

BEYOND BETTER BUSINESS

Advisory.Works®

Strategy | Execution | Partners

Taking You Beyond Business As Usual

For all our ingenuity and resourcefulness, the number 8 wire mentality might be our downfall.

We see excellent pockets of innovation throughout our agritech sector, especially when powered by Callaghan Innovation R&D funds. But Kiwis sealed around 4,000 patents in 2015; we sealed just 1,643 in 2019 and 1,841 in 2020. We're slow to adopt and innovate new tech at the SME level, or to implement tech in a way that drives strategic advantage. There are outliers, of course: Socialites Group's impressive tech stack supercharges their social media and community connecting work.

Largely, however, we're more likely to throw FTEs at a problem, or make do and mend. We needn't tell you that good is not good enough. It's costing our economy, and slowing down our productivity growth.

Automation and tech need to become part of every organisation's tactical initiatives in order to help you achieve your strategic objectives. Either start with 'low-code' or 'no-code' systems to automate processes (the likes of Microsoft's Azure and Power Automate can help process billions of data points across silos to deliver clear and accurate reports), or bring in automation experts to develop digital "robots" to work alongside your human workforce and handle the mundane and repetitive.

Yes, automation and tech improve efficiency (often operating 24/7) and open up FTEs – but the real benefit is in strategy enablement, and providing better data for better decisions. A granular visibility of performance emerges, allowing you to act with superior agility and achieve your strategic goals when you're not bogged down in the doing. So, at all stages, a tech solution has to solve a clearly identified problem; how will it achieve the outcome you want? What might it solve – and not solve? How do you have to change to be the kind of organisation that meets its goals?

Our competitors are willing to hustle to get ahead; if we want to grow our economy and our businesses' productivity, then we need to embrace efficiency, scale, and effectiveness. We need to start pulling digital levers.

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Automation allows us to operate 24/7 – so why do businesses keep hiring people to work menial tasks and who can only work across a fixed work day?



ONE TOOL FOR A BETTER BUSINESS —



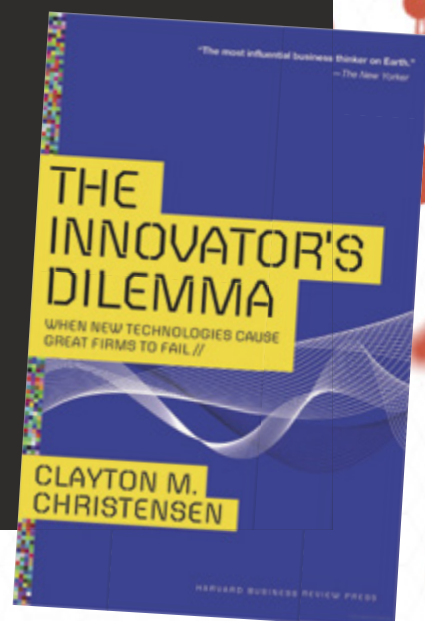
When did you last perform a tech assessment? Chris Pope, one of our IT strategists and resident tech innovation experts, regularly helps organisations take the first steps towards the innovation mindset. We've developed a tool based on his approach – actions that you can take today to set yourself up for success.

ONE VITAL STATISTIC —

1.0% GROWTH². Statistics New Zealand's data for productivity since 1996 has shown our productivity growth has averaged 1.4%. In the decade following the Global Financial Crisis, however, our annual productivity growth has averaged only 1.0%. There is no simple quick fix. However, a long-term investment in innovation, education, and the labour market, as well as improvement to management approaches (including a positive attitude to upskilling and support of a thriving wage) will help stimulate our economic growth.

ONE GREAT READ —

Clayton Christensen's *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail* hit the market just over two decades ago, but its messages are as appropriate as ever. Disruptive technologies tend to take us by surprise when we're among the tactical weeds, which is why New Zealand is often blindsided by the latest advancements and become beholden to overseas giants. Let's change that.



ONE BETTER BUSINESS IN ACTION — QUANTON



Every organisation is being disrupted or will be disrupted by technological advances in the next decade.

This is where Quanton comes in. As automation and disruption specialists, they help organisations create new ways of working by developing strategies for implementing technology.

They want to enable NZ's productivity growth.

Why aren't we doing more for tech in New Zealand?

We spoke with Garry Green of Quanton, and got his insights as to what needs to be done better for our country. There are, as Garry sees it, two interrelated problems for New Zealand (and our businesses) that have kept our economic engine in a low gear since WWII.

One. We have a DIY culture which approaches problems tactically. We solve pain points in isolation, then stay the course; we tend to underinvest in potentially lucrative solutions, spending \$10 on a \$100 problem then complaining when we get only \$1 in return.

Two. We rarely take risks. The market tells you to stay in your lane, and that means less pressure to not change or move forward. And if we plan a project, it'll be on our own and based on current (human) capabilities – or we won't do it at all.

Take these together, along with our damagingly low investment in tech innovation, and we're paying the price – individually, and as a country. Organisations which don't invest in bold tech innovations will fall behind those who do.

How to apply tech – and what we're doing wrong

There are three scales of benefits of automation. The first is the tactical, automating the day-to-day – but this is too much like the current trained-and-wired

solution of hiring more bodies to throw at a problem. It's limiting, says Garry; we need to be thinking exponentially, especially if we want to shed the 1:1 cost:benefit ratio. Strategic automation, the second approach, is often triggered by reaching the limit of a team's capacity. Automate processes to operate 24-7 – always accurate, always effective – and you increase throughput, deal with peaks and troughs more fluidly, and achieve a cost:benefit ratio closer to 1:10. Now you can invest more in your team to deliver better client experiences.

Lastly, there's the disruptive approach. It looks at a business problem and cracks it with tech. Kiwi startup Edison have leveraged tech and automation from the outset to offer personalised medical plans to more people, and with more meaningfully curated advice. This last type – the disruptive mindset – is where we need to be thinking, as a country, not least of all because the cost:benefit ratio is 1:1,000.

Doing it for better

Automation, AI and robotics aren't silver bullets; tech itself isn't disruptive. It enables you, your team, and your organisation to get to the next level and transform the world around you for the better. That's the space where Quanton sees us going, if we're brave and ambitious.

With organisations, says Garry, we should be addressing the *Why do you want to do this?* question. Right now, the limitations on our ability to bring talent into the country should have all organisations thinking about large-scale automation transformation (rather than, say, outsourcing to overseas operations or tactical automation). But once you start looking beyond immediate benefits (the FTEs returned, for example), and instead start thinking about end-to-end benefits, strategic values, and the triple wins of customer value, shareholder value, and employee value, then we can start disrupting our industries – and redeploying human potential towards creative ventures.

This is one reason we love working with Quanton, helping develop their execution, sales and performance metrics, and pipeline. Over the last five years, they've seen their systemisation and forecasting improve by leaps, maturing the business and developing the way they wrap tech, people, and processes around each other, with data (the raw stats), knowledge (the meaning), and wisdom (the decision-making insights) encircling it.

The democratisation of technology and a hopeful future for NZ

Larger corporations – banks, finance, retail, logistics – have huge potential to change, the resources to action them, and should be rolling out strategic tech moves. (Quanton counts a major Australasian bank among its clients.) But they've also got the most legacy tools and heavy inertia to overcome. SMEs have the agility to adopt the mindset earlier and avoid clumsy DIY mistakes. What we'd like to see is more funding options for SMEs to apply technological transformations and adopt the disruption mindset so that they can mature and accelerate their strategy – and our growth as a country.

We have the potential to be agile – to transform how and why we work. New Zealand's productivity is, frankly, poor – and has been for generations. There's no quick or easy fix; we need a change of mindset, and the change management buy-in across the nation.

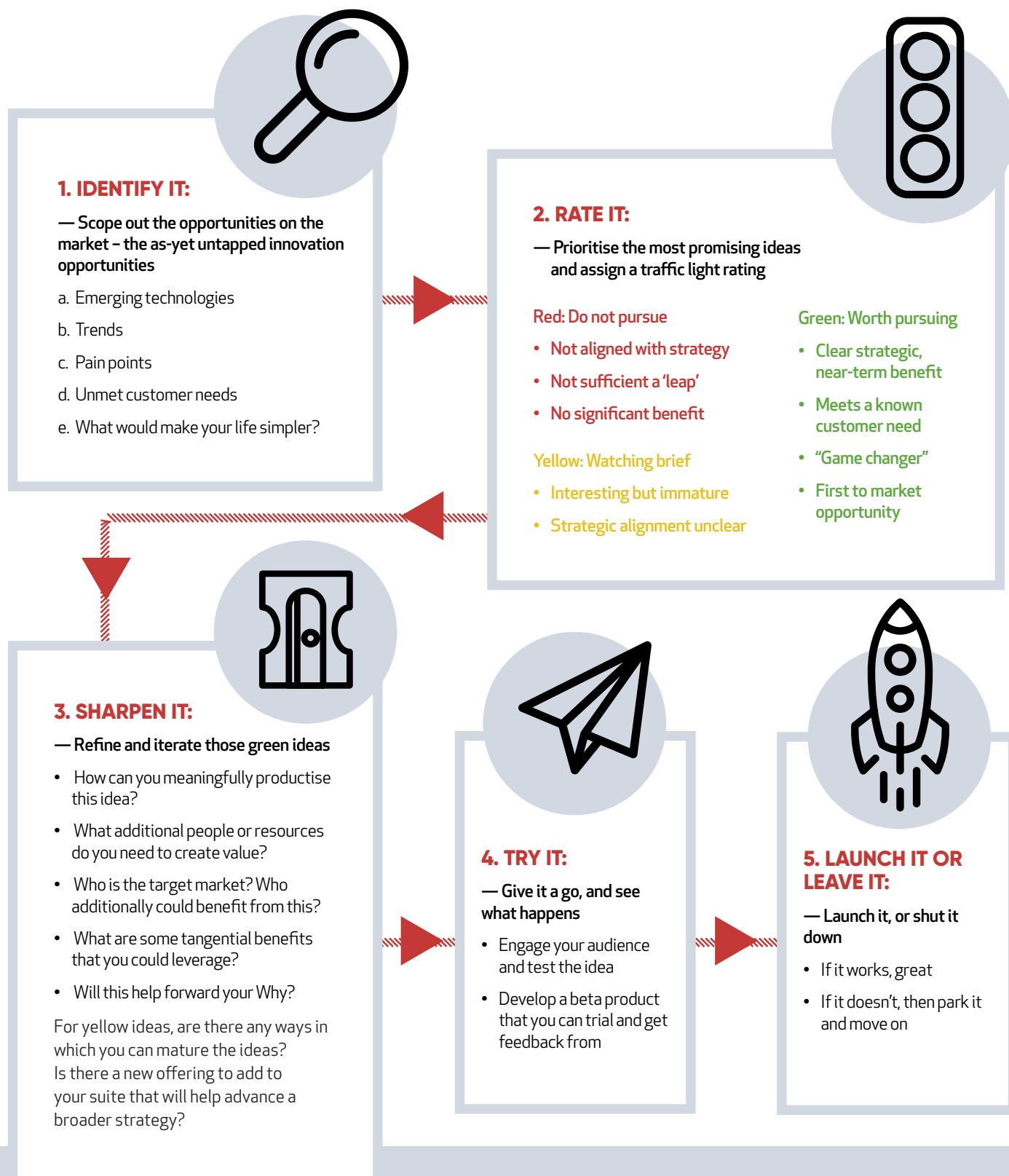
Ask yourself "Is there a better way?" – then "How can we get there?" And if tech isn't part of that plan, then you're going to fall behind. It takes bravery, and a bold attitude to let go of the known and disrupt the industry – to put yourself and your organisation in a place where it'll be interrogated and challenged. You can't stay narrow to one way of doing business, but by empowering yourself to get into the strategic execution and thinking mindset to see results in the order of 1:1,000 and beyond.

You've got to be moving in business – so how fast do you want to go?

ONE TOOL FOR BETTER BUSINESS

Make it Happen: first steps towards innovations

The simple innovation framework is based on five key steps:



Chris's Make it Happen tool is a linear process continually done. Each month, you should be engaging with your market and checking what opportunities are out there. Your competitors are doing it – so unless you want to risk falling behind, you'd better start identifying where you can start breaking new ground.



ABOUT ADVISORY.WORKS

Imagine if every Kiwi business cared deeply about its people, its impact and our country. What if our businesses could lead the world while improving it?

We exist to build better businesses for a better New Zealand. Our businesses can be and do better – moving beyond what was previously thought possible and setting new standards when it comes to championing people and the planet alongside profit.

We're more than advisors, we're alchemists – combining our thinking, chemistry, and experience to drive the unrivalled performance and focused execution that brings extraordinary outcomes. Our clients work damn hard, but you do so with us beside you. We lift you up, but we don't carry you. Working with us enables the unlocking of that 'something special' in your business, which brings an energy and momentum that has to be truly discovered, as opposed to manufactured.

Our people are our power and we pick the best of breed – experienced entrepreneurs who have not only built, scaled, and exited multiple businesses successfully, but who still live, breathe, and love business today. This enables us to move far beyond a framework – thinking on our feet, challenging complacency, asking "why the hell not?" and seeing opportunity where others can't.

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