

# business rotorua W



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\*Nielsen CMI, Feb 2015, fused database, based on AP 10+. Rotorua reach is based on the Rotorua circulation area. Audience is based on weekly unduplicated reach of NZME newspaper, magazines, radio stations, and monthly domestic unduplicated audience of NZME digital channels.

Welcome to 2016 and  
our new **CEO**,  
Jon Calder



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### **How to keep calm and carry on...**

Life can be full of surprises, and business especially so. Now and again we're all affected by events beyond our control, some of which have the potential to significantly disrupt a business, and even cause it to fail. How a business responds at times like these makes all the difference.

It might sound pessimistic, but asking yourself what could possibly go wrong, and having a plan in place, will help you to keep calm and carry on, whatever life throws at you.

From the Canterbury earthquakes, to storms and flooding in Wellington, and tornadoes in Auckland, companies that have prepared for such events have been the first to recover, often at the expense of their competitors.

### **Developing a Business Continuity Plan**

No matter what line of work you're in, it's important to have a business continuity plan (BCP) to quickly get you back on track when things go wrong. A BCP should aim to identify, restore and maintain all business critical processes and minimise the impact for employees, customers, and your reputation.

Combined with proper insurance cover, a BCP increases the chance of a speedy recovery by eliminating hasty decision making under stress. AMI has insurance specialists who can help to make sure your business is properly protected.

### **What's in a Business Continuity Plan?**

A Business Continuity Plan should contain all of the information you need to get your business up and running again following a major disruption. The size and complexity of the plan will depend on the nature and scale of your business. However, generally speaking, a BCP should at least include:

- A list assigning roles and responsibilities during an incident
- An emergency response checklist

- Key contacts for all staff contractors and suppliers, including out-of-hours numbers.

### **Implementing the plan**

Developing the plan is the obvious first step, but implementing it is the key to protecting your business. Appointing someone within your business to take this from concept to delivery is essential.

### **Making sure**

It's a good idea to review your business insurance on a regular basis to make sure you have adequate cover in place, before it's needed. In combination with an effective continuity plan, we can help you protect your business and achieve your goals.



To find out more call us on  
**0800 782 838**  
and we'll talk things through with you.





*Opening ceremony Lions Dance.*



*Painting of the Lions Eye at the Opening Ceremony.*



*Ribbon cutting at the Opening Ceremony.*

### **We would like to introduce you to our recently established Rotorua Chinese Community of Commerce (RCCC).**

We are a non-profit organisation capable of supporting, by collaboration with local council, business leaders, and other ethnic organisations, the socioeconomic growth of Rotorua. We focus on delivering service excellence by providing our members with referrals, seminars and workshops. We also promote and enhance the following:

- Local and overseas Chinese entrepreneurship and investment opportunities
- Import and export trade opportunities for China and New Zealand
- Education and support for the local Chinese community

The official launch of Rotorua Chinese Community of Commerce was held at the Rotorua Lakes Council hosted by Mayor, Hon Steve Chadwick on the 25th September 2015.

The services are provided by our members who consist of local Chinese professionals including but not limited to business

managers, business owners, real-estate agents, bankers, accountants, brokers, and a Surgeon. At present, we have a total of over 40 corporate and individual members. If you consider joining us, please contact us through our website.

[www.rccc.org.nz](http://www.rccc.org.nz)



*Delegation Visit on 14 May 2015.*

# Don't Miss The Boat!!

**CONTRIBUTOR:**  
Don Gunn (Left) and  
Heinz Fett (Right)  
Rotorua Business Broker



2016 has kicked off in fine style with very strong growth continuing on from the end of 2015. Paymark figures just released show that a total of \$324.4 million dollars was spent in the Bay of Plenty in January – an 8.9% increase in spending from January 2015, up almost \$30 million.

Rotorua is certainly experiencing this continued growth with visitor numbers performing extremely well over December and January aided by many events, good weather and back to back long weekends. Retail spend has continued to grow month on month since August 2015.

During such periods of strong growth and economic buoyancy, business owners reap the benefits which is great however, many owners, particularly baby boomers, fail to actively plan to get out of their businesses. Succession planning is vital to business owners, but sadly very few do this.

In 2008 New Zealand was just three years away from the biggest small business sell-off in the country's history as the first wave of baby boomers prepared to cash-in their decades of hard work for well-earned retirement. In September 2008, when the Global Financial Crisis (GFC) hit, all those well laid plans for life after work had to be put on hold as business owners felt the impact of business profits suffering and the value of their businesses retreating.

Many baby boomers simply put their retirement on hold, but seven years later and with the economy recovering, many are still behind the counter and in their offices. Born between 1946 and 1964, or those aged between 51 and 69, this segment controls 80 per cent of the spend in New Zealand and owns more than half of the country's businesses. And they are about to retire.

In the last two years the number of those aged 65 and over has increased by 43,200 with the weighting heavily towards the older end of the scale. Within this demographic fifty-thousand businesses are expected to change hands every year for the next decade with an estimated value of around \$3.5 trillion. These figures point to a generational change in our business future.

The outcome is that by 2020 a significant number of baby boomers will have or will be in the process of transferring ownership of their business with 85% of business owners globally, and 81.1% of baby boomers here at home, will not have completed succession plans.

There was always going to be a glut in the market when the baby boomers tried to sell their businesses, with the financial crisis compressing it into an even smaller time frame. It is being labelled a "tsunami" where traditionally there has been a shortage of businesses for sale and an oversupply of buyers.

The transition to a buyer's market makes the timing all the more important for sellers. Pre crisis prices will never happen again. We were witnessing businesses getting multiples of four times the profits, now to only two-and-a-half. The baby boomer generation is going to run out of time to effectively hand over their businesses to younger generations or get the best sale price for their business.

Fundamentally, sellers need to prepare a succession plan to create options for producing a 'win/win' outcome. With a bulk of baby boomers nearing their 70s, business owners should not wait until the last second and put their business on the market, avoiding the tidal wave of sellers. A succession plan could take three to five years to put in place and it's typical that New Zealand business people don't invite the experts in until the last minute, the old 'she'll be right effect' for a wall of businesses.

Succession is really about creating options. Getting a fair price at sale time is the outcome of good process, not an event, for a business that in many cases is a culmination of a life's work. Acting before getting lost is the best advice to those nearing retirement. Investing time consulting with the participants in your succession plan such as a Business Broker, Lawyer or Accountant will assist you in realising and generating a plan to leverage a sustainable exit.

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# Help our young people on pathway to success

**Five Rotorua young people graduated from the Limited Service Volunteers (LSV) course at Burnham Military Camp, near Christchurch, on 5 March. They've come home determined to succeed. They're fit, confident, motivated, and ready to work.**

LSV is a six-week residential course for young people aged from 18 to 24 years. The course is funded by the Ministry of Social Development, run by New Zealand Defence Force and supported by New Zealand Police.

LSV was established to help young people develop the attributes needed to enter the workforce: motivation, self-awareness, time management and self-respect.

These young people came from all walks of life and share a common goal – they want to work. There are no other courses for young people that can do all this.

LSV is voluntary. They chose to attend because they were each committed to undertaking six challenging weeks to help better prepare for the work place.

## Looking for staff?

We can make it easier for you to find the right people for your business. If you plan to recruit or grow your business, we can help—at no cost.

We have a pool of suitable people with a range of skills and abilities who are available to work full or part-time, or on a casual basis.

You'll receive our full support and maybe even financial assistance to help with wages, training or other costs.

To list a vacancy or find out more, contact

Anne Hughes—(07) 921 8125 or email [anne.hughes002@msd.govt.nz](mailto:anne.hughes002@msd.govt.nz)

Shona Patrick—(07) 921 8051 or email [shona.patrick007@msd.govt.nz](mailto:shona.patrick007@msd.govt.nz)

[www.workandincome.govt.nz/business](http://www.workandincome.govt.nz/business)



### CONTRIBUTOR:

Mike Bryant  
Regional Commissioner for Social Development  
Bay of Plenty



The course provided an opportunity for each of them to think about their life, their future and the kind of work they'd like to do.

While the course took place in a military environment and used military facilities, there was a strong focus on achieving employment-related outcomes.

Some of New Zealand's biggest employers are already key employers for the LSV programme.

If you're interested in offering an LSV graduate a job, we can work with you to develop a package of support which may include wage subsidies, training, mentoring or in-work support. You'll be helping them shape a positive future.

We also have many other positive, motivated people looking for work so if you would like to give someone a chance or would like to find out more about how we can help with your employment needs, call Work Broker Anne Hughes on (07) 921 8125 or email [anne.hughes002@msd.govt.nz](mailto:anne.hughes002@msd.govt.nz).



# Unfair Contract Terms

**CONTRIBUTOR:**  
Helen Nathan  
Director, East Brewster



**In February 2016 The Commerce Commission released a review on unfair contract terms in the Telecommunications industry.**

This was the first review of unfair contract terms since the changes to the Fair Trading Act prohibiting unfair contract terms in standard form. Consumer contracts came into force in March last year and represents an ongoing piece of work for the commission.

The Commerce Commission has already published general guidelines in respect of the Commission's view on what may constitute unfair contract terms. The Telecommunications industry review report, whilst not specifically relevant to other industries, does provide useful guidance as to how the new laws are being interpreted by the Commission and its approach.

Interestingly, despite most of the Telecommunications companies reviewed having already amended their terms in order to comply with the new laws, the Commission still found a number of the amended terms potentially unfair. The types of clause most commonly found to still be non-compliant included terms relating to:

- Limitations of liability.
- Clauses contracting out of consequential losses
- Unilateral rights to terminate without reason.
- Responsibility for unauthorised charges.
- Unilateral rights to restrict, vary or suspend services.

The Commission not only looked at how the contractual terms might be reasonably necessary to protect a legitimate interest of the company, but also considered whether there were fairer means by which the interest could be protected.

The Commission also looked focused on areas of contractual imbalance and whether limitations of liability were reasonable, having regard to reasonably foreseeable losses that could arise. The Commerce Commission noted that limitation of liability clauses may be legitimate, where the amount of limitation is sufficient to ensure that customers are not left out of pocket where loss occurs and the customers have the same or similar limitation to their liability.

In the area of unilateral changes to services, the Telecommunications companies relied heavily upon a need to keep current with changes in technology, the law and regulatory requirements as a rationale for needing to be able to unilaterally change the terms of a service or contract. The Commerce Commission focused on what was strictly necessary to protect the companies' interests and whether

customers who suffered a detriment as a result of the change were adequately protected.

Another area that the Commerce Commission focused on was responsibility for unauthorised charges. The Commerce Commission considered that where a contractual term imposed upon the consumer a risk that the trader was better able to control, that would be potentially unfair. From the Commission's perspective, that placed the customer in the position of being the business' insurer.

The Commission preferred terms which involved an investigation of unauthorised charges with decisions being made as liability on merit. This provided the balance which the Commission was looking for.

The Commerce Commission will continue to review consumer terms for other industries and whether or not your industry is a direct target of a review. It would be prudent to keep an eye on the Commerce Commission reports and a review on any standard from consumer contracts which your business maintains, to ensure that your business keeps compliant in this area.

## Legal excellence



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Helen Nathan  
Director



Curtis Bidois  
Director



Alastair Gatt  
Legal Consultant



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# RMA Reforms - easing the resource consent process

**CONTRIBUTOR:**  
Vanessa Hamm  
Partner  
Holland Beckett Lawyers



**On 26 November 2015, the Minister for the Environment, Hon Nick Smith introduced to Parliament the second phase of the resource management reforms under the Resource Legislation Amendment Bill 2015.**

The reforms include over 40 individual proposals aimed at improving the current resource management process, and seek to provide stronger national policy direction.

Many of the changes are complex and will be of most interest to those closely involved in RMA processes. For example, two new ways of producing policy statements and plans are introduced known as the 'collaborative planning process' and the 'streamlined planning process'. However many changes are aimed at easing the resource consent process.

Specifically, more efficient processing of resource consent applications is anticipated – this is achieved by:

- Fast-track resource consent applications for controlled activities (other than the subdivision of land), or a

prescribed activity, and if an email address is provided for service. Council has 10 working days (instead of 20 working days) to decide whether to publicly or limited notify an application.

- Certain activities may be considered permitted activities and not require resource consent. For example, a boundary activity may be considered a permitted activity if it is approved by affected neighbours. Councils will have discretion to state that an activity is permitted if it requires consent, only because of marginal or temporary non-compliance with rules.
- A new step by step process to determine whether to publicly notify, or limited notify an application. Cases where an application will be publicly or limited notified are more confined.
- Limiting the persons eligible to be considered affected persons. This includes a restriction that only a prescribed person is eligible to be considered affected in relation to a prescribed activity. For example, for an application for a boundary activity, the persons eligible to be considered affected are the owner or occupier of the land with an affected boundary.
- Limited appeal rights to the Environment Court for subdivision and residential activity applications. There is no right to appeal if the decision of a consent authority relates to resource consent for a boundary activity, a subdivision (unless it is a non-complying activity), or a residential activity on a single allotment, and is a controlled, restricted discretionary or discretionary activity.

These changes, if passed into law, should make the resource consent process easier for small scale and/or residential proposals. They are unlikely to be of major benefit for large projects.

At the same time, these changes are designed to limit third party participation in consent processes, which has always been a hallmark of the RMA.

The Resource Legislation Amendment Bill 2015 has been referred to the Local Government and Environment Select Committee and submissions can be made until 14 March 2016.

If you would like to understand more or obtain advice then our resource management team is experienced in this area. Contact Vanessa Hamm email [vanessa.hamm@hobec.co.nz](mailto:vanessa.hamm@hobec.co.nz) or phone 07 927 2754.



## Size Matters!

Whatever your business goals, it's important to have access to legal expertise on all the issues that matter. With an office in Rotorua and around 40 lawyers working throughout the Bay of Plenty, our integrated team is large enough to offer you specialists in logistics, contracts, resource management, employment, health & safety, leasing, and more. Contact our team for all your legal requirements.

**Holland Beckett**  
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## Synergy Electronics imports and distributes a range of high quality brands to electronics manufacturing and Repair industries.

Our product range includes solder and soldering products; chemicals for circuit board cleaning, repair and protection; antistatic protection products; and test and measurement equipment. We also have tools for electronics use like tweezers, cutters and pliers.

Synergy's owner Mike Matson has 20+ years experience in the electrical/electronics industry. Mike spent 17 of those years as an employee in sales and management roles. Synergy is his first business and in February he celebrated Synergy's third successful year. Mike is Rotorua based, although the majority of products are dispatched from Synergy's Auckland Warehouse.

Visit [www.synergielectronics.co.nz](http://www.synergielectronics.co.nz) to check out the product range.

Products can be purchased via Synergy's online store or contact Mike for any enquiries.

**Contact Mike on 347 0451 or [mike@synergielectronics.co.nz](mailto:mike@synergielectronics.co.nz)**



## We're in the business of looking after yours

If you're in business, you need to protect what's important. And AMI has a specialist Business Insurance team ready to help. Whether you are after cover for business assets, interruption, liability, contract works or machinery breakdown, we have a range of options to choose from. If you need to make a claim, you can look forward to a dedicated claims service too.

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**AMI Rotorua, 1307 Tutaneikai Street, Rotorua Open Monday to Friday 9.00am-5:00pm**  
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# Holiday Inn®

Conveniently located on the edge of the spectacular Redwood forest, overlooking Whakarewarewa Geothermal Reserve, Holiday Inn® Rotorua is the perfect hotel from which to explore this beautiful region. With purpose built mountain bike and adventure equipment washing facilities and a pool that is heated all year round, both families and thrill seekers will feel relaxed and welcomed. And the best part ..... kids stay and eat free!

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After a day spent exploring or hitting the mountain bike trails, reward your body with an invigorating swim in our outdoor geothermally heated pool, or enjoy a relaxing spa in the garden. Then share memories over happy hour in our newly refurbished lobby and lounge bar, before enjoying delicious, healthy buffet or a la carte options in the world famous Chapman's restaurant. (Breakfast in Chapman's is a real treat too.)

If you're in the mood to explore Rotorua's city centre, our complimentary shuttle can take you into town. Alternatively, kick back and take advantage of a wide range of TV channels (including Sky Sport, Sky Movies and Disney Junior for the kids) and high speed, multi-device Wifi.

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a successful event. Our professional and highly experienced team will be with you every step of the way. Our meeting rooms feature natural light, and Wifi connected High Definition Projectors to ensure your delegates feel refreshed yet focused on the presentation.

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With over six flexible and unique meeting spaces including a boardroom that overlooks the natural scenery of the Thermal Living Village and the spectacular Redwood Forests, Holiday Inn Rotorua is the ideal choice for your next conference and event.

To find out more visit [holidayinnrotorua.co.nz](http://holidayinnrotorua.co.nz)





**My dream to one day own my own health and fitness centre started way back at High school when I use to pump iron with a few friends during our school sports days.**

This dream carried on well into my young adult hood where at the age of 28 I joined up to the first commercial gym to come to Rotorua Total Fitness.

My desire to push weights became quite an addiction and it wasn't long before all my spare time was spent studying and applying the practical application of body building workouts.

My many years of diligent training and study of human anatomy paid off when on the first of February 1991 I took over the ownership of Golds gym Rotorua.

I can still remember my first day as the new owner of Golds. After been a forestry worker for most of my young adult life I had failed to develop the communication skills required if I was to be successful in the service industry.

It took me a while to adapt to my new career path but with some perseverance, passion and patience I managed to grow the business and our brand name and keep it moving forward.

I often think back at how basic and even primitive the fitness industry was back in those days The majority of guys were hard into their body building and strength training and the ladies would flock to the Step Reebok and Taibo classes by the hundreds.

I remember buying the first treadmill and Cross trainer and getting the media to come down and take a photo and write an article on it. The headline read Technology hits the fitness industry in Rotorua.

We now provide over thirty cardio and resistance training machines for our members, so no more waiting.

Despite putting in some long hours in on the gym floor helping people with their programmes, I still managed to prioritise my study. I remember reading the book The New Nutrition by Dr Micheal Colgan and I quickly realised then that NZ was heading for an obesity diabetic and heart disease epidemic. If it was happening in the US then I knew we wouldn't be too far behind them, and here we are in 2016 spending tens of

millions of dollars on obesity and disease related prevention and cure.

Recognising the changes happening to global fitness industry trends in 1995, Golds Gym re-branded to become Gold's Health and Fitness. My business strategies were no longer prioritizing body sculpting and body beautiful but became more focused on the ever increasing weight loss market and helping people make healthy lifestyle choices.

In the mid -1990s I phoned the New Zealand Heart Foundation recommending that we work together. The person who answered the phone was horrified at the thought of exercising to prevent heart disease and pretty much hung up on me.

A couple of years later they rang me back requesting a meeting. A few weeks later the Heart of Gold was formed, NZ's first phase 3 cardiac rehab programme..

In the early 2000's Gold's Health and Fitness experienced their part of a world- wide trend of people who were joining gyms for health reasons and not just to improve their physical appearance. This trend has continued as people become more health conscious and medical practitioners continue to encourage their patients to get active and reduce body fat.

Over the past 25 years as the owner of Golds health and fitness I have learnt a lot. My business and my people skills have certainly improved. I have developed a real love for the fitness industry and for business. I believe that a healthy community is a prosperous community. From the humble beginnings of just one treadmill and a whole lot of steal weights, we have grown to be one of NZs most recognised names in the fitness industry.



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# Does Your Business Have A United Vision Like the All Blacks!

**CONTRIBUTOR:**  
Michelle Hill  
Partner BDO



**When people are united behind a clear vision and strategy, amazing things can happen. The All Blacks back to back Rugby World Cup win is one example.**

The global success of Xero, driven by its vision of 'beautiful accounting software', is another. But often, there's a gap between the vision and strategy set by the owners, directors or trustees, and what the organisation actually does.

When the vision isn't reflected in what happens 'on the ground', it's enormously frustrating for business owners, directors and trustees. They don't understand why people in the organisation just don't seem to 'get' the vision they laboured so long and hard to create. It's frustrating for people in the organisation too.

They're working hard, doing what they think is right for the organisation – but somehow it doesn't seem to meet the expectations of the owners or the board. So what's behind that gap between the vision and strategy - and the way they are interpreted and executed?

## Communication breakdown

In our experience, one of the fundamental issues is around the clarity of the vision, and the way it's expressed. To achieve the owners and board's vision, the team firstly need to understand what it means for the organisation, and how success will be measured. More importantly, they need to know exactly what it means for them - and how they will be measured.

It sounds simple, but it's not - and that's the cause of much of the frustration.

Often, Owners, Directors, Governors and Trustees have broad conceptual goals, based on a desire to leave the organisation in a better position after they are succeeded.

For example, they may want to be 'the leader in their market' or 'the pre-eminent provider of widgets to New Zealanders.' While those are admirable goals, they're also relatively 'loose' and open to interpretation or misinterpretation as the case may be. The more stakeholders you have, the more interpretations there are likely to be.

We often see business plans being driven by budgets rather than strategy. And when that happens, unintended consequences can result.

Business Planning should always start with a clear understanding of the purpose of the organisation, how that purpose will be achieved, and how it will be measured. A

budget and detailed action plan is then developed based on the resources needed to carry out the agreed strategy – not the other way around.

Business planning is not a simple process. In our experience having a structured planning framework is the key to business success.

Having a clear vision and strategy along with a smart well prepared business plan in place for 2016 will ensure that you keep focused and stay on track when it comes to business growth and success.

Phone BDO Rotorua on (07) 347 9087 to enquire how we can help back your business success in 2016 and receive a complimentary one hour meeting to discuss your business needs.

BDO Rotorua offer a range of Business Development services that may qualify for a registration fee subsidy through the Regional Partnership Programme.



## Advanced Financial Management Programme

Have you ever wondered why you haven't got the profit your Accountant has told you you earned in the bank? This two part programme has been designed to provide businesses with practical skills and knowledge to analyse and interpret the financial performance of a business. It gives an understanding of how to use these skills to identify emerging problems. Particular emphasis is given to understanding what profit versus cashflow is and key performance indicator monitoring systems.

**16 March 2016:**  
9.00am - 12.00 noon

**13 April 2016:**  
9.00am - 12.00 noon

**Cost: \$800+GST**

(This programme may qualify for a registration fee subsidy through the Regional Partnership Programme)

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**CONTRIBUTOR:**  
Ben Cave  
Recruitment & HR Specialist  
Talent ID Recruitment Ltd

# The positive spin on a Contingent Workforce

## How can temp workers add value to your business?

### How can temp workers add value to your business?

There tends to be some big misconceptions around the area of hiring temporary workers into your business. If you are keeping an eye on HR and Employment trends in the media recently, then you will know that there has been a large focus around a contingent -flexible workforce and work-life balance. The reality is that in 2016 your workforce needs to be flexible and reactive for optimal profits and success to be achieved in a competitive and saturated marketplace such as New Zealand.

### The Big Misconceptions

The most surprising fact to most people might be just how widely used temporary employment is utilised across such a wide range of industries and fields, from medical to creative services, project management, human resources, technical and trade related roles. There really are no barriers.

There is this misconception on the other side of the coin as well that all temp employees are your stereotypical receptionist or administrator. However a temp can be as qualified and skilled as you require – they come from every industry and profession - skilled, degree qualified, registered. Many are highly qualified

and skilled, adding value through their ability to slip into a new environment, team and culture with ease.

Another myth is that temp employees cannot get permanent work, therefore they must not be good employees. Again a huge misconception. People choose to temp for all kinds of reasons, whether it is because they have just moved to the region, or enjoy the freedom of knowing they are not tied down to a permanent role, they enjoy the variety and flexibility or for pure lifestyle reasons. Temporary workers are often actually the best employees because they get to have a large exposure to many different industries and workplaces, systems, and processes. They also come with the flexibility to work around your individual work-load requirements, and can be on-call on an 'as and when' basis.

### Contingent-Flexible Workforce

Career Builder found that in the coming year (2016) 42% of companies are planning to increase temporary hiring, with 43% hoping to transition temp talent to full-time superstars. Temp employees are being used by both growing companies and more established businesses to jump over the skills gap and address needs head on.

Having a temporary workforce can be hugely beneficial in terms of fluctuation for a business. Contingent workers, in a sense, are "on-demand" talent for corporations. The "Netflix" of the employment world if you like. Contingent workers can be characterised as temporary employees — they are not full-time employees of a company and once their project is finished, they are gone. To label them mere temps, however, discounts the full scope, high-tech nature and complexity of today's contingent or "on-demand" workforce. After polling some 200 HR, procurement, and finance executives, research underscores the rise of the contingent worker class, specifically, finding:

- 92 percent of enterprises indicated non-traditional staffing was a vital to moderate facet of their overall corporate strategy.
- 32 percent of the average company's workforce fell into the contingent or contract-based category.
- By 2017, contingent workers, including independent contractors, statement-of-work-based labour and freelancers, will account for nearly 45 percent of the world's total workforce.

### How we can help

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# Goal setting for the year ahead

CONTRIBUTOR:

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AVID Creative Business Agency



Now, as we start to gather our energy and focus for the coming year, is a perfect time to make sense of the reflection time we had during the summer break.

Today we'll outline steps to help you harness your reflections and set meaningful goals for 2016.

The most critical component to setting goals is to take the time to understand and write down your reflections using the guideline below.

1. *What went well last year?* What one thing are you most proud of and why? Write down your findings, but more importantly, build a crumb trail of how you achieved what you are most proud of. This will give you an insight into your innate strength and enable you to develop goal building on this core competency and creating a competitive edge for your business.
2. *What could you have improved on last year?* What one thing went horribly wrong and what were your learnings from that? Again write down your findings and be honest about what went wrong and how. The biggest value we get in improving our business is from what went wrong. Owning and accepting what went wrong provides a fantastic opportunity to turn the negative experience into a positive, by working through the issues point by point, with staff, to improve performance and unite the team.
3. *Set relevant goals for 2016.* By working through the above questions, you should be in a better position to set goals relevant to your business because some high-level thinking has been done.

We all know how to set goals. However, we find excuses - we are "too busy" to take the time for reflection and goal setting, and we rob ourselves of the opportunity to grow our business.

I want to share our journey in the hope it will inspire you to take time to reflect and set goals for 2016, even if it is only

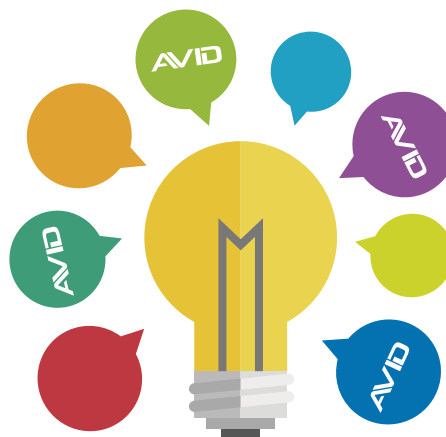
one goal! I started AVID two years ago and took the time to develop a strategic plan, dropping down to an annual business plan, cascading to a number of KPIs, using the balanced score card methodology. One of the goals we set was an audacious revenue goal, which I knew we were never going to achieve in year one, and I was right - we didn't even get close! However, the process of goal setting allowed us to develop strategies and tactics to work towards achieving this goal. And because we are regimented, we reviewed quarterly, half yearly, and annually to check how we are tracking against all our goals and KPIs.

The outcome of this process is that by year-end March 2016, two years after we started, we will achieve our audacious revenue goal. Why? Because we envisioned and set a goal which focused us on working towards it, even though in year one we fell well short. I believe "what you can see is what you will achieve", hence the value of goal setting.

If you don't have goals, what are you working towards? Who cares if the goal is unobtainable - by focusing on it, you will have a much better chance of achieving it.



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## Why would you not have an online presence?

It seems unthinkable that a company today would not have an online presence. Just from the purpose of reducing in the amount of resources used to provide potential customers with information, the internet is the single biggest tool in use today.

The process a customer or consumer completes to make a purchase requires three basic steps, each step requires resources, if you reduce the amount of resources you use at each step without affecting your product or service, your efficiency or performance will improve. By allowing customers to use the internet at any of these three steps to move towards your objective is likely to expose your company to a larger audience and reduce your resources if managed well, creating opportunities for improvement.

### The Three Steps:

**Step One:** The awareness phase – The potential customer or consumer becomes aware of your product or service.

**Step Two:** The consideration phase – The potential customer or consumer that is aware of your product or service, considers your product or service against their wants and needs.

**Step Three:** The decision phase – The potential customer or consumer decides that your product or service meets their needs and they decide to take up your CTA (Call to Action).

There are a multitude of ways the internet can be used at any of these three steps, from add campaigns, websites, social media, through to emails, newsletters, blogs, loyalty programs, and many more. All if targeted properly should reduce your resource use and still increase efficiency, profitability and returns.

### Food for thought:

In New Zealand last year alone, 2 million people used Facebook every day and 1.6m accessed Facebook by mobile every day. What are they doing on this platform? 79% are connecting with friends and family, 80% discover products and brands, 36% discuss a business or product with their peers.

If you do only one thing in 2016 to being a better business, become more transparent.

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# A Time Of Growth



**CONTRIBUTOR:**  
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After losing some momentum through mid-2015, GDP growth has picked up again. We're now forecasting firm GDP growth of 2.6% in 2016, accelerating to 2.9% in 2017. However, underlying this robust aggregate outlook is a 'two-speed' economy. Strength is expected to be underpinned by domestic demand in the main urban centres. At the same time, conditions in rural regions and for some exporters will be more challenging.

So what's underpinning growth? First is a strong outlook for construction spending, particularly in Auckland. This follows strong population growth and under-building in recent years, which together have resulted in strong economic incentives to build. However, strength in construction is expected to be broad based, with residential building consents issuance up nationwide, and a large number of non-residential projects in the pipeline.

Even outside of the construction sector, domestic demand has been picking up. Of note has been the strength in household spending, supported by solid gains in real labour earnings, increases in household wealth associated with rising house prices, as well as low borrowing rates. On top of this, the economy's demand base has been growing at a rapid pace, with net immigration surging to 65,000 people in the year to December – 50% higher than the peak of the early-2000s migration boom.

In addition, New Zealand is enjoying a boom in tourism, which we expect to continue in the near term. Visitor numbers rose nearly 10% to a record 3 million last year, and industry contacts report very strong forward bookings for the coming year.

Balanced against these positive factors are a number of headwinds, the most significant of which stem from offshore. Growing concern around the outlook for China and developing economies has seen increased nervousness in financial markets. Combined with only moderate global GDP growth, this signals a number of challenges for the New Zealand economy via trade, confidence, bank funding costs, weaker global commodity prices, and lower Asian exchange rates.

On top of this, the outlook for export earnings in the dairying sector has worsened, with increases in global production resulting in ongoing downward pressure on prices. This will likely see farmers tighten their belts and reduce on-farm investment, which will impact downstream businesses.

Finally, we're likely to see some easing off in housing market activity (especially in Auckland) following regulatory changes affecting lending on housing and the taxation of capital gains last year.

Putting this all together, the above conditions leave us with a firm, though not spectacular, outlook for GDP growth over the coming years. The missing piece of the puzzle, however, is

inflation. Headline inflation has been below the bottom of the RBNZ's target band for over a year now. And it's set to push even lower. In fact, it's likely the latter half of 2016 will see annual inflation dropping to around 0%, with a very real risk it goes negative.

A key reason for this weak inflation outlook is the 50% drop in global oil prices since the start of last year, and the related sharp falls in petrol prices. However, even excluding petrol prices, inflation has been below 1% for most of the past year. And with a range of domestic and offshore factors dampening prices, we don't expect inflation will be back inside the RBNZ's target band, let alone close to 2%, until 2017.

Back in July 2015, we forecast that the OCR would need to drop to a record low of 2%. This reflected our assessment that inflation was not on track to meet the RBNZ's medium term target. Developments since that time have reinforced this case. We expect that the cutting cycle will resume in June. However, this will be dependent on the flow of data, and March and April are certainly live decisions. Continued downside surprises in terms of inflation, inflation expectations, or a weakening in the global economy could force the RBNZ's hand earlier.

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## Development that benefits students also benefits the community



The new \$10.2 million Health and Science Centre, built on Waiariki's Rotorua campus in 2014 and opened in January 2015, contains classrooms, laboratories and lecture halls for students of nursing, health studies, sport management, foundation learning and Māori studies.

Across New Zealand, tertiary programmes from Levels 1 through 6 (foundation to diploma level) are being reviewed as part of the National Targeted Review of Qualifications, a process that aims to provide a countrywide set of industry-relevant qualifications that are informed by industry and which meet industry needs.

In developing its own versions of these qualifications, Waiariki Institute of Technology has been particularly designing curricula and delivery that responds to our region's economic priorities as identified in the Toi Moana Regional Growth Study and the Tertiary Intentions Strategy for the Bay of Plenty. Programmes in tourism, hospitality, wood manufacturing, horticulture, forestry, agriculture, business and health have recently been redeveloped in partnership with industry.

Above diploma level developments, degree and postgraduate levels reflect the clear need for higher level education for both vocational and professional skills in New Zealand. New programmes in creative technologies, creative entrepreneurship, applied professional studies, and early childhood education are just a few examples.

Key initiatives relevant for business and industry include:

- Guiding learners to higher levels of study and skills to support greater productivity and success. At entry level, Waiariki re-engages learners, develops their foundation skills needed for further study and/or employment and uses community-based learning initiatives to enhance their desire for learning;
- Developing work-ready graduates who are able to work with no supervision, and who are equipped to undertake higher level study for the complex skills increasingly required by industry;

- Ensuring that our programmes include work-integrated study, industry projects and work experience, enabling students to learn and apply their skills on the job, while business benefits from the work undertaken and can trust the graduates can 'hit the ground running';
- Providing qualifications at degree and master's levels to provide support for upskilling those currently employed, including managers and owners, to enable more effective and sustainable business practices;
- Maintaining strong contact with industry, involving them in redevelopment of programmes to ensure that they include the skills and capabilities industry seeks;
- Growing international student enrolments, providing growth for local businesses through increased demand for services, while also bringing a new range of skills to New Zealand.

While qualification development is important, so too is the learning environment for our students and community. Waiariki has continued to invest significantly in new capital initiatives. The \$10.2 million Health and Science Centre, a building whose design and technology enables 21st century teaching and learning practice, opened in January last year, and the new \$12 million Centre of Excellence for Tourism and Hospitality, to be built this year, will house a range of commercial outlets to bring the community into our learning environment, to strengthen relationships and expose our graduates to potential employers.

Working with stakeholders in the wider community is an extremely important part of what Waiariki does and we look forward to continuing dialogue and partnership with businesses, community groups, iwi and employing organisations throughout the new academic year.



## I BELONG at the top of my game

### Does your New Year include new goals?

If you want to change careers to become an early childhood education teacher, get on board now with one of these new year-long qualifications.

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These programmes are open to anyone with a degree in any field, or a Level 7 teaching diploma.

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\*Conditions and some course exclusions apply. Offer valid for New Zealand residents only and for one 15-credit course per employee per annum. Additional fees may apply.



# What is the Cloud?

**CONTRIBUTOR:**  
Jackson Lee  
Business Analyst  
Cloud I.T.



## Almost once a week I get asked “What is the Cloud”, so here is a brief explanation.

Most of us use cloud computing all day without realizing it. When you sit at your PC and type a query into Google, the computer on your desk isn't doing much work in finding the answers you need, it's no more than a messenger.

The words you type are swiftly shuttled over the internet to one of Google's hundreds of thousands of servers, which dig out your results and send them promptly back to you.

When you do a Google search, the real work in finding your answers might be done by a computer sitting in California, Dublin, Tokyo, or Beijing, you don't know—and most likely you don't care!

The same applies to Web-based email. Once upon a time, email was something you could only send and receive using a program running on your PC. But then Web-based services such as Hotmail came along and carried email off into the cloud.

Now we're all used to the idea that emails can be stored and processed through a server in some remote part of the world, easily accessible from a Web browser, wherever we happen to be. Pushing email off into the cloud makes it supremely convenient for busy people, constantly on the move.

Preparing documents over the internet is a newer example of cloud computing. Simply log on to a web-based service such as Google Drive and you can create a document,

spreadsheet, presentation, or whatever you like using Web-based software. Instead of typing your words into a program like Microsoft Word, running on your computer, you're using similar software running on a PC at one of Google's world-wide data centers.

Like an email drafted on Hotmail, the document you produce is stored remotely, on a Web server, so you can access it from any Internet-connected computer, anywhere in the world, any time you like.

Using a Web-based service like this means you're “contracting out” or “outsourcing” some of your computing needs to a company such as Google: they pay the cost of developing the software and keeping it up-to-date and they earn back the money to do this through advertising and other paid-for services.

Remember there are many different cloud options out there, so do your research before moving, or talk to us at Cloud IT.



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### Fourth Charity House is underway

This year will see the fourth annual Waiariki Charity House Project get underway. Waiariki's carpentry students are already in the workshop gaining the skills and knowledge they'll use when they begin constructing the re-locatable house in March.

These hard-working men and women gain valuable hands-on experience building the house from start to finish, while interior design students will compete for the winning interior plan, and electrical students will wire up the house. It's a grassroots community effort as local suppliers provide the build materials and tradesmen chip in where needed.

The project is a collaboration between Waiariki, Rotorua Chamber of Commerce, Professionals McDowell Real Estate, Mitre10 Mega, Rotorua Lakes Council, Rotary Club of Rotorua Sunrise Charitable Trust, and many in the business community.

The three-bedroom house will be auctioned for charity in December.

**Get involved, contact us now.**  
**0800 924 274 [waiariki.ac.nz](http://waiariki.ac.nz)**

