



Words from three wise men

Business advisor and company director David Cullwick, corporate finance adviser Jai Basrur, and businessman/philanthropist Neil Richardson were recently appointed as advisors to NZTE's New Zealand Beachhead. Why did they join the Beachhead team? What common mistakes do they see businesses making? And how important is a customer-centric approach?

Since coming to New Zealand in 1988, Jai Basrur has worked with New Zealand businesses across a variety of sectors. He has also worked in India, the Middle East, Europe and Southeast Asia – a useful background to help New Zealand businesses grow and export.

"I have enjoyed the platform this has given me to meet a diverse range of businesses I wouldn't have met in a consulting capacity," says Basrur. "In essence, it's down to a personal desire to contribute to growing NZ Inc and to make a difference in my own way."

For Neil Richardson, it was something a client said that sparked his interest in helping other businesses.

"I vividly remember about 20 years ago an offshore client saying to me

'You're my mentor, who's yours?' I had never thought that I was viewed like that, but it started me on a journey of realising the importance of having mentors and being a mentor. I regard it as a personal responsibility to help others, often by simply helping them to see a clear pathway forward when they feel overwhelmed – it's important to have outside help," he says.

David Cullwick was excited by NZTE's Fresh Thinking approach to assisting high profile companies and felt a personal alignment with the strategy. Cullwick has been involved for many years as a strategic advisor to international firms and industries. He has also been involved in research and case studies on SMEs as part

of an annual executive development programme with faculty from a leading US business school. Also on his CV is a directorship with an NZX-listed company working in global markets.

"I was keen to contribute more widely to New Zealand's export and international business development and am excited about this Beachhead advisor role."

Life lessons

Basrur's most valuable lessons have centred around people. With a background in corporate finance and business strategy, he says it's not the size of the transaction and the company that is important, but the people, underlying values, passion and commitment.

"At business school I was focused on the technical aspects and principles, but now it's all about making people's life a little simpler and enabling business action. It becomes difficult to separate out personal and professional values; I find it's easier if they're consistent. For this reason, I have aligned the two. Professionally and personally I believe that what you give to people you get in return; the numbers will follow.

"Be open, show integrity, patience and look at what's good in people, not what's wrong with them."

Cullwick offers three business insights. The first is the need for a business to have a "clear and aspiring vision with a strong focus on the key steps required to achieve it".

He also stresses the importance of businesses hiring the best people they can afford.

"Achieving ongoing significant growth in world markets requires a lot of smart thinking, courage and commitment, and having a talented team is critical," he says.

And because successful growth in targeted international markets inevitably involves having to deal with the unexpected, possessing a flexible and adaptable approach is a necessity, Cullwick adds.

With more than 40 years experience in business management, Richardson has a wealth of advice, but his focus on challenging the 'exporter' mindset is the most poignant.

"Businesses in New Zealand often unconsciously see themselves as exporters rather than as small multinational companies. As a nation, we need to change our mindset to being global. The way we think about ourselves is incredibly important as it sets the context for the decisions that we make," he says.

"If you see yourself as an exporter, you simply export what you've got and you don't think about building the hard-to-copy intellectual property inherent in market channels and supply chains. If you see yourself as small multinational, you start to focus on how you can create a sustainable, international marketing channel. Do that and you'll start to trade in intellectual property and channel leadership, rather than just selling products manufactured in New Zealand.

"An exporter from New Zealand has a product in New Zealand that they then try and sell in offshore markets

"An ability to be open while operating in diverse markets creates exciting opportunities for growth and value"

— whereas a small multinational company starts with the global consumer, identifies the gaps in the market and then designs the product-service-brand offering that will fit that market. The business is designed around that sophisticated consumer," says Richardson.

Customer-centric

Cullwick and Basrur echo Richardson's sentiments on the importance of a customer-centric approach.

"There's too much focus on the product or service and not enough on identifying customer requirements," says Cullwick. "Businesses don't demonstrate enough clarity about their firm's total value proposition for potential customers, as seen by the customers."

It is often the case, he adds, that not enough attention is paid to the need for ongoing business innovation, be that in relation to products and services to better meet the emerging needs of customers, or in terms of the company's business model — taking into account components like sales, distribution, operations, supply and R&D.

Cullwick also notes the mistake executives make in not seeking enough external input to guide thinking when the strategic direction and business strategies are developed. This input, he says, should come from the market — from local and international thinkers.

"Learn from those challenging thinkers; be careful to avoid the traps of 'collective thinking'."

New Zealand businesses, says Basrur, tend to be product-centric and are largely driven out of personal desire to develop a business.

"There comes a time when a business

has to shift its focus to more deeply understand the market and customer perspective — that is the role that NZTE and Beachheads provide to New Zealand business."

Another mistake is the assumption that you know how markets operate without understanding the parameters of each market.

"Companies don't fully understand the need to adapt. Many businesses don't design themselves according to very simple and clear rules — like where are they going to play, who they are going to play and compete with, and what the rules of engagement are.

"There's a 'she'll be right' mentality and you can't do that and expect to understand markets."

His advice is to get on a plane, go to the market, get to know the people, and understand the culture in which business is done.

He says businesses tend to underestimate the time and money required to do this, which is why it is so important to recognise the time dimensions and associated risks of these efforts.

"It pays to make your judgements in the market you're operating in. For example, joint ventures might work in one market, but not others — you have to understand the market. An ability to be open while operating in diverse markets creates exciting opportunities for growth and value."

NZTE's Beachheads programme is a global public-private partnership designed for high-growth businesses looking to succeed internationally.
www.nzte.govt.nz/beachheads



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