience as a mortgage broking franchisee.

“My first involvement in mortgage broking came in late 2005 when I bought a franchise in a reasonably well known mortgage broking business,” he explains. “While I enjoyed considerable personal success as a broker, I became frustrated with the franchise rules around how to run my business. There were a number of aspects with the franchise agreement that I grew increasingly unhappy with, and my relationship with the franchisor soured as a result. By 2008 I had become pretty disillusioned with the situation so, when the Global Financial Crisis hit and the market tightened, I made the decision to sell up.”

Craig returned to a fulltime job in the banking industry, accepting a role as a Business Banker with Westpac. But the idea of returning to mortgage broking gnawed at him. “I enjoyed working at the bank but all I really wanted to do was run my own mortgage broking business,” he explains.

“It was a case of ‘unfinished business’ for me. I loved running a mortgage broking business but the first time around I had chosen a business model that, in hindsight, hadn't been right for me. The good thing was that it had exposed me to the industry and helped me to define how I felt a mortgage business should be run. I was ready to build a better, more sustainable mortgage broking business.”

Doing things his way

So in 2010, Craig made the decision to leave the bank and re-enter the world of self-employment, launching Craig Pope Mortgages.

“I decided not to follow the franchise model as I wanted to have full control over how my business was run, and the flexibility to grow it how I wanted, where I wanted, and when I wanted.”

“To be honest, the timing wasn't perfect – the industry was probably more challenging in 2010 than when I had left it two years previously. The banks had really cracked down on lending

Craig Pope Mortgages & Insurance

Shop 1, 18 Seaview Road,
Paraparaumu Beach

📞 0800 000 517

✉ craig@craigpope.co.nz

🌐 www.craigpope.co.nz



criteria and the market was pretty quiet.”

Adding further pressure to the situation was the fact that Craig was leaving the security of a salaried role at a time when his wife, Jo, was pregnant with their second child. “Returning to self-employment in a challenging market was a huge risk, especially with Jo pregnant and not working, but she backed me 100% and gave me the confidence to go for it. Jo’s support and unwavering belief in my vision for the business has always been a major motivator for me.”

In the end, it was a decision that’s paid off. In four years Craig has grown the business to a point where it is now exceeding \$40 million in annual loan settlements, placing the business in the top 10% of the industry nationally. The company now hires five staff, including two mortgage brokers and a specialist insurance broker.

“With the mortgage side of the business working well it was logical to extend our business and offer insurance products.”

The path to success

Of course, mortgage broking wasn’t the career path he expected to take earlier in his life. “I initially wanted to be a school teacher,” he laughs. “I loved history and I actually passed 5th form certificate Maths and English in the 4th form, but I became quite bored with school once I’d finished 5th form. To be honest, I only hung around to get my 6th form certificate – I couldn’t wait to leave!”

Almost all of Craig’s working life has been spent in the financial services industry. Born in the Waikato but raised

in Auckland, Craig left school in 1989 and spent the next four years working in the Treasury of a bank, before heading off on his ‘OE’.

On his return to New Zealand he made the move into sales – a decision that would become his long term career path.

In 1996 he landed a telephone sales role with Fleetlease in Auckland, before quickly moving into an account management role in the corporate car leasing market. Three years later he was promoted to Business Development Manager and sent to Wellington to grow the business there.

“This role really set me up for life as a mortgage broker,” he explains. “It taught me how to prospect for clients, develop successful high level relationships, and ‘crunch the numbers’. I also had to develop personal skills such as being able to work independently and self-motivate. After six years honing these skills and building a network of local contacts, I felt I was ready to run my own business, and mortgage broking seemed to be the perfect fit for me.”

“Unfortunately my initial move into the industry didn’t quite go to plan,” he admits. “But it taught me a lot about process and decision making, especially in the area of financial decisions.”

“So, by the time I re-entered the industry in 2010, I was

much older and wiser for having had this experience.”

Craig Pope Mortgages

“I launched Craig Pope Mortgages as I wanted to own the brand and the customer experience – it was my name above the door so there was nowhere to hide. It also gave me the scope to build the business the way I wanted.”

Having moved to the Kapiti Coast with Jo in 2006, Craig decided to base his new business in the region he now called home. “My previous business had been largely focused in Wellington and, while a lot of my initial business still came from Wellington, I could see an opportunity to build a greater presence in Kapiti and expand my network up here.”

“I get to be closer to Jo and the kids, be more actively involved in the community, and spend more time enjoying our wonderful lifestyle.”

“Being a 24/7 mobile service, office location isn’t that important and the costs of establishing a business on the Kapiti Coast are a lot less than they are in Wellington. This meant we could invest more in building our local profile through advertising, signage and other branding, as well as in other

key areas of our business such as our website and core business systems and processes.”

Dare to be different

From the very beginning Craig has been driven by a need to be different. “Our main competition comes from the banks, so we’re always looking to position ourselves differently to them.”

“The key for us is to be really good at what we do.”

“That means being responsive and accessible (especially in today’s digital and mobile environment), offering outstanding service, and being able to ‘do the deals’ that the banks and other brokers may not have been able to get done.”

“At the end of the day our business is being able to make a difference in people’s lives. There’s no greater satisfaction than being able to get a deal done for a client who has been struggling to get a solution through the major banks, or other brokers.”

To maintain this high level of service and advice, Craig is an accredited member of a number of industry bodies and associations, and regularly attends professional development and training days, as well as other third party training. He also has



The Craig Pope team (l to r):
Fraser Kirby, Michelle Bussey,
Wiremu Patrick, Craig Pope,
Joanna Pope, Jeff Elias.





a National Certificate in Financial Services (Financial Advice) Level 5, a qualification few brokers have.

Credibility is an important part of Craig's business. He has actively positioned himself as an industry expert and has appeared on TV3's Campbell Live talking about mortgage options. He is a regular columnist on mortgage matters for a local newspaper, and is often quoted in other publications including The DominionPost and Stuff.co.nz.

Get expert advice

Several years ago Craig realised that he was going to need help to create the business he wanted and, as a result, he secured the services of an experienced business mentor. He believes it was a vital decision for his business. "I was extremely lucky to secure the services of a mentor who had significant

industry experience," says Craig. "He was able to provide expert guidance and had an amazing network of industry contacts. When you're a sole operator it's great to have an external person you trust to act as a sounding board and give you valuable feedback and advice."

Benchmark your business

In 2013 Craig felt the business was ready to enter the Electra Kapiti Horowhenua Business Awards, but made the decision to focus purely on the newly introduced Customer Choice Awards. "We were really interested in learning what our clients thought about the way we ran our business," he explains. "The experience was really rewarding and we received a lot of really positive customer feedback through the process."

The customer feedback they received resulted in the

business being named a finalist in the Customer Choice Awards and, while they didn't win, Craig says the experience motivated them to enter the Excellence Awards in 2014. "We were excited to be announced the winner in the Owner Operator Category at the official Awards dinner in Levin," says Craig. "It's really humbling to receive external recognition that you're doing a good job."

"The Awards are an excellent way of benchmarking your business and getting external feedback on what you're doing well and where improvements can be made," he says.

"The process forces you to challenge your thinking and look at where you can be better."

"For us, we received a lot of validation that what we're doing, and what we have planned, is right."

"And, beyond the Awards process itself, it's a fantastic way to build your brand and profile, expand your network of contacts, and spend time talking with and learning from other successful, motivated local businesspeople."

Know your business

What attributes does Craig believe a business owner needs to have?

"As a business owner, you need to be good at the 'nuts and bolts' of the business," he says. "Of course, you need to be an expert in the core area of your business (such as mortgage broking), but you also need to be good at prospecting, selling yourself and your business, marketing, advertising and promotion, building relationships, embracing technology, knowing the numbers (accounting), business planning, and goal setting."

"As your business grows you'll find you'll no longer be able to do everything, and you'll need to invest and outsource some of it to experts in specific areas such as marketing, IT and HR."

"That's where our business is at today. I'm at the point where I need to begin transitioning myself away from the 'coalface' activities and towards a more strategic role that will allow me to implement the plans we have to grow the business. This is likely to mean we'll be employing

more people, and looking to outsource some of the tasks I'm currently doing myself."

Preparing for growth

"There are a number of things we're going to need to do in order to cope with current demand and prepare for further expansion," he explains. "This means reviewing our current office arrangements, as well as investigating opportunities to open additional offices, possibly in Wellington and the Hutt Valley."

In four years Craig has grown the business to be in the top 10% of the industry nationally.

"We'll continue to invest in the right areas of our business, to look for opportunities to improve our existing business and the service we deliver to our clients, and to grow our brand and profile."

"Obviously launching our own franchise remains a possibility and we've given this option a lot of thought. My personal experience in a franchise model has given me a number of insights around how best to structure such a business, while my business mentor has considerable experience in franchising and has been able to provide valuable advice in this area."

"I guess all I can say at this point is, watch this space."



Tips for Business Success

When it comes to his business, Craig applies the following philosophies:

- Constantly look for ways to improve the way you do business, including the way you communicate with your clients
- Embrace technology and use it to enhance the relationships you have with customers
- Look to control the 'little things' (such as the way you respond to enquiries) – they're easy to do and they are ultimately the things that will set you apart
- Always look for ways to reinvent yourself – to find innovative ways to create an interesting and relevant point of difference that will delight your customers and give them a pleasant experience
- Create opportunities to engage with your market, be it through promotions, competitions or gifts and incentives
- Invest in your business, but carefully
- Don't be too big for your boots – always remember that the customer is always your main focus.

Craig Pope is married to Jo and they have two young children, Ruby-May and Charlie. He spends his spare time with his kids, at the gym, collecting art and supporting the Warriors and the Wellington Phoenix.



Opened in 2010, Focal Point Cinema and Cafe is an independently owned entertainment venue based in Levin, providing arthouse and international films and mainstream new release movies, combined with quality dining options, to the local market.



FOCAL POINT CINEMA

Your boutique Cinema and Cafe experience

Focal Point Cinema and Cafe entered the 2015 Electra Kapiti Horowhenua Business Awards, winning the Medium Business Excellence Award, and being named a Finalist in the New Thinking Achievement Award.



Bringing movies to provincial New Zealand



Matt and Julie Bell have earned a reputation for turning around provincial cinemas



Electra Kapiti Horowhenua Business Awards

Article written by Stephen Leslie in 2016

When Matt and Julie Bell opened their first Focal Point Cinema in Feilding in 2007, they had no hospitality or business ownership experience. Fast forward nine years and the visionary couple have established a multiple award-winning business with a reputation for delivering a high quality entertainment experience across their three cinemas in Feilding, Levin and Hastings.

Having moved to Feilding in 1998, the couple soon discovered the town hadn't had a theatre for the best part of 30 years. Sensing an opportunity, they began researching and planning to bring movies back to the town.

Despite having no experience in operating a cinema, Matt's background as a valuer and Julie's in marketing meant they had some important skills that would help them fulfil their dream. "We had to start completely from scratch," explains Julie. "The original cinema was long gone so we had to find a building that we could convert into a cinema."

Identifying suitable premises in Manchester Street in the heart of Feilding's CBD, Focal Point Cinema was born, with a 40 seat hypacoustic theatre and a more intimate 16 seat theatre. Initially employing just two staff, the cinema opened by showing art house movies in the evenings.

Determined to make the business a success, Matt and Julie decided to focus on a number of key areas:

- Seeking and listening to feedback (especially from customers),

- Implementing robust systems and processes, and
- Identifying ways to add to, and smooth out, cashflow.

"We quickly realised that the movie business can be quite 'lumpy' in terms of cashflow," explains Julie. "The cinema was located in Feilding's CBD and, with free parking and good foot traffic, it made sense to open a café. So we started out small, offering coffee and cake during the day and adding beer, wine and food platters in the evenings, and it grew from there."

Delivering a high quality entertainment experience has always been fundamental to the Focal Point offering. "An important part of this experience is the appearance and presentation of the cinema itself," says Julie. "For us, it's always been about creating an entertainment destination – a place that's friendly but a little bit 'posh' – a place where our customers not only want to visit, but stay a while, and come back to over and over again."

"Focal Point Cinema's aim is to provide an amazing cinema entertainment experience, a relaxing and friendly café, and a thoroughly enjoyable night out."

Focal Point Cinema & Cafe

14-16 Salisbury Street, Levin

t 06 366 0330

e julie@focalpointcinema.co.nz

w www.focalpointcinema.co.nz



Delivering a high quality entertainment experience has always been fundamental to the Focal Point offering.



The building was built in the 1890's and it was well suited to a plush 1920's look and feel, so Matt and Julie invested in making the exterior welcoming and the interior a warm, friendly and comfortable atmosphere.

This meant decorating with plush 1920's décor and equipping each cinema with cutting edge, digital projection and sound equipment. And with a focus on comfort, the couple decided to offer two-seater couches with wide armrests for customers to put their food and beverage on.

A business built on feedback

From the very beginning the business has understood the importance of listening and responding to feedback.

“With my marketing background I knew how important customer feedback and satisfaction was,” explains Julie. “And as new business owners, we also knew we had a lot to learn about running a business, so we proactively sought out advice from business experts.”

One of the first, and most significant, changes the couple made was to expand the content being offered at Focal Point Cinema.

“Presenting art house and international film content satisfies an important market segment, but ignores another large group of customers,” explain Julie. “Locals were telling us they'd like to be able to see mainstream new release movies too, so we made the decision to offer mainstream movie content. We knew that expanding our offering would broaden our customer base and, as a result, our revenues. It would also give us an opportunity to regularly engage with customers, for example, by sending them the latest movie schedules and timetables.”

The change in offering meant transforming from a boutique business into a fulltime entertainment venue. Today, Focal Point Cinemas are open 364 days a year, only closing on Christmas Day.

“It's all about creating value and engagement.”

With the extended operating hours, Matt and Julie knew that generating repeat business was going to be vital to their survival. “Introducing our ‘Gold Card’ loyalty programme helped us to build a valuable customer database that allowed us to track and reward good customers,”

explains Julie. “Gold Card customers receive special deals and promotional offers throughout the year, and are invited to special events. It's about creating value and engagement.”

Another way the business has looked to create value is by combining the cinema and café experience to offer customers special ‘movie and meal’ deals, from coffee and cake, to a blackboard meal.

They've also looked for opportunities to create additional business by offering the cinema for ‘invitation only’ events. “With our café and plush interior creating a

unique cinema experience, we felt there was an opportunity to host catered events such as kid's birthday parties, Christmas parties, corporate, conference and other private hire events, and even fundraising events,” says Julie. “Not only did it create additional business, it would also expose our offer to a wider audience and potential new customers.”

And to boost customer numbers at ‘off-peak’ times, the business has created special sessions to target daytime customers. “We've had a lot of success from running baby friendly sessions during the week, and also seniors

‘morning tea’ sessions. This creates opportunities for local people to meet, and make, friends in a relaxed, warm and friendly environment.”

“Getting a business ‘health check’ is an excellent way to improve and grow.”

Very early on the couple also decided to seek expert and independent feedback and advice on their business. “We've always used a business coach to provide us the expertise and insights that we lacked. It's been great to have another person to bounce ideas off and seek



Matt and Julie Bell wanted to create a venue where people would visit and stay a while, and come back to over and over again.





guidance on how we can make improvements and grow.”

Another way the business has been able to measure its performance and success is by entering business award programmes.

“We’ve always thought that entering these programmes forces you to ‘toughen up’ as a business. It forces you to have good structures and processes, and helps set you up for the future.”

The business first entered the Feilding Business Awards in 2008 and instantly enjoyed success. “We were delighted to win both the Best Business

Interior and Most Improved Heritage Building Awards – it was validation that we had created a high quality entertainment venue.”

“We then entered the 2008 Manawatu Business Awards and won our category, Discovering Manawatu. The experience provided us with fantastic feedback and allowed us to benchmark our business against other highly successful businesses. It was a really valuable exercise,” says Julie.

The couple entered Focal Point Cinema and Café in the Feilding Business Awards again in 2009 and 2010, winning the Best Hospitality

Business Award in both years. They also won the ‘Tall Giraffe Award’ in 2010, given to businesses that help to put Feilding on the map.

Success creates recognition and opportunity

Having established a successful, independently owned cinema and café in Feilding, Matt and Julie Bell were beginning to receive recognition and attention from outside our region.

By this stage Matt had also been elected to the Manawatu District Council and, during a meeting with the Horizons

Regional Council, he was introduced to the Mayor and CEO of the Horowhenua District Council. “They came on a tour of our business and you could see they were interested in what we had created,” explains Matt.

Following the tour, Matt received a call from the Horowhenua District Council. “The town’s cinema had closed down some time ago and they were interested in discussing the possibility of bringing ‘the movies’ back to Levin,” explains Matt. “They loved what we had done in Feilding, and thought there were a lot of similarities between the two towns that indicated we could replicate our success there.”

“Partnering with the Council has been an extremely successful venture for both parties, and one we are both proud of.”

“So we met with them to talk about the opportunity. The cinema was a stand alone building that was quite run down,” says Matt.

“The council owned the building and wanted to create a successful public asset. We talked about forming a private/public initiative, jointly investing in an upgrade of the building, including a new kitchen extension. We’d then lease the building from the Council.”

Based on the positive negotiations with the Council,

the couple were confident they could deliver a successful venue and decided to accept the challenge. “By this stage we had a pretty robust business model in place with good systems and processes, and a popular offering.”

The doors to the Levin Focal Point Cinema and Café opened to the public in late 2010, providing locals with one large (176 seat) cinema and two boutique cinemas.

The same formula that was proving successful in Feilding was brought to Levin, with a high quality ‘art deco’ interior design, two seater couches in the cinemas, and a café added to create a true destination.

The initial response was unexpected. “People were coming in and saying ‘wow, this place is too flash for Levin’ – it really surprised us,” says Julie. “It was like they felt the town didn’t deserve a nice cinema. Thankfully they quickly

embraced the new cinema and café and turned it into a popular local destination.”

Today, the Levin cinema is offering up to 105 movie sessions per week with a range of mainstream, arthouse and international films entertaining in excess of 60,000 customers each year, and numbers continue to grow. Despite concerns the industry would suffer as more movie content became available through digital and online providers, box office takings across New Zealand have continued to grow to record levels over the last couple of years.

“Part of the reason for this is that cinemas have invested in state of the art technology to ensure the audience enjoys the very best viewing experience, while making that experience as welcoming and comfortable as possible. I’d like to think that we’ve been leading the way in this regards,” says Julie.



The business has always created special events and promotions to generate profile and attract business.

WITH A MINIMUM OF 2 OTHER FULL PAYING CUSTOMERS. APPLY ASK IN-HOUSE FOR FULL T&C'S



Focal Point has enjoyed considerable success hosting catered events such as kid's birthday parties, Christmas parties, and other private and corporate hire events.





“The partnership with the Council has been extremely successful,” says Matt. “From the very beginning we shared the same vision, and both parties have been prepared to compromise to achieve this vision. We’ve formed a strong landlord/tenant relationship, there’s been no pettiness and a lot of co-operation and openness.”

A reputation for turning around provincial cinemas

With successful cinemas now operational in Feilding and Levin, Matt and Julie Bell were earning a reputation as provincial cinema experts.

So it was no surprise when in 2012 they sought out the

opportunity to open a new Focal Point Cinema and Café in Hastings.

Proving that a joint venture could deliver a successful cinema business to a town, the couple have entered a similar arrangement in Hastings, this time with a private landlord. The new cinema and café in Heretaunga Street East officially opened its doors for business in May 2014.

“It took some time to refurbish the venue and get the cinema up and running, but we’re really pleased with the outcome,” says Julie. “We were able to take a lot of the lessons from the Levin project and, combined with our proven systems and processes, reproduce our business model in Hastings.”

Like Levin, the Hastings cinema delivers around 105 movie sessions per week with a range of mainstream, arthouse and international films shown across one large (225 seat) theatre and two smaller (112 and 90 seat) theatres.

Today, Focal Point Cinema and Café employs around 50 staff across the three venues, 20 of them in Levin.

And their reputation for delivering a high quality entertainment experience has seen the business secure the contract to operate the Libretto Café inside the new Te Takere Cultural & Community Centre in Levin.



Opening its doors in 2010, the success of the Levin cinema and café has resulted in the business securing the café contract for the Te Takere Cultural & Community Centre.

Benchmarks and accolades

In 2015, with the Hastings cinema up and running and five successful years in Levin under their belt, the couple decided it was time to benchmark their performance against the very best local businesses. They entered the Levin cinema and café in the 2015 Electra Kapiti Horowhenua Business Awards.

“We knew the value that going through the Business Awards process could offer a business. To be honest, we would have liked to have entered the Business Awards earlier, but we had to focus on getting Hastings up and running and just didn’t have the time to commit to the application process. But with the dust beginning to settle, our business coach suggested it was time to do it.”

Having been through an Awards process before, the couple were prepared for the effort that was required. “It’s an intense process, I think it took us three or four full days to complete our application,” explains Julie. “But it’s a great way of testing your business and having a ‘health check’ taken. It forces you to have good processes in place and to identify areas where improvements can be made. The report you receive from the Assessors after the Awards also contains valuable insights and recommendations.

The whole process really does ‘toughen you up’, and gets you set up for future growth.”

“It also allows you to benchmark your business against other successful businesses, and meet and learn from other businesspeople.”

“Not only that, it’s a great way to share your vision with staff and get their buy-in and involvement, and to celebrate your success together, win or lose. And if you win, the accolades and additional profile is just an added bonus.”

A business built on sheer hard work.

Focal Point Cinema and Cafe entered the 2015 Electra Kapiti Horowhenua Business Awards, winning the Medium Business Excellence Award, and being named a Finalist in the New Thinking Achievement Award.

“We were very pleased with the outcome, the feedback we received was all really positive,” says Julie. “The Assessors were impressed with our business model and the systems and processes we’ve implemented. They said we operated a very well run business that had been built on sheer hard work, which is always nice to hear.”

“We’d recommend the process to anyone who’s keen to grow and be successful.”



Advice for Other Businesses

Julie and Matt say there are a number of lessons they’ve learned over the last nine years that can be applied to any business:

- 1. seek out business advice** – look at employing a business coach to provide expert advice and support.
- 2. listen to your customers** – find out what your customers like/don’t like about your offering and look to improve it to better meet their needs.
- 3. look for win:win outcomes** – when you’re assessing a business opportunity, talk with the other parties in good faith and look for solutions that deliver genuine value for everyone involved.
- 4. get staff buy-in** – build morale and get buy-in by sharing your vision with your staff and involving them in your business, especially your key managers.
- 5. invest in your business** – make sure your business continues to ‘look good’ in the eyes of your customers (e.g. the appearance of your premises, the communications they receive, etc), and that it continues to deliver the sort of experience they want.
- 6. get your systems and processes right** – implement formal systems and processes to streamline your operation, control costs, and deliver the very best customer service.
- 7. benchmark your business** – look for opportunities to benchmark your business and to receive external and independent feedback on how you’re performing (e.g. through Business Awards).

Goodman Contractors Ltd is a contracting business that combines large machines and heavy duty equipment with precision GPS control technology and two way data collection to deliver large infrastructure projects.

Business of the Year



Shifting Dirt for Dollars



Goodman Contractor's strap line, "Have fun while safely shifting dirt for dollars", sums up their business philosophy.

2014 Electra Business of the Year



Article written by Chris Ineson in 2015

Goodman's is a Waikanae family owned and operated civil engineering contracting business. It was started in 1963 by Rick Goodman and his brother. Since then Rick's three sons and his daughter (Stan, Lance, Vaughan and Marianne) have joined the business.

objective is that by 2020 the core business will be realigned, with 70% of it coming from Goodman Holdings and Goodrock Recycling Ltd.

"Goodman Contractors Limited is a quality business that has been through some tough times but is now back on its feet and returning good revenues and profits in a business that cares for its people."

Goodman's employ 150 full time staff but depending on the number and size of its contracts, the number can fluctuate considerably. In down times great effort is made to retain staff – in part for pragmatic reasons (investment in people and their training) and in part because loyalty is integral to the Goodman culture.

Strong structures

Goodman operates largely in the lower North Island. Its scope of work is extensive and includes earthworks, railway installations (Mangaweka Rail Deviation), tunnelling, quarrying and blasting, flood protection and stop bank realignment, subdivisions, drainage and retaining work, forestry clearance, NZTA projects – for example SH1 expressway on the Kapiti Coast and other specialised civil works.

Goodman's operational and governance structures have evolved over time.

Each member of the family has a specific operational role that is based on their professional qualifications (quantity surveying, civil engineering and surveying, machine operating, plumbing and drain laying, and engineering). This provides a range of skills that gives the company a valuable resource and a competitive advantage.

By the end of 2014 Goodman's had annual sales of around \$20 million from its five operating companies – Goodman Contractors, Goodman Holdings, Goodquip, Goodrock Recycling and Rick Goodman and Sons. The five company structure is designed to keep the operating functions and financial performance of each of the business units separate and transparent, and as a risk strategy to hedge against the event of a "terrible" contract significantly impacting on Goodman Contractors' financial viability.

The company has a simple governance structure, with each family member being a Director on the Board. Each bring different skills and ideas "to help drive and direct the ship". They feel this adds value to their day-to-day operational role as it enables them to have a

The main revenue earner is currently Goodman Contractors. However, the Directors' longer term

Goodman Contractors Ltd

4 Anne Street, Waikanae
t 04 293 7176
e info@goodmans.nz
w www.goodmans.gen.nz



Goodman Contractors Ltd entered the 2014 Electra Kapiti Horowhenua Business Awards, winning the Large Business Excellence Award and the Health and Safety Achievement Award, and was named the overall 2014 Business of the Year.



clear view of the strategic direction of the business, while at the same time having a clear operational understanding of what is required to achieve it. Each Director is responsible for implementing and accounting for Board decisions at the coal face. Supplementing the five family Board members is an external business advisor. His role is to provide independent input in Board decision making. They feel this is important as “family members can get side tracked and influenced by their love of old machinery, staff or the business as a whole.”

Taking charge

The interface between senior management and operational staff is a group of experienced middle managers

and supervisors who take leadership roles on the work sites. This is important as there are instances where a contract, for example a large roading project, may require rapid in situ decisions by the manager/supervisor responsible. If backup is required it is provided by the senior manager responsible for that particular project. This delegation of authority is part of the company’s self-responsibility and accountability philosophy.

“Goodman deliver a high quality product supported by its operations, systems and process management that they have in place.”

The performance of the five companies and the group as

a whole is reported monthly. “At any time, we know the performance of each of them and we know how the group is tracking for the year.” Reporting is seen as part of the company’s communications strategy as are the daily planning meetings with senior project managers, and the more formal weekly meetings for large projects.

The company has a culture of learning from past mistakes to get the fundamentals right.

In this respect Goodman prides itself on applying the following set of basic business principles that have stood the test of time and have become the hallmark of its success.

1. Training

Staff are licenced and are trained in-house for their specific tasks to ensure the company’s high standards are maintained. This means the company takes responsibility for its training needs and for the result of its training programmes. External trainers are used for their specific areas of expertise, but the company prefers to rely on its own specialised training knowledge whenever possible, particularly when it comes to operator training.

In conjunction with training, the company has achieved a series of quality certifications including ISO 9001: 2008, NZTA pre-qualification to 4A (meaning the company can tender for

work up to any value), and WSMP accreditation (the highest possible level of ACC accreditation).

To keep up with current industry trends and practices, Goodman is a member of several industry and safety organisations ¹.

2. Developing and applying advanced thinking

The application of GPS to cut and shape roads is an innovative use of technology. Goodman can complete earthworks with minimal surveyor input and to very strict tolerances, all from the cab of a machine.

The job design is held by the machine via the Cloud which enables “as-built” data and volume data to be fed directly back to the project team. This has required considerable commitment to training with its associated cost and time,

but the net result has provided Goodman with a unique marketing and operational selling point of difference from its competitors.

“Goodman Contractors are a leading New Zealand company in information coming from and going to their machines. This includes GPS control of machinery and two way data collection.”

3. Attitude

Part of Goodman’s “fun, dirt and pay” philosophy is beating the odds, with a “we aren’t gonna be beaten” attitude. An example of this (and its commitment to its client), was an industrial subdivision in Palmerston North. During the project earthworks quantities doubled, the cost of fuel doubled, a lot of difficult to handle waste material was

encountered and, as a result, the job took twice as long as contracted. All this happened with “no cost escalation” clauses allowed for in the contract. It was financially and psychologically sapping but Goodman worked through it and found ways to complete the project. It was a commitment to honouring the contract and retaining its workers, as well as adapting to the circumstances and doing things better.

4. Partnerships and relationships

The contracting sector is a relatively small business sector. Goodman recognises the importance of creating a “virtual” team through having the reliable support of two broad groups of operators who it feels are effectively its partners in business².

The first group is those they work with and for directly; the second group are its

Key lessons learned

In its fifty years in business Goodman has had many successes, and its share of failures. The following key lessons, that are distilled and recorded in the company’s Future Plan, are based on hard earned experience.

1. Never have a 50/50 shareholding – always hold a majority or have an odd number of shareholders so a decision can be made when necessary
2. Stick to your core business unless the new venture can be totally managed and cash flowed under its own steam
3. Try to find natural resources
4. Absolute trust is required with business partners
5. Don’t work with those under the influence of drugs or alcohol
6. We should be the head contractors when we are the MAIN contractors on site
7. React quickly when a recession is looming (2010-12)
8. It doesn’t pay to purchase older machinery all the time (e.g. dumpers same vintage as the existing dumpers we run).



One key lesson the company has learned is that it doesn’t pay to purchase older machinery all the time.





suppliers. Both groups form the backbone of the company's business contracts and are recognised as such on its website. They are well established and reliable operators – critical for managing debtors and creditors and the all-important cash flow.

5. Values and integrity

While it is not in-your-face stated, the company has a set of values that it operates by.

“The business has a list of Values that are deployed throughout the company, from middle management down to the teams as a key part of what actually happens on a daily basis.”

6. The X factor

Goodman has shown an ability to turn a negative into a positive. For example, heavy duty machinery, sometimes working in dangerous conditions (clearing slips from the top of the Manawatu Gorge) means the consequences are serious if anything goes wrong. The company has turned what might appear to be a negative into a positive by creating a strong health and safety culture through training and rigorous on site practices.

“Their health and safety system is...a significant strength and depicts their attitude toward going the extra mile.”

7. Durability and commitment

Goodman believes contracting is a long haul game. It requires a tough approach to survive and compete successfully in a highly contested market that is subjected to the vagaries of the nation's economy and the vagaries of geography, weather and the occasional act of God.

Planning to win

Goodman have three sets of plans – Strategic Objectives Plan, Business Plan and a Future Plan. The long term Strategic Objectives Plan is a concise but simple and attainable one page document that sets out the Boards' principal objectives (with strategic KPIs) to be achieved by 2020. It is accompanied by a twelve month action plan with accountabilities, timeframes and progress updates that are

reported on at the monthly Board meetings.

The Business Plan consists of four parts that tie back to the Strategic Objectives Plan. The first three parts deal with specific objectives (e.g. training, environmental, and health and safety issues). The fourth deals with potential objectives – to be done but only when time and resources permit. The Strategic and Business Plans are reviewed and updated annually.

The third, Future Plan, is different from the other two Plans. It is an innovative document that in some ways serves as a (defacto) strategic plan but with the addition that it sets out the key lessons that have been learned over the years and the company's main expectations for the following year. Its uniqueness is that in summarising the company's "journey" from



The company uses innovative GPS technology to cut and shape roads to very strict tolerances with minimal surveyor input.



its inception, it highlights the critical "tipping points" that have had a significant impact on the business and where countervailing action has had to be taken to enable it to survive.

“The company...seems to have put much more time and effort into strategic thinking over the last year or two. The Future Plan is a solid document with good thinking and is evidence of this progress.”

As part of its risk strategy the Future Plan addresses the potentially contentious issue of succession planning in an open and transparent manner, and in a way that minimises family discord.

The road ahead

In the eyes of its Directors the challenge facing Goodman isn't the next contract or equipment

purchase, but the long term future of the business as a family affair.

The company is grappling with the same conundrum that many family businesses face: the third generation syndrome. It is generally recognised the first generation establishes the business, the second develops it but the third often do not want to be involved, preferring instead other career options.

Goodman's initial response was to look at winding up or selling the business if the opportunity existed at the end of the second generation. This is now under review. Of the thirteen third generation family members, four have indicated an interest to be involved in some way and continue the family name. This is being considered by the Directors with the intent that if it does happen it will be carefully managed to ensure the right skills and values are retained under the Goodman name.



The Goodman family and business partners (l to r): Lance Goodman, Marianne Archer, Rick Goodman (Founder), Stan Goodman and Vaughan Goodman.

¹Civil Contractors New Zealand, NZ Heavy Haulage Association, Site Safe, Chamber of Commerce, and Society of Construction Law New Zealand.

²Examples include Greater Wellington

Regional Council, Higgins Group, Fletchers and Gough Cats, Neils Machinery, Humes Pipelines, Hynds Pipe, Winstone Aggregates, Z Energy, and Q8 Oils.

2014 Business of the Year

Goodman entered the Electra Kapiti Horowhenua Business Awards for four reasons:

- They were approached by the Award organisers, and in line with their philosophy of supporting local/community initiatives, decided to enter
- The current construction climate was a good time for them to enter
- To use the Awards to evaluate their performance against other businesses in the region
- The Board/management felt that, having experienced a low time (2010- 2012), it would be instructional to receive external feedback on the progress that had been made since then.

Why did Goodman's win?

In the words of the Award Judges: "Goodman Contractors Ltd impressed the assessors and judges as being a quality business. The traditionally inward-looking family business has been broadened out into excellent management and business skills and strong overall performance, whilst retaining some of the key advantages of the personalised family business and culture. They have strong systems in place (and)...have the ability to control all elements of their business very well".

[Download the complete Goodman's case study here](#)

Levin-based company Granite Tops produces, processes, and manufactures premium granite products – from high quality kitchen bench tops, to vanity tops, fire places and even individual tiles.



GT Granite Tops Ltd

Granite Tops entered the 2014 Electra Kapiti Horowhenua Business Awards, being named a Finalist in the Emerging Business Achievement Award.



Hard Work Leads to Success

“ Having bought a struggling granite business in 2012, Prashant Patel has worked hard to transform it into one of the leading manufacturers of granite products in the lower North Island. ”

Electra Kapiti Horowhenua Business Awards

Article written by Stephen Leslie in 2015

Prashant Patel is a man who is clearly passionate about his business, and highly driven to make it a success. But three years ago he was facing the very real prospect that his recently purchased business was going to fail.

Buying Southern Rocks in 2012, Prashant thought he was buying an established granite business with significant goodwill. He soon learned this wasn't the case. It's taken three years of hard work, but the business is now establishing itself as one of the leading manufacturers of granite products in the lower North Island.

“When I bought the business, I had no idea what I was getting myself into,” he explains. “But I was determined to turn things around and make it a success. To be honest, I didn't have much other choice,” he admits. “We'd invested heavily in it so we had to make it work for us.”

Prashant's path to owning a granite manufacturing business probably isn't a traditional one.

Prashant arrived in New Zealand from India in December 2002 “I came here chasing a woman,” he smiles. “Tina was living in Palmerston North so I decided to give up my job back home and move to Palmerston North to be closer to her.”

A qualified teacher back in India, he wasn't able to immediately continue his career in

New Zealand. “Before I could teach here I had to complete some additional training,” he explains. “I enrolled in a course but I soon realised that I needed to earn money, so I withdrew from the course and looked for work instead.”

His first job was working as a Youth Worker for Child Youth and Family (‘CYF’). He spent around four years with CYF but reached a point where he felt he needed a different challenge.

“A friend told me I should run my own business so I started to look around. I wasn't really qualified to do much, so I did what most Indians do – I bought a dairy!” he laughs. In 2006 he moved his family to Levin where he bought the Sunshine Dairy in Queen Street.

“I liked running the business and meeting different people, but I was working long hours and seven days a week,” he says. “Owning a dairy isn't conducive to having a good, balanced lifestyle, and it's important to me that I spend quality time with Tina and the kids. So after five years I had reached the point where I knew I had to find a different business that would give me a better work:life balance.”

Granite Tops Ltd

27 Main Road South, Levin

📞 06 368 6408

✉ info@granitetopsltd.co.nz

🌐 www.granitetopsltd.co.nz



A new direction

Around this time the family were in the process of building their first home. “We wanted a really nice kitchen benchtop so I approached a local Levin company that manufactured high quality granite tops, Southern Rocks Pacific Ltd.”

“I had met the Southern Rocks owner previously when we were both living in Palmerston

North, and I really liked the product he was selling. Over the next few months we talked about his business and one day he indicated that he was looking to sell it. It seemed to be the opportunity I had been looking for so I decided to make him an offer,” says Prashant.

In February 2012 Prashant and Tina took control of their new business. But significant issues arose almost immediately.



Granite Tops Ltd owners, Prashant and Tina Patel.

Do your homework

“The company had a bad reputation in the market and a lot of companies wouldn’t trade with us due to the issues they had experienced in the past,” says Prashant.

“We had paid a high price for the business on the basis that there was significant goodwill, but the reality was that there was practically none,” he says.

“I guess the first business lesson I learned was to always do proper due diligence.”

“Our lawyer recommended we changed the company name to Southern Rocks Holding Limited to protect the business,” explains Prashant. “Unfortunately the original company, Southern Rocks Pacific Ltd, continued to experience financial difficulties until it was eventually liquidated.”

“Of course, a lot of people still thought that the two companies were connected, and we had people saying that we had been shut down. We had no other choice but to change our name to give us a chance of getting through the situation. So we renamed the business Granite Tops Limited which, I think, is a much better name anyway.”

“It was a very tough transition into the business,” says Prashant. “I spent the first

two years working hard to protect our name and rebuild relationships. It wasn’t about getting them to buy our products again – many of the relationships had been severely damaged, so our first focus was on restoring our reputation. For some of them, my goal was simply to get them talking with me, then we could move on to pitching for business further down the track.”

Prashant spent a lot of time making calls and door knocking, introducing himself to the market and assuring people he was trustworthy. “I visited a lot of joiners and kitchen companies and, slowly, I began to get orders – they were prepared to give us business on a trial basis.”

“By the start of 2014 we had stabilised the business, but I knew I needed some expert

help to move us forward. So I contacted Business Mentors and they introduced me to Tony.”

Seeking external advice and feedback

Enter Tony Rush, business consultant, Horowhenua District Councillor and former chairman of the Kapiti Horowhenua Business Awards.

Tony immediately set about helping Prashant to identify areas where costs could be cut from the operation, and working on developing better systems and processes.

“One of the first things I recommended to Prashant was that he enter the business in the Electra Kapiti Horowhenua Business Awards,” says Tony. “Not because I thought he

could win, but because I knew the assessment process would be an excellent way to drive change within the business. If we were going to submit a credible entry, it would require the business to have proper processes and policies in place.”

“So we worked hard on the business and, by the time we submitted our entry, we had a really good business plan in place,” explains Tony.

“The company received extremely positive feedback from the Awards assessors who were impressed with Prashant’s vision for the business and the values he was instilling in it.”

Having entered the Awards more as a business





improvement exercise, Prashant was thrilled to learn the company had been named a Finalist in the Small Business Excellence Award. “While we didn’t win, it confirmed that we were doing the right things and that, if we kept going, we’d be successful,” says Prashant.

Transforming the business

The planning process Tony and Prashant went through has resulted in significant changes being made within the business.

“We’ve switched the business away from being a wholesaler to becoming a retailer,” explains Prashant. “We

source our own granite from India and I travel there once a year on a buying trip. We now stock over 40 different colours and, for additional colours we don’t carry, we have supply arrangements in place with wholesalers in Auckland.”

Next, Prashant looked to refocus his product range with more emphasis on engineered stone kitchen counter tops. “Engineered stone is becoming a popular choice in new homes and we wanted to be able to provide a product for this section of the market,” he explains. “Our machinery can work with granite or engineered stone so it makes sense to offer both options.”

Alongside these changes, Prashant and Tony spent time identifying how they could differentiate their offer from the competition.

“There were four areas we decided we could outperform in.”

“We wanted to offer fast turnaround, give high levels of attention to detail, provide the best customer service during the process, and take care of customers with excellent after sales service.”

“We offer customers a complete end-to-end service, from the selection of the raw material to the designing, cutting, polishing and

finishing of the final product,” explains Prashant. “And as our manufacturing equipment is high quality so too is the quality of our work.”

“Our factory is well set up to produce benchtops very quickly. The turnaround for a new top is typically five to ten days, but we recently had an urgent job that saw us cut the slabs on the Friday and install them on the following Wednesday.”

The company doesn’t want a reputation for just being fast, it also wants to establish a reputation for service. “I get a real thrill out of doing a great

job for our customers and hearing that they love what we’ve delivered for them.”

“One thing we’ve done is let our customers come into the factory and select their very own slab of granite. Once they’ve made their choice we put their name on it and that’s the slab we make their benchtop from,” explains Prashant. “Each piece of granite has its own distinct qualities, and there can be a significant difference between what you see in a sample, and what you see in the actual slab itself. So we give our customers the chance to look through our range of slabs and

choose the one they feel is best for their needs.”

“We also stay in touch with our customers throughout the process to make sure they know what’s going on, and to help us identify any issues early.”

An area the company has paid particular attention to is their after sales service. “Each customer receives a complementary cleaner pack, and we offer to reseal their top every two years. We also offer a chip repair service,” says Prashant. “And each customer is given a gift to thank them for their business



Each piece of granite has its own distinct qualities, so the company gives its customers the chance to visit the factory to choose their own slab.



The factory is well set up to produce benchtops very quickly, with an average turnaround of 5-10 days for a new granite top.





– at the moment we’re trialling granite chopping boards and pizza trays.”

“Prior to Tony’s arrival I spent a lot of my time knocking on doors and cold calling,” says Prashant. “But when we sat down to analyse the business, we found that 80% of our business comes from joiners and kitchen companies. So Tony got me to focus on making personal contact with a smaller number of companies, and really work on the relationship.”

“One of the key things we’ve done is develop a proper sales pitch that focuses on the customer to help us uncover business opportunities. And it’s starting to work – a number of companies we struggled to get in front of previously are now giving us work, while others are beginning to consider us,” says Prashant.

“We’re also in the process of implementing a marketing plan for the business,” he says.

“We’ve recently launched a new website and we’ve created a promotional video on the business and what we offer customers.”

It’s not just the business model that’s changed, the business has moved into new premises as well.

“The building that Prashant had inherited was too expensive and far too large for his needs,” explains Tony. “So we started looking for a new location that was smaller and cheaper. We were fortunate enough to come across an old furniture factory that was perfect and, in February 2015, we moved the business to its new location on State Highway 1, in the commercial area at the southern end of Levin.”

Positioned for growth

All of these changes mean that, today, Granite Tops has been able to position itself as a premium granite company

that produces, processes and manufactures granite products – from high quality kitchen bench tops, to vanity tops, fire places and even individual tiles.

“We can now cater to all projects, ranging from small residential to large commercial projects.”

“We’re still small and have a long way to grow, but we’ve made significant progress over the last two years. We’ve managed to establish ourselves in the lower North Island, with customers coming to us from Taranaki and the Hawkes Bay, and all the way down to Wellington. We’re even starting to receive orders from the South Island.”

“It’s been a pretty harsh business lesson for Prashant,” says Tony. “There’s no denying the fact he paid a large amount for goodwill that just didn’t exist. But, to his credit, he’s never let it get him down. He’s

stayed positive and worked incredibly hard to rebuild his business and the trust of the industry he supplies to. I admire his integrity and his commitment to making the business a massive success. I have absolutely no doubt he’ll be successful.”

A team effort

While Tony was initially a mentor on a three month arrangement, he continues to provide support and expert advice to Prashant more than a year later. “Prashant and Tina are wonderful people with tremendous values. We’ve become very good friends and they’re a real pleasure to work with,” says Tony.

Another important person Prashant has relied on is his Factory Manager, Duncan Hopps. “When I bought the business, there were four employees, including Duncan. To be honest, we couldn’t have turned the

business around without him – his industry knowledge and technical skills have been vital to our success. Sadly the other three workers have since left but Duncan has managed to find excellent replacements – we’ve got a fantastic team of people working for us who all share the same values as us.”

But the most important people in Prashant’s life are his family. Tina, a qualified lawyer, works in the business as the Office Administrator. “Tina has given me her 100% support from day one – she’s taken care of both the family and the office which has enabled me to get out there and chase the business.”

“And while running a manufacturing business still involves long hours, I’m not spending all day, every day in a shop. So these days I’m getting to spend more time with Tina, our son Yash and daughter Isha, something I really cherish.”

Tips for success

So, having bought a business on the brink of collapse and turned its fortunes around, what are some key insights that Prashant can offer to other budding business people?

“First of all, take the time to undertake proper due diligence before you buy a business!” he advises. “Seek out professional advice from experts and do your sums – know what you’re buying before you buy it.”

“Then, you need to be prepared to work extra hours and try to do things yourself. You need to become a bit of a ‘Jack of all trades’. Early on I had to learn how to drive a truck so I could go and get our granite slabs from Huntly and Cambridge.”

“You need to learn about business processes, particularly when it comes to employment and OSH requirements. And you need to invest time in creating solid business and marketing plans.”

“But the good news is that you don’t need to do it all on your own. There are people and resources out there that you can tap into, so don’t be afraid to ask for help. For me, I was very lucky to get the help and support I needed from Business Mentors and Tony. We get excellent help from our accountant and lawyer too.”

“The help is there, you just need to seek it out.”



High quality manufacturing equipment ensures the company’s product is also high quality.



The company directly stocks over 40 different colours and can source many more through wholesale arrangements.



Prashant was introduced to Tony Rush through Business Mentors, and he has provided the expert advice to transform the business.



developing
people's
potential

With its Head Office in Levin and smaller campuses in New Plymouth, Lower Hutt, Whanganui and Palmerston North, HLC (Horowhenua Learning Centre) is a private 'not-for-profit' training establishment that has been delivering vocational training courses (including security, hospitality, and care giver training) to the community since 1994 (and as far back as 1984 under a different structure).

Business of the Year

Community Focused Education and Training



HLC works strategically with employers and industries to identify their specific training needs and prepare students to meet this demand."



2015 Electra Business of the Year

Article written by Chris Ineson in 2016

HLC is the trading name for Horowhenua Learning Centre Trust. It is a 'not-for-profit' private training establishment ('PTE') registered and accredited by NZQA and was incorporated in 1994 under the Charitable Trusts Act as an incorporated society/charitable trust.

businesses; conducts training programmes for schools; student and youth support programmes; along with employment placement and support for beneficiaries and people with disabilities and certain categories of ACC clients.

The bulk of its income is from the government sector, but it also generates income from the 'private' sector, meaning it has to meet the dual standards of both sectors in terms of performance and results.

Knowing and Sticking to its Core Business: Jobs in the Community

HLC's strategy is to focus on a limited number of courses that are in demand by the business community with the aim of each student getting the knowledge and skills needed to obtain a professional/NZQA qualification and/or a job.

Its function is to deliver nationally recognised qualifications and skills training to help people gain sustainable employment or transition to higher study. It does this with a staff of 35 FTE headed by a CEO who reports to a Trust Board comprising twelve members representing community stakeholders.

HLC prides itself on delivering more than just a qualification. It compliments this by working strategically with employers and industries to identify their specific training needs and preparing students to meet this demand. They do this across their organisation with varying types of students/clients and different funder needs.

"A place of learning providing quality education, training and employment outcomes for our clients and communities" – HLC mission statement

"The organisation delivers a wide range of educational achievements aimed at satisfying the needs of business employment and the aspirations of their students."

HLC is based in Levin, but it also delivers programmes in New Plymouth, Kapiti, Lower Hutt, Palmerston North and Whanganui, the latter two in partnership with their respective UCOL (Universal College of Learning) campuses.

It runs full and part time courses in areas where there is a community demand for specific skills such as professional catering, hospitality, aged care and security; provides short literacy and numeracy courses to upskill employees in local

HLC

152 Bath Street, Levin
t 06 368 1095
e enquiries@hlc.ac.nz
w www.hlc.ac.nz

HLC entered the 2015 Electra Kapiti Horowhenua Business Awards, winning the Large Business Excellence and Sustainability Achievement Awards, and was named the overall 2015 Business of the Year.

It's the second time the organisation has been named the Electra Business of the Year, following their success at the 2004 Electra Kapiti Horowhenua Business Awards. They also won the Sustainability Achievement Award and "Past Masters" Award in 2008.



Beneficiaries are trained specifically for local jobs in as little as a few weeks and fee paying students receive more comprehensive six month or full years training. All programmes include NZQA qualifications.

All training is linked directly to the needs of the local labour market and employers report that HLC is helping them grow their businesses because they are addressing their skills demand. HLC uses its relationships with the Horowhenua District Council's Economic Development Board to plan its programme delivery and students benefit from this strategic approach.

HLC's approach is based on a simple research methodology: listen and understand their clients' needs and then tailor and implement a plan that is a win-win for the employee and student/client. This

approach has significantly improved HLC's employment placement and sustainable employment outcomes.

Māori and Pasifika students make up 59 per cent of students. Unlike in many other training providers Māori and Pasifika achieve at the same rate as non-Maori. HLC exceeds its own high internal targets, ensuring that it comfortably meets government funder targets.

"A huge section of the community benefit from HLC activities. They support community employment initiatives and prepare people for careers when otherwise they may drop out of the system."

Youth students (16-19 years) often come to HLC with little or

no NCEA qualifications. They are the community's NEET (Not in Employment, Education or Training) and are disengaged. HLC provides extensive holistic support and teaching with more than 60% of these disengaged youth graduating with NZ recognised NZQA qualifications and supported on to higher education or work.

Although HLC prides itself on its ability to give students a 'hand up' (not a hand out), it is its ability to change peoples' lives for the better and thus make a real contribution to society that creates significant job satisfaction for its staff.

Choosing the Right Business Model for the Job

As an independent organisation (not a government department) HLC is run on business lines that, in many cases,



One of the 52 HLC graduates of the National Certificate in Security working at Te Papa.



- replicate the same commercial imperatives as its SME counterparts. Thus, it has to:
- Generate funds (revenue) in a contestable market,
 - Meet the needs of its clients (customers/students),
 - Meet its performance indicators (KPIs),
 - Account for outcomes (profit and community outcomes), and
 - Satisfy its funders and stakeholders.

However, a key departure from many SME's is that HLC's results are subject to mandatory external scrutiny each year by its government funders across every aspect of its operations, with no guarantee it will receive ongoing funding. It is also subject to rigorous audits by third party agencies.

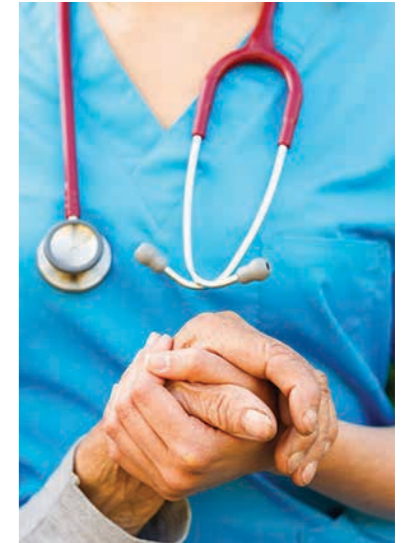
HLC regularly has to tender through publicly contestable government processes for its work. All of its work is subject to outcome based funding structures which means

that, if it does not perform contractually, HLC does not receive payment. The majority of HLC's work is undertaken before payment is received (some funding is not received until six months after the work and outcome has been supplied).

HLC's structure is designed to meet its business needs. It is a flat structure that consists of a Trust Board (governance), CEO/Management, tutors and support staff.

The structure was reviewed in early 2015 and this resulted in fewer senior managers and more frontline staff. It also created new specialist roles that support front line staff development, better capability, simplified reporting lines, reduced administration, improved accountability and ultimately improved performance.

The review process is considered part of HLC's philosophy of continuous



quality improvement and is another example of its Performance Culture.

Leadership – A Point of Difference

The Award winners of the last two years, Goodman Contractors in 2014 and HLC in 2015, have subtle points of difference from other businesses.

For instance, Goodman Contractors has what it calls its 'Future Plan' – a cautionary tale by its current leadership for the next generation – that sets out a list of eight key lessons learnt over the years of what not to do in the future.

HLC has what is known as the CEO's Direction. This is the CEO's expectations for the staff over the forthcoming year. It sets out her vision and how it translates into actions and results and shows the link between board strategy, HLC's operational plans and staff KPIs.



As the Direction is shared with the board, it is effectively a leadership mechanism for ensuring everyone – staff and board – are ‘on the same page’.

Its uniqueness is that, while most SME’s use their strategic and/or business plans (if they have them) to lay out their direction, more often than not such plans are about the organisation and its processes, not its people. That is, it is depersonalised, whereas in contrast HLC’s CEO has, by putting a human face on it, personalised the business of business.

“HLC has a strong vision and well documented values, which are cascaded downwards and back up through the organisation.”

What HLC has done is to clearly define its leadership structure insofar that it resides with the CEO. This carries with it a high degree of accountability as realistically it is the CEO who will determine (in conjunction with the board) what is done, or not done, and the manner in which it is done. Implicit in this is the board’s confidence in its CEO to get on with the job.

This does not mean the CEO is on her own. Apart from the support of the board (and it’s Finance and Risk Sub Committee), the CEO has a raft of informal mentors and advisors she can call on that include civic leaders,

government advisors, training/tertiary organisations, local business people, council staff and students. It represents a vast network of contacts that is capable of providing high quality and timely advice.

Additionally, the CEO, as a member of the Wellington based CEO Action Learning Group, regularly meets with her counterparts to discuss issues common to her sector. The point is that through its CEO, staff, board and other parties, HLC has access to a considerable network of information and knowledge relevant to their business sector – arguably, more diverse in some ways than comparable business groups like the Chamber of Commerce.

A Cornerstone of HLC’s Success – Financial Sustainability

HLC’s primary imperative is not ‘chasing money’ for the sake of it, but creating a sustainable business model. It does this by diversifying its core business income streams.

It knows that even though government funds are important, paradoxically it is the level of this funding (54%) that makes it vulnerable, and therefore an uncertain source of income in the longer term. To offset this, HLC generates income from other tertiary education providers (polytechnics), and from local business (staff training) and

student fees. At the same time HLC is actively planning and pursuing longer term new funding partners in education and training services.

The clarity of thinking about HLC’s financial sustainability is encapsulated in its strategic plan as four simple KPIs:

1. Maintaining its NZQA Category 1 status
2. Being recognised as the region’s (in time, NZ’s) leading Tertiary provider
3. Exploring opportunities with business and commercial operators, and
4. Strengthening the organisation by enhancing its relations with key stakeholders.

Oversight of HLC’s financial (and non-financial) performance is the responsibility of the Trust Board.

“The Assessors commend the flow down from the Trust Board to staff, coupled with weekly monitoring results and feedback up through the organisation.”

In this respect, and in contrast to some SME businesses, particularly the many who are family owned and whose focus is primarily shareholder returns, HLC places emphasis on servicing its community of stakeholders (some of whom are ‘shareholders’ via the Trust).

Challenges

HLC has a number of challenges but one that tends to be unique to the learning sector, and which differentiates it from the commercial sector, is that every government funded provider is given the same targets and is measured the same way regardless of their cultural, demographic or regional differences.

This has the effect of creating an uneven playing field in terms of comparing performance between providers.

To counter this HLC spends time ‘educating’ its educator clients (government/agencies) about the realities of its market, the performances expected of it, and what it can achieve (being true to oneself).

“HLC successfully deals with a wide range of funders, mostly from the government sector that demand accountability and good results.”

In effect, what HLC does is to talk to their funders about their

(HLC) business environment thereby balancing funders’ expectations against market reality. This is smart business sense but it takes time and effort.

Solutions

Part of HLC’s success is its use of research, surveys and feedback of students and stakeholders which it actively uses to form future service delivery.

This demonstrates continuous improvement in real time, it is not a ‘tick box’ exercise.

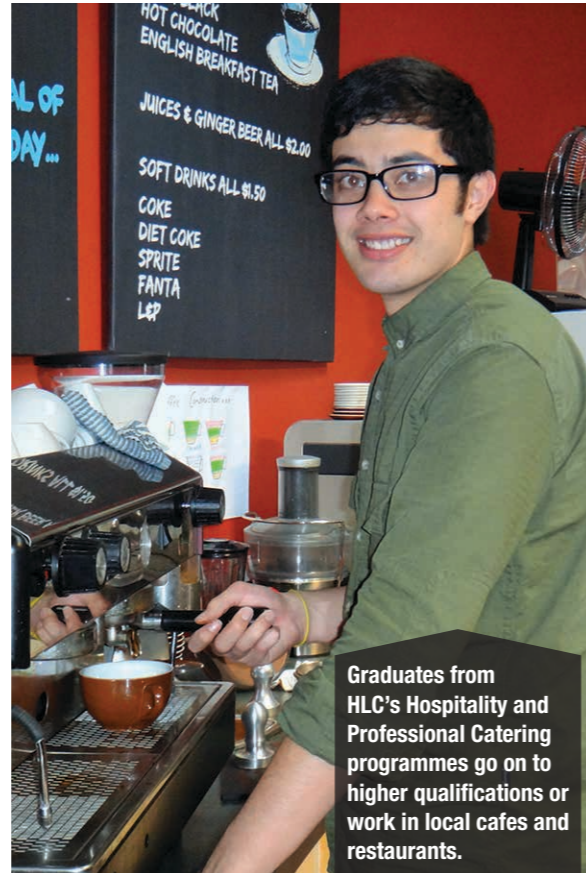
This shows a level of sophistication that many SME’s don’t have but could easily acquire at virtually little or no cost.

HLC also ensures consistent quality and relevance through the appointment of a Quality Advisor and an Industry Partnership Advisor, and by the use of internal and external moderation systems to ensure it is meeting or exceeding funder and student/stakeholder standards.

Monitor and Measure

Monitoring and measuring themselves, for example, against other PTE’s is one of the hall marks of HLC’s competitive edge. Every aspect of the business is closely monitored and benchmarked. For example, staff have monthly coaching





Graduates from HLC's Hospitality and Professional Catering programmes go on to higher qualifications or work in local cafes and restaurants.

and quarterly performance reviews alongside professional development plans.

HLC has adopted a holistic approach to its staff as seen with its: a) Performance and Remuneration Policy to attract, reward and retain staff, b) Performance Development plan for each member, c) annual Performance Bonus system, and d) Employee Support and Wellness programmes.

In effect HLC has a total performance package approach to monitoring and measuring the performance of its staff and to instil its performance culture and continuous improvement philosophy.

Business Results

Although HLC, its management and Trust Board's focus is reflected in its vision statement, commercially it knows that to be financially viable it has to be business savvy and meet, even exceed, client expectations.

"HLC comfortably exceeds all seven of the Tertiary Education Commission's ('TEC') financial (viability) key performance indicators."

HLC did not win the Supreme Award on the trading results of a single year. Rather, its success is based on a two stage strategy.

Stage one was growth – it had to otherwise it faced insolvency. The extent of the turnaround however is evident in the following statistics (2013/14):

- Funding increased by 100%,
- Staffing increased by 100%, and
- Training places increased by 425%.

Stage two (2015) was to improve its internal capability and performance, which it achieved.

The point being, HLC didn't rely on hope and good luck to turn itself around but on a planned strategy linked to sensible and attainable goals. It achieved this through strong leadership.

"HLC has produced an excellent series of financial results, including over 100% increase in profit, and a 50% increase in Trust equity that has enabled the building up of substantial reserves."

Consistency

The hallmark of previous Award winners is their consistency in every aspect of their business. HLC is no exception.

HLC scored consistently high across every category and certainly higher relative to the other Award entrants.

Concluding Comments

HLC won the Electra Business of the Year Award through strong and deliberate leadership, hard work and a 'thousand little things done well'.

"The Assessors were impressed with the leadership, teambuilding, and benchmarking performance of HLC. Coupled with the strategic direction and challenging key performance indicators, together these have produced an extremely viable, vital and business worthy entry into the Awards."



Table 1 Comparative analysis – HLC and Average Award Entrant

Category	HLC (%)	Avg* (%)
Leadership	78	50
Strategy/Planning	80	58
Customer/Market Focus	90	62
Information	82	60
Workforce Focus	85	60
Systems/Processes	80	61
Business Results	90	65
Total average (rounded)	84	59

*average of all entrants

This is further enhanced by the Assessors' comment that the calibre of the 'average' Award entrant tends to be of a higher standard than the 'average' company in the general business community.

Strategic Reasons for Entering the Electra Business Awards

In entering the Electra Kapiti Horowhenua Business Awards, HLC's objective wasn't merely to 'give it a go', but to use the entry and assessment processes as a means of measuring their internal performance, and benchmark themselves against external 'private sector' competition.

It was a deliberate and well executed strategy with three key objectives:

Benchmarking and Role Modelling: the CEO, who leads a Performance Culture, wanted to role model this value through benchmarking against other businesses. HLC uses benchmarking to self-assess all operational aspects of its performance and entering the awards was used as a whole of organisation way to demonstrate the power of collective performance. Entering the Business Awards was a strategic way for the CEO to

message to staff that HLC is a commercial business and not a government department and it is led and managed this way.

Self Review and Preparation: more pragmatically, the Award process was used as a form of self-review exercise prior to the formal and arguably more stringent, government performance audit which has significant importance to HLC's future funding and the Awards process was one of many critical evaluation processes undertaken in preparation of this important external audit. HLC went on to achieve NZQA Category One Status in this audit – the highest level achievable.

Profile and Repositioning: its entry in the Awards was part of its strategy to raise and change its profile from being known as a Horowhenua focused organisation to one that effectively covers the lower North Island.

[Download the complete HLC case study here](#)

In 2009 HMC Kapiti purchased a vehicle dealership in liquidation and, in just five years, transformed it into an award winning business. And overseeing the transformation has been Kelly McKay, New Zealand's youngest ever Dealer Principal.



Where Journeys Begin



Having established a presence in Kapiti in 2009 and created an award-winning business, HMC Kapiti is a company on the move.



Electra Kapiti Horowhenua Business Awards



HMC Kapiti entered the Electra Kapiti Horowhenua Business Awards in 2013, being named a Finalist in the Medium-Large Business Excellence Award and receiving the BNZ Highly Commended Award.

Article written by Stephen Leslie in 2015

The motor industry is in Kelly McKay's blood and, even though she initially tried to follow a different career path, it was almost inevitable that she would end up running her own dealership.

"My parents have always been in the motor industry," she explains. "Dad (Gary McKelvie) left school in 1969 to start a motor mechanic apprenticeship at Wright Stevens in Levin. The company became a Holden dealership in 1970 and was renamed Wrightcars in 1975 when Wrightsons and Fletcher Challenge amalgamated."

"In 1982 he married my Mum (Chris) and moved into the sales department, selling new and used cars and trucks. In 1990 he accepted an opportunity to buy into the business, which had been renamed Horowhenua Motor Company."

"Mum joined the business in 2001 as the Administration Manager, having spent ten years working in the accounts department at Mitsubishi Motors. In 2006 he and Mum bought the remaining shares in the business and property. They really did have the perfect blend of skills when it came to owning their own dealership."

Since then the business has established itself as a hugely successful Holden dealership, and added the Suzuki brand to the stable in 2009.

An early introduction

Being a family business, it's no surprise that Kelly was introduced to the industry at an early age. "I think I was 12 when I started doing office

work for Mum," she says. "By the time I started at college I had a part-time job helping out in the office."

"While I appreciated the opportunity Mum and Dad gave me to earn my own money while I was at school, I was really keen to do my own thing – I wanted to prove that I could be a success on my own. My older brother (Troy) was following his dream of becoming a commercial photographer, so I decided to become a nurse.

So, on completing her studies at Horowhenua College, Kelly enrolled in nursing school. "I spent two years studying but I came to realise that nursing really wasn't for me," she explains. "So I withdrew from the course and moved to Australia to do something completely different."

Kelly spent the next 18 months on the Gold Coast, working in a sales role for a financial services company, before deciding it was time to come home.

In 2007 she moved back to Kapiti and accepted a Customer Service Officer role with ASB, based in Queensgate.

HMC Kapiti

207 Kapiti Road, Paraparaumu

- 📞 04 298 8089
- ✉ kelly@hmckapiti.co.nz
- 🌐 www.hmckapiti.co.nz



A new journey begins

Meanwhile, Gary and Chris McKelvie had been steadily growing Horowhenua Motor Company, and an opportunity arose to establish a presence in Kapiti that would not only change Kelly's career, but her life too.

In 2009 Wellington's oldest car dealership, Williams and Adams, was placed into receivership, affecting ten sites and more than 100 staff across the Wellington region and Palmerston North.

"Williams and Adams had entered the Kapiti market when they purchased Guy Weaver's Auto Village in 2007," explains Kelly. "Unfortunately the parent company was impacted by a number of financial issues, some of them caused by the US Government bail out of GM, and the receivers were called in."

"We had an extremely small window of opportunity to buy the Kapiti business, so we had to move really fast to secure it. At the time I was seven months pregnant (with first son, Lachlan) and working at ASB – six weeks later I was the Dealer Principal of a new HMC dealership!"

"I was 22 and the youngest Dealer Principal ever. Not only that, I was the only female Dealer Principal, so I was really pushing the boundaries."

Kelly's dual role as Dealer Principal and Branch Manager is to drive the company's strategic planning and forecasting, as well as manage the operational side of the business – from vehicle sales, to staff and departmental management, to general financial management duties. "It's a really challenging role but extremely satisfying," she says.

Establishing a new business

Rather than fold the new Kapiti business into the existing Horowhenua Motor Company and create a branch, the family created a new company and made the Kapiti business a stand-alone operation, complete with its own systems and processes. "A lot of the reason for this was due to the speed with which we had to act," explains Kelly. "It was easier to create an entirely new legal entity to purchase the old Williams and Adams business, so HMC Kapiti was born."

The business began in the same location as the former Williams and Adams site, and the company retained thirteen of the staff from the former business. But Kelly immediately got started on making changes within the business.

"There was a lot of work that needed to be done

behind the scenes," says Kelly. "We introduced formal management processes and systems that helped us to better monitor and control the business."

"Equally important, we focused on moving forward with a positive culture and well trained staff."

"Williams and Adams had become such a huge regional entity that it had lost some of the personal touch that Kapiti people really value," says Kelly. "So we focused on creating a truly end-to-end process that recognised the lifetime value of a customer. If that meant being honest with a customer and losing an immediate sale as a result, that was fine. We wanted to build long term relationships based on trust and service."

"It's a full circle approach, providing a high quality sales and service experience that means our customers keep coming back to us."

Expanding the offer

Part of this strategy involved offering customers greater choice, and the company almost immediately secured the Suzuki franchise. In 2011 their range was further extended with the addition of the Kia franchise to the stable, and the company achieved the highest growth for Kia sales in 2012.

Securing the Kia franchise forced the company to make a significant, and very visible, change to its operation. "Part of the agreement was that we had to add a Kia showroom," explains Kelly. "The existing site wasn't capable of supporting this so we had to look for a new home." It was a search that would take almost two years to complete but the result would be worth the effort.

In the last half of 2013 the company was able to negotiate with Todd Properties to have a brand new, purpose-built showroom and sales yard developed on a new commercial site in Kapiti Road. "Ground was broken in November 2013 and we opened our doors to the public in July 2014," says Kelly. "This was a pretty amazing turnaround as we had to juggle the needs of all our brands – Holden, Kia and Suzuki. As well as managing the actual construction aspects, a lot of my time was spent making sure our three key brands were happy – as our principal brand, Holden had to approve our carpet, tiles colours, and even the framing we used!"

The new site allows the company to deliver on its full circle service philosophy – from sales to administration, parts department, full workshop and grooming service. "We can offer our clients a full end-to-end service, from the initial vehicle purchase to ongoing servicing, through to additional services such as grooming, and arranging specific things such

as new tyres, wheel alignments – even collision repairs."

"Our service department has experienced strong growth due to the better Kapiti Road location," explains Kelly. "Meanwhile we've introduced our 'train heist' promotion, which allows customers to drop their keys at the coffee kiosk at the Paraparaumu Train Station, grab a free coffee on us, and head into work on the train. We then collect the car and bring it back to our workshop for a service, before returning it to the train station where it waits for the customer's return at the end of the day. We now have around 20 customers using this service each month and they absolutely love it."

The visibility of the new site has also seen car sales lift significantly, increasing by up to 10 vehicles per month since the company moved to its new home.

Today, HMC Kapiti employs 17 staff (there are a further 18 staff employed by Horowhenua Motor Company) and Kelly says there are plans to hire at least one more technician to cope with the increased vehicle servicing demand.

Community-minded

The company places a lot of importance on being an active and positive corporate citizen, investing significant time, energy and money in numerous local charities, clubs and associations.





“We believe in giving back to the community where we live and work,” says Kelly. “How can we ask for their ongoing support and loyalty if we’re not prepared to support them?”

As well as their sponsorship of the Business Awards, the company also sponsors every bowling club from Whitby to Otaki, the HMC Kapiti Annual Pink Ribbon Breakfast, the ‘Let’s Build a Church’ initiative, and the HMC Kapiti Holden Scramble (raising funds for Junior golf in Kapiti). They are also supporters of the Relay for Life, the annual Paraparaumu Rotary Charity Golf Tournament, and the Mitre 10 MEGA Charity House Build.

Time to be recognised

In 2013, with the Kia franchise secured and the MTA Franchise Dealership of the Year award on the shelf, the company decided to enter the

Electra Kapiti Horowhenua Business Awards.

“We’d been a Sponsor of the Awards since 2009 and we’d seen the positive impact the Awards had had on the businesses that entered,” says Kelly. “We knew how rigorous the process was but could also see immense value in doing this, both in terms of the thinking you had to do about your business, and also for the detailed feedback you received from the assessors. We felt it was something we needed to do as it would provide a benchmark against other successful businesses.”

The company was named a Finalist in the Medium-Large Business Excellence Award, and received the BNZ Highly Commended Award at the official Awards function, with the Judges commenting that the company “...has smart management, good systems and is focused on moving forward

with a positive culture and well trained staff. HMC Kapiti is a company on the move.”

Post-Awards

In the two years since they entered the Awards, the company has applied the lessons learned and has made significant changes and improvements to its operation.

“Our business continues to grow and is constantly challenging itself to be better.”

“While the recognition we received from the Business Awards was an awesome acknowledgement of how far our business had gone in a very short time, the real value came from the assessors report that we received after the Awards function,” explains Kelly. “We’ve spent the last two years implementing their

recommendations across our business and using their advice to base our short and long term planning on.”

And the industry is paying attention. In 2014 HMC Kapiti gained the highest market share for Suzuki out of all Suzuki dealers in New Zealand.

The company has also seen its Kia ranking lifted from a ‘D’ to a ‘B’. “The process you go through with Kia is very similar to the Business Awards,” explains Kelly. “It’s a complex assessment across multiple areas of your business including: policies and procedures, customer service scorecard, dealership presentation, profitability and staff training. The process applies Kia global standards and you are ranked against dealers worldwide. So to move so quickly to a ‘B’ ranking is a massive achievement for our business.”

“The success we’ve had with the Kia experience has inspired us to re-enter the Business Awards in 2015,” says Kelly.

Final words of advice

Kelly says there are a number of lessons that she has learned over the last six years that can be applied to any business.

“First of all, you need to be prepared for an ever-changing environment. You can’t afford to stand still, you need to be

constantly challenging yourself and looking for ways to do things better and smarter.”

“Secondly, it’s vital your staff are focused and given the support they need to achieve common goals. To be successful, each area of your business needs to work together to achieve sales goals.”

“Building long term rapport with customers requires a high level of unity and service excellence across the business.”

“Finally, look for opportunities to benchmark your business and to receive external and independent feedback on how you’re performing. The Business Awards is one way of achieving this, and I’d highly recommend it to any business that is committed to improving its performance and results.”

“So if you’re thinking about entering the Awards, my advice is ‘go for it!’. You have nothing to lose and everything to gain from the experience.”

“The key is to set yourself up to make the most out of the process – ensure you’re well prepared and set aside a good amount of time to complete your application.”

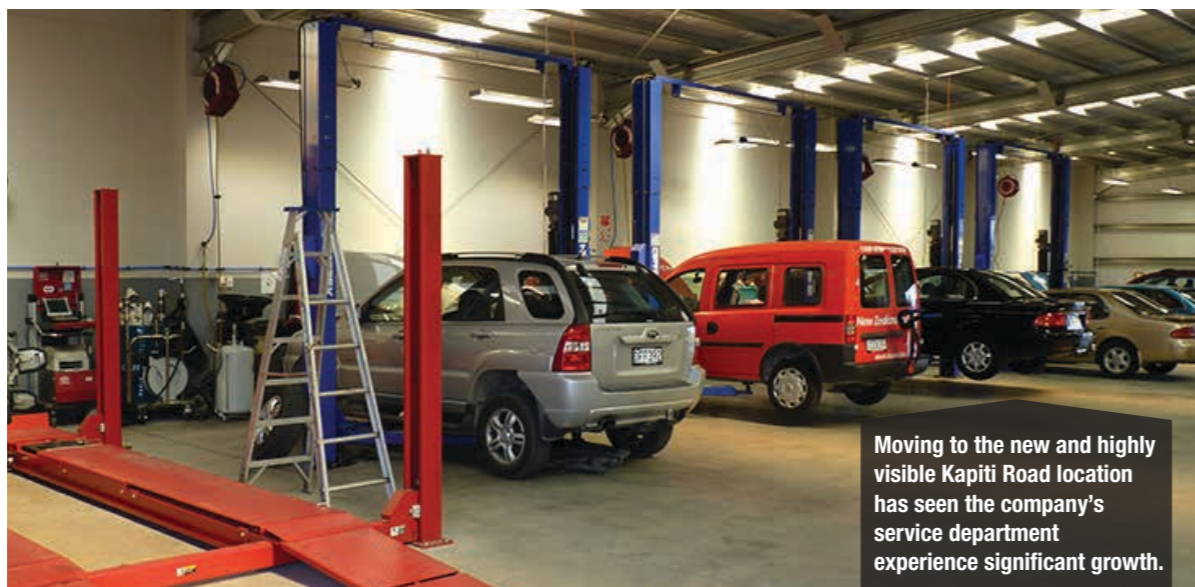
“Then, once it’s all done and dusted and you get the assessors’ report – USE it! That’s where the true value of the process lies.”



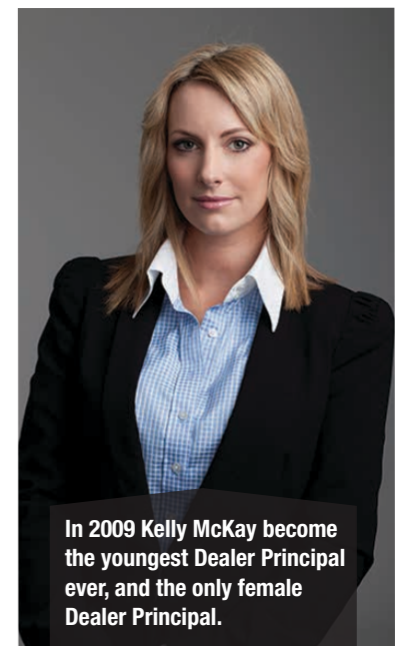
Lessons Learned and Applied

The assessors report, provided as part of the Business Awards process, recommended HMC Kapiti focus on improving three key areas of their business:

1. introduce external support – Kelly has since brought a mentor into the business to provide independent business expertise and advice, and to drive accountability across the business.
2. align the businesses – the company is currently looking to consolidate its systems and policies across both dealerships, adopting Kapiti’s systems and processes for the Levin business.
3. lift performance – the company is using the strengths in each department to provide cross training opportunities in other departments, with staff helping to lift the performance across the business.



Moving to the new and highly visible Kapiti Road location has seen the company’s service department experience significant growth.



In 2009 Kelly McKay become the youngest Dealer Principal ever, and the only female Dealer Principal.

JMA Decorators is a successful and rapidly growing Waikanae-based painting and decorating company, with commercial and residential clients across the greater Wellington region and throughout New Zealand. The company has built a reputation for delivering high quality work, particularly for larger projects such as apartment buildings and other large facilities, as well as industrial, commercial and Government projects. Services include: all painting and decorating works; wallpapering; gib-stopping; solid plastering or texture coatings; and building washing.



JMADecorators Ltd
because YOU deserve the best

In 2014 JMA Decorators Ltd entered the Electra Kapiti Horowhenua Business Awards and was named Runner-up in the Medium Business Excellence Award. The company was also a Finalist in the Health and Safety, and New Thinking Achievement Awards.



A Well Decorated Business



The decision to adopt a corporate structure and introduce formal systems and processes has seen JMA Decorators more than triple their revenue in just five years.



Electra Kapiti Horowhenua Business Awards

Article written by Stephen Leslie in 2015

John Adair has always been a canny businessman, building successful painting and decorating businesses both in Scotland and New Zealand, but in 2009 he felt it was time to adopt a more corporate approach to his business. It was a decision that has delivered a 330% increase in revenue over the last five years.

A lifelong passion

Painting and decorating has been John Adair's life. It's a career that has spanned some 35 years both in his homeland of Scotland and his adopted home of New Zealand.

Leaving school at 16, John joined a local firm, Rendall Bros, as an apprentice painter/decorator. It was to be the start of a lifelong career in, and love of, painting and decorating. Over the next 15 years he would get to work on a number of high profile UK projects, including work on nuclear power stations, ScotRail bridges, heritage trust sites, and 5 star hotels. "I even got to work on the restoration of the Edinburgh Sheriff's Court," he says.

In 1987 John launched his own decorating business. Over the next six years he would create a hugely successful business with a reputation for high quality workmanship and attention to detail, and for completing projects on time and within budget.

But, despite his business success, John and his wife Lorraine were keen to make a change in

their lives, and started making plans to emigrate to New Zealand.

Arriving in New Zealand in 1995, John immediately launched a painting and decorating business – JMA Decorators. His first job was the intricate restorative painting of the historic Parliamentary library.

One of the first things he noticed about the industry in New Zealand was that there was a separation between the various aspects of decorating.

"The difference between the UK and New Zealand is that over here you have plasterers and you have painters, and that adds complexity to a lot of jobs as you have to juggle two separate contractors," he explains. "In the UK decorators are qualified in painting and plastering, which means you're able to handle the complete job."

This meant that John was able to offer his clients a more end-to-end service, and he quickly built a loyal following of clients as a result. "We would arrive at a job and do the gib-stopping, the plastering *and* the painting. And

JMA Decorators Ltd

4 Mahara Place, Waikanae

t 04 293 7266

e admin@jmadecorators.co.nz

w www.jmadecorators.co.nz



because we were controlling the entire process, we could be really efficient in terms of who we had on-site and when. It meant that we started to generate a lot of repeat business and also word-of-mouth business.”

Within five years the company's growing reputation for producing quality work saw them landing contracts to work on large scale apartment projects – relationships the company has retained to this day.

Planning for growth

By 2009 the company was turning over \$1.5m annually and had formed some solid ongoing commercial relationships. But John knew that if the business was to continue to grow, he would need to adopt a more corporate structure and invest in formal systems and processes.

“I knew painting and decorating inside and out, and

Lorraine had always looked after the accounts payable and receivable as well as our IT systems. We made a great team and had built a really successful business, but we knew we needed an experienced senior manager to help us grow it to the next level,” explains John.

“That's why we created a General Manager's role and brought Laurie Smaling into the business.”

Laurie's brought a lot of discipline and process to the business that's allowing us to achieve our strategic objectives.”

Laurie Smaling is the General Manager for the JMA Group and has extensive international experience, having held senior management positions in service industries within New Zealand, Asia and Australia, including the tendering for more than 130 oil rigs in the South China Sea. “I was brought in to look at all aspects of the business and to identify how we could become more efficient in the way we operate,” explains Laurie. “By introducing formal systems and processes to the organisation, we now have the capacity and capability to continue to grow as a business and expand into new markets.”

Formal systems and processes

“The first issue I faced coming into the business was that the company operated a highly compartmentalised and centralised filing system. In other words, all of our organisational knowledge was stored inside John's head! As an organisation that was keen to grow and expand, this presented a massive business risk.”

“So my immediate focus was on extracting the information from John's

head and operationalising it. One of the first things I implemented was a formal quotation system that uses a complex spreadsheet to cost large jobs, meaning anyone can measure up a job and produce a quote.”

“The first time we used it, it took me a day and a half to walk around the building and enter the measurements into the spreadsheet. It was a huge

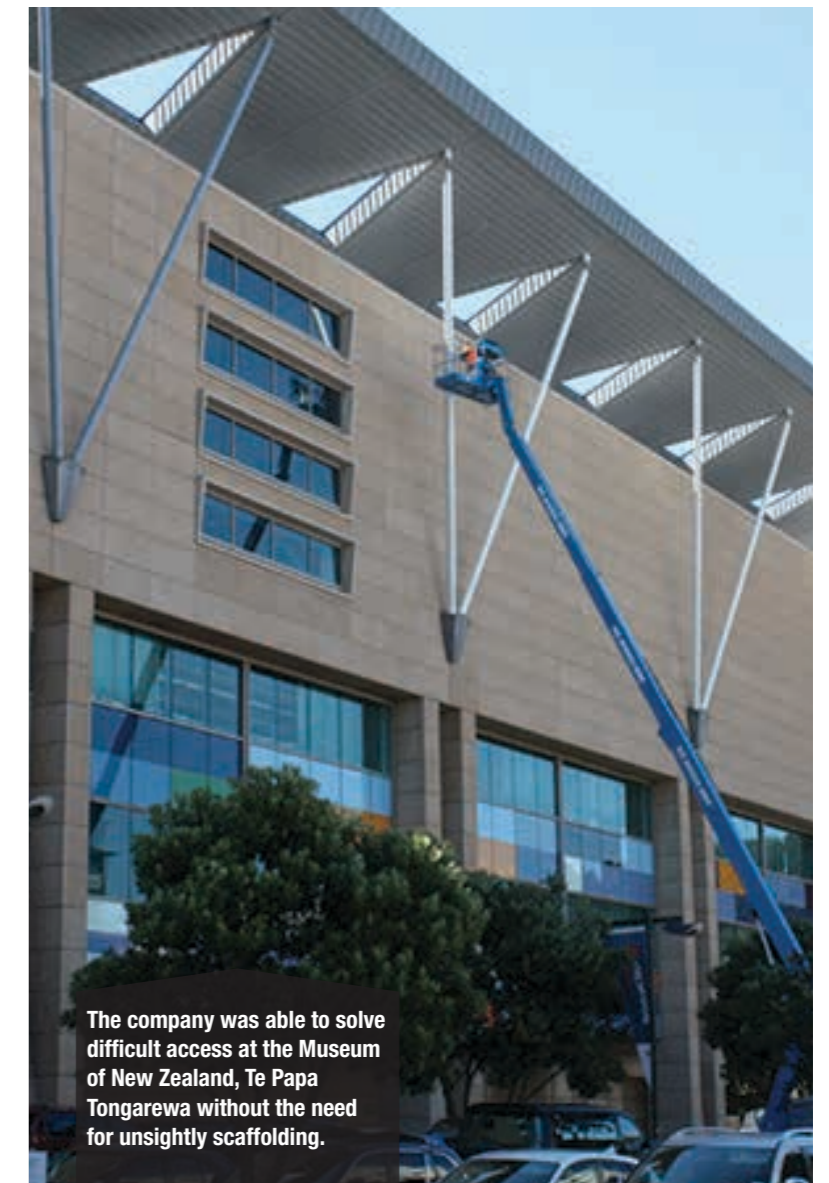
job and the final price was significant, so I asked John to visit the site with me to check our quote.”

“John spent about an hour walking about the complex and then turned to me and gave me his estimate. Amazingly, his estimate was within \$500 of the quote I had prepared!”

“Personally, it was massively frustrating given how long



The harsh marine environment takes a toll on Westpac Stadium, so the company has structured a regular maintenance package to preserve the integrity of surface coatings.



The company was able to solve difficult access at the Museum of New Zealand, Te Papa Tongarewa without the need for unsightly scaffolding.



it had taken me to reach essentially the same price. But what it confirmed was that we had been able to extract more than 30 years of hands-on industry knowledge from John's head and create a highly sophisticated, and accurate, pricing model."

"Today, the system is fully integrated into our business and we're able to quickly produce highly accurate quotes for any job."

"We've also used our collective knowledge and experience to create project windows for each job, ensuring our crews know where they need to be and how long they have to

complete their job before the next crew arrives. It means our plasterers are always just ahead of our painters so that the job is done as quickly and efficiently as possible."

But the innovation and automation hasn't stopped there. In 2014 the company introduced the SimPRO enterprise software into the business. "SimPRO has helped us to fully automate our operational processes," says Laurie. "It helps us to track our quotes, schedule and manage projects, control our materials and inventory, and manage our invoicing in a seamless manner."

"It's an extremely powerful package and I believe we're the

only painting company in New Zealand using it. It gives us live tracking of jobs, right down to local weather updates!" A great feature is that clients can log into the system and request a quotation or follow job progress once it is up and running.

"It also links to the GPS in our vehicles, so we can monitor where our operatives are and even how fast they're travelling, which is a useful tool from both a fuel efficiency and a health and safety perspective."

An added benefit of the system is that information is linked in real time to individual crews via tablet. "Our project managers have all been issued with tablets and they have live

and instant access to all the relevant information about a job. They're also able to take photos using their tablets and save these images to the job file so we have a complete and accurate record of each job."

"For example, they can record pre-existing damage or photograph potential issues and instantly send it back to the office. This has led to a significant reduction in downtime caused by calls back to the office to clarify aspects of the job, and then waiting for a response."

Keeping safe

As well as internal systems and processes, the company has invested considerable time and money in ensuring they operate a safe business.

The company receives external health and safety support by being a member of Site Safe NZ, a not-for-profit organisation that helps businesses in the construction industry to promote a culture of health and safety.

"Safety is one of our four core organisational values (the other three are: honesty and integrity, accountability, and teamwork)."

"We believe safety is our responsibility not just a compliance item. Not only is it critical to keep staff, clients and the public safe

at all times, ensuring you are fully compliant is a vital part of being able to secure large commercial and Government contracts."

Underpinning this philosophy, the company recruited Gordon Anderson as the Group's Operations Manager in 2012. Gordon, another Scotsman, arrived in New Zealand in 2012 following a long career in the painting and decorating industry back in the UK.

"Like John, Gordon is an 'old school' decorator so he has a full understanding of all aspects of the craft," says Laurie. "By the time Gordon left Scotland and emigrated to New Zealand, he had moved from the trade into management, and was the facilities manager at a nuclear power plant."

"This means he has massive health and safety experience, and is trained in the management and delivery of recognised international systems such as ISO 18001 Health & Safety, ISO 9001 Quality, and ISO 14001 Environmental Systems," says Laurie.

"Health and safety is a complex and constantly evolving part of our industry, and Gordon's role is to ensure we remain fully compliant."

"Gordon's focus has been on ensuring we introduce best practice standards into our business in terms of our health and safety policies. This includes ensuring our staff

are fully trained on safe work practices, conducting full risk assessments at each site we enter, and using appropriate PPE and safety equipment such as roof edge protection. It can even mean hiring independent security guards if we're working in an apartment complex and we need to keep tenants' doors open to allow paint to dry."

Taking on the big jobs

By the start of 2014 the business was in good shape, with robust systems and processes in place and the company securing more and more large contracts – some of them nationwide jobs.

"We were getting work as far away as Wyndham at the bottom of the South Island, and Kaikohe in the far north," says Laurie. "We were successful in landing large ongoing Government maintenance contracts for Agencies such as NZTA, the Ministry of Education, and the Office of Treaty Settlements."

"We won the contracts because we're able to organise everything they need – from installing new roofs and spouting, to clearing sections, building and repairing decks and fences, installing insulation, carrying out house repairs, installing new appliances, laying carpet and vinyl, and tiling and painting. We even take care of Council permits, where required."



JMA Decorators have been responsible for the internal and external refurbishment to Volt Apartments in Queen Street, Auckland – the largest apartment complex in Auckland.





This prime apartment complex developed for Wellington City Council was decorated both inside and out by JMA Decorators.

Time to be judged

The incredible progress and business growth the company had achieved over the previous four years led to the decision to enter the 2014 Electra Kapiti Horowhenua Business Awards. “It was something we’d been keen to do for a couple of years, but the amount of change we had been making to the business meant we hadn’t had the time to commit to the intensive entry process,” explains Laurie.

“But by 2014 we had a stable structure in place and the business was really starting to hum, so we felt the time was

perfect to benchmark ourselves against other businesses.”

The company was named as a Finalist in the Medium Business Excellence category, eventually finishing as runner-up to Longbeach. They were also Finalists in the Health and Safety, and New Thinking achievement categories.

“The assessment process you go through is extremely professional and rigorous,” says Laurie.

“It really makes you think about your business and to be open and honest about your performance.”

“So it was deeply satisfying to be named as a Finalist in all three categories that we had entered. It was confirmation that the changes we had made over the last few years had been spot on.”

“The report you are presented with at the end of the Awards process is extremely detailed and complex. It provides great insights and offers valuable advice and suggestions on where further improvements can be made. We’ve implemented everything they recommended, with the exception of appointing independent Board members, but even that too will happen in time.”

More growth ahead

Fresh off the back of the Awards, at the end of 2014 the company was presented with an opportunity to expand into part of the market they hadn’t previously actively pursued. “While we do accept some residential work, most of our focus has been on larger projects such as apartment buildings and other large facilities, as well as industrial, commercial and Government projects,” explains Laurie.

“We were presented with an opportunity to purchase Braddock Decorators, and in September 2014 we completed the purchase. Owing Braddock’s gives us instant access to the residential market, particularly new builds which represent more than 90% of their business.”

The purchase saw the creation of a new parent company, JMA Group Services, with JMA Decorators and Braddock Decorators continuing to operate as

separate entities under the new Group structure.

By early 2015 the company had grown to include more than 70 people across the combined business, including a management and administrative team of three, and with total annual revenue of \$6.5m.

“We believe that our staff are the backbone of our business,” says Laurie. “Having permanent employees means we can create a strong company culture and ensure consistency and quality in our work. We don’t sub-contract out our work as many of our competitors do.”

“We’re always striving to deliver excellence to our customers by adopting the ‘you deserve the best’ attitude. It’s at the core of our culture – we live it, breathe it and believe it. As an organisation, we can only achieve this by having a team that’s 100% committed to delivering on the promise.”

The rapid growth in staff numbers has seen the Group move into a brand new

office premises in Mahara Place, Waikanae in 2015. “The new premises provide us the space we need to grow and to prepare ourselves for the next stage in our strategy,” explains Laurie.

The company is also having considerable success with a paint maintenance program that ensures their clients achieve the maximum ongoing benefit from their investment by means of a structured approach.

“Our goal is to not only enhance a buildings presentation, but to help increase its long term value.”

“We’re in a very strong position to drive the business forward over the next few years,” says Laurie. “We’ve got some specific goals we want to achieve and we’re totally focused on making them happen. We now have the right people, systems and processes in place to do it, it’s just a matter of doing it.”



(l to r) John Adair, Laurie Smaling, and Lorraine Adair



Since buying Jomp Hair Design on the Kapiti Coast in 2011, Dorien Van Den Berg has created an award-winning hair salon that compares with New Zealand's very best.



Jomp Hair Design entered the 2012 Electra Kapiti Horowhenua Business Awards, being named a Finalist in the Emerging Business and Staff Development Achievement Awards. In 2014 they re-entered the Awards, winning the Small Business Excellence and Employer of Choice Achievement Awards.



Style and Substance Leads to Business Success

“From a young age Dorien Van Den Berg was always going to be a hairdresser. What she didn't realise was that her real passion was going to be for business.”

Electra Kapiti Horowhenua Business Awards

Article written by Stephen Leslie in 2016
An Award Winning Business

If you're fortunate enough to spend time with Dorien Van Den Berg you'll quickly understand why Jomp Hair Design is fast gaining a reputation as one of the best hair salons in the Wellington region, if not New Zealand.

Since buying the business in 2011, the 29 year old young entrepreneur has been on a quest to create a high quality, city-style hair salon on the Kapiti Coast.

Her commitment to excellence and continuous improvement has led to rapid recognition, starting with the Electra Kapiti Horowhenua Business Awards in 2012 when Jomp was named a Finalist in the Emerging Business and Staff Development Achievement Awards. That same year the salon came 2nd in the Regional Hairdressing Awards.

The following year Jomp claimed the top three places at the Regional Hairdressing Awards. "This was a huge moment for us," says Dorien. "It established our reputation and gave us fantastic profile."

Jomp then followed this success up by being named Boutique Salon of the Year at the 2013 New Zealand Association of Registered Hairdressers Awards ('NZARH') – achieving this milestone in just 2 ½ years.

In October 2014 the boutique salon based at Paraparaumu Beach scooped both the Small Business Excellence and Employer of Choice Awards at the Electra Kapiti Horowhenua Business Awards.

And while this success may have come quickly for Van Den Berg, it has been well earned.

Joining the team at Jomp Hair Design at Paraparaumu Beach in 2010, Dorien didn't realise that in less than a year the original owner would have sold the business to her.

"It was terrifying but exciting," she explains. "I could see the potential the business had and I had a vision of where I wanted to take it, but I knew I needed to learn a lot to get there."

Almost immediately Dorien identified the value of entering award programmes and competitions to learn how to improve her business, and to also establish business credibility and publicity.

"There was a huge gap in the market on the Kapiti Coast for a top performing salon and we wanted to seize this opportunity. We wanted to prove we were different to the competition so we decided to benchmark ourselves against the very best by entering a number of credible Awards programmes and competitions."

"In our first twelve months we were Finalists in the Electra Kapiti Horowhenua Business Awards. The same year we entered the New Zealand Association of Registered Hairdressers Awards ('NZARH') and were awarded 2nd place in the Editorial Stylist of the Year. We were also

Jomp Hair Design

36 Howell Road, The Pier, Paraparaumu Beach
t 04 904 4500
e jomp@hotmail.co.nz
w www.jomp.co.nz



highly commended in the Parisian competition held by L'Oreal."

In 2012 the Jomp team claimed the top three places at the Regional Hairdressing Awards, and the following year Jomp was named Boutique Salon of the Year at the 2013 NZARH.

The recognition continued in 2014 with double success at the Electra Kapiti Horowhenua Business Awards, winning the Small Business Excellence and Employer of Choice Achievement Awards.

"Dorien has an amazing passion for business. She is constantly evaluating the way she does things and looking to make them better." ~ Business Kapiti Horowhenua Chairman, Mark Ternent

"Not only did we learn a lot about business and personal improvement, we could demonstrate to our target market that we were highly skilled hair stylists," says Dorien.

The following sections look at some of the key lessons Dorien has learned.

Know Your Business

Starting a business at 23, Dorien knew she was going to need expert help. She very quickly sought out the services of an experienced business advisor to provide specialist assistance in the financial and management areas.

"Having an independent advisor has been a critical part of my success. We hold monthly meetings to review performance against forecasts

(and against previous months/years), review stock levels, and review and develop plans for our future growth."

"You need to have a business plan, complete with financials," says Dorien. "You need to understand the financial aspects of your business and what they mean – get to grips with revenue, net profit, profitability and net return. Study your sales numbers and staff performance. For example, we track metrics such as our new client rate, client rebooking rate, the rate of retail product sales, the various services we sell, average client spend, staff productivity, and so on."

"Knowing your business helps you be more efficient. For example, by monitoring your stock levels you can identify slow selling items and look to shift stock using special prices. It will also help you to order additional items when staff retail promotions are run."

"I was like a sponge – I was looking for advice and ideas from anywhere I could find it."

Another way Dorien has sought feedback and advice on her business is through the Electra Kapiti Horowhenua Business Awards. "I decided to enter the Business Awards after being in business for just ten months. It wasn't about winning, it wasn't even about being named a Finalist, although we were thrilled to make it that far," she explains.

"I was 23 and had no business background. I didn't know what I didn't know, but I could see the Awards were an opportunity to get some amazing feedback and advice. It was a way to seek clarification and build confidence."

She also enrolled in an 18 month business course specifically designed for salon owners to create business excellence. "The course covered financials, benchmarking, clientele relationships, management, and marketing – it was hard work but really helped to create a solid foundation for my business."

"I started sneaking into business lectures at Victoria University, I read a lot of books, and I watched business tutorials on Youtube. Everything I learned I applied to my business. I learned about benchmarks, standards and values – and then I looked at how I could apply them to a salon environment."

Be Different

Dorien has always been driven to build a unique and distinctive style that appealed to a certain target market. But, she says, it's not about simply being different. "I want to be different to everyone else, but your brand still needs to appeal to a significant group of people. You need to understand who your target market is, and then focus on

attracting them. This ensures your marketing budget is spent on the right activities and delivers an acceptable return on investment."

She accepts that Jomp doesn't appeal to everyone. "Not everyone likes our style, or our prices," she explains. "I had to learn that this was ok – we're never going to please everyone. The key is to look after those clients we do want, and understand them and their needs so well that our products and services sell themselves."

"I want to be different to everyone else, and it starts with understanding who, where, how and what our target market clientele are, then working out how to attract more of them."

Once she had identified her target market, Dorien started to look deeper into how to attract more of those particular clients. For Jomp, these clients were professional or successful women who wanted to be pampered – to relax and enjoy their experience in the knowledge they were in expert hands.

"We made up 'goodie bags' with free samples provided to us by L'Oreal. We put free treatment vouchers, pens, chocolates and our salon pamphlets into these gift bags and headed out in the community, targeting places where our 'perfect' clients might be – places like the train



station (targeting commuters), gyms, and cafes."

"We introduced complementary OPI nail polishes and a glass of wine while we discussed their upcoming hair treatment. We wanted them to feel they were receiving a truly unique and in-depth consultation every time, and a beautiful, individual style that flattered their unique features, complemented their skin tone and fitted their lifestyle."

"Everything we do is about creating high value, consistently excellent experiences so that our clients become our brand evangelists."

"We have a lot of corporate clients so I had a branded business card holder made featuring a mirror on the inside, along with our business cards and free gift vouchers to give to their friends and family."

"Clients are sent txt reminders about their next appointment, and we follow them up post-treatment with an email, as well as ongoing emails and newsletters that promote special offers and provide salon news."

"We follow up new clients with a satisfaction survey, and run reward programmes for clients who regularly buy products from us. We run competitions on Facebook and in our advertising, as well as in-store. We give free



Dorien's commitment to excellence and continuous improvement has created an Award-winning business.



treatments to clients on their birthdays, send out Christmas cards, and reward those who refer new clients to us.”

Create a Winning Culture

Jomp’s vision is ‘to be the purveyors of the best feeling in the world’ and the staff are a vital part of delivering on this promise.

“It means that, as a team, we need to be strong, passionate and continuously pushing ourselves to excel in the art of hairdressing,” says Dorien.

“A major aspect of getting staff buy-in for her vision is to create the right culture, and to keep her team inspired and excited.”

“At Jomp I’ve worked hard to create the sort of culture you’d expect at a high quality salon,” says Dorien. “We have a young, vibrant, passionate and highly trained team. We’re

enthusiastic, energetic and have fun. We have a strong commitment to excellence and are incredibly focused and professional.”

Dorien has created a salon policy and procedures manual to establish expectations and define the culture of the business.

When it comes to staff recruitment, Dorien has a clear understanding of the qualities and characteristics she’s looking for. “Anyone I hire has to be a good fit with the team and have values that are aligned with the Jomp vision.”

And once they join the team, there are systems in place to ensure they are on the same page and moving towards the same goal.

The team at Jomp understand the company vision and have helped to build the culture. Staff are provided with regular feedback and are consulted with whenever changes are about to be made.

“We have 15 minute morning meetings every day and a one hour staff meeting once a week. Individual staff performance appraisals are held quarterly.”

“My team all know my plans for the salon and want to be part of it. I set high standards and lead by example. I make sure my team have everything they need in the way of tools, training and coaching to enable them to achieve their goals. We’re constantly improving the way things are done.”

“We strive to be the best so we can offer our clients the highest quality of service and work.”

“I’m committed to developing talented stylists who deliver on the salon promise and deliver excellent client experiences. We achieve this through on-going professional training and personal development, constant feedback, and rewards and incentives.”

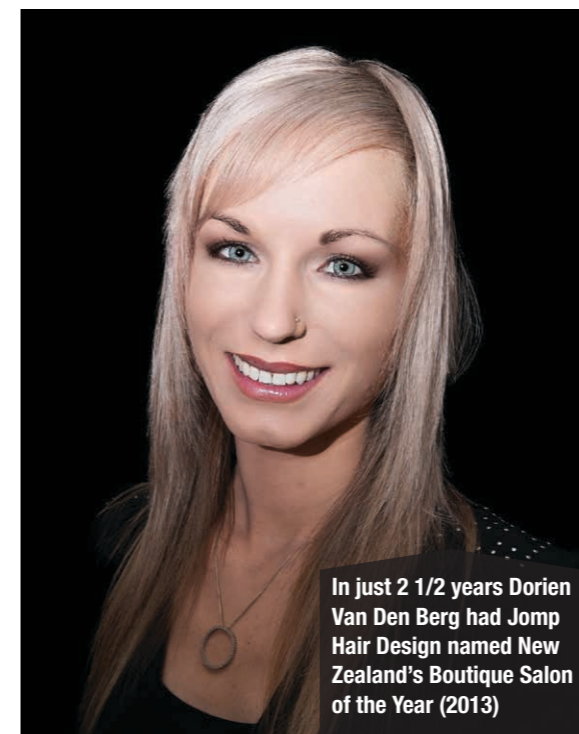
All staff regularly attend specialised courses to up-skill their techniques, not only in technical skills such as cutting and colouring techniques, but also in customer service, communications, and business development skills.

“The whole team take part in quarterly workshops with specialist trainers from Wellington holding one day sessions at Jomp to teach the team the latest techniques and

trends,” says Dorien. “We also hold quarterly practical training sessions with a technician from L’Oreal who spends 3 hours in the salon showing the latest trends and fashions using live models. And the L’Oreal rep provides product knowledge training every month.”

Staff are also regularly sent on training courses outside the salon. “We believe that mastering precision techniques and excellent consultation skills are the foundations of our craft.”

And competitions also help to further hone these skills. “We enter competitions to consistently push the boundaries of our education so that we can continue to grow individually and build a reputation for excellence within the hairdressing industry,” explains Dorien.



In just 2 1/2 years Dorien Van Den Berg had Jomp Hair Design named New Zealand’s Boutique Salon of the Year (2013)

Finally, the salon uses a mix of incentives and rewards to motivate team members. “We love to celebrate and reward achievements and success.”

Regular staff incentives are used to encourage retail product sales, and performance is benchmarked on a weekly basis. “Each stylist has a daily target that they set for themselves and write on a whiteboard in the back room,” she explains. “Staff are provided with incentives for achieving their targets, with rewards such as gift vouchers, time off, and bonus cash rewards.”

They also operate an ‘employee of the month’ scheme that is based on the largest amount of positive feedback from other team members. “This scheme is more about attitude than performance.”

“I’m fortunate to have such a talented group of award-winning Stylists working for me – together we’ve created a culture of excellence and continuous improvement.”

“At Jomp my aim is to ensure my employees are treated fairly, developed professionally, and have the right tools and knowledge available to do their jobs in the most professional way.”

“As a result, we have a very low turnover of staff – most of



my team have been at Jomp from the beginning.”

Final Thoughts

So what advice does Dorien have for a business looking at entering the Awards?

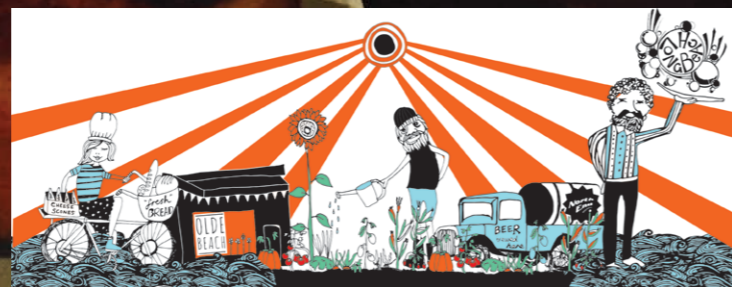
“Absolutely do it. Enter the Awards. But do it for the right reasons. It would be easy to hide things that aren’t right in your business to make yourself look good, but you’d only be cheating yourself. Take the opportunity to answer every question truthfully.”

“Tear your business apart, question everything you do and use the process to make improvements.”

“Owning a business can be a lonely thing at times,” she says. “There are very few people you can have a full and frank discussion with about your business. That’s the best thing about the Awards – it gives you access to people who understand how a good business is run and can offer you amazing advice. And because the Awards are confidential you can trust them with your most intimate business information.”

“The Awards process gives you a huge reality check. You’ll learn so much about both yourself and your business. And if you don’t like the things you find, fix them!”

Having opened Longbeach at Waikanae Beach in 2008, owners Todd Cameron and Aaron Wagstaff have spent seven years creating a hugely successful, vertically integrated food and beverage business encompassing restaurant, commercial organic gardening, French bakery and craft beer interests.



An Appetite for a Challenge

“A drive to constantly look for opportunities to evolve and expand has led to a vertically integrated business which allows Longbeach to control a large part of the process.”

Electra Kapiti Horowhenua Business Awards

Article written by Stephen Leslie in 2015

Todd Cameron spent seven years travelling the world before realising his biggest opportunity was actually at home. And in the last seven years he and his business partners have worked hard to create a hugely successful, vertically integrated food and beverage empire right here on the Kapiti Coast.

In 2001 he returned to Ireland where he spent the next 12 months as a barista in a café by day, and as a waiter at a fine dining restaurant by night.

Todd’s appetite for a challenge can be dated back to the six months he spent in the UK on a Chester Exchange during his 6th form year in 1998. “I probably shouldn’t admit it, but I didn’t really do a lot of study,” he grins. “I didn’t really get on with my host family and I had raised a lot of money to go on the exchange, so I spent quite a bit of time hitch-hiking around the UK and Ireland instead of going to school.”

From there he moved to Alaska and an ‘interesting’ season spent working on a salmon fishing boat, before crossing the border and heading to Boston where he spent 12 months selling posters at universities across Michigan, Illinois, Indiana, Ohio and Pennsylvania.

In hindsight those six months spent travelling around the British Isles would help to shape and define his future.

Next up was a move to Tahoe where he moved back into hospitality, landing a job waiting tables in a restaurant. Having spent the winter snowboarding on Tahoe’s famous ski fields, he then moved to the central Californian coastal city of San Luis Obispo and, over the next two years, he worked in a number of restaurants including a fine dining Italian restaurant.

“While I came back to New Zealand and completed my 7th form year at Paraparaumu College, I was already looking for my next adventure. To be honest, I didn’t do much that last year at school, I’d had a taste for travel and I just wanted to get back out into the big wide world,” he grins.

“I got to observe how a successful restaurant was run and I learnt a lot.”

Moving into hospitality, Todd spent nine months waiting tables at One Red Dog in Wellington before packing his bags and heading to Australia where he spent a year working at Watt Modern Dining in Brisbane.

“It was a massive experience for me. I also made some really good money in tips and, on special occasions like Mothers’ Day, we could earn up to \$1,000 in a day. Financially, it really helped to set me up for when I got back to New Zealand,” he explains.

Longbeach Café
40 Tutere Street, Waikanae Beach
📞 04 293 6760
✉ contact@longbeach.net.nz
🌐 www.longbeach.net.nz

Longbeach entered the 2014 Electra Kapiti Horowhenua Business Awards, winning the Medium Business Excellence Award, and being named a Finalist in the Sustainability and Employer of Choice Achievement Awards.



It wasn't just money that Todd brought home with him from his time in San Luis Obispo. "I also brought home my future wife, Sara," he smiles.

In 2005 Todd returned to New Zealand and enrolled in Massey University's Design School to study spatial design and commercial interiors.

In 2006, having moved to San Francisco on a six month scholarship to study interior design, Todd returned to the hospitality industry to help fund his study and living expenses.

He was then recruited by Australian celebrity Chef, Luke Mangan, who was putting a team together to help him launch his first venture in the US – an Australian and New Zealand themed restaurant, South Food & Wine Bar.

"I wound up spending more time working than studying," he laughs. "But the experience of launching South was invaluable for me as it helped me to understand everything that was needed to open a restaurant."

It also rekindled his love for the restaurant industry so, on his return to New Zealand, he walked away from his studies and went looking for a restaurant venture of his own.

"Mussel Boys restaurant on SH1 in Paraparaumu was up for sale. It had been open a couple of years and was struggling, but Todd and his brother decided to buy it."

"Given my restaurant experience, I naively thought I'd be able to turn it around," says Todd. "But, in hindsight, there were just too many things that were working against it. We gave it a good crack for a couple of years but, in the end, we had to close the doors."

Hard business lessons

Why does he think the venture ultimately failed? "Firstly, the concept was just too specific. Unless you wanted to eat mussels, you wouldn't come to the restaurant. And dining is typically a social event so, if the other person didn't want to eat mussels, we were instantly eliminated as a venue."

"Then there was the location," explains Todd. "While there was plenty of traffic, it was a bit of a struggle to get in and out of the place, while the way the building was positioned didn't make it terribly inviting from the street."

Finally, and most importantly, Todd says that the brand had been irreparably damaged by the time he bought the business. "The poor brand perception and reputation was already established when I bought the business. We broadened the menu and made a number of other changes, but we were still the old 'Mussel Boys' in the minds of the public. It was a tired brand with limited appeal – people just didn't buy into it."

"It didn't matter what we did to make changes and improvements, the die had already been cast."

"Keeping the Mussel Boys name was probably the biggest mistake we made," he admits. "If I was to buy a business like that today, we'd change the name straight away."

However, the experience wasn't all doom and gloom as he learned a lot of valuable business lessons along the way. "I learned how to run a pretty lean operation, and got a pretty good grounding in accounts and book-keeping, as

well as a lot of valuable lessons about branding, positioning and service delivery."

"I also realised that we live in an espresso-driven market – so having a strong offer in this area gives you a solid footing to move forward."

Applying the lessons learned

While his first venture into the restaurant business didn't go to plan, an opportunity to dive straight back in presented itself almost immediately. And this time he was better prepared.

"It was perfect timing that, just as I was closing the doors on Mussel Boys, an opportunity

came up to take over the Longbeach site at Waikanae Beach," he explains. "Not only that, I also managed to find a business partner who was also a qualified Chef."

While Mussel Boys had operated without the need for a qualified Chef, Todd realised that his new venture would need to employ one if it was to deliver the sort of dining experience he wanted.

Enter Aaron Wagstaff. "I met Aaron in the third form (Year 9) at Paraparaumu College and we became great mates," says Todd. "We'd always stayed in touch and, with our combined experience in the hospitality industry, it

made perfect sense to go into business together."

Like Todd, Aaron had left Paraparaumu College in 1999 and landed a job in a restaurant. He spent a year working at Dockside before moving to Paraparaumu's Ambrosia restaurant to train under well-known Chef, Sean Marshall.

On becoming a qualified Chef Aaron had also headed overseas, working in a number of restaurants in London over the next two years. But on his return to New Zealand in 2005, Aaron walked away from food and embarked on a builder's apprenticeship instead.



The company has created its own commercial garden on the 300m2 section next door to the restaurant, and now organically supplies around 25% of its own produce.





"When we bought Mussels Boys Aaron was still building houses," says Todd. "But he was spending his weekends in his kitchen at home, doing highly technical sous-vide cooking for fun. So I said to him 'dude, you need to stop banging nails and get back to being a Chef'. Then the Longbeach opportunity came along and the timing was perfect us to form a business partnership."

And it's a partnership that has gone from strength to strength over the last six years.

The pair have turned the business into a hugely popular dining and entertainment destination at Waikanae Beach, and experienced a 300% increase in revenue as a result.

Todd describes his role as the 'ham in the sandwich'. "I'm responsible for the 'front of house' functions as well as organising the business, generating ideas and taking care of the brand. My training

in commercial interiors and design has been a big help in developing the general appearance and presentation of the restaurant," he explains.

Meanwhile, Aaron's focus is on providing a high quality menu using the best available ingredients and produce. The pair's desire to control the quality of their offering led to a decision to purchase the 300m² section next door to the restaurant and convert it into their very own market garden.

"We've learned over the last few years that it's harder to run a commercial garden than we expected!" he laughs. "The key has been to stagger our plantings to ensure we have a consistent supply of produce. In fact we now organically supply around 25% of the produce for our business. Our accountant hates it, but it's been great branding for our business – our customers love the fact we grow our own produce."

Time to diversify

Their desire to control the entire process also saw them making their own breads and baked goods for Longbeach, and the demand for these products led to the launch of their own specialist bakery in 2012. "We found that diners in our restaurant were asking us about our baked goods and where they could buy them," explains Todd. "So we took the opportunity to open our own specialist bakery, and it's been



The company is passionate about the Kapiti Coast and feels privileged to be able to offer employment opportunities to local young people.



a huge success," says Todd. "We were keen to secure the services of an outstanding baker for the new business, so we advertised in Auckland and were extremely fortunate to find our very own French born and trained baker, Thierry Himbert."

"The bakery's connection to Longbeach can be seen in the same warm and welcoming interior that utilises the same décor as the cafe."

The French-styled Olde Beach Bakery (and café) opened in a derelict shop next to the Waimea Dairy in Ono Street, selling a full range of French-style breads and pastries, as well as gourmet pies, scones, doughnuts and cupcakes. "We sell around 1,000 homemade pies a week,

and we've sold more than 60,000 cheese scones since we opened. There are often queues out the door on the weekend. Not only are we supplying our own restaurant with bread and baked items, we're supplying a number of other local cafes and restaurants now too."

"And the great thing from our perspective was that we were able to take a shop that had been derelict for seven years, and turn into a thriving local business."

Giving back

The business partners are huge believers in giving back to the community. "Aaron and I are Kapiti born and bred and we love living here," says Todd. "We are extremely passionate about the Kapiti Coast and

are always looking for ways to support the local community, particularly youth. We feel privileged to be able to offer employment opportunities for young people on the Coast. Once the North End Brewery opens its doors we'll be employing around 50 local people."

The company is also a keen supporter of KYS (Kapiti Youth Services), providing food packages for young mums and sponsoring fundraising dinners on behalf of the organisation. "We also sponsor an art class for troubled youth, run by Kylie Hazel," says Todd. "We sponsor the cost of the art supplies and Kylie's time."

"We're really keen to support local youth as much as possible, and to give them an opportunity to discover



The company is focused on providing a high quality menu using the best available ingredients and produce.



something they're passionate about too."

Taking stock

In 2014 the business partners decided it was time to benchmark their performance against other businesses, entering the Electra Kapiti Horowhenua Business Awards for the first time. "The process was really intense but extremely useful," says Todd. "It forced us to take a step back and reflect on what we'd achieved. The process they put you through helps to reinforce the things you're good at and where you can make improvements."



"The process makes you focus on what inspires you as business owners."

The Judges were clearly impressed with the business, awarding Longbeach the Medium Business Excellence Award, as well as naming the business as a Finalist in the Employer of Choice and Sustainability Achievement Awards.

"The feedback we received from the assessors was excellent," says Todd. "There were a number of things they identified



we could do to improve that we've been able to take on board. They also suggested it might be time to look at creating more management structure and bringing in a Board of Directors, but we don't feel we're quite at that point yet."

A new venture

What they have been working on is expanding their business offering, with plans to open their own specialist brewery (and café) in the coming months. "We're in the process of completing the fit-out and then the new North End Brewery will be opening to the public," he explains. "All our business to this point has been located at Waikanae Beach, but we're keen to establish ourselves in the Waikanae township too. Opening North End Brewery is our way of stimulating interest in, and attracting people to, the town centre. We want to see Waikanae become a true destination."

The brewery will produce its own brand of craft beer in a specifically designed 2,800 litre brew house under the expert guidance of master brewer, Keiran Haslett-Moore. But unlike many craft brewers, North End Brewery's variety of beers will be sold in cans, rather than bottles. "We've invested in a canning machine and we're looking forward to offering something slightly different to the other products on the market," says Todd, who was also



responsible for the branding on the cans.

"Our relationship with Keiran started when we began sourcing craft beer through Regional Wine and Spirits near the Basin Reserve in Wellington," explains Todd. "We started talking about our desire to launch our own brand of craft beer and, three years later, it's about to happen."

The new venture will be based at 11 Ngaio Road, in a building owed by Todd's father. "It helps to have a friendly landlord," he laughs.

The keys to success

So what advice do the young entrepreneurs offer to other business owners?

"First of all, your staff are a tremendous asset, so look after them," advises Todd. "We have fantastic staff, they're so passionate and enthusiastic. They are your biggest advocates so help them to help you. For example, whenever we have new items on the menu, we get the staff in for an afternoon tasting session before the evening guests arrive – that way they are able to genuinely recommend our food."

"We're also fans of utilising the skills of family members, wherever possible," explains Todd. "Jaclyn, Aaron's wife, has an HR background with the ANZ/National Bank so she's been invaluable in terms of the employment and book-keeping side of the business. And Sara is like me in that she loves to take a real 'hands on' approach within the business, especially at the bakery. She's also our in-house copywriter and was largely responsible for pulling together our entry for the Business Awards."

"The most important thing is, whatever your business is, you should always be looking to improve it."

"We operate a dynamic business model and are constantly looking for ways to evolve and expand our opportunities. We don't want to stand still, which is why we've focused on creating a vertically integrated business which allows us to control a large part of the process."



Business Partners Todd Cameron and Aaron Wagstaff are constantly looking for ways to evolve and expand their opportunities.



Custom Made Business Success

An ability to think 'outside the box' has created significant new business opportunities for a Levin-based commercial panel and paint business.

Electra Kapiti Horowhenua Business Awards

Article written by Stephen Leslie in 2015

Marty's Panel & Paint Ltd is the classic Kiwi story of a local lad who turned a passion for custom vans and cars into a successful commercial panel and paint business. And, like a lot of other successful Kiwi business stories, Marty's started from his shed at home.

In 1989 the company was bought out and Marty decided it was time for a change. "I had no formal qualifications but, by the time I left, I could operate every piece of machinery and work on any project or modification, and was in charge of most jobs I worked on."

Levin born and bred, Marty Jarrett has always been good at designing and visualising things in his head. "My greatest skill has always been my ability to work out how to fix things," he explains. "I guess that's why my best subjects at school were tech drawing and woodwork."

A passion for customised vehicles

At the end of his 6th form year at Waiopahu College, Marty landed his first job, joining Hylite Fibreglass.

He'd also spent the previous ten years honing his panel and painting skills outside of work. "In 1979 I bought my first vehicle – a 1977 Ford Escort van," he explains. "I saved for a year to buy it, and all the time I was saving, I was planning all the modifications I wanted to make to it. I started customising it on the day I bought it!"

Hylite taught Marty a lot of technical skills over the next four years, but he says the most important skill he learned was how to 'think outside the box'. "Working with moulds, you have to be able to visualise everything from the inside out," he says.

Over the next eight years Marty spent his spare time customising his van and entering it in numerous custom van shows, including the NZ Nationals. "The van was constantly evolving over the first six years," he says. "Then, at Easter 1985, I took it off the road and totally rebuilt it."

"I learned how to fit out the interiors of the fibreglass Stag utility campers, then started making fibreglass moulds and building the Stag utility camper shells. By the time I left the company I knew how to build the campers from 'go to whoa'," he says.

It took him a year to finish it and he arrived at the 1986 NZ Nationals in Tauranga just

From Hylite Marty landed a job with an insulation company, Redpath Industries, spraying urethane foam insulation and laying sure shield flooring (a type of fibreglass).

Marty's Panel & Paint Ltd

23 Coventry Street, Levin

- 06 368 8276
- martyspanelandpaintltd@xnet.co.nz
- www.martyspanelandpaintltd.co.nz



Marty's Panel & Paint Ltd entered the 2013 Electra Kapiti Horowhenua Business Awards, winning the New Thinking Achievement Award and being named a Finalist in the Small Business Excellence Award and the Sustainability Achievement Award categories.

Marty's Panel & Paint Ltd entered the 2013 Electra Kapiti Horowhenua Business Awards, winning the New Thinking Achievement Award and being named a Finalist in the Small Business Excellence Award and the Sustainability Achievement Award categories.

Subsequent to this article, Marty's Panel & Paint Ltd also entered the 2015 Electra Kapiti Horowhenua Business Awards, winning the Small Business Excellence and New Thinking Achievement Awards. They were also a Finalist in the Sustainability Achievement Award category.



in time for judging, winning four trophies and a couple of seconds, but not the main prize.

Eleven months later he took it off the road to prepare for the next NZ Nationals, doing more fine tuning. The 1987 NZ Nationals were in Christchurch and turned out to be special as, not only did he win four categories, he also won the overall 1987 NZ Supervan National Title, beating 120 other entries to win the custom van title.

"It had taken me eight years to win the Title and, once I did, I never entered again," he says.

By the time he had finished, Marty's van had won a total of 23 trophies and over 40 second and third placings, earning the van a place in a Weetbix card collection.

While he didn't know it at the time, his unofficial eight year 'apprenticeship' had set him on a career path that would see him build a hugely respected and successful local business.

"To customise the Escort I had to learn everything from scratch – welding, panel beating and spray painting. I did all the engineering, fibreglass body panels, the panel and paint work, all the upholstery, and all the wiring and mechanical changes. The only help I got was to make the stainless steel turbo intake and exhaust manifold, and the stainless steel fuel tank cover."

Marty's involvement with the NZ Nationals had showcased his skills and, by 1989, he was being kept busy outside of work doing 'perk jobs' customising cars for other people.

"Then Redpaths was sold and the new owner and I fell out,

so I decided to move on," explains Marty. "I decided to go apple picking for a complete change in life, but word soon got around and I started getting calls from people asking me to work on their cars."

Turning a passion into a business

"My passion had suddenly turned into a business. I worked from my single garage at home. My first job was fitting front and rear spoilers and side skirts on a Mazda RX7, and it grew from there."

Over the next three years business steadily grew, forcing Marty to rebuild his garage at home, making it both higher and wider to accommodate his expanding business.

The growing business also began to attract the attention of the Council. "They weren't too happy about me running

a business from home," he smiles. "They were pretty good sports about it, but I decided to move into a proper workshop in the old Modern Freighters Paintshop." In 2008, the business moved to a specifically built workshop at its current site in Coventry Street, Levin.

Today, the business employs eight people and provides a commercial paint and panel repair service for a full range of vehicles, including: trucks, trailers, buses, campervans and motor homes, caravans, diggers, cars & 4WDs. The company has even painted boats and aeroplanes.

"Our services include panel beating, panel fabricating, fibreglass repairs and plastic repairs," explains Marty. "When it comes to panel work, we actually repair more than we replace, which comes down to our ability to visualise a solution and then quickly manufacture it in-house."

"And of course, we also offer a complete range of painting services, from undersealing to full respray and touch ups, to custom painting, and designing and painting graphics – in any colour. We can also organise pin-stripping, computer graphics, signwriting, and sandblasting and zinc coating."

"You name it, we can paint it. And to be honest, there aren't too many things that we haven't painted."

"We take care of all sorts of vehicles and equipment, and our customers come to us from Auckland to Timaru."

Today, Marty's Panel & Paint Ltd is a pretty slick operation with a growing reputation for delivering high quality workmanship.

The business is the only certified commercial refinisher in the Horowhenua and Kapiti region, and operates one of the largest spray booths/ovens in the lower North Island. They use over 16,000 litres of special low emission Axalta (formally Dupont) paint annually, imported from Belgium through Resene Automotive & Light Industrial Coatings.

"Our 16 metre Down Draft Spray Booth/60 Degree Bake oven is highly sophisticated and gives us the ability to handle the biggest commercial jobs," explains Marty. "We can paint anything from motor homes to buses, through to the massive earthmoving vehicles that are being used on the roadworks projects throughout the region at the moment. And while we've got the largest paint oven south of Palmerston North, those big earthmovers still only just fit in it with centimetres to spare!"

Success comes from hard lessons

Of course, this success has taken time and a lot of work to achieve.



And like many other businesses, it has come on the back of some harsh business lessons along the way. "I've had a couple of business relationships that have cost me a lot financially," he explains. "But it's made me a lot more aware of what to look out for, and to make sure I have better processes in place throughout the business."

Three years ago the company had reached a critical point. "The work had dropped off and the financials weren't good either," explains Marty. "Our workflows were a bit up-and-down and we were struggling to manage our cash-flow as a result. The bank manager actually recommended I attend a seminar on how to tender for work – she thought it would help us to maybe pick up a contract with the NZ Army that I was looking at tendering for."

It was at the seminar where Marty's business would change forever. "I sat next to a bloke who turned out to be a business advisor," he says. "We got talking and he offered to come and take a look at what we were doing. And the rest, as they say, is history."

'Out of the box' thinking

With the help of his new business advisor, Marty began to apply his 'out of the box' thinking to his business. "I've always been pretty good at identifying unique solutions to panel and paint problems. Richard challenged me to



Launched from a garage at home, in 2008 the company moved to its current location in a specifically built workshop in Coventry Street, Levin.



start using the same sort of approach to identify potential new areas of business.”

“For example, we’d been involved in the Motorhome Expo since 2008 and were doing quite a bit of work in this area, but Richard felt there was an opportunity to take a much larger share of this market. Motorhome owners are really proud of their vehicles and they’re prepared to invest in them to keep them looking good, so we realised an opportunity existed to develop a special motorhome maintenance programme.”

As a result, the motorhome market has grown from around 5% of the company’s turnover to now representing around 50% of turnover – at a time when total turnover has more than doubled.

The motorhome programme has not only provided a lot of regular repeat business, it’s also unexpectedly led to additional work. “We’re now getting asked to organise fibreglass repairs, and help with internal and external modifications to existing vehicles,” explains Marty.

“At the same time our reputation in this market has seen us secure preferred repairer status with the large motorhome insurance companies such as CamperCare and Covi. We’re also doing a lot more work for Lumley.”

Time to be assessed

In 2013 Marty felt the time was right to enter the Electra Kapiti Horowhenua Business Awards. “We decided to have a crack at the Small Business Excellence Award,

the Sustainability Achievement Award, and the New Thinking Achievement Award (based on the motorhome maintenance programme the company had developed).”

“To be brutally honest, while we had made some great progress, our financials weren’t really where they needed to be when we entered the Awards in 2013.”

Despite this, Marty says the actual Awards process itself was extremely valuable.

“We got a lot of really useful feedback that we could apply to the business,” he says. “We also received a lot of positive comments about what we had already done and what we were planning to do. The Judges said to us ‘it’s all in place, you just have to do it’, which was incredible confirmation that we were heading down the right path.”

Implementing change

“We’ve spent the last 18 months or so implementing all the ideas in the assessors’ report,” says Marty. “We’ve made improvements in many areas. I’ve gone from running my entire business on a single laptop to having a fully computerised office. We’ve got a quotation system that allows us to track and report on every job we do, as well as being able to analyse our business efficiency in great detail.”

“For example, when we first went live we identified that our staff were spending around 39 hours a week on cleaning, which was quite a lot of lost productivity. So the first thing we did was hire a young guy to come in and do the cleaning for us. He’s now doing some of the vehicle grooming for us too which lets the other guys get on with the important panel and paint work.”

“We’ve implemented processes throughout the business and created a proper filing system. Everything is branded now – Richard tells me we’ve ‘Marty-ised’ the business,” he laughs.

A customer focus

The company has always had a keen customer focus but they’ve identified ways to further ‘surprise and delight’ their customers. “Every vehicle has a plastic seat cover fitted and paper mats put in the floor wells before we drive them into the workshop,” explains Marty.

“Customers who spend over a certain dollar value are given a free first aid kit, all vehicles get a free paint ‘touch up’ bottle when they come to collect their vehicles, and they’re offered a free follow-up vehicle wax six months after the job is done. We also put them on an automated service schedule that reminds them when to come back in for ongoing maintenance and remedial work.”

Marty says they’re currently working on a new website which will give customers the ability to view how their job is progressing via the company’s website and Facebook page.

It’s hardly surprising then that the company typically receives a rating of 9/10 or 10/10 in its customer satisfaction surveys.

Creating the right culture

For Marty, his staff are an equally important part of his business. “I’m extremely fortunate to have built a fantastic team of people over

the years. Paddy has been with us since he left college 11 years ago while Hayden has been here for 8 years now. Pete only joined us 16 months ago but has 12 years of experience painting planes so he’s been an excellent addition to our team. Tom has been working with us for 3 years and is in his 2nd year of his apprenticeship, while Kadus has been here 5 months and has just started an apprenticeship with us. Then we’ve got Johl who only started with us recently as our cleaner and vehicle groomer. We’re currently looking for a qualified structural repairer so we can grow our smash repair business and train young panelbeaters.”

“Company culture is massively important to me,” says Marty. “The people we employ have to fit our business. They must be willing to learn and to work hard, but they’ve also got to have a good sense of humour.”

“One of the things Richard and I did with the team very early on was run a session where we worked together to



Marty's modified 1977 Ford Escort van – it won 23 trophies including the National Supervan Title in 1987, and launched Marty's career.



An innovative motorhome maintenance programme resulted in the company winning the New Thinking Achievement Award at the 2013 Electra Kapiti Horowhenua Business Awards.





The business has built an inclusive company culture focused on continuous learning, working hard, and having fun doing it.

carry out a SWOT analysis on our business. We then spent time developing a 'culture statement' for the business – I thought it was important that everyone had a chance to contribute to this."

"We've committed to building a culture where we help each other."

The company has created a positive peer review process where team members are asked to check each other's work. "We've got the panel guys giving their feedback on paint work and vice versa. And we all get reviewed, even us old timers," he smiles.

"We also operate an open door policy where anyone is able to come to me with new ideas. We've introduced weekly management meetings and monthly staff meetings."

"Meantime, I've accepted the challenge of eliminating all their workplace niggles. Whatever it is, I'll try to sort it – from organising new tea towels in the kitchen, to replacing the old towels in the bathrooms with paper towels, to having chains installed in the vehicle bays to prevent customers from entering a potentially unsafe area."

Identifying new opportunities for growth

Marty and Richard have also been working hard to create smoother business flows over the course of the year, as well as identifying new business opportunities.

And one particular opportunity offers significant growth potential. "We've always worked on doing one-off repairs to buses," says Marty. "But we noticed that the newer

computer-operated buses were suffering more frequent accidents than the older style buses. It turned out that they were getting damaged whenever they travelled over speed bumps or got too close to curbs."

This information got Marty doing some of his 'out-of-the-box' thinking. "I worked out that we could shave around 50mm out of the bottom skirt of the bus with some panel modifications," he explains.

After making a pitch to Mana Coach Services, the company were given the chance to test their modification on a bus in early 2015. The results were outstanding. "The first bus we modified has been on the road seven months now and there has been no reported damage following the modification. These new buses are fully computerised so, with the help of GPS, they not only know

when damage has occurred, they can tell where it happened, how fast the bus was travelling at the time, and so on."

"As a result we've received a contract to modify a further ten buses with the possibility of another 40 to come after this (from the sister company in Auckland). At the moment each bus takes us around 10 days to modify but this will come down as we streamline and automate the process."

"Outside of the Mana Coach Services work, there are 440 other buses like this in New Zealand," says Marty. "So the potential opportunity for us is enormous. Not only that, but many bus companies in New Zealand are owned by larger global businesses, so there may be an opportunity to licence our modifications internationally."

Committed to improvement

Like any business that has experienced such significant business growth in a short period of time, Marty admits the business has been suffering from 'growing pains'. "We're constantly looking at ways to make things better and to improve productivity."

"As well as introducing more robust business practices and business workflow tools, we've also made changes to the workshop to improve the way we operate. We've moved the paint mixing room allowing us the space to fit another bus in and introduced portable

work racks that enable our staff to move their equipment to where it's needed, rather than having to move back and forth all the time."

Sharing the passion

While Marty is excited about the changes taking place within his business and the opportunities they present, he says it's still the people he works with who make his job so much fun. "I love dealing with people and seeing their faces when we transform their vehicle. Being able to visualise a solution and then turn it into a reality for someone is extremely rewarding."

"It's even better that I've got a team who share the same passion as me. It's great to see my staff enjoying their work and getting the

opportunity to grow personally and professionally."

But Marty's greatest respect is reserved for his family. "My wife, Annie has been my biggest supporter the entire time, even when the business was struggling and times were tough. She's kept things running at home so I can focus on making our business better."

"Meantime our son, Michael has developed the same love for cars that I have, and is keen to take up a mechanics apprenticeship when he leaves school. He's already done up a nice car, with his Dad's help to panel and paint it, of course," laughs a proud Marty. "It also seems he's inherited my drive to constantly customise and improve on an idea – he's now in the process of rebuilding a bigger turbocharged engine for it!"



The company's 16 metre Down Draft Spray Booth/60 Degree Bake oven is highly sophisticated and the largest of its type in the greater Wellington region.



Mitre 10 MEGA Kapiti is a family owned business and the largest home improvement warehouse in Kapiti, employing over 80 team members. The company's vision is "To be the Home Improvement destination of choice on the Kapiti Coast...end of story."



MITRE 10
MEGA

KAPITI

Mitre 10 MEGA Kapiti entered the 2012 Electra Kapiti Horowhenua Business Awards, being named a Finalist in 8/10 categories on the night, and winning the Large Business Excellence Award, and the Staff Development, Marketing and Image Building, and High Growth Achievement Awards. As a result, the company was awarded the supreme Business of the Year Award.

Business of the Year

A business that knows its nuts and bolts



Successfully managing more than 45,000 products and over 80 team members requires detailed planning and well organised systems and processes.

2012 Electra Business of the Year



Article written by Chris Ineson in 2012

Mitre 10 MEGA Kapiti is the largest home improvement warehouse in Kapiti, and is owned by Vincent and Tricia Indo.

Although it is a family business, it is part of a members' cooperative which means it can access a large range of support services from Mitre 10 Support Centre in Auckland, such as national marketing, and is able to network and draw on the best practices from the Mitre 10 "family network" throughout the country.

The company's success is based on the qualities that characterise successful businesses – a long term vision, business plans (which the Award assessors rated "...up with the best nationally, and possibly even world class"), clearly defined values, sound business practices and focused customer objectives, supported by a strong national and local brand.

Above all, it is driven with passion by its owners who take pride in employing staff with a similar attitude to theirs and who are committed to the pursuit of excellence. Part of the business and personal philosophies of the owners is to be involved in their communities: Tricia is the Chair of a Charitable Trust focussed on youth development and Vincent is involved in Rotary.

New to Kapiti

Vincent and Tricia Indo came to New Zealand from Canada in 2004. Initially invited to work with Mitre 10 in NZ and Australia to help develop the MEGA (superstore) concept, they spent time working at the Mitre 10 Support

Centre in Auckland developing the IT systems and processes and business development methodology that would support the MEGA concept. During this time they gained first hand knowledge about the Mitre 10 group and the New Zealand consumer – knowledge they would apply to their own business when they eventually bought the Mitre 10 Solutions store in Paraparaumu.

A year of awards and rewards

2012 has been a good year for awards for the company. It won the Mitre 10 Garden Store of the Year, and was named a Finalist in both the Mitre 10 MEGA Store of the Year (up against 33 stores nationwide) and the Wellington Top Shop awards (large format and sustainability categories).

It was also a Finalist in eight of the ten categories in the Electra Kapiti Horowhenua Business Awards, winning three categories and being named the overall Business of the Year.

Following the success of 2012, Mitre 10 MEGA Kapiti was a Finalist in the Garden Centre of the Year in 2013 before winning the title in 2014 and 2015. It also won the 2014 New Zealand Hardware Retailer of the Year Award.

Mitre 10 MEGA Kapiti

135 Kapiti Road, Paraparaumu
t 04 296 6440
e info@megakapiti.co.nz
w www.megakapiti.co.nz



They felt the MEGA concept could be developed further. Drawing on their collective experience in the business at both the wholesale and retail level, and after carefully evaluating a number of locations, Kapiti was identified as the best site to open another MEGA store.

Before selecting Kapiti for their MEGA store they researched the region's potential – namely its business and community environment, business growth, strategic future (proximity to Wellington, road and rail network, airport), population growth, socio-economic and related demographics, and the attitude of the local Council.

Impetus was given to their decision making by the support they received from Sir Noel Robinson who promoted the MEGA store as a cornerstone of the new retail complex, created as part of the major redevelopment of Kapiti Airport. The airport's architect even worked with the owners on the design of the store,

ensuring it delivered not only on aesthetics but more importantly on operational requirements.

Doing their homework

Doing the hard planning yards from the onset is part of the owners' philosophy. This is why they spent 12 months writing a detailed business plan which encompassed financials, the store's design and layout, product range, staff requirements/skills and the many more items that make up a business. Taking this time to research, think about and evaluate "best practice" models meant everything was in place by the time they launched the business.

High quality team members drives profitability

Mitre 10 MEGA Kapiti employs over 80 team members. All applicants are interviewed by the owners for culture fit – this is important. Aside from skills and experience, attitudes

(enthusiasm, being positive and nice) are key attributes for employment.

Team members are trained to improve their skills across technical (e.g. computer) and "soft" (e.g. relating to customers), personal development and, where appropriate, leadership development areas (including mentoring and coaching). The driver is to seek out people who have talent and attitude and encourage them to develop it.

"The company has very effective performance measures and staff development systems with the induction of new employees into their culture. They "fit the job to the strengths of the person".

Recognition of staff comes in the form of a "STAR" merit system with the five points of the star representing the company's five values. It is

awarded to members of staff who are nominated by peers, and they are then eligible for the annual MEGA Valuable Awards.

Other more conventional recognition systems are also used, such as annual appraisals, individual development programmes, and monthly one-to-ones.

The owners believe a high operating store has to have staff of sufficient calibre that they are capable of taking leadership roles and making leadership decisions.

Defined responsibilities

The owners have clearly defined responsibilities that complement their respective skills. Typical of all couples who work successfully together, they learned over the years about their respective strengths and complementary attributes. They now feel they have the knowledge and experience to work together as a team to create both a profitable business and an active part of the local community.

Simplified systems

The philosophy driving the company is to "get it right from the start". With 45,000 lines plus multiples, managing them has to be time efficient and cost saving. This means pricing, product quantity and quality, inventory and stock control and invoicing all have to be done properly from the onset. Computers are important tools for MEGA and learning to use them correctly from the onset helps to ensure a high level of management control.

The store uses a rolling stock take system and has introduced what they call a "gap" management system – of what is not on the shelf.

It operates a tight stock ordering system, similar to Just in Time ('JIT') allowing product to be replaced as they start to run out. This means stock control has to be efficient otherwise it can tie up considerable space and money ("every (cost control) dollar is a prisoner" – Vincent Indo). It also means knowing what is happening from point of entry to point of exit.

Know your customer

A lot of thought is given to the store layout. Being "Customer Centric" is a highly critical part of the business, to the point where it is a science of consumer behaviour mixed with the owners' experience and to some extent, trial and error. Each store is different although there tends to be universal formats which are known to work.

Assessing consumer trends and ideas is fundamental to their market research and information is drawn on from its Support Centre, which also provides national marketing and related support services. The Support Centre's role is also "proactive" (look to future) whereas the Mitre 10 MEGA stores tend to be "reactive" to customers' immediate needs. Because they visit a large number of Mitre 10 stores, the regional suppliers also play a role in that they are able to cross-fertilise new ideas and improvements.

The company knows its target market and the products to serve it. Its customer base is

Simple focus drives success

The company has a clearly defined modus operandi:

- **Vision:** "To be the Home Improvement destination of choice on the Kapiti Coast...end of story."
- **Purpose:** "To be outstanding at providing products, knowledge and inspiration that improves our Customers' homes, lifestyles and environments."
- **Goal:** "To be a profitable and sustainable Home Improvement business that delivers value to its Shareholders, Team, Partners and Community."
- **Values:** "Our values define the behaviours expected of everyone on our Team. These behaviours will shape the culture and reputation of our business – Customer Driven, Honest and Fair, One Team, Down to Earth, Strive for Excellence, Keeping our People and Customers Safe."

They are the four cornerstones of how the business operates and are also the philosophical elements that mark out all successful businesses. However, they are more than just operational: they also shape the strategic direction of the business.



Mitre 10 MEGA Kapiti was seen as the cornerstone of the new retail complex attached to the redeveloped Kapiti Airport.





B2B (business to business – commercial and trade) and B2C (business to retail customers – serious and recreational DIY (do it yourself), DIFM (do it for me) and leisure shoppers).

It conducts research on its local market, using customer satisfaction online surveys and focus groups to assess local customer trends (i.e. what is hot, what is not, what they would like to see in the store, how to improve it, etc), with feedback to customers where appropriate.

Think nationally, act locally

The marketing strategy is “think nationally, act locally” and is based around a mix of national and local marketing, advertising and branding – each of them different from the other (i.e. above and below the line) and have distinctive roles to play.

“The whole organisation is focused on meeting and exceeding expectations using extensive customer research and feedback to deliver a superior experience and value.”

The company keeps a close eye on its regional and local competition which, by definition, is any store that sells what it stocks. Included in this is its obvious direct competition (e.g. Bunnings and Placemakers) but also fringe competitors like the Warehouse and Briscoes.

Planning drives performance

Detailed planning is an integral part of the company’s modus operandi and is based on a disciplined one page “layer” approach. This means a one page strategy is developed which in turn underpins a detailed business plan where each component of the plan (one page) has a series of subsections that drill down layer by layer (each one page) and where each layer has action points, KPIs and responsibilities. It is simple, thorough, slightly unorthodox in the conventional sense, but it works.

Measuring performance is standard practice and is done daily across performance indicators based around a set of ratios – labour, wages, sales, store footage, ROI. But measuring performance is also about producing results.

ROI: a win:win for everyone

High growth has been a factor in the company’s success with growth of over 300% in the 2011/12 financial year. As Vincent Indo puts it:

“Moving into custom designed premises, the company has evolved from a smaller ‘blue’ to an orange ‘MEGA’ store, growing its turnover by nearly 300%, stocking considerably more product and expanding into the trade supply market.”

It is focused on providing a Return on Investment (‘ROI’) for its shareholders over five years through a strategy of stabilising, growing and sustaining the business. The owners believe that to achieve results it is imperative they and their team understand the levers that drive the business, and focus on making them work hard for the company.

Governance – an evolving process

The company’s governance board consists of four Directors. At this stage they don’t feel the need for an independent Director as their focus is more operational than governance (or as they define it – operational governance), and decisions are based on a mixture of objectivity and consensus. It is acknowledged that in time they are likely to



move to a more conventional governance structure.

The owners are not risk averse – building MEGA is evidence of this – and even though risk is carefully assessed it is acknowledged there will be the occasional event (unplanned or outside their control) that may happen. However they feel that, all things being equal, risk that is properly assessed and managed will go a long way toward mitigating it.

What is work/ life balance?

Work/life balance is summed up by the owners simply as: “There are no boundaries between our life and our work: we are passionate about the business we are in and the company we own, therefore we are able to integrate our life and work as an harmonious

element – this is not unique just to us but is common to all successful business owners.”

Looking ahead

Over the next two to three years the owners say that delivering on the company’s five year strategic objectives is the top priority. Further ahead, it is to continue to work for themselves: “We are the business and we are responsible for its decision making. In this respect the people we work with are more important than if we are merely working for someone else.”

And beyond this: “We will probably be doing something else, hopefully using our energies to help others to become successful.”

“This company rated very highly across all our assessment criteria. The owners and team have demonstrated great organisational and business skills while contributing significantly to the retail environment in Kapiti.”

A valuable business tool

This was the first time Mitre 10 MEGA Kapiti had entered the Electra Kapiti Horowhenua Business Awards. They already knew how they compared against other Mitre 10 stores but they wanted to validate their performance against other businesses.

Before entering the Business Awards, the owners did their homework and researched the methodology and processes used, quality of previous winners, transparency and scope of the assessment and judging criteria.

The business efficiency feedback (an assessment of their performance relative to other entrants) was seen as a valuable outcome of the process for a company striving for continuous improvement.

The company believes that all businesses should use awards as a point of comparison against others both regionally and nationally.



Download the complete Mitre 10 MEGA Kapiti case study here

Tuatara Brewing Ltd is a craft brewery based on the Kapiti Coast. The company is relatively new, in rapid growth mode, competes successfully against much larger competitors, and operates in an evolving and increasingly sophisticated sector where consistency and quality are paramount.

Since winning the 2011 Business of the Year Award, the company has secured a private equity investor (Rangatira) and tripled the size and capacity of the brewery (to 4 million litres annually) by relocating its operation to larger premises in Paraparaumu, complete with an on-site tasting room. They have added 27 new products and 12 export markets, with exports now accounting for 17% of volume and projected to hit 50% within two years. They became the first independent brewery to exceed 2 million annualised litres, and opened their first bar in Wellington, 'The Third Eye'. In 2015 the company came 1st equal in the Brewery of the Year Awards (4th on countback).

TUATARA



Tuatara entered the 2011 Electra Kapiti Horowhenua Business Awards, winning the Medium-Large Business Excellence Award and the Operational Capability, Marketing and Image Building, and High Growth Achievement Awards. They were also a Finalist in one other category. As a result, the company was named the overall 2011 Business of the Year.

Business of the Year



Masters of their Craft



To say that Tuatara has taken off in the last few years is an understatement. Heck, they've been propelled into orbit.

~Deloitte



2011 Electra Business of the Year

Article written by Chris Ineson in 2011

Tuatara Brewing's success is based on the type of qualities that characterise all successful businesses – a clear, long term aspirational vision, underpinned by a strategy that is firmly expressed around the brand, vision and values, passion and a 'can do' attitude, the ability to turn a hobby into a business opportunity; commitment to being as good as possible; sensible business practices and systems; thorough research and product development; being prepared to take calculated risks; learning from their mistakes; creating relevant business partnerships; and creating a team of people to produce a high quality and marketable product.

Winning the 2011 Electra Business of the Year Award is further recognition of the company's success, and joins previous awards such as: 32nd on Deloitte's 2011 Fast 50 index of New Zealand's quickest growing businesses (growth 216%), the 2011 Emerging Gold Award (Wellington Gold Awards), and NZ's Best Brewery (2009).

Tuatara employs 11 staff (general manager, head brewer, operations manager, sales reps and tasting team); its head office is in Reikorangi in Waikanae (on the Kapiti Coast) with The Malthouse and Bodega being its initial Wellington outlets. Craft beer has grown rapidly in Wellington and the city is known as the craft beer capital of NZ. The company distributes its range throughout the country as well as Australia, east coast of USA and with overtures into China.

The principal shareholders are Vasta Brewing Company Ltd and The Malthouse Ltd. Its Directors are Carl Vasta and Sean Murrice plus an informal Director (James Brow), with the aim being to evolve to a more formal governance structure in time.

The origins of the business began some years ago. An engineer by profession, home brewing was a passion of Carl's and over time his hobby developed into a business. During this period he saw there was a market for boutique beer but realised he could not compete against the big breweries on volume and price. This led to the establishment of Tuatara Brewing Ltd in 2001 where traditional brewing methods from around the world were used to create a depth of knowledge about the different types of craft beer using products from overseas (e.g. German wheat malt), but of late sourcing many of them from New Zealand.

Today Tuatara produces six core beers, each with their own distinctive taste to suit the needs of its growing customer base, with new season offerings as a means of keeping themselves relevant and leading the market through producing beers that suit current trends.

Tuatara Brewing Ltd

7 Sheffield Street, Paraparaumu
t 04 296 1953
e office@tuatarabrewing.co.nz
w www.tuatarabrewing.co.nz



“We have a very good idea where the market is going. We stand for producing great beers, and are always looking for new opportunities to highlight our beer making skills”.

Adaptability to meet changing consumer tastes and innovative thinking are strong factors behind Tuatara’s success. Examples include improving the shelf life of their beer (which contains no preservatives) and thus creating a strong competitive advantage, and researching and developing new beers and bringing them to market.

To do this the company has invested, and continues to invest, in equipment and technology to improve quality and consistency – two crucial aspects of the brand. Tuatara has developed precise standards and quality control systems around the brewing and bottling processes. It has external processes in place as required for compliance, for example HACCP (hazard analysis and critical control points – a requirement of the NZ Food Safety Authority). The owners understand the importance of quality systems to their growth and longer term success.

Aiming high...

The owners’ aim is to make Tuatara the leading craft brewery in the country. They

see themselves as “being a big business” but understand there is strong competition in this category, and from mainstream beer where traditional consumer habits die hard.

Even so Tuatara believes that consistent high quality and the introduction of new products will enable it to achieve its aim. It also believes this will be helped through having the craft beer capital (Wellington) on its backdoor with a group of high profile bars/restaurants selling its products. The market is expanding and is expected to do so in line with its customer base.

The same is happening in Auckland. For example, the Depot Eatery and Oyster Bar (run by Al Brown of Logan Brown Restaurant and Bar in Wellington), is seen as a high profile place where Tuatara is able to gain a presence in an evolving market.

“It isn’t our intention to be an ‘in trend’. We are here and expect the market to have changed forever. So it’s more of an evolution of the market towards better beer and more choice”.

Running parallel with this is a strategy to sell to the large consumer market via the supermarkets. To date Foodstuffs (New World and Pak ‘n Save) and Countdown (Woolworths) are selling Tuatara products. This requires management skills

capable of meeting the demanding requirements of the supermarkets. For instance, they cannot afford to be out of stock more than 2 or 3 times in a calendar year, so production has to factor in likely sales for the current and future months.

Rapid growth brings challenges

As signified by their success in the Deloitte’s Fast 50 index (third year in a row) at 32nd with a growth of 216%, Tuatara has grown rapidly with turnover doubling each year. As noted by Deloitte’s; “To say that Tuatara Brewing has taken off in the last few years is an understatement. Heck, they’ve been propelled into orbit. The local demand for good beer is insatiable, and with volumes running at about a million litres a year, Tuatara has become one of the leading lights in the craft industry. It probably helps that they’re based in the lower North Island where beer appreciation is not so much a cult as a full-blown religion”.

They were also recognised as the fastest growing business in the Wellington/lower North Island region.

But it wasn’t always like this. In the formative years they operated on a shoestring budget. There was no marketing budget which meant they had to be creative and resourceful in establishing a toe hold in the craft beer market. They did this by targeting well known

and highly popular bars such as The Malthouse and Bar Bodega, and well known people like Peter Jackson. It was at the high end of the market – cosmopolitan, sophisticated, 25+ age beer drinkers, it was word of mouth and it worked. In some ways it was reminiscent of Geoff Ross’ 42Below vodka strategy.

Rapid growth brought with it the familiar growing pains of under-capitalisation and its cousin, lack of cash flow (every dollar goes back into the business); demand started to exceed production capacity (over 80% a year to currently

one million litres a year, but threatened by emerging bottlenecks); issues with over operational capability – the ability to develop systems, plans and staff to manage rapid growth; the need to expand the brewery to match this growth (eventually solved by relocating to larger premises); problematic logistical and operational issues had to be resolved – for example, they had to import 90,000 litres a week of good quality water.

Notwithstanding this, even though the mainstream beer market is declining, the craft

brewing market is growing in the order of 10% a year. Tuatara is part of this growth but Simone and Carl Vasta and Sean Murrie know that the success of their product and brand also lies in growing the craft beer market nationwide.

“Tuatara realises it has a role to play in growing the overall market, which many firms don’t have the vision to do. We wish to be a big fish in a big pool and so these efforts are clearly required to increase the size of the pool.”



The company has built a loyal following by targeting cosmopolitan, sophisticated, 25+ age beer drinkers in highly popular bars at the high end of the market, and prominent people like Peter Jackson. In some ways it has been reminiscent of Geoff Ross’ 42Below vodka strategy.





Uniquely New Zealand

Ostensibly the name “Tuatara” was chosen as the brand name because it “sounded nice” and was uniquely New Zealand. In truth, a large advertising agency was looking for a beer client and although Tuatara had no marketing budget, the agency liked the product and what it stood for and designed its distinctive packaging at no cost. Trading on its name, Tuatara gives back to the community with its support of

the Tuatara programme at the Zealandia Wildlife Sanctuary in Karori, Wellington.

“In gratitude for the loan of the little guy’s name, we sponsor him at Wellington’s Zealandia conservation centre.”

Tuatara’s philosophy is to employ young people and train them. The company prides itself on employing

young people in the bottling plant, some of whom were out of work, and providing ‘on the job’ training. This brings its share of problems over reliability, work ethics and so on, but Simone Vasta believes they should be given an employment opportunity, learn good work habits, look at ways of improving (both themselves and the business) and develop general skills. She leads by example.

“I have done everything in the brewery and I expect them to be able to do the same too”.

Exporting: do it right

There is a strong belief within Tuatara that exporting to another country is tantamount to having a presence in that country, which means the personal aspect of exporting must be done right. Trusting just anyone to exclusively manage and market the product leads to dissatisfaction and, ultimately, failure. This observation is based on experience learned the hard way: firstly in Australia (Melbourne) where an exclusivity contract meant Tuatara was “beholden” to the distributor, and secondly in USA (Chicago) where, for various reasons, control over distribution and quality was compromised.

The answer to this for Tuatara is to do due diligence, select the right people and, as in

the local/NZ market, take control at the retail coalface by employing a dedicated and trained sales force.

Looking to the future

Simone Vasta would like the business to eventually be run by her children while she and Carl take Directors roles. She appreciates this will have to be carefully managed but feels it can be done.

In the meantime she is aware that Tuatara is limited by its ability to grow incrementally, and may require an investor to inject additional capital into it, but such a person will have to show they can actively add value to the business.

Their aim is to achieve three times their current turnover

and to have the infrastructure, staff and business knowledge in place. Equally it is not just about money but having control over their own destiny, working with good and innovative people, and creating the opportunity to move to the next challenge.

“We have to concentrate on making great beer because it’s what we do. Over the last three years, we’ve added new beers to our range, increased production, gained new customers and started working with new outlets and stockists. We’re very grateful to our customers, suppliers and stockists. It’s been a great ride so far and I don’t see it slowing down anytime soon.”

A taste for awards

The awards won by Tuatara are seen as recognition of certain aspects of their business.

The Electra Kapiti Horowhenua Business of the Year Awards are seen as recognition of all round excellence, but the assessment evaluation and feedback process also constructively highlights areas where the business can improve.

“The Business Awards are certainly worth doing. We get caught up in doing our own little thing. Sometimes we feel we are beating our head against a wall but the outside recognition from winning an award is encouraging.”

The Awards assessors were impressed with the quality of the thinking and apparent understanding from owners of the key business issues, challenges and solutions.

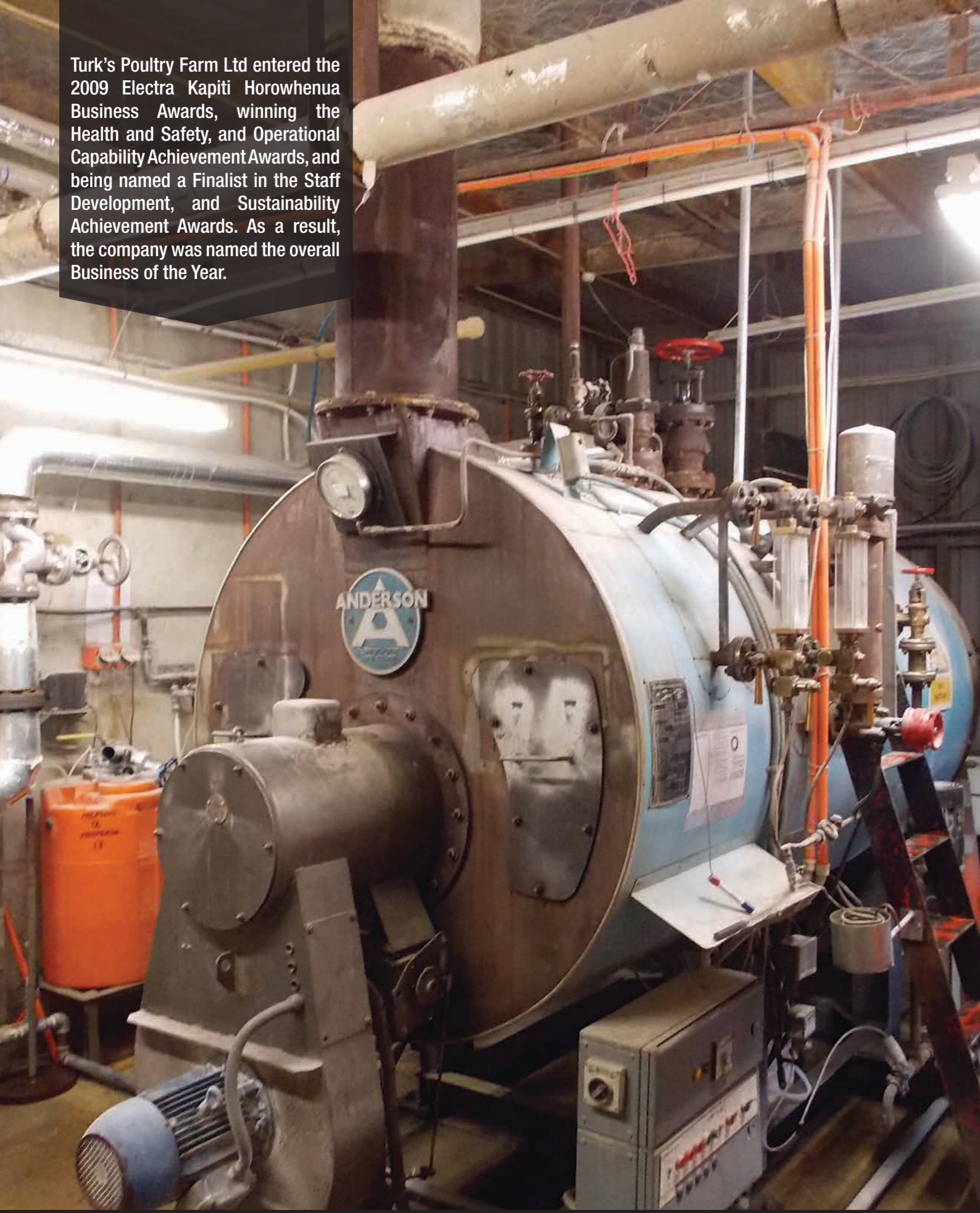
“Tuatara is achieving rapid growth, on the back of a quality product with market appeal, effective marketing and channels, and having essential systems in place to maintain quality...it is committed to growing the craft beer market in NZ and is conducting research and development into areas that, if successful, will position it well as a true industry leader.”

“The challenge will be to hold it all together while ensuring the financials continue to improve and funds are available for investment.”



[Download the complete Tuatara case study here](#)

Turk's Poultry Farm Ltd entered the 2009 Electra Kapiti Horowhenua Business Awards, winning the Health and Safety, and Operational Capability Achievement Awards, and being named a Finalist in the Staff Development, and Sustainability Achievement Awards. As a result, the company was named the overall Business of the Year.



Turk's Poultry Farm Ltd entered the 2009 Electra Kapiti Horowhenua Business Awards, winning the Health and Safety, and Operational Capability Achievement Awards, and being named a Finalist in the Staff Development, and Sustainability Achievement Awards. As a result, the company was named the overall Business of the Year.

Subsequent to this article, Turk's Poultry Farm Ltd also entered the 2015 Electra Kapiti Horowhenua Business Awards, winning the Health and Safety, and "It's Great to be Here" Achievement Awards. The company was also recognised with the Highly Commended Award in the overall Business of the Year.

Business of the Year



Hatching a plan for success



Employing a structured growth strategy has seen Turk's market share climb to approximately 66% in the lower North Island and 33% in Auckland.



2009 Electra Business of the Year

Article written by Chris Ineson in 2009

Founded in Foxton in 1966 by Mr John Turk (senior), Turk's Poultry Farm Ltd spent the first 30 years building a successful egg production business before expanding into broiler chicken production in 1996.

Today the company is headed by John's son, Ron Turk, with a five person management team and a staff of 150. The company has continued to grow and expand its range of products and services which now include eggs, poultry products, small goods and an engineering firm. It is also involved in a subsidiary business (offal rendering – Kakariki Proteins Ltd) that complements its core business. As part of Turk's involvement in the sector, Ron Turk is on a number of related business committees such as the Egg Producers Federation.

The company's growth strategy has seen Turk's market share climb to approximately 66% in the lower North Island and 33% in Auckland. Its main competitors are New Zealand's two biggest chicken suppliers: Tegal and Ingham's for chicken products and Mainland Eggs for egg products.

Entering the Electra Kapiti Horowhenua Business Awards in 2006, the experience highlighted a number of key areas the business had to improve in if it was to match the standards of the overall winner that year.

Armed with detailed feedback from the assessors, and using the lessons learned, they set about making changes and improvements to their business. Their challenges were similar to those facing many businesses

today: transferring management from one generation to another; managing contentious environmental issues; getting management, staff and customer buy-in for the changes; and creating a sustainable and financially viable business.

By 2009 the company had applied sound business standards to many aspects of their operations – governance, employment and training, through to research and development, customer service and strategies for the future. They were ready to re-enter the Awards, and this time they were aiming to win.

And that's exactly what happened.

Their victory was due to the adoption of a strategy of "total performance package" – identifying a combination of sound business practices and then executing them well.

"In other words, the company had adopted Sir Peter Blake's philosophy of 'a thousand little things done well'".

Implementing a number of integrated strategies has enabled the company to

Turk's Poultry Farm Ltd

Purcell Street West, Foxton

☎ 06 363 0013

✉ info@turkspoultry.com

🌐 www.turkspoultry.com



achieve sustained results and to set the business on a long term growth path.

Their success is due to the improvements they have made in the following areas of their business.

Transition to the next generation

One of the major issues that confronted Turk's as it grew and developed was the transference of decision making and operational management from its founder, John Turk, to his son, Ron Turk.

Typical of most family businesses, the founder was reluctant to hand over the reins to another

member of the family, in this case to his son. This caused considerable friction due in part to age (generational difference) and also to different thinking (traditional vs. new).

Efforts were made in 2004 to solve the impasse, including setting up a governance board of family members and the use of an external advisor.

This made some progress but it was mainly limited to improved management and operational capability through creating a group of "management teams".

It did not solve the crux of the issue which still revolved around board governance – in particular its transfer from the founder to the "new generation".

A big challenge for many SMEs, especially family owned ones, is succession planning. In theory it is easy to talk about succession planning and the handing over of control from the founder to other members of the family and/or to an "outsider" in a seamless and planned manner, but in reality it is often extremely difficult.

Turk's managed to develop a succession plan by establishing a formal governance board.

Form a governance board

In 2007/8 a second and successful attempt was made to establish a Board, but this time it was done with the addition of an independent external appointment who was made the chair of the Board.

The benefits of doing this were essentially twofold. The first was better control over meetings which resulted in reduced family conflict. For instance, the Board developed a job description for every Board member, including the founder, setting out their roles and responsibilities. Thus, for example, the founder had no operational responsibilities but remained a member of the Board.

The second was that it not only made more effective use of meeting time, but it brought a fresh, focused and

more external perspective to Board discussions and decision making.

It also led to a more strategic and structured approach to doing business. This does not mean that Turk's did not plan or that it had no structures, systems and processes previously. They did, otherwise they would not have stayed in business and grown to the extent they had, but the new planning process became formalised with structured meetings that led to the development of a coherent business strategy with emphasis on longer as well as shorter term goals backed by quantitative (e.g. turnover) and qualitative (e.g. product and service) performance measures. They started to operate in a manner that Bill Gates once famously put it – "what gets measured gets done".

In terms of seeking external independent advice, the company realised that it was important to do this early rather than waste time and effort struggling with issues that can more easily be resolved by bringing in and utilising external advice.

The lesson to be drawn from Turk's experience is that their maturity and subsequent growth as a business has been enhanced through the establishment of a formal governance Board with an external, independent member.

Invest in quality people

Training is an important element of Turk's business practices. This ranges from governance training through to skills training for every member of staff, regardless of their job.

Governance training is provided through the NZ Institute of Directors. Ron Turk is a member of the Institute which means he can attend their courses and various other sessions, and receive up to date information about best practice standards and the raft of other governance related topics.

Staff training has created a better understanding about the job being done and about safety, health and hygiene. For example, over the last two years Turk's has had the lowest campylobacter levels in the country.

The company believes that training has created a more multi-skilled work force.

As part of its training strategy Turk's use an ITO as its training provider to ensure training is ongoing and current, and knowledge is being passed on. The net result is a sense of pride among staff of caring about and being responsible for what they do, improved confidence and attitude and greater leadership.

At the end of each course a recognised qualification is

Underpin training with complementary strategies

Turk's view training as an ongoing process that has to be underpinned by complementary strategies based around:

- employing and/or dealing with the right people with the right attitude (staff and suppliers)
- conducting continuous audits to ensure consistency in quality
- setting clear performance/ measurement targets
- having good systems and processes, and knowing how to get the most from them
- teamwork and succession planning to ensure continuity of knowledge (teams have a leader and a 2 I/C)
- an attitude of taking control of their key operating functions (e.g. transporting fresh product to customers – to improve efficiency and reliability, the company has bought two large trucks to freight their fresh products to customers)
- a willingness to help/ mentor other businesses/ people when appropriate.

gained. For some staff this is the first time they have had any form of formal recognition of their achievement.

Even so it is acknowledged that training is not a silver bullet. But the overwhelming feeling is training, along with



A key part of Turk's strategy has been to remain focused on their core business.





the initiatives outlined in this case study, have made a big difference to Turk's productivity, quality of product and bottom line performance.

Evidence in support of this is seen in the following statistics:

- Staff numbers have grown 25% over the last four years.
- Average monthly poultry sales have increased 53% from 2007 to 2010.
- Average monthly egg sales have increased 16% over the same period.
- Total sales over the same period have increased 40%.
- Return on Equity has grown 18.5% over the past four years.

Turk's now have dedicated people in their administration, accounting, human resources, and information technology areas. They have increased the number of people in merchandising, dispatch and across the production line. All these people bring specific

expertise and up to date practices to the business.

In New Zealand many SMEs regard training as an expense – Turk's see it as an investment.

It is worth noting that, for the reasons outlined above, training at every level – Board through to staff – is seen by leading businesses worldwide as a fundamental part of their growth strategy. Training and other initiatives (such as introducing effective governance) reflects an attitude by the Board and management about achieving business excellence that in turn becomes ingrained as part of the organisation's culture.

Create a point of difference

One of Turk's strategies is to target their customer base. This is done by identifying who they want to work with/sell to, and areas they have in common (for

example, quality and promotion of product, and business values/like mindedness).

They know their limitations. For instance, in terms of volume they cannot compete against large competitors such as Tegal, Ingham's and Mainland. To counter this they focus on their key points of difference, for example, producing quality products for the high end of the market such as gourmet stores, hotels and airlines while at the same time continuing to supply their current customers. This dual strategy is a work in progress. Time will tell if this focus continues or whether it will be redirected to concentrate on just one end of the market.

Turk's place a premium on high quality customer service. For instance, six monthly Customer Perception Surveys provide feedback on how customers see them, areas for improvement and so forth. This is one of their critical performance indicators.

There is nothing unusual about this as customer service ought to be paramount to all businesses. The difference is Turk's is prepared to go the "extra mile" as seen by the purchase of two expensive freight trucks at a cost of \$1million.

Invest in R&D and IT

Research and development is an important part of Turk's longer term growth strategy as evidenced by the development

of a machine that bones chicken breasts. Until recently this work was done manually. This not only required a high level of knife skills (thus time and training) but resulted in skilled staff being poached by other boning processors like the meat industry. The boning machine has reduced their reliance on manual boners and has also increased output.

IT is applied as part of a continuous improvement strategy, vertically and horizontally (i.e. across the whole business and into every department).

The aim is to create greater efficiencies and reduce wastage and time loss.

For example, increasing production initially resulted in bottlenecks in the production line. This caused a rethink about the best way to use new technology and IT as a means of introducing new processes and systems.

The result is better forward planning where "down the line" bottle necks are identified and solved beforehand rather than reactively as in the past. Turk's feel the upfront cost of doing this pays for itself.

Today IT is used for processing, stock inventory, environmental control, health and safety – all backed by training.

Take calculated risks

All business is about risk but Turk's have assessed it judiciously. For instance R&D is an investment *and* a risk. Turk's assess both aspects. With the latter its impact is measured and, once implemented, its consequences are monitored.

An example of risk is Turk's investment in Kakariki Proteins Ltd. This is not part of its core business but it is part of its production process. Currently the arrangement is working well and their initial involvement is being reduced in favour of the Kakariki's own management

with its administration functions being managed by Turk's.

It is a relatively simple task for SMEs to develop a simple risk assessment matrix based on the likelihood and impact of a decision or event on the business. Thus for example, astute businesses steer away from situations of high likelihood and high risk whereas they may be willing to accept a situation of lower likelihood and medium risk. Turk's point is that it is up to each business to assess their level of acceptable risk.

Focus on the core business

The definition of Turk's core business is interesting: the obvious one is processing chickens for its market. Understanding and applying this is fundamental for the business, Board, management and staff.

A less obvious but critically important one is "anything that affects its customers" – meaning anything Turk's does (or in some



The company has added specific expertise by employing people skilled in human resources, information technology, accounting and administration.



To improve efficiency and reliability, Turk's have bought two large trucks to freight their fresh products to customers.



instances, doesn't do) that might impact on its customers is seen as part of its core business.

A third aspect is controlling its own destiny. By this they mean not being dependent on external parties. This does not preclude joint venture and stakeholding in other businesses, but it is done in the knowledge that Turk's is not reliant on them and they do not distract it from its core business.

The saying "stick to your knitting" is sound. Many businesses do but many also go beyond this, especially when times are good and there is an abundance of cash and credit. Turk's is clear about this. They are focused on their core business and anything that is non-core (e.g. rendering plants), they leave to others (albeit they may have a strategic stakeholding in them but they leave its operating functions to others).

Improve productivity and profitability with systems and processes

Considerable emphasis is placed on its systems.

The attitude "we have always done it this way" is frequently challenged by management and staff.

The attitude is that for a modest upfront cost most businesses can streamline their current systems/practices,

reduce errors, save time and improve their productivity.

An example cited was Turk's ordering system. Initially they managed a two diary ordering system but it was time consuming and error prone (and thus costly). A new IT ordering system was installed and the results have more than paid for the cost of its hardware, software and training.

This is an example of Turk's practice of "working smarter, not harder". It is also an example of "continuous quality improvement" – a process that all successful businesses employ.

Be a good corporate citizen

Turk's does not claim to be a paragon of virtue. Because of the nature of its business it will always be subject to many environmental, health and safety regulations, community

and environmental concerns. However, it is aware it is part of the local and business communities and that it has a responsibility to be a "good corporate citizen" (to this extent management and staff are involved in community events and the company provides various sponsorship support).

It acknowledges that in earlier days there was insufficient regulatory control but this has changed and the company, staff and the community have benefited as a result.

They have had their setbacks, such as the recent court case by its grain growers as well as effluent issues and industrial issues. Their attitude is that all businesses have their setbacks that reflect the nature of the business they are in, and as such have to be/can be resolved.

All businesses operate in different types of environments. Some environments are not always helpful but most



The company has created a competitive point of difference by raising their own free range, corn-fed chickens.

businesses recognise this and act accordingly. What is unique about Turk's is that operating in a sensitive environmental area has required a considerable investment in quality controls that could have disadvantaged them as challengers for any category of award, but through investment in time and money and their own resourcefulness they have managed to overcome this disadvantage.

The point they would stress is that other businesses can overcome their disadvantages if they apply themselves.

Ambitious aspirations

Looking to the future, Turk's has several highly ambitious goals which they believe are achievable.

One of them is to achieve \$100 million turnover within five years. To do this they will have to increase capacity threefold; increase market share from 4% to over 10%; create high value markets; gear up and professionalise their marketing; continue to add value to their product and customer service; continue to invest in market research, food technology and R&D; continually improve their quality standards; continue to encourage and share knowledge and continue to invest time and money in employing/developing (training) the right (i.e. high quality) people.

Entering the Electra Kapiti Horowhenua Business Awards

2009 was the second time Turk's had entered the Electra Kapiti Horowhenua Business Awards. It was seen by its management as a logical extension of its previous category win in the Food Business of the Year in 2006.

There was a feeling by Ron Turk and his senior management that if Turk's was capable of winning a category then it was equally capable of winning the Business of the Year Award. The first time they entered was time consuming and difficult. They had no idea what was required nor had any benchmark standards to compare themselves against. However the process of entering the Awards made them take a hard look at their business:

"Although we felt we were in good shape we found we were not as competitive as we thought."

As a result they learned more about their own business and where it stood compared to previous winners and they benefited from the feedback from the Award assessors, all of which gave them further impetus for the 2009 Awards.

"The preparation requires you to take a hard look yourself, your strengths and your weaknesses, your

strategies, operations and decision making which in turn helps to make the business more successful."

Turk's advice to new entrants is to talk to previous winners about the standard required to be competitive with the aim of winning a category and ultimately to win the Business of the Year Award. This advice applies as much to the more experienced entrants as it does to new ones. For businesses like Turk's, the Awards are part of their business improvement strategy. They do not enter to merely make up the numbers: they enter with a purpose in mind – to continue to improve.

There are two aspects of Turk's win that stand out.

The first is that they entered the 2009 Electra Business of the Year Awards with the deliberate intention of winning. Their experience in 2006 forced them to stand back and objectively evaluate what they did well and identify areas for improvement.

The second aspect is that Turk's applied a strategic approach, based on sound business practices and continuous quality improvement, to every aspect of its operation.

Download the complete Turk's case study here

Copyright © 2016 [Business Kapiti Horowhenua Inc.]. All Rights Reserved.

This e-book is free to download and distribute in its original form.

As the publishers of this e-book, Business Kapiti Horowhenua Incorporated (BKH) retains all rights to the material contained herein. Businesses agreeing to be interviewed for a case study agree that once they have approved their case study, BKH may use it in this e-book or in other situations at its discretion. BKH encourage the wide use of the book, and limited excerpts may be taken from it and used as long as the source is clearly acknowledged. More substantial uses of the material herein require the prior approval of BKH.

The publishers are a volunteer based not-for-profit with charitable status, and donations or registrations of sponsorship interest are always welcome, please email awards@bkh.co.nz for ways to do this both recognised and anonymous.

Business Kapiti Horowhenua Incorporated

2016 Edition