

---

EO NEW ZEALAND

THE STATE  
OF KIWI  
ENTREPRENEURSHIP  
REPORT

SEPTEMBER 2022

---

---

# INTRODUCTION

Households across Aotearoa are suffering from record rates of inflation that have reached a 32-year high. From news outlets to table-talk, there is no escaping the urge to express how concerned we feel, and how the incremental hike in expenses has affected us all in countless ways. Amongst all the uncertainty, one thing is for sure – Kiwi businesses are often an afterthought in these discussions as we pay little mind to the slippery slope of tightened household spending. Entrepreneurs are feeling the pinch.

In spite of all the ongoing challenges, EO members are determined to see it through. While we predict further trouble, our network of entrepreneurs has deployed clever strategies to not only ease the pressure but get ahead in a sink-or-swim marketplace. The EO New Zealand State of Kiwi Entrepreneurship Report is a tool to locate our challenges, and how we plan to overcome them. Our member stories are proof that these strategies are working and valuable for those who are brave enough to invest in them.

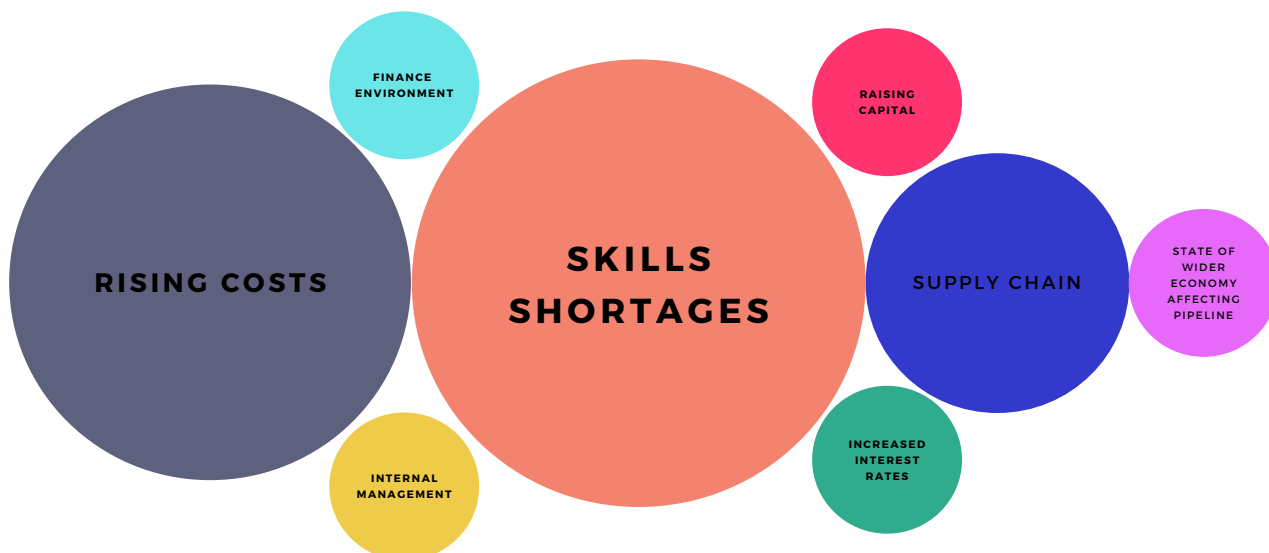
Together, we keep moving forward.



---

## THE PERFECT STORM CONTINUES...

Of the EO members we surveyed, they have been most affected by these challenges over the past quarter:



## ‘SHORTAGE’ IS THE KEYWORD IN BUSINESS

Businesses are short. Without any room for any spare resources to feed into development, that invaluable growth mindset of our leaders and the teams they lead has stifled.

Our EO members feel skint on time, money, and manpower; all the essential ingredients to keep BAU ticking over. Business development falls by the wayside when our resources are stretched to the limit and loyal senior staff are barely holding on. Then comes the spiral of staff turnover when workplace enjoyment begins to dwindle.

While rising costs were our greatest challenge during the last quarter, now we face the wrath of resignations, migration, and scarce hiring potential that have overtaken money matters. Without our people, we simply can't deliver on our promises and the small teams left to fill the gaps are feeling the strain.

*It's meant that due to a lack of seniors the pressure falls back on the partners and pushes the intermediates beyond their current skill levels.*

*Todrick Taylor | Hudson Taylor | Accounting*

*Rising wages and competition for talent are crazy in our industry at the moment.*

*Richard Conway | Pure SEO | Marketing*

---

---

*Being able to attract and retain the best people is the greatest risk to us achieving our growth goals. The lack of highly skilled people in NZ has driven us to look offshore. Also, the skyrocketing salaries are squeezing our margins, although some of these increased costs will soon be passed on to our customers as we raise our prices.*

*Jason Poyner | Deptive | IT Services*

---

## **INFLATION - YOU CAN'T ESCAPE IT**

Costs are sky high – wages, materials, overheads – on all fronts and businesses are left with no choice but to pass on their extra costs to their customers. Those feeling the pinch at home are also cutting costs wherever possible, and our EO members are absorbing the impact. For customers still prepared to pay, supply often struggles to meet demand at the speed that is expected.

One of our EO members expressed that wage inflation has been absolutely necessary to combat a 50% reduction in staff levels, leaving a tight margin for revenue. An increased cost in freight and materials only adds fuel to the fire.

Across the board, our members have been evaluating what promises they are prepared to make with the limited resources they have available. Managing client expectations seems to be the name of the game.

*If there is a major recession, and if that does reduce our workload, then we may need to trim staff numbers; business is highly flexible though and viable at pretty much any size.*

*John Jones | Applicable Limited | Software Development*

*There is a price point for our products that we are at. I can't see us being able to increase our prices much more and yet our margins are getting squeezed. So we have less margin to increase salaries, increase costs to go after growth etc.*

*Diane Hurford | Brolly Sheets Limited | eCommerce*

---

## REAL LIFE BUSINESS

# MOVING BUSINESS FORWARD WITH CULTURAL COMPETENCY:

## Height Project Management

As post-pandemic workspaces repopulate and in-person meetings resume, it's a fitting time to consider how office culture can impact business and employee happiness. At Height Project Management, founder Warner Cowin is promoting cultural competency to better define his approach to creating positive work environments.

As a Māori-owned business, Height has always organically gravitated towards tikanga values. But now, with 'cultural competency' floating around entrepreneurial circles, Warner says it's time to put words into action.

### Practical Māori values in business

Nearly ten years ago, Height found their niche in construction consultancy by narrowing their focus onto technical procurement and tendering. "The nature of our work comes with a high level of responsibility," says Warner, "Our clients have to be hugely transparent and vulnerable to allow our team to look under the hood and help them. As a result, it is so important that we build really strong relationships, and take the time to earn real trust."

It all comes down to how people interact and respect each other. "In the past, I didn't think of it as Manaakitanga. It was how we would normally roll, but our responsibility as a host was, essentially, to uplift the mana (prestige) of our manuhiri (visitors). We have always understood that we have an obligation to our manuhiri, to make sure they feel safe and comfortable, and to connect them with others," says Warner.

Building connection may be as simple as offering a cup of tea. It may be taking the time to get to know a person before conducting business, or ensuring that everyone in the space has been properly introduced. A conscious and respectful greeting lays the foundation for building productive and meaningful relationships – which is the core of a strong consultancy business.



---

## REAL LIFE BUSINESS

Kaitiakitanga is also a huge focus at Height. “As the guardianship principle for the environment, this is all about how we treat papatuanuku, our Mother Earth.” Many construction industry businesses focus on waste reduction, water management and carbon reduction. Warner says that at Height, Kaitiakitanga helps describe and echo their personal commitment to sustainability and respect for the environment.

To build better cultural competency within businesses, Warner says it’s not just about taking Te Reo courses. Instead, value-based understanding and being culturally safe is necessary to enact the thinking effectively.

“Cultural competency is more than doing your Pepeha. It is deeply ingrained in the behaviours and cultures that form within the organisation, and the resulting way you treat and respect others.”

### Recruiting and retaining staff through The Great Resignation

When it comes to building teams, Warner emphasises the importance of sharing inherent core values across the company. For Height, teamwork (or “no dickheads”) is number one. Exceptional delivery, integrity, and agility round out the list.

“We are definitely not perfect, and it is a real work in progress for us, but our recruitment process is driven by values and cultural fit. We really go deep into understanding the person as a whole,” says Warner. “It always has to be value alignment first, and competency a distant second.”

“Because every employee is chosen firstly for their fit within the work culture, it’s essential to create disciplines and rhythms within the business that reinforce values, encourage vulnerability and hold people to account.

We are a story-based business. In our morning huddles, people bring in stories, we encourage vulnerability, and we try to normalise that process of sharing those spots of insecurity.”

In this environment, Warner says he works with an incredible team. Having doubled in size to 30 staff members in just two years, they have attracted parents (mums) returning to the workforce, as well as eight military veterans to the Height team.

Height’s retention success may be in part due to their willingness to embrace flexible working options. “Whānau is at the centre of what’s important – always,” says Warner. Making it easy to both prioritise home life and still deliver exception work has always been a tenant of working with Height.

Promoting cultural competency is helping Height better understand what a safe and positive working environment looks like. Amidst a backdrop of chaos, rapid change and economic instability, Height has clearly found a way to effectively support their team while still growing business.



---

# WHAT ARE OUR MEMBERS DOING TO CLAW BACK THEIR LOSSES AND GET AHEAD?

There is no better time to be strategic and review both expenses and revenue far more frequently than we used to. It's almost impossible to absorb the blanket hike of expenses; it will likely ruffle a few clients' feathers when you make the tough decision to pass them on.

Our members are reviewing and cutting costs where possible. Taking on one or two new strategies in the past quarter:

- Diversifying offerings with low cost models for clients feeling the heat too
- Stockpiling and ordering more frequently to stay ahead of the slow supply chain
- Ending product lines and cutting ties with suppliers that are no longer viable
- Shopping around for new suppliers that have organised shipping procedures
- Finding new ways to automate and streamline processes for better quality products and services.

When you begin something new, it's a prime opportunity to review and get rid of systems that are no longer working. EO members have found that with just a few tweaks, they are able to deliver on their promises more effectively than ever before.

## Employee attraction and retention remain key priorities

While the talent pool is small, businesses aren't holding back. Slowly, but surely, workplaces are reviewing their employee experience and pushing the envelope of what makes an attractive workplace.

Competition is fierce while industries contend for the skills they need to manage and continue to scale up. It's an ever-increasing employees' market, with no certainty of when the tides will turn.

---

---

Here is what our EO members are doing to make sure their workplace is the best place to be:

- Wage increases and allowing staff to work from home
- Upskilling to backfill senior skillsets
- Hiring offshore and outsourcing to contractors
- Defining roles and responsibilities to ensure staff are sharing the load
- Driving recruitment through social media and referrals beyond recruitment agencies and job seeking websites.

*We have a strategic initiative to improve how we attract and retain talent. We have chosen an offshore partner and we are working on increasing our profile as a great employer.*

**Jason Poyner | Deptive | IT Services**

*When the borders finally opened we had a flurry of our talented staff head overseas for their long-delayed OEs which has put pressure on the rest of the team and kept our SLT busy hiring at premium rates due to the talent shortage. On the flip side it also opened up opportunities for internal promotion and the lessons learnt during covid like fully-flexible working practices, as well as earning a black belt in resilience has set us up to be stronger overall. This is key as we enter what we think could be an even harder challenge for most businesses this year as wages, inflation and interest rates continue to rise. We suspect it's going to get really tough and not everyone will survive.*

**Wendy Thompson| Socialites | Social Media**





# REAL LIFE BUSINESS

## LIVING UP TO THE NAME:

### The Attention Seeker on the exponential power of networking

In 2019, Stanley Henry returned to New Zealand without much of a plan after following his career in hotel management around the globe. While his next professional chapter was left undefined, he knew it would start by building his personal brand on LinkedIn.

What started as a tactic to uncover a business niche, however, soon became the niche itself.

One of the world's first agencies specialising in building personal brands, The Attention Seeker has quickly become an international go-to for full-service social media management. While the agency focuses on LinkedIn for business leaders, they service a wide range of clients across all forms of media platforms.

At the start of the pandemic, Stanley was working solo out of his mate's spare bedroom, cold messaging on LinkedIn, and boosting his own professional content.

Now, in mid-2022, The Attention Seeker is bolstered with 12 staff members, a brand new studio space, and a calendar set with 500 pieces of content to publish every month.

"We never stop engaging."

As a business built on sharing content and active digital networking, it's no surprise that a huge focus for Stanley is media engagement.



---

## REAL LIFE BUSINESS

“Our business is building brands and becoming well-known for what you do. The stronger brand you become, the more business you generate, which in turn strengthens your brand,” says Stanley.”

Now more than ever, The Attention Seeker is engaging at every corner of the digital world – building a presence everywhere from LinkedIn to TikTok. As the variety of clients and brands continues to grow, so does the need for exploration into varying platforms, markets, and countries.

Our philosophy is really that what we sell is also what’s working for us.”

### Responding to rapid growth with EO support

After finishing the Accelerator programme recently, Stanley is now one of the newest members to join the EO network.

Through the last two years of business, there have been learning curves at every stage of growth – and Accelerator has been a helpful tool in managing those dramatic changes.

On his first day of Accelerator, right after having just doubled The Attention Seeker’s staff, Stanley took home ideas for restructuring internal communications for the company. Adding daily briefings, weekly meetings, and setting out avenues to discuss challenges has been transformative for the growing team.



---

## REAL LIFE BUSINESS

“Before, because we were moving so quickly, our meetings were wishy-washy, and to be honest, they were usually unproductive. What I came out with after that first day of Accelerator was a really helpful groundwork for creating structure where we needed it.”

The meeting framework has helped with task delegation, defining action points, and measuring progress in a more effective way.

The network developed through Accelerator’s monthly meetings also provided a good space to talk through the process of hiring a senior role. While Stanley has experience managing large staff of 200, other areas of the business are less familiar. “With that person now hired, it was hugely helpful to have a present, knowledgeable team to discuss points of growth that were new for us.”

### Ambition at the forefront of business

Ironically, Stanley admits, he’s not much of an attention seeker in real life. The name, chosen through a vote, has become somewhat of a self-prophecy.

The horizon for The Attention Seeker shows growth into international markets, especially the US.

“We provide organic content at scale for individuals, and that niche is not easy to find,” says Stanley. With clients in the UK, Dubai, and the US already, The Attention Seeker has already started networking their way around the globe with no signs of slowing down.



---

# ARE WE IN THE EYE OF THE STORM? HERE'S WHAT OUR MEMBERS THINK...



The consensus remains slightly pessimistic about where we are heading. Our members expect:

- A recession period that will be felt by small businesses in particular
- Sink or swim months ahead for the building industry, gripped by supply chain issues
- Tightened costs for business development and marketing limits growth
- Young people moving abroad for higher-paid work opportunities
- Restricted access to personal and business loans
- Businesses with strong foundations being able to take advantage of some rising opportunities

Inflation and a recession aren't likely to leave the front pages of the newspapers anytime soon. The number of individuals who are willing and able to work in the industries where Aoteoroa is struggling most isn't likely to increase with borders opening – especially with younger Kiwis making the move elsewhere. Our members aren't expecting to loosen their grip on recession planning just yet.

*As a company trying to raise for our pre-seed round, it's looking impossible to get any money with the current economy. This likely won't change until after the recession.*

*Cameron Templer | Yezmac | Blockchain Software*

*The media are talking about a recession every day; this changes people's perception of what is happening. Creates different behaviours and makes their predictions come true.*

*Grant Foggo | Comprendé | Real Estate*

---

---

*It will impact the ability of NZ businesses across many industries to be able to deliver client needs at the standard necessary and within timeframes.*

*Todrick Taylor | Hudson Taylor | Accounting*

*The global economy is currently skating on thin ice; it may not crack but if it does businesses could be facing unprecedented disruption and contraction.*

*John Jones | Applicable Limited | Software Development*

---

## IN SPITE OF IT ALL, SHOULD WE BE FEELING CONFIDENT IN THE FUTURE?

Some of our members seem to think so...

EO members primarily feel somewhat confident about what's to come, even if the state of NZ business is projected to be a little bleak. There are plenty of strong opportunities for stable organisations that have good senior management and recession planning in place. Take it from the booming business development and recruitment industries.

*A storm is brewing on the horizon – just depends on whether it comes on land!*

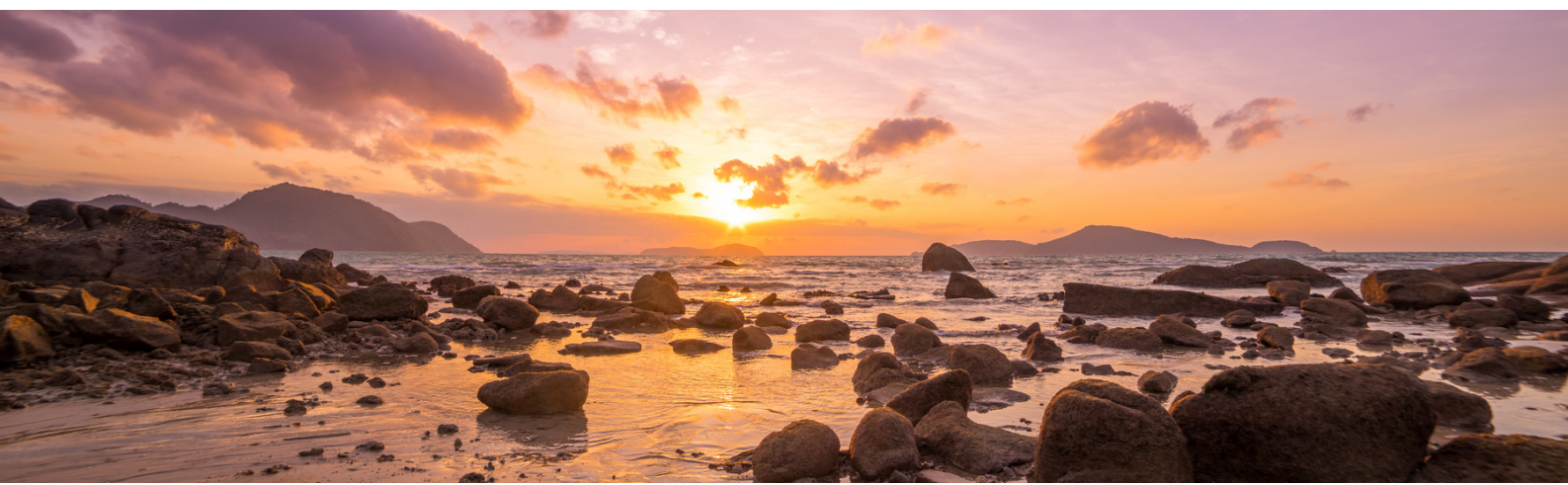
*Todrick Taylor | Hudson Taylor | Accounting*

*You always want to feel confident even when failure and hardship is likely.*

*Cameron Templer | Yezmac | Blockchain Software*

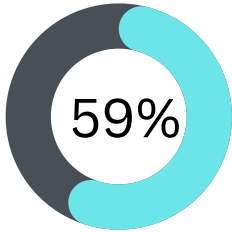
*Although the economic environment is looking shaky our business has reached a point of maturity and compounding success which hopefully will prove the greater factor.*

*John Jones | Applicable Limited | Software Development*

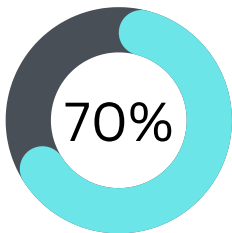


---

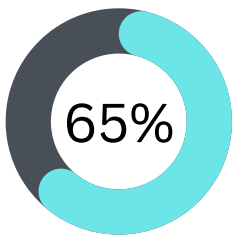
# IN THE CURRENT STATE OF KIWI ENTREPRENEURSHIP, HOW ARE WE FEELING?



59% of respondents experienced an increase in revenue in the last financial quarter of which 35.5% experienced an increase in revenue by 10-25%.



70% of respondents are somewhat - very confident about their business for the rest of 2022 and 2023



65% of respondents rated their wellbeing a 7 or above

Entrepreneurship is not a solitary journey. While many EO members can't catch a break from all the setbacks and many report feeling exhausted and burnt out, others have found strength in numbers. The support of the EO network and special retreats have allowed members to recharge and gain some perspective on the challenges they are experiencing collectively.

While it feels as though entrepreneurship is an isolating experience, we must only look to our family, friends, and comrades to know we have a band of supporters behind us. Regardless of any challenges, EO is a bank of knowledge with valid strategies and solutions to overcome them.

Together, we go boldly.

---



**New Zealand**

[eoneewzealand.org](http://eoneewzealand.org)

---