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EO NEW ZEALAND

**THE STATE  
OF KIWI  
ENTREPRENEURSHIP  
REPORT**

NOVEMBER 2021

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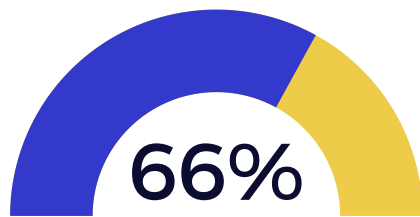
The last few months have been hard on Kiwi businesses – but for those who don't own a business, it can be particularly difficult to understand the pressures and stresses that business owners are under. What's more, many entrepreneurs don't feel that their voices are being heard in nationwide decision-making. The EO New Zealand State of Kiwi Entrepreneurship Report aims to give entrepreneurs that voice.

In the following report, we'll highlight how Kiwi entrepreneurs are coping with the current situation and what we believe needs to change. You'll hear stories of real Kiwi entrepreneurs both surviving and thriving, discover the true impact that the latest lockdowns have had on Kiwi businesses, and understand just what's needed to help Kiwi businesses recover.

Together, we grow.



In November 2021, EO New Zealand surveyed over 50 founders/majority shareholders who bring over \$400 million in revenue to New Zealand each year and employ thousands of Kiwis. Below is how they feel about the most recent lockdowns.



66% of entrepreneurs say the latest lockdown has had a negative impact on their business



1/3 of businesses have had their revenue drop by over 50%

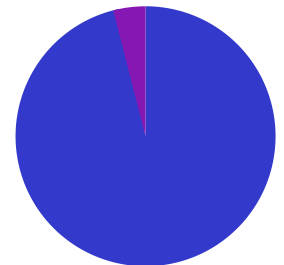
“As a tourism business, lockdowns meant we have to cancel trips for around 600 clients. We managed to move many of them to future departures but lost around 30% and had to refund over 400k. Now people won’t book anything for the future; they are happy to wait and see. I even lost my marketing manager who moved on to a brighter industry; he couldn’t handle the constant struggle.”

**Rachel Williams, Viva Expeditions (Tourism business).**

“It is hard to operate a business with such restrictions in place and continually changing goal posts. We're having to adjust on the fly with virtually no notice.”

**Katie Noble, Allied Medical (Medical products).**

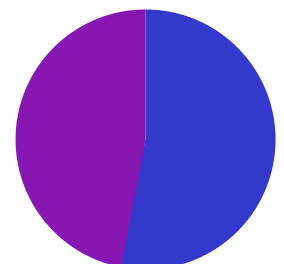
96% feel the latest lockdown has had a negative impact on Kiwi businesses overall



“The lockdown has had very little impact on our ability to operate. We have added three contractors to the team over the past two months. However, the lockdown has impacted the wellbeing of some of our staff – this has been the most serious impact to our business.”

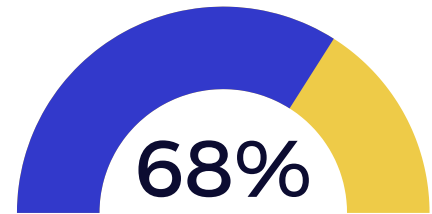
**Jason Poyner, Deptive (Digital workspace experts).**

53% of entrepreneurs feel somewhat, very, or extremely confident about the coming year

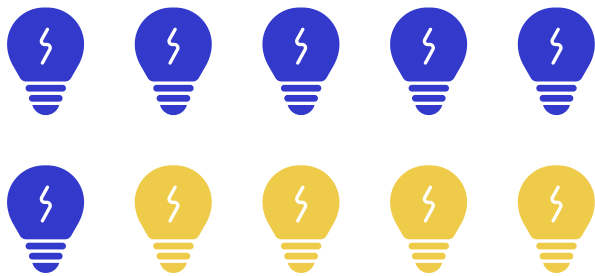


“Some businesses flourish when people are locked up, so the impact is not universal. No one is talking about businesses that trade 20% down for months and are unable to get any government support. That’s very hard for them to sustain. Some days I feel very resilient, others defeated. At the moment I’m doing some interesting work, but we’ve also lost about 500k in revenue this lockdown from work that was cancelled.”

Leonie Titshall, Rapport (Partnerships agency).



68% have seen a drop in revenue over lockdown



5.7/10 – the average level of overall wellbeing of entrepreneurs currently

“We’re just feeling a general malaise and grind – it’s hard emotionally to get the energy needed to continue to pivot and be upbeat. Wellness of staff juggling two jobs – being parents and working, inefficiency and a lack of productivity due to the inability to collaborate, lost opportunity to sell products so reduction in revenue.”

Warner Cowin, Height PM (Tendering and procurement consultancy).

“Being in the darkness with no light to follow and the feeling of no-one leading us wherever we are headed.”

Andy Thomson, Construction Cost Consultants (Quantity surveying and rebuild valuations)

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# WEATHERING THE STORM

## Eventfinda's pandemic journey

We're all familiar with the cancelling and refunding of events every time we go into lockdown. But how about the people whose job it is to make those events happen? 20 months ago, Eventfinda's daily operations were thrown into disarray. So how does a business in one of the country's hardest hit industries deal with an ever-changing COVID environment?

### **An industry "devastated"**

Saying that Eventfinda have had it tough is an understatement. After four years of trying to build a team in Melbourne (and finally hitting operational break-even in Feb 2020), they had to make the tough decision to close the Melbourne office during the first lockdown last year. In the thick of the most recent lockdowns, they've been losing up to \$100k a month as they refund tickets and are unable to bring in new revenue.

What's more, because unemployment is now so low and wages are so competitive, they can't risk reducing the salaries of their team of developers – otherwise there's the danger that another tech company will snap them up.

"The impact of the pandemic has been asymmetric," says James McGlenn, co-founder of Eventfinda. "We're in boom times in many ways – with cheap money, easy borrowing, record low unemployment, and many businesses thriving. But for those of us in sectors of the NZ economy that have been absolutely devastated, we need all the help we can get."



While there has been some government support for organisers of larger concerts, it's still been difficult to manage Eventfinda's diverse range of events. If he didn't know it before, the pandemic has emphasised to James just how important a healthy balance sheet is.

### **Preparing for the light at the end of the tunnel**

For Eventfinda, there's a sunrise on the horizon. It became very clear after the initial lockdowns last year that people still love events and are ready to buy tickets whenever they can. And with Auckland moving to the traffic light system with vaccination certificates for events, the growing number of people being able to attend events looks more promising.

At the same time, there's so much uncertainty for James and the Eventfinda team. All they can do is prepare the best they can – even if the situation remains unclear.

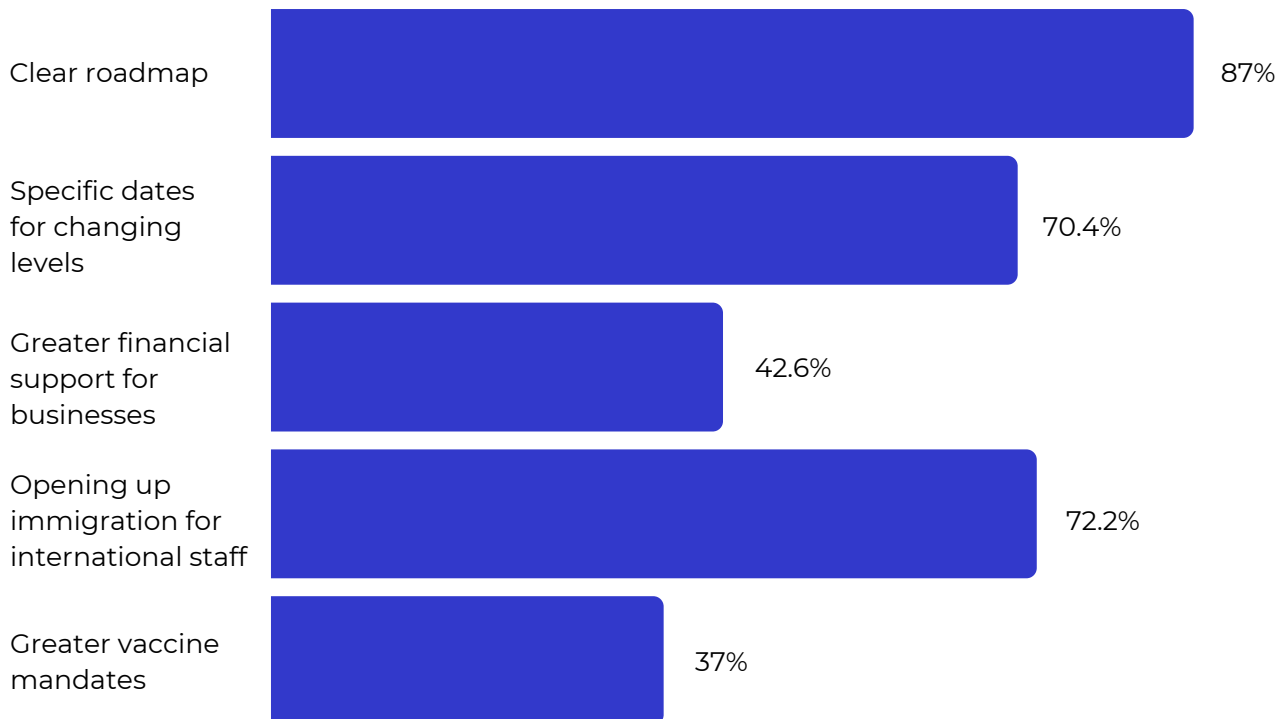
James has focused on differentiating Eventfinda as an entire event marketing platform (as opposed to just a ticketing platform), which will hopefully set it ahead once events pick up speed again. They are already working to integrate vaccination certificates into their ticketing app, which will give tens of thousands of attendees a seamless experience when they return to events. More than anything else, James and the team are looking forward to seeing Kiwis enjoying events again!



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# WHAT WE'D LIKE TO SEE MOVING FORWARD

Although our survey found a range of responses to what businesses would most like to see from the government moving forward (and not all entrepreneurs felt the same), clarity certainly seems to be the thing business owners are seeking at this point.



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“Coherent strategy to respond to Covid, clear understanding of the trigger points when business is open or not, long term perspective.”

**Uli Wiehle, Wiehle Ventures.**

“More mental health support for business owners.”

**Katie Noble, Allied Medical.**

“Better engagement by Cabinet with business leaders. Politicians and public servants really have no understanding of innovation nor ability to make high quality transformational decisions. Business leaders do this every day and have the skills and experience to guide rational, sensible and timely decisions. This is not to say this should be for businesses benefit but applying the business leadership skills to the significant challenges that our country faces.”

**Stuart Chrisp, Kinross Holdings Ltd.**

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“Some loosening on restrictions around tourism operations in NZ. i.e. small ship cruises around sub-Antarctica Islands, only 100 pax, all Kiwis.”

**Rachel Williams, Viva Expeditions.**

“For our government to stop talking to us like we are thick and actually engage with business.”

**Mike Marr, TPT Group.**

“Our government needs to make decisions based on what is happening in the day/week/month, here and overseas. That's why so many people feel it is inconsistent. Unfortunately agile decision making is the only thing that works in the covid environment. What seems a good strategy today, may be contradicted by events the week after. So explaining why the inconsistency is actually consistent might help the rhetoric.”

**Miranda Verswijvelen,  
Learningworld Design.**

“Specific financial support and loan underwriting for the industries that are maxed out and likely not to survive without it.”

**Mat Wylie, Customer Radar.**





## LEARNING THE ROPES OF LEADERSHIP

### Aleph Beauty

Having been a professional makeup artist for over two decades, Aleph founder Emma Peters saw the future of cosmetics: one with naturally-derived products which had little or no plastic packaging, were more concentrated and lasted longer, and were consciously and ethically sourced. So, she set about creating that future.

Alongside co-founder Jim Hudson, Emma launched the first Aleph range in September 2018. Since then, they've grown that team of two to a team of 14. So how did they do it amidst a pandemic, multiple lockdowns, and the challenge of disrupting an industry?

### Equipping and learning for expansion

Taking Aleph through its rapid expansion over the past few years – almost two of which have been during a global pandemic – is no easy feat. Emma and Jim had to learn quickly to ensure Aleph developed in a managed way.

“This past year has been about consolidating, regrouping, and learning how to run a much bigger business,” says Jim. “We’ve had to learn how to build the systems as we grew to allow us to push through that ceiling of complexity.”

Emma and Jim have also learnt that a leader’s skills have to grow alongside a business. As they’ve expanded, Emma and Jim have both had to upskill in how they manage a diverse team.



Like any business, Aleph is composed of a collection of individuals who bring their own experiences to work. Being an effective leader means getting to the bottom of their unique concerns so that every individual can function within the team.

“Being creative people and with a fair degree of empathy, it can be challenging to deal with at times,” says Jim. “But then we have to remember that we’re human too, and we’re never going to be right 100% of the time. Being a brave leader means being willing to try things out and listen to your team, while also taking a stance when it matters.”

### **Making connections**

Emma and Jim have been members of EO New Zealand for almost a year. For them, it’s the connections that have made the most profound impact on their professional development.

“People in business have unique pains and challenges that perhaps the general public wouldn’t necessarily face,” says Emma. “But EO is full of people who understand, who have been through the same experiences. It makes such a difference knowing you’re not alone and having people there to talk to and learn from.

“The people we’ve met and the connections we’ve made with other businesses have opened up so many doors to improving our business – doors we never would have known about otherwise.”



None of us have a crystal ball (if only!). However, we're all looking ahead – trying to make predictions that will enable us to plan, or envision all the possible scenarios that we may need to deal with.

Despite all the challenges, entrepreneurs are uniquely placed to make the most of next year – after all, we're all used to regularly adjusting plans, moving with the market, and looking for ways to thrive. While many will be rebuilding, others are looking ahead to take advantage of new opportunities, learn from the lessons of the past couple of years, and make their businesses even stronger.

Here is what some of the entrepreneurs we surveyed see for the year ahead.





“It will be a rebuild year. A number of businesses won't survive so there will be opportunities for those who do. There is also considerable pent-up demand so expect retail & hospo spending to lift.”

**Stuart Chrisp, Kinross Holdings Ltd (Hospitality).**

“I think it will be a year of recovery and rebuilding for those businesses within industries impacted by lockdowns.”

**Jason Poyner, Deptive (Digital workspace experts).**

“Those who have suffered because of the lockdown (and not fault of their own) will struggle in the first half of the year (if they make it) & will spend months paying off all the debts they have incurred. Those that have done well will continue to do well. Some new businesses, who saw huge growth because of the change to virtual, may suffer negatively as the world opens up again. Humans like to do things in person :)”

**Debra Chantry-Taylor, Business Action (Business coaching/facilitation)**

“It's going to be a tough year ahead – hard to find staff, increased costs from all directions and more uncertainty.”

**Katie Noble, Allied Medical (Medical products).**

“As always, some will do well. Many will have given up. But new opportunities always arise. Those who can see and adapt will do well.”

**Sussan Ockwell, Optimism (Learning and development).**

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**New Zealand**

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