INNOVATION IS CRITICAL TO OUR FUTURE

Named as one of the world’s leading entrepreneurial universities under challenging conditions1 and ranked the most innovative university in New Zealand2, the University of Auckland is, together with Auckland UniServices, committed to supporting the creation of innovative new industries for New Zealand and high-value employment opportunities for future generations.

WE DO THIS BY:
- Creating entrepreneurial-minded graduates
- Creating new technologies and taking them to market
- Working directly with over 500 businesses, from our own start-ups to major multinationals, to help them grow and prosper

1 Massachusetts Institute of Technology (MIT) Skoltech Initiative http://www.rhgraham.org/RHG/Recent_publications_files/MIT%3ASkoltech%20entrepreneurial%20ecosystems%20report%202014%20_1.pdf
Welcome to NBR Radar:
Smart people, doing smart things

Duncan Bridgeman
Editor

CONGRATULATIONS to the first group of NBR Radar members.

This is the beginning of an indispensable list of fast-growing, established companies that we identify as significant future contributors to New Zealand’s business and economic success.

The individuals behind these companies have an entrepreneurial spirit and a never-give-up attitude that deserves recognition.

NBR Radar is a celebration of their success and provides insight into how these businesses have developed and grown to where they are today.

It is also a resource for investors and those wanting to keep tabs on the next generation of successful businessmen and women.

To qualify, they needed to demonstrate global potential or national significance in size and scale. We looked beyond start-up companies for businesses that have established revenue streams and a realistic growth trajectory.

Underpinning our criteria were five simple words: “Smart people doing smart things.”

There are many more of these people and companies on our radar and NBR will highlight them in future instalments.

We hope you enjoy this collection of short stories. For video interviews with the NBR Radar members please visit www nbr.co.nz/ radar. If you are not an online subscriber, either sign up or take out a free 30-day trial by clicking on any paywalled story and following the prompts. Enjoy!

From the field

Hamish Coleman-Ross
NBR View content director

PEOPLE are products of their own environment. In the context of NBR Radar we thought it was crucial to make sure that video interviews with individuals, and all the particulars that go with that, were conducted on their own sites, no matter where they were located.

It was a seemingly simple idea that, even in our small country, proved to be a challenge given all forms of transport being used.

In return, regional entrepreneurs welcomed us with open arms.

The folks of HealthPost in Collingwood, Golden Bay, for example, were impressed that we had made the effort – lamenting how most news is so Auckland-centric they long ago turned off the 6pm TV news.

Companies in Dunedin encouraged us to come back again as the technology sector there continues to grow into a truly vibrant array of innovation.

And those hearty Cantabrians in Christchurch showed that even an earthquake or two can’t stop their international growth.

It soon became clear opportunity and innovation aren’t limited by location; they are in fact supported and strengthened by it.

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RUSSELL ALEXANDER

Hobbiton Movie Set Tours

TOURISM

YOU DON’T HAVE TO worship J.R.R Tolkien to enjoy Hobbiton. In fact, more than 50% of the 650,000 odd people who visited the hobbit-sized tourist village in Matamata last year haven’t even seen the movies. That is one of the things Russell Alexander talks about when he says the idea of Hobbiton Movie Set Tours was to build a tourist attraction that carries a brand well beyond the actual movies made here. “I think the key to it is being absolutely authentic in everything we do,” says Alexander, whose family runs the business in partnership with Sir Peter Jackson’s family. That partnership was originally fostered back in 1998 when Sir Peter advised the Alexanders that he’d like to use their farm as a film set for Lord of the Rings.

Alexander immediately thought of tourism and began showing tourists around the set in 2002. After the Hobbit movies he and Sir Peter set up a joint venture to build a permanent version of the Shire’s 44 hobbit holes and Green Dragon Inn to attract film tourists. Since then the business has exploded in popularity, from 20,000 visitors a year to an estimated 620,000 this year. In peak summer they employ 320 staff, with Hobbiton tours running every 10 minutes.

Alexander says the company will turn over $46-50 million this year. Hobbiton is now the most popular international tourist attraction in the country and among the very top places to visit globally. “A lot of the visitors coming here say this is one of the reasons they are coming to New Zealand,” he says. The phenomenon has taken film tourism to a new level and is something the rest of the world is only waking up to now with Lord of the Rings.

As for an exit strategy, Baker says that good companies are bought and not sold. “Being relatively young in our journey, the focus now is firmly set on larger markets including the UK where Timely is unique in adopting a ‘garage phase’ approach to recruitment by choosing a conventional workplace and having staff work remotely or from shared work spaces. “We all need to accept technology has really changed the landscape around what a workplace looks like,” Baker says. Boosted by a $7 million funding injection from Movac, which implies a pre-money valuation of $43.75 million, the focus now is on the company taking more of a global expansion track and growing to about $20 million in ARR.

As for an exit strategy, Baker says that good companies are bought and not sold. “Being relatively young in our journey, the best thing we can do is focus on making sure that we’re building a really great company.”

RYAN BAKER

Timely

Technology

GOING GLOBAL WITH A remote work model has become a competitive advantage for Dunedin-based Timely, which sells cloud-based business management software to the beauty and wellness industry. Co-founded by Ryan Baker and Andrew Schofield in 2011, Timely employs 47 staff and has about 8,000 business customers in 95 countries who generate annualised recurring revenue of $6 million.

Having previously created the tourism booking engine BookIt, which was sold to Trade Me, the duo saw an opportunity to make life easier for small businesses and Baker says that being in New Zealand was beneficial. “It ends up being an advantage being at the bottom of the world in the cloud and SaaS ecosystem because you have to think about the global marketplace from Day One.”

Despite concerns that they might throttle growth without additional funding, choosing to run “on the smell of an oily rag” for the past 12 months has been a smart move according to Baker. “It’s meant we’ve had to really understand the unit economics of the business, understand the drivers for the growth and what we can optimise.”

Timely is unique in adopting a “garage phase” approach to recruitment by choosing a conventional workplace and having staff work remotely or from shared work spaces. “We all need to accept technology has really changed the landscape around what a workplace looks like,” Baker says.

We are biotechnologists doing food innovation via fermentation. As co-founder of Green Spot Technologies, we developed the world-first range of fermented flours that are low carb, high protein and fibre, gluten free and nutritionally balanced.

MINA GRANUCCI

CO-FOUNDER OF GREEN SPOT TECHNOLOGIES

I am an innovative and passionate academic and the CEO of Tectonus. We’re creating ingenius and resilient seismic solutions that are simple to install in a building, that minimise the economic impact and empower people to live and prosper in earthquake prone zones.

PIERRE QUEENVILLE

FOUNDER AND CEO TECTONUS

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Tel: +64 9 969 3351

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PHANTOM
ONE OF ONE

The world needs icons. For those whose presence inspires greatness there is only one choice. Unmatched. Unrivalled. This is Phantom.

AS THE FOUNDER AND chief executive of Rocket Lab, Peter Beck is the first to admit that he plans to build a globally successful aerospace corporation might have seemed a little bit improbable. “I was a Kiwi coming to Silicon Valley to pitch a rocket company from a country that doesn’t build rockets – to take on the giants of the world.

Lining business up to a game of chess where you need a clearly laid out plan. Beck gave himself three weeks to “come home with a cheque or be run out of town.” Fortunately, he garnered the support of the high-profile Khosla Ventures and has now raised a total of $US200m to make the venture fly.

Rocket Lab was conceived in 2006 when Beck identified a “choke point” in getting assets into orbit from traditional US launch sites. Significant regulatory hurdles had to be overcome, but his Mahia Peninsula site has a licence to launch rockets every 72 hours for the next 30 years. According to Beck, “We own the only private orbital launch site in the world and we have the highest available launch flight rate.”

The company is now in the final stages of a test flight campaign for its purpose-built Electron rocket, and has a two-year backlog of orders to launch satellites at a starting price of $US4.9m each. However Beck says it’s not about the rocket. “what we’re trying to do is create access to space for incredible things to happen.” That includes launching new weather satellites that will take “the pulse” of the planet.

Married with two children, Beck hails from a family of Invercargill engineers. Acclaimed as a scientist and engineer, the 40-year-old was New Zealander of the Year for Innovation in 2015 and describes his rapidly growing team of more than 200 employees in New Zealand and the US as “the best of the best.” “You can’t do extraordinary things by being ordinary – that’s the reality of it.”
WEATHER AND CLIMATE ARE crucial elements for Jennifer and Garth Boggiss’ vanilla bean business but ironically it was a cyclone that seeded their creation in Tonga.

Three years later he got his first 45kg batch of vanilla. “In the early days it was like ‘how do you make vanilla extract?’” Boggiss says. “So we did a little bit on the kitchen bench with a bottle of vodka out of the pantry and some vanilla beans.”

No doubt that first vodka was 42 Below, the brand developed by Boggiss’ brother, Geoff Ross, a handy man with a kitchen bench and some vanilla beans.

Boggiss is extremely mindful of maintaining a strong relationship with the local community up in Tonga while also expanding the growing operation into Uganda. The company pays its growers a premium to the market and, more recently, Uganda.

Fast forward to 2017 and the company now exports to eight countries selling into three channels, including major supermarkets, the hospitality industry and food manufacturing. The company has experienced consistent growth of 30-40% over the past three years, Jennifer Boggiss says.

However, nothing is ever straightforward and it took some experimenting to get their product just right, despite the high quality of the raw material.

“Part of that is to create a global vanilla brand and make Heilala Vanilla to Tonga what Fiji Water is to Fiji,” Jennifer Boggiss says.

She says her personal mission is to empower people in Tonga. “Part of that is to create a global vanilla brand and make Heilala Vanilla to Tonga what Fiji Water is to Fiji. I think we are well on our way.”
also set HealthPost apart from its competitors. The company routinely donates about $16,000 a month to charities and recently teamed up with the Department of Conservation to create a 900ha eco-sanctuary at Farewell Spit.

“Businesses don’t just exist in a vacuum,” says Butler. “It’s not just about making our family wealthier, it’s also about being good in the community.”

With son Abel as chief executive, and daughter Lucy as community executive, and daughter Lucy as community executive, it’s also about being good in the community. “Businesses don’t just exist in a vacuum,” says Butler. “It’s not just about making our family wealthier, it’s also about being good in the community.”

With son Abel as chief executive, and daughter Lucy as executive director, Peter’s dream is for HealthPost to become an intergenerational business. As with any family business they’ve had their share of dramas, and as the company has grown they’ve taken on two independent directors: “If you’ve got professional directors there next to you, you have to act professionally and I think that helps.”

HealthPost is Golden Bay’s largest employer with 85 staff working from its Collingwood base and another 20 in Auckland to serve a sometimes fickle ‘boom/bust’ Chinese market. It operates as a low-margin business in a cut-throat online environment and Butler admits there’s always a tradeoff between profitability and growth but says: “I’m more excited to see good growth numbers than to have a yacht in the harbour or drive a flasher car.”

Competing against much bigger rivals has also forced HealthPost to differentiate by specialising in natural health products with no ‘nasties’. “There’s still a lot to be done here,” says Butler. “What we do has been key to a lot of people recognising the brand and also to acceptance of the brand in the market.”

Running around flour mills as a child and having a mother who was a food scientist were the vital ingredients that set Cantabrian Jane Clifford on a path to operating one of New Zealand’s largest privately owned bakeries.

Original Foods had three staff supplying doughnuts to local fish and chip shops when it was launched in 1991 but now it’s a multi-million dollar business that employs a team of 100 manufacturing a range of sweet treats from a new $10 million purpose-built facility in Wigram. “We’ve worked hard and we’ve done the hard yards – it’s not been easy,” Clifford says.

“The family connection to baking traces back to her great-grandfather, Thomas Fleming, who was famed for his rolled oats and Creamman’s Sergeant Tom brand. Despite significant scaling up over the years, Clifford says: “we still run it as a family business – we care about the staff.”

There’s even a Ten Year Club for long-serving employees who enjoy an annual dinner every year.

Breaking into the supermarket trade has been critical. “They provide volume and it’s a great distribution point for consumers to be able to purchase our product,” Clifford says. "Having a recognisable brand is another key factor. Our wee monkey has been key to a lot of people recognising the brand and also to acceptance of the brand in the market.”

Original Foods has a modest export trade but has struggled in Australia for a decade, and lost hundreds of thousands of dollars. “Our product isn’t cheap,” says Clifford, “so there are a lot of manufacturers out there who are high volume and low margin and we can’t compete with them.”

The company employs three food technicians on product development, but Clifford says that “listening to what people want” is also critical in a highly competitive industry. That’s why the company has a test kitchen and café to develop and showcase products with its customers. “Since the day we started, it’s continual growth and improvement.”

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We teach cutting-edge frameworks and encourage a mindset shift through learning by doing – partnering with businesses so students can solve real-world problems. Crucially, we also help students build connections within the entrepreneurial ecosystem.

We’ve seen many successful start-ups birthed through our programmes – among them PowerbyProxi, Stretch Sense, Kami, and Parrot Analytics – proof that we can teach our students to be successful entrepreneurs and to leverage their university career.

Crucially, we help students build connections within the entrepreneurial ecosystem.

Giving students the entrepreneurship edge

The World Economic Forum predicts that 65% of the jobs Generation Z (aged 5 – 15) will do haven’t been invented yet. So how do we ready students for a fast changing, uncertain future?

At the University of Auckland’s Centre for Innovation and Entrepreneurship, we build entrepreneurial capability. Dealing with ambiguity, working in teams, creative problem solving, global views and courage are the foundation of an entrepreneurial mindset – and that’s needed to thrive in this new world of work, whether in a large corporate or an emerging start-up.

JANE CLIFFORD & MIKE SPROULE

Original Foods

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Quick facts:

- Bakery business owned by Jane Clifford and Mike Sproule
- 100 staff manufacturing products for customers in New Zealand, Australia and the Pacific
- New $10 million plant at Wigram produces thousands of doughnuts, cakes, and muffins a day

Watch the full interview:

www.radiavision.co.nz/radar/jane-clifford-mike-sproule

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EMBRACING THE MOTTO ‘START, grow, change, morph, fail, start again and hopefully succeed’, digital entrepreneur Jenene Crossan is about to escalate the latest in a long list of startups.

Describing it as the Uber for beauty, Flossie.com is a mobile app that connects beauty salons with spare capacity to consumers who want appointments on demand in a cashless society.

As a “next generation” retailer, Crossan says Flossie is designed to maximise the use of consumer data.

“Knowing who the customer is, what they want, and market to them before they even know they want that, that’s where technology manifests in our business.”

Crossan says building a two-sided marketplace from scratch in 2011 has been “a really hard road.” Included among her 39 shareholders are heavy hitters like Sir Stephen Tindall’s K1W1 and Peter Cooper but it’s taken 10 rounds of capital raising to bring in $3.5 million. “There have been a lot of proof-points that we’ve had to provide to make them feel really comfortable that this was a business worthy of investment.”

Crossan says Flossie’s annualised income is now pushing $4 million, with expectations of reaching $23 million by the end of 2018 once the concept launches in Australia. “It’s growing very, very quickly. We haven’t missed a target in the past 18 months. It’s been month-on-month 20% growth. It’s a good time.”

As a 20-year-old, Crossan launched nzgirl.co.nz, the country’s largest social magazine, and in 2016 she was recognized as the Most Inspiring Individual at the NZ Innovation Awards. Like many entrepreneurs she’s had her ‘walk away’ moments, but nothing that wasn’t cured with a short break. “Have a break, get some sunshine and vitamin D, and come back refreshed.”

Her advice is to get over the ‘pity-party’ – fast. “Get yourself up and dust yourself off and keep going.”

Quick facts:
- Mobile beauty app founded by Jenene Crossan in 2011
- Dubbed New Zealand’s first “vanity club”
- Forecasting annualised income of $23 million next year

AUCKLAND
The University of Auckland works with businesses in a number of exciting ways, offering research expertise and facilities – people and “kit” – to improve business growth, efficiency and future-proofing. From research consulting to joint supervision of doctoral research, to research collaboration, linking University expertise to business experience can help solve real-world problems.

Not sure where to start? UniServices can help link you to relevant researchers or for some sectors, there are specific programmes to consider. For example, the Innovative Manufacturing and Materials Programme provides a single point of contact to over 100 researchers in almost 40 different areas.

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The creation of positive change and value to New Zealand industry beyond academia using this capability is a key focus.

“As a comprehensive university we have a unique ability to integrate and leverage multidisciplinary expertise from across a really wide scope. The ability access key knowledge to solve a particular problem and put together a tailored team to feed into complex decision-making is a real strength of the University. The creation of positive change and value to New Zealand industry beyond academia using this capability is a key focus for our research strategy.”

Locating a business or team near (or potentially within) one of the University’s campuses facilitates collaboration, and ensures that businesses are informed with cutting edge research and can enjoy direct access to University experts and a range of specialist equipment.

The Newmarket Innovation Precinct works closely with businesses, offering the research capability and expertise in engineering and smart manufacturing. They host a number of research centres including the Centre for Advanced Composite Materials and the New Zealand Product Accelerator.

PROFESSOR NICOLAS SMITH
Dean, Faculty of Engineering
IN TALKING TO FORMER ad man turned premium dairy brand owner Peter Cullinane, words like imagination and collaboration dominate rather than the typical business parlance of profits and costs.

He set up Lewis Road Creamery in 2012 following experiments in his home kitchen because he thought New Zealand needed a butter he liked eating. On a deeper level, he believes New Zealand has a wrong focus on chasing scale and producing commodities when it should be intent on quality, and added value.

"Part of the mission with Lewis Road was to demonstrate, if only to me, New Zealand's future is much more in quality rather than quantity."

Luckily for him, that vision is shared by his new cornerstone investor, institutional farmland fund Southern Pastures, which took a 25% stake in October for an undisclosed sum, with plans to lift it to 50% within three years.

Lewis Road has annual turnover of about $25 million though growth was a more standard 15% this year than the 340% achieved when a frenzy for its chocolate milk in 2014 outstripped supply and helped establish the brand.

Its range now encompasses butter, organic, premium and flavoured milks, plus ice cream, cream, sour cream, bread, chocolate cream liqueur, and the latest addition – cider.

Lewis Road has collaborated with other Kiwi companies – Whittaker's for chocolate milk and chocolate butter and Pic's Peanut Butter for peanut butter ice-cream.

In both cases, the combination was a hit with consumers and Mr Cullinane thinks collaboration will become more important for future brand development for startups than we’ve seen in the past.

He rates the year-long capital raising as depressing and distracting because of what he dubs unimaginative private equity investors focused on the company’s past achievements rather than future plans. “It’s something I’ll do only once.”

Under a new board and additional capital, Lewis Road will execute its long talked-about plans to export, with UHT milk it’s launching early next year likely to be a front-runner.

Mr Cullinane has no regrets about self-funding the business early on as private equity investment then would have meant “more agonising and slower decision-making.” As long as he was prepared to write the next cheque, he could make the next decision but “the downside is you start running out of money.” Risks and costs have reached a stage where that approach can’t work anymore, he says.

TAPPING INTO A US wound care market estimated to be worth $US50 billion is the name of the game for Christchurch-based ARANZ Medical, which leads the world in the development of 3D scanners that help custom-fit orthotics and prosthetics more accurately.

“It has been a 12-year journey and part of that has been educating the market as well as developing the technology,” chief executive Bruce Davey says.

Finding there is no ‘Department of Wound Care’ in the hospital environment, ARANZ identified an opportunity in “a forgotten part of the healthcare system,” he says.

ARANZ Medical’s 3D scanning and information solutions for skin and wound assessment transforms clinical assessment processes, improves quality of care, and makes healthcare more cost-effective. And as health systems come under financial pressure to improve efficiencies, Davey sees huge growth potential. “The market is really just in its infancy.”

Describing the FastSCAN

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NBR RADAR
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System as the “gold standard” for top end data collection, Davey says ARANZ is about to launch a third generation product using smart phone technology for the lower end of the market. ARANZ employs 40 staff in Christchurch and has enjoyed 30-40% year-on-year revenue growth, 15% of which is spent on R&D. One of many breakthrough moments was signing up one of the world’s top 10 pharmaceutical companies. “That really got the company established as a credible player in this sector,” says Davey who counts the US Department of Veterans Affairs and the UK’s National Health Service among its blue-chip customers.

As for keeping ahead of the competition in the US, ARANZ has the competitive advantage of being the only FDA approved provider in the wound care area. The quality of its 3D data and ability to interface with medical records systems is also far ahead of other providers.

A true engineer, Davey tends to downplay achievements. However, a proposed capital raising is designed to accelerate sales and marketing activities in key markets. “We’re the dominant player now creating solutions internationally.”

SIMON ERIKSEN
Neat Meat

BEING ABLE TO SPOT opportunities and convert them is a key driver for Simon Eriksen, founder of the Neat Meat gourmet business that continues to expand its presence in the wholesale and retail food sectors. Although he was taught how to kill lambs on his father’s Gisborne sheep station, and has an agribusiness degree from Massey University, Eriksen had no previous experience in New Zealand’s commodity-driven meat industry when he founded Neat Meat in 2001. “The key thing is to look for a point of difference, look for something in the market that others aren’t doing and, if they are doing it, do it better.”

Starting with AngusPure beef, Neat Meat embarked on a brand journey that now includes Silere merino lamb, Razorback wild boar and Harmony Foods, which provided a strong retail presence. “The introduction of brands has really given us a place in the market – we have become brand creators,” says Eriksen.

With brothers Tim and William as fellow directors and shareholders, Eriksen initially operated from his old Subaru Legacy but Neat Meat now has wholesale and retail businesses in Auckland and Queenstown and recently added a processing plant to provide vertical integration.

Partnerships have also played a strong hand in the growth story. A 50/50 partnership with celebrity chef Josh Emmett in Chef Series – a range of slow-braised, heat and eat meat – provides valuable retail cut through. Supplying the rapidly expanding My Food Bag business has also become an integral part of the business. “That’s helped us get things happening much faster, which is good.”

Neat Meat’s growth has been largely organic and self-funded, and while it sells some product to Singapore, Japan and the Pacific, the company is in no hurry to export when there are so many opportunities at home. The biggest challenge, says Eriksen, is to continually create products which are first to market.

Quick facts:
Neat Meat

■ Supplies My Food Bag
■ Estimated annual turnover of $50 million

AUCKLAND

Watch the full interview: www.nbr.co.nz/radar-simon-eriksen

“Look for something in the market which others aren’t doing and if they are doing it, do it better.”

– Simon Eriksen

Is your GM of People unwittingly setting the CEO up to fail?

Or creating a wave of talent?

HR is tasked by the chief executive to create an empowering culture, a wave of talent and a pipeline of successors. This is typically interpreted by the GM HR as an opportunity to line up a slate of internal leadership courses. But what is the GM HR strategies senior managers to go after? In an expertly guest by the Business School to a badge of honour.

“But what does this offer in terms of creating an organisation that’s going places and achieving high performance outcomes?”

The ISE Team can help. Visit RHEORC.co.nz/enable or call us on 0800 966 1960 for a confidential discussion.
AS CO-FOUNDERS OF THE global career engagement business, Fuel50, Auckland business partners Anne Fulton and Jo Mills have had to learn a few lessons about the subtleties of capital raising to realise their dream of being world-leaders in the next frontier of human resources.

Originally established as the Career Engagement Group in 2003, the software development company morphed into Fuel50 in 2014 and is now used by 75 Fortune 500 companies in 33 countries that are looking to boost employee engagement, retention and productivity.

Having identified the US as its target market, Fuel50 has so far raised $US4.8 million to help build the company with a goal of delivering benchmark world-leading career management software to one million employees.

“While your client portfolio includes the likes of eBay, Citibank, Mastercard, Texas Health and many more, you’re got to be pretty happy,” Mills says.

Over the past two years Fuel50 has chalked up annual growth of 300% but profitability remains elusive. To compete on a global scale, Mills says companies can’t wait until they are profitable “so you have to invest for the curve.”

When it comes to capital raising, she says it’s important to understand venture capital “sweet spots” and “passion points” and she’s grateful for the financial support from local angel investors. “It’s been incredible to have that support from New Zealand and to see our business grow from New Zealand and battle up with the big guys overseas – and come out winning.”

DOUG HASTIE
Syft Technologies
TECHNOLOGY

FIVE YEARS AFTER TAKING a “punt” on reviving the fortunes of Christchurch-based Syft Technologies, Doug Hastie now heads a business valued at $85 million on the Unlisted market.

“At first I couldn’t think of a worse idea. The company was bankrupt when I started and I’m still here now.”

Syft manufactures high-tech instruments costing upwards of $300,000 each to ‘sniff’ air quality but the business had burned through $29 million for no return when Hastie was parachuted in as chief executive. Looking behind the numbers, he saw a company with some good people at its heart but not a business that was going to pay its way.

Doug was so confident in the business model that he managed to raise $1.4 million from local investors far in advance of a plan to list on the Unlisted market.

“I can’t see how you can fail with such a good product,” he says.

Hastie feels good about his decision to list on the Unlisted market, which he believes has “given us the opportunity to get out there and attract the necessary talent.”

When it comes to capital raising, he says it’s important to understand venture capital “sweet spots” and “passion points” and he’s grateful for the financial support from local angel investors. “It’s been incredible to have that support from New Zealand and to see our business grow from New Zealand and battle up with the big guys overseas – and come out winning.”

Hosting drinks? Be sure to think...

“...the consumption of alcohol in work situations possibly represents a risk which PFOs are responsible for managing.”

Hamish Epton
Partner, DLA Piper

The introduction of the Health and Safety at Work Act 2015 (HASAW) has presented a range of new risks - from the reduction to the workplace, and new knowledge to businesses.

One example is the approach that some workplaces are taking to alcohol-related work situations. There are occurrences of alcohol more generally in the workplace or at work-related events.

Some workplaces have not even thought about it (which we don’t recommend). Some are training it alongside, and others are taking a more regarded approach.

The HAW and regulations do not specifically mention alcohol and there are no specific Workplace guidelines. Nonetheless the consumption of alcohol in work situations possibly represents a risk which PFOs are responsible for managing.

There is also the potential for serious harm, for example if workers or others become intoxicated or drive under the influence.

Even though a PFO is generally not responsible for a worker who has been drinking before work, or who has had a drink or two after work, the PFO should be familiar with the workplace, for example if the workplace has a policy on alcohol consumption in the workplace, for example if after work drinks, at work, or in a direct manner.

While there is no definitive rule on all the consequences, including the decision of the connection to work, the ways taken by the PFO and individual responsibility.

Rather than focusing on whether the precise wording of the HAW applies and when, it is more useful for PFOs to focus on the steps they should take when providing advice in all at work, workplace or work-related events.

What should a PFO do practically?

Some PFOs take the approach of prohibiting the consumption of alcohol altogether at work or in the workplace. This is a perfectly valid approach, especially in small-medium workplaces.

Where this approach is taken in other workplaces, it is often much about culture and custom - for example the PFO’s head office makes the same commitment as its industrial allies.

Policies in the workplace necessary for every workplace, if you’re a manager where alcohol is supplied in commercial work situations or at events, you’re committing to an event approach.

You should consider the following:
- Where is the function being held – at work or an external venue? How much control do you have over the event?
- Are workers aware of the expected standard of behaviour, both generally and around drink limits? How capable is the workplace or relevant manager to control the event?
- Can management support for workplace alcohol supply and consumption, and thereafter or outside workplace alcohol?
- Do managers, or other workers understand that they can and should intervene and assist if they have concerns?
- Is there sufficient food and non-alcoholic drinks available throughout?
- If there are present, what steps are in place to ensure they don’t have access to alcohol?
- In the alcohol standards, and if so what controls are in place to monitor this?
- At what time will alcohol cease to be available? A cut off time is recommended. Is alcohol supplied until the end of the function?
- What steps do you have in place to help staff workers and other guests get home safely? While the PFO need not pay personally, there should be ready access to safe transport options. If someone is intoxicated, there is a greater responsibility to ensure that he or she makes it into a taxi or otherwise returned home.

Ultimately, the PFO should always be a responsible host. That will keep everyone safe. Check.

Hamish Epton is a partner at DLA Piper, one of New Zealand’s leading commercial law and public law firms, with offices in Auckland, Wellington and Christchurch.
he trimmed the workforce from 25 to 15 because “you can’t have naysayers.”

At his first staff presentation Hastie declared, “we’re here to make money, it’s that simple.” An initial sales trip took in seven countries in five days, sleeping at airports along the way. “Another belief of mine,” he says, “is, just go and do it.”

A strong believer in sales and marketing, Hastie says the key is to get a foot in the door and never deliver so much that customers never go anywhere else. Samsung, Ford and Colgate-Palmolive are now part of Syft’s customer base. “I don’t think there’s any company in New Zealand that has a who’s who list like ours,” Hastie says. Syft employs 70 staff and exports to 20 countries. Sales are forecast to increase by 50% to about $12 million in this financial year but Hastie projects revenues of $100 million and a net profit of $50 million within five years.

Describing himself as a cross between an engineer and an accountant, the “boy from Gisborne” has had a colourful career. After working on a toll road in South Africa and a bridge in the Channel Tunnel, he completed an MBA at Yale and worked at Goldman Sachs in New York. Back home, he founded – and still runs – the “boy from Gisborne” has had a colourful career. After working on a toll road in South Africa and a bridge in the Channel Tunnel, he completed an MBA at Yale and worked at Goldman Sachs in New York. Back home, he founded – and still runs – the

Sam Hazledine

MedRecruit

“performing a drunken backflip” and landing on his head in 2002 was a life-threatening and ultimately life-changing experience for Queenstown doctor, entrepreneur and author Sam Hazledine. “It made me realise that for my life to change, I had to change.”

Fifteen years on, Hazledine owns and operates MedRecruit – Australasia’s largest medical staffing agency with 70 staff and 45,000 doctors on its books. He says, “We have real traction... and I want to take that position and grow it to a 40% market share;” he says.

Having graduated as a doctor, Hazledine saw many in the profession suffering from stress and burnout and leaving in droves. His solution was MedRecruit, which places doctors in roles that best suit their professional and personal needs. “We’re like the Tinder for doctors;” he says.

Included in the Deloitte Fast 50 for four consecutive years, Hazledine says the business suddenly “fell off a cliff” and was losing six figures a month.

His biggest lesson was throwing time and money at symptoms rather than strategically diagnosing the problem. “The cause was that we needed to fundamentally become better at our job of recruitment.” Having never met a doctor who was really good at managing their money, Hazledine also created MedCapital to provide wealth management services. “It’s pretty exciting to have a business whereby we can positively impact every doctor in the target market.”

Another achievement has been his successful international campaign, spearheaded by MediWorld, to include the health and well-being of the doctor in the modern day Hippocratic oath.

“We’re part of the solution now, we’re not just providers. But that was never the driver of the change.” And when it comes to personal change Hazledine hasn’t held back, spending about $350,000 over the years on self-improvement including advice from US entrepreneur and life coach Tony Robbins.

“I really truly believe that the biggest compounding investment you’re ever going to get is when you invest in yourself.”

The notion that University is just a place for study and academics is completely outdated. It is a vibrant ecosystem of people with fresh ideas and young entrepreneurs willing to turn those ideas into reality. That’s how UVLens came to life.

Daniel Xu

Co-founder of Spark Lx

Solving complex problems starts with not accepting the status quo and just giving things a go. The University of Auckland has taught me the fundamentals and together with my diverse life experiences, enabled the cross-pollination of ideas and innovative solutions.

Dr. Angela Lim

Doctor, Starship Hospital

Co-founder, Catalyst Point

LIKE MANY SERIAL ENTREPRENEURS 38-year-old Tim Norton has tried and failed at least once but he also refused to give up. Now the latest of his seven businesses is proving a winner.

Tim Norton

90 Seconds

software

Quick facts:

Cloud-based video production company founded by Tim Norton

125 employees and thousands of contractors on its books

$52 million gross annual revenue

Watch the full interview: www.nbr.co.nz/radar-tim-norton

NBR RADAR 22
YOU HAVE TO BE HONEST, YOU HAVE TO SELL THEM THE DREAM ... AND THEN QUICKLY SWITCH TO ALL OF THE RISKS THAT YOU ARE FACING

— Tim Norton

Norton has spent the past six years building 90 Seconds, a business he describes as “the Uber of video production.” Basically it’s a cloud-based service that customers can use to hire a video crew in any one of 105 countries, then collaborate on editing and post-production online.

Although his first clients were small businesses and individuals, Norton has succeeded in moving up a level – a big level.

In fact, 80% of 90 Seconds’ 150 global customers are Fortune 500 companies. Clients include Airbnb, Air New Zealand, ANZ, McDonald’s, PayPal, Google and Uber.

What started out as an idea to solve Norton’s own problems with video production has, in a short space of time, become a global business offering services to the biggest brands in the world.

“I had a vision for what it might look like online but the service didn’t exist,” Norton says.

Having originally self-funded the company with help from fellow Kiwis Tim Williams and Jonathan Hendriksen and later some angel investors, the company needed venture capital to grow.

Enter Silicon Valley heavyweight Sequoia and a bunch of other big-name investors who put in $11 million 18 months ago.

Norton was able to pay off his debts and reward his angel investors while investing in the pillars needed to build the business globally.

Working with investors like Sequoia is like a marriage, Norton says.

“You have to have so much trust upfront. How do you build trust? You have to be honest, you have to sell them the dream, get them excited, share the vision for the partnership and then quickly switch to all of the risks that you are facing. Investors want to see you are living and breathing those every day. If they can see that, they start to gain confidence and trust.”

90 Seconds has gone from 17 employees to 125 in about 30 months and gross sales are now above $30 million a year, maintaining a 100% annual growth rate.

Norton shies away from talking about profitability but says the company has gone through its biggest loss and is heading back up again.

“We are very close to break-even, put it that way.”

STEVIE O’CONNOR

Flick Electric

DIGITAL DISRUPTION RUNS THROUGH Steve O’Connor’s veins so it’s hardly surprising that he runs Flick Electric, the Wellington-based electricity retailer selling power to customers at wholesale spot prices.

Established in 2013, Flick has signed up 23,000 customers, employed 75 staff and generated revenue growth of 4890% over the past two years. As the Energy Retailer of the Year at the 2017 Deloitte Energy Excellence Awards, O’Connor says “We’re being recognised as doing things differently and doing well which is great.”

Flick came about after O’Connor surmised that most electricity consumers were “completely disengaged” with a product that powers their lives. “There had to be a better way of buying electricity and engaging with the product,” he says.

Having worked for a large digital company overseas, O’Connor saw “real scale” from an international perspective and understood how broadband enabled digital disruption. Back home, he got to know the electricity from the inside at Meridian Energy and learned the value of innovation and entrepreneurship at Wellington’s Creative HQ and Lightning Lab.

Initially, Flick’s founders weren’t sure whether it would be a niche or mass market play within New Zealand’s $7 billion energy sector. “As it turns out,” says O’Connor, “we think we’ve got a mass market proposition, which is really cool.”

Almost $20 million has been raised so far to get off the ground, build early product and scale the business. With a 22.5% stake, Gisborne-based Eastland Energy Solutions is the cornerstone shareholder and, says O’Connor, a valuable partner to pilot new stuff. “There is real strategic benefit in having those sort of investors.”

Remaining innovative and agile – and staying close to the customer – as scale is built in a regulation-bound industry has been a key challenge. But O’Connor believes the concept has potential beyond New Zealand where electricity consumers are also disengaged. “We think there are really good opportunities for our model and for the company offshore.”
immediate feedback on what we were doing was an ideal launching pad. “It gave us and beautiful and decided to find out where it enable Pic’s Peanut Butter to churn out $50 to pay $7 a jar for a quality product, Picot’s $200 world.”

Nelson’s Friday farmers’ market in 2007. started selling homemade peanut butter at was the initial aim when Bruce ‘Pic’ Picot

Looking back, he says the farmer’s market was the initial aim when Bruce ‘Pic’ Picot

EARNING SOME WEEKEND POCKET money was the initial aim when Bruce ‘Pic’ Picot

“Once I got over my issues of keeping it small wouldn’t be doing it if I wasn’t.”

RedShield is the world’s first web application protection service to target 100% mitigation of known exploits. “We are a defensive business, we sit in front of Hogs and try and stop them getting hacked.”

Two international re-seller agreements were signed in 2017, and the company also beat off stiff competition from some of the world’s largest cyber-security vendors to win a proof-of-concept contract with a US Fortune 500 company. “We won that deal through fast effectiveness, because our

FEELING SORRY FOR A parking warden chucking tyres in the rain was the inspiration for Frogparking, the parking sensor and carpark management software business created by Palmerston North entrepreneur Don Sandbrook that’s tapping into a global parking industry worth an estimated $100 billion annually.

Despite the sacrifices of spending time away from her young family, Shareena says “it’s about teaching them the value of hard work.” And yes, there is an exit strategy from Day One but the current focus is on maximising RedShield’s growth potential.

WE’RE GOING TO BE THE BEST-LOVED PEANUT BUTTER MAKERS IN THE WORLD – Bruce ‘Pic’ Picot

Frogparking employs 30 staff and has shipped 35,000 units to more than 300 customers throughout Australasia and North America. Revenues are near $10 million but a multi-million dollar capital raise from a consortium of investors in 2017 is expected to boost sales to $50 million over the next five years.

Spidertracks, the world’s first portable Iridium aviation tracking device.
“START-UPS ARE IN OUR blood” declares Cecilia Robinson, the co-founder with husband James of My Food Bag, which has taken New Zealand’s food and grocery industry by storm.

Designed to resolve the perennial problem of ‘what are we having for dinner tonight’, Robinson initially saw the MFB concept in her native Sweden but says “we borrowed it and made it better.”

Despite warnings that giving New Zealanders a recipe and ingredients was doomed to failure, Robinson says “we took something that so many people thought wouldn’t work and made it scalable.” So scalable that, since launching in 2012, My Food Bag has signed up more than 50,000 customers and has forecast revenue of $135 million in 2017.

With 150 staff and 850 contractors on the payroll, Robinson says that “without the right team you’re nothing.” In a rapidly evolving startup, she says “it’s about getting the right people on the bus at the right time.” That included initial partners like Theresa Gattung and Nadia Lim who introduced corporate and food industry skills to complement her marketing background.

Robinson previously co-founded the successful Au Pair Link business that grew into one of the country’s largest early childhood education providers before it was sold in 2014.

“James and I are motivated in business by driving change” she says. Having sold a 70% stake in My Food Bag to Waterman Capital in 2016 to fund future growth, Robinson says the journey has only just begun and her focus is firmly on what she sees as an old-fashioned and largely offline grocery sector. “The next things we can do are massive in the wider grocery industry, so that’s what we’re excited about and that’s what we’re up in the morning.”

“IN A RAPIDLY EVOLVING START-UP, IT’S ABOUT GETTING THE RIGHT PEOPLE ON THE BUS AT THE RIGHT TIME”
– Cecilia Robinson

“HAVING A CLEAR VISION from Day One and staying true to it has been critical for Vaughan Rowsell, the mustachioed founder and chief product officer at Vend, the cloud-based retail platform that enables retailers to manage and build their businesses in real time.

Describing himself as “a bit of a futurist,” Rowsell says retail stood out when he looked around in 2010 to find an industry that wasn’t leveraging state-of-the-art technology. Vend describes itself as a point-of-sale platform but Rowsell says that’s a misconception because the company also offers valuable insights into how businesses are performing in real time.

“We’ve been building the platform now for seven years aiming for essentially what’s happening in the market today. We knew it was coming and we built a platform to be able to take advantage of it.”

“I’M UNDER NO ILLUSION THAT IT’S GOING TO TAKE SOME TIME TO GET TO WHERE WE WANT TO BE”
– Vaughan Rowsell
ACHIEVING A WORK/LIFE BALANCE “at some point in the near future” is one of the key objectives for 28-year-old Craig Smith as he guides his online education company, Education Perfect, through a rapid growth trajectory.

With 100 staff and 500,000 paid subscribers across more than 1000 schools, the Dunedin-based business is on track to earn $20 million in annual revenue – not bad for someone who initially struggled to generate any interest in the concept.

“I dropped out of university and did the classic ‘go and live in your parent’s house in Auckland and work from the basement’,” Smith says.

It was Smith’s interest in computer game design that led the 18-year-old to create an online vocabulary tool in 2007 to help him learn French and Japanese. “It was to solve a need for myself, and then I shared it with my friends and one thing led to the next.”

Having been knocked back 40 or 50 times, a couple of Dunedin schools tried the platform and after a few weeks found that students did significantly better in their tests. Word quickly spread through the education system, and the rest – as they say – is history. “It all goes down to how the experience can be so good that they’re going to tell all their friends.”

One of his biggest mistakes was not involving experienced teachers in creating content when the business expanded into English, maths and science. However, Smith says a focus on solving real problems was a smart move. “You can’t just make cool technology and hope it’s going to sell. You’ve got to solve real challenges.”

As technology fundamentally changes the education sector, Smith believes Education Perfect is poised to benefit from a “real revolution” as more people learn online.

The most difficult challenge will be to increase scale and become a global operation. “That’s something that I’m taking all the advice I can get on how we can get there.”

Quick facts:

- Online education provider, founded in 2007 by Craig Smith with his brother Shane and Scott Cardwell
- 100 staff and 500,000 paid subscribers
- $20 million annual revenue
AS MANY OF HIS peers made lots of money in the housing market, Grant Straker and his wife Merryn set about creating a globally disruptive translation technology platform that’s heading for a $100 million IPO in 2018.

With about 100 staff employed in a dozen offices throughout Australasia, Asia and Europe, Straker Translations has taken the industry by storm, winning more than 10,000 customers in a global market estimated to be worth $US36 billion. “It’s a great position to be in for a company that you founded in New Zealand from nothing,” Grant Straker says.

Having spent 10 years building multi-lingual content management platforms, he says they were dumbfounded at how language companies were so backward in using technology. “They were never going to understand our solution and couldn’t understand where we were coming from.”

Their secret to success has been to provide human translators with machine translation technology that enables them to outperform competitors in terms of speed, quality and price. Annualised revenues in excess of $20 million have been boosted by a series of acquisitions set in motion after a $6 million capital raising in 2015. Having the right capital framework is critical says Straker, “but you need to get the runs on the board and that’s a lot of sweat equity to get into the right place.”

Raised in West Auckland and Rotorua, 51-year-old Straker is of Ngati Raukawa descent. After a stint as a paratrooper in the British Army he returned to New Zealand in 1994 and completed a certificate in engineering before teaching himself how to write computer programmes.

Reflecting on 18 years of “really hard work” he laments the detrimental effect of New Zealand’s preoccupation with investment in non-productive assets like housing. “There could be another 100 companies like ours if we’d had the right amount of capital going into the right places.”

YOU NEED TO GET THE RUNS ON THE BOARD AND THAT’S A LOT OF SWEAT EQUITY TO GET INTO THE RIGHT PLACE

– Grant Straker

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SAM STUBBS
Simplicity
FINANCIAL SERVICES

SOMETIMES IT’S NOT ABOUT the pursuit of profits but the greater good. Take Sam Stubbs, the former chief executive of Tower Asset Management and the Hanover Group, who has launched a crusade against the “ridiculous” fees being charged by KiwSaver providers.

As the founder of the not-for-profit Simplicity KiwSaver Scheme, Stubbs charges less than half the industry average of 1.2% which he says will make the average New Zealander $65,000 richer when they’re retired. The truth, he says, is Simplicity’s single biggest competitive advantage. “I’ve never sold the truth in my life. This is the unmitigated truth about how people will be better off – people get that.”

Having had “a very lucky life and a lucky career,” the proud Westie says he can afford to give back, which is why he’s funded the fledgling business with an interest-free loan and isn’t taking a salary. Apart from six staff on modest salaries, the business is supported by dozens of professional “volunteers,” from lawyers to accountants and trustees who work for nothing.

Admitting that “there’s not a single new idea in it,” Stubbs says the Simplicity business model is based on “The Vanguard Group,” the world’s second-biggest asset manager, which is a low-cost and passive investor in the performance of the S&P 500.

In its first year of operation, Simplicity has attracted 9000 members and has $250 million under management. “We think we’re in the beginning of a quiet revolution in New Zealand,” says Stubbs, who also donates 15% of management revenue to charity.

Simplicity may be a “minor annoyance” at best but Stubbs is thinking big. Looking out to a $200 billion KiwSaver market in 2016, he says “if we had a 1% market share managing $20 billion, we would be saving people something like $200 million a year in fees and giving $10 million a year to charity.”

JOHN WIKSTROM
Magic Memories
TOURISM

HAVING A “MONOMANIAICAL FOCUS” on making people smile has paid off in spades for John Wikstrom who co-founded Magic Memories (MM) in 1995 and turned the fast photo service into one of New Zealand’s fastest-growing technology companies.

Fresh out of Otago University with a marketing degree, Wikstrom knew he was onto a winner when he started selling information booklets with personalised photographs to tourists visiting Queenstown’s Skyline gondola. “We charged more what it was being sold for at other places and we sold more of them than anyone ever had – from Day One.”

Twenty-two years later, MM employs almost 2000 people worldwide and sells digital and hard-copy products to more than 100 million annual guests who visit 185 attractions in 11 countries.

“It started out as an idea that we fell in love with and we got emotionally engaged with. Then we started getting a whole lot of partners emotionally engaged with it, and then we get guests emotionally engaged with that and it started getting a life of its own.”

The company “got serious” in 2009 when it appointed a proper board and adopted a strategic plan with the right funding. Another breakthrough moment came when Village Road Show agreed to provide MM’s digital content in real time to content-hungry consumers. “They were just consuming like mad and we’d completely changed the fundamentals of the industry. We turned from sellers to fullfillers.”

The acquisition of US-based SharpShooter Imaging in 2016 gave MM a critical foothold in the US market and boosted annual revenue by 137% to $154 million, which ranked the company 11th on the annual TIN100 survey of high-tech exporters.

In addition to buy local partners such as Skyline and Shotover Jet, MM has established relationships with leading global brands like Football Club Barcelona, Legoland and Hershey’s Chocolate World.

“Each market has their own brands and our aim is to try to be part of those brands as we go forward,” Wikstrom says.

MARIO WYNANDS
PikPok
GAMING

HIRING HIS FIRST EMPLOYEE, becoming Sony’s first PlayStation developer in the southern hemisphere and being nominated for a BAFTA award are some of the key milestones for Wellington game developer Mario Wynands.

“There have been a lot of achievements along the way where we’ve thought ‘hey, this is really going well.’ But in a typical New Zealand way you celebrate but not for very long because you then move on to the next goal.”

After graduating from Victoria University in 1996 with degrees in computer science and commerce, Wynands and partner Tyrone McAuley have blazed a successful trail through our economy. “They were just consuming like mad and we’d completely changed the fundamentals of the industry. We turned from sellers to fullfillers.”

One of their smartest moves was to identify that being a “work-for-hire” developer wasn’t sustainable long term. “Moving into self-publishing being onboard more risk and releasing our stuff digitally and globally was huge for us. Being able to move from that contract work into self-publishing was transformational!”

As New Zealand’s largest game production studio, the business publishes games in more than 200 countries and has had 300 million downloads to mobile phones in the past few years.

Rather than follow the crowd, Wynands has also charted his own course. “We’ve always tried to be different and a bit ‘blue ocean’, and that’s reflected in the games that we make.” Those games include the BAFTA-nominated Super Monsters Ate My Condo, the PlayStation 3 game Shatter and the Flick Kids sports arcade series.

In a rapidly evolving industry estimated to be worth $138 billion, Wynands says the present focus is on creating original IP pursuing opportunities in China – and maybe being swallowed by a multi-media conglomerate. “That might be an outcome over the next few years but who knows.”

Congratulations to the 25 NBR Radar finalists – the innovators and entrepreneurs who support the wellbeing of society and the prosperity of our economy.
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