

Moments of Angst in Business Development

Mike Doig and Deb Gilbertson

Want to be Self Employed

Start a Business

Employ a Stranger

Borrow Finance

Innovate

Export

Establish Office Overseas

Takes Company Public

Lists Offshore

Become a Global NZ Based Empire

Moments of Angst

Mike Doig, CEO of VicLink Ltd, developed the term "Moments of Angst" to describe the stages in the growth in a company where progress can stall. His idea focuses on the personal challenges of lifting company development beyond key barriers. Deb Gilbertson saw these ideas had relevance for government policy to foster economic development and developed this model. This is a discussion starter on tools the New Zealand government could use to increase the number of latent and current entrepreneurs stepping through each 'moment of angst'.

BARRIERS	POLICIES	GOVERNMENT PROGRAMMES
Lack prior experience	Find ways to gain wide experience of work & markets	Work experience programmes, exchange programmes in New Zealand as well as overseas
Expectations of employment	Encourage perception of self employment as an option	Careers advisors and teachers
Personality	-	
Cultural norms	Supportive of learning experiences (failures). Reduce media bashing of small errors.	!
Poppy lopping	Celebrate tall poppies	Articles, awards, ministerial speeches
Comfort zone	NZers are more entrepreneurial overseas out of their comfort zone	Attract expat NZers home
Unemployment/inactivity	Keep in employment to build confidence	Review the Waiapu Work Trust scheme as a role model.
Prior failure	See as learning experiences	Discuss with banks
Problem focus	Move to solution focus with individuals, groups & organisations	Solution based language patterns and meeting designs
Right answer assessment	Move to sound thinking assessment	Avoid nationwide standardised tests especially with multichoice components, set learning objectives at the high level of Blooms Taxonomy of Learning (knowledge, understanding, application, problem solving, synthesising, generalising)
Rewards for IQ not EQ or SQ	Educate and reward for EQ and SQ (judgment, decision making, understanding people, understanding self, appropriate responses, gain meaning in work and activities, creativity, non standard solutions)	Teacher training in intelligences and matching education practices and assessments

WANT TO BE SELF EMPLOYED

DRIVERS		
Positive parenting	Improve parenting to build self confidence	Foster playcentres as places of parent training, community building and childhood education including Te Reo playcenters
Parental role models	Provide entrepreneurial mentors and experience	Build community networks especially for solo parent families.
Passion	Support difference	
ADHD	50% of entrepreneurs are ADHD, acceptance & support in schooling and homes. Change attitude to ADHD	Educate using the principles below. Treat ADHD as a point of difference not a disorder
Misfit	-	
Immigrant	Improve systems to rapidly accept or upgrade foreign quals. Encourage immigrants with entrepreneurial track record.	Discuss with immigration service
Optimism	Optimism is the major driver of entrepreneurial success and can be learned. Teach the language patterns of optimism	Learned optimism modules in schools and parenting classes
Education that encourages creativity, self directed learning, project learning, holistic learning, exploratory learning, action learning, project based learning	Encourage in education at all levels including tertiary. Max students from rote learning cultures Is 15% before classroom learning is undermined. Support right of children to play, have friends, be outdoors, explore.	Support New Zealand Enterprise Education Trust. Teacher training in styles of learning for entrepreneurship and self-determination. Review ERO and its chosen measures for education Establish ERO process to measure and foster schools as learning organisations

BARRIERS	POLICIES	GOVERNMENT PROGRAMMES
Access to capital	Finance available	Discussions with banks on conservatism Enterprise Award Scheme Student entrepreneur start up scheme linked to training
Momentum to make the change	Support networks, action learning training	Be Your Own Boss programmes Build support networks in communities, regions and groups
Excuses bigger than dreams, focus on barriers	Educate on making goals happen	Lawrence Green's proposal on the Four Faces of Success in schools, tertiary courses and latent entrepreneurs
Small markets		
Lack of local market support	Government purchasing	Require govt and councils to seek local tenderers.
Lack of skills	Entrepreneur training	NZIM proposed action learning entrepreneurship programme
Inability to see opportunities	Culture of opportunity	Jim Anderton and other notables talking up New Zealand
Lack of knowledge or process	Support through business start up process	An IRS style scheme for business start-ups through BizInfo, Polytechs, EDANZ or incubators. EAS

START A BUSINESS

DRIVERS		
Support networks	Networks in industry, regions, communities and training	BizInfo
Challenges to overcome, market need	Foster demanding market, quality assurance	Legal requirements e.g. environmental standards
Rewards – financial, recognition, flexibility	Tax, tall poppy syndrome	Recognise entrepreneurs with awards. Find excuses to give awards. Add a Business Growth Award etc.
Intrinsic motivation, make idea happen, passion	Careful or A's, stars and rewards, note purpose of education	Review ERO and their measures of success Focus on schools as learning organisations
Be your own boss, frustrated with boss or organisation	Avenue to develop business idea	Be Your Own Boss, BizInfo
Inheritance of a business including Maori resources	Models of Maori business management	Case studies
Life change – family, divorce, move		
Intrapreneurial organisation	Training to develop intrapreneurial organisations & leadership	Workshops for public and private sector in intrapreneurship Foster internal seed venture capital funds Intrapreneurship awards Intrapreneur training such as through New Ventures NZ
Can't find a job, immigrant, redundancy	Immigration policy for using their skills	Review barriers to employment for trained immigrants
See opportunity, see need, develop technology	Problem solving education, access to market, travel	Education curriculum
Commitment to community, industry, an outcome.	Values	Role model in government

BARRIERS	POLICIES	GOVERNMENT PROGRAMMES
Complex and stringent human resource laws	Review process – can it be simplified or relaxed?	Implement recommendations from working party on reducing compliance costs for small business
Lengthy and expensive process to fire unsatisfactory staff	Review process – can it be simplified or relaxed?	
Data and tax collection costly in time	Learn lessons from Australian tax simplification for small business	Study
Stress	-	
Lack of management skills	Action learning management skill education	Fund education deemed valuable or with unmet demand for society and economy at a higher level than other education
Shortage of suitable staff	Workforce planning	
Pressure on cashflow in lean times	Explore link with temporary unemployment benefit	?
EMPLOY A STRANGER		
DRIVERS		
Vision	Help entrepreneur make vision clear and compelling	Lawrence Green's programme "The Four Faces of Success" and his proposal to Industry New Zealand for the Enterprise Economy
Meet growth targets	"	
Reduce entrepreneur workload	-	
Succession strategy	-	
Acquire new skills in organisation	-	
Reduce cost of contracting	-	
Meet customer requirements	-	

BARRIERS	POLICIES	GOVERNMENT PROGRAMMES
Fear of failure	Learned optimism, solution focus	See earlier
Lack of equity	Encourage concepts of share the risk – share the return (100% of a mouse or 10% of an elephant?) Increase equity investors	Case studies, articles
Lack of security	Increase underwriting	Approach successful entrepreneurs
Risk	Be a customer	Government purchase strategy of New Zealand goods Promote ISO vigorously
Lack knowledge of finance options	Workshops, finance brokers	BizInfo
Difficulty in funding intangible assets	Talk up IT and knowledge economy	Jim Anderton, Ministers, key people
Conservative financial market	Develop finance tools for funding growing businesses	Discussions with banks
Difficulty finding suitable investor	Investor networks and seminars	Business Angel Network, entrepreneur coaching and support
BORROW FINANCE		
DRIVERS		
Vision	Entrepreneur networks, mentors	Entrepreneur clinics Entrepreneur coaching networks – see Navigate model Support Business in the Community mentor programme with clients, mentors and funding (if necessary)
Growth	-	
Leverage	-	
Strategic necessity – grow or wither	-	
Share risk	-	
Manage cashflow	Cashflow management workshops, software	Promote John Pettigrew's software to be offered by banks.

BARRIERS	POLICIES	GOVERNMENT PROGRAMMES
Development funded from cashflow	Improve financial management	Management training
Technology push process	Improve R&D funding and incentives for \$630m of govt investment	Fund demand not supply of R&D Require universities to demonstrate impact of their teaching and research (not just publications and student numbers) Include evidence of adoption as part of PGSF contracts
Undercapitalisation	Access to capital	Business angel schemes. See earlier
Lack of access to knowledge, skills, equipment and long term trust relationships with R&D suppliers	Improve CRI and university incentives and goals to support New Zealand industry	Enterprise Award Scheme Business Growth Fund
Board myopia	Improve board skills in strategic thinking	Provide training to board members in strategic processes to playcentre, kindergarten and school boards See SunDial Group proposal for director training and consultancy support
INNOVATE		
DRIVERS		
Market needs	Government a demanding customer	Clear standards avoiding bureaucratic delays and doubt
Technical possibilities	R&D investment	FRST funds
R&D investment by firms	Tax, joint R&D investment with government (especially for partially appropriable research)	GPRDS scheme, develop process for jointly funding R&D between government and industry (beyond TBG)
Market led research/innovation	Fund consumers not producers of research	Industry –research consortium funded by FRST instead of PGSF. Industry New Zealand to help build consortium Research needs identification and ranking system – see Dr Phil Driver's vortal operating in mussel industry
Cross sectional experience of individuals and networks	Foster networks, avoid overspecialisation	Link in overseas NZers Networks in regions, industries etc. Support cluster development
Strong links with research agencies	Staff secondment	
Vision of market leadership	Success stories	
Organisational culture of innovation	Management training	New Ventures New Zealand model
Passion, commitment, determination	-	

BARRIERS	POLICIES	GOVERNMENT PROGRAMMES
Dramatic growth in company from a single order	Better finance mechanisms applied for export development	Discuss with banks
Fluctuating exchange rate	Stabilise	Adopt \$US
Product liability in US	Expertise in meeting liability standard	See report developed by students for David Miller on helping New Zealand firms mitigate product liability risk
Non tariff and tariff barriers	Reduce	Govt:govt relations and WTO
Finding trustworthy alliances	Export access and knowledge	IC ² programme in Austin, Texas Export trade missions with training, networking, team debriefing and support staff.
Market understanding	Access to market based knowledge	Trade New Zealand role
Multiple roles of CEOs in small companies makes them indispensable for lengthy market development	Clusters, strategic alliances, planned marketing tours	Cluster development role BGF role
Language and culture differences	Education and support	Trade New Zealand role
Inexperience in developing international business	Training Support process Mentors with experience route into market	Work with Business in the Community Business Growth Fund
EXPORT		
DRIVERS		
New Zealand good test market	Attract foreign investment into New Zealand	Ross's role
Vision	Regional policies	RPP to build capability and vision
Growth	Raise New Zealand confidence	Jim Anderton and other key people
International networks	Link into Kiwis overseas and other support networks	Link expat Kiwi networks into business development. Awards, recognition, membership, belonging
Exporter networks	Foster support networks	Chamber of Commerce role
E-business	Foster and support e-business	Trade in \$US Portals and vortals linked to regions and industries

BARRIERS	POLICIES	GOVERNMENT PROGRAMMES
Small New Zealand market	-	
Remoteness from markets	-	
New Zealand currency	Adopt \$US currency	
Unsophisticated market demand	Build on sophisticated segments e.g. sport, farming, wilderness	Industry development strategies
Small enterprises	Clusters and alliances	Goal focused cluster development (often too vague)
Market access barriers	Negotiation and WTO	
Brain drain	Promote New Zealand's attractive lifestyle possibilities	To both young NZers and expat NZers
BECOME A GLOBAL NEW ZEALAND BASED ENTERPRISE		
DRIVERS		
World class management with practices that foster sustained innovation	Upgrade leading company management skills	Create a management development center for senior managers of leading companies – operates as a network, coaching club and attracts world-class speakers.
Access and actively pursue leading edge technology	Foster collaboration between companies and government science agencies Foster industry clusters of excellence	See paper on R.A.P.I.D. D.I.F.F.U.S.I.O.N.
Attract and retain key people with skills and knowledge	Industry clusters create career paths for excellent staff	Debrief Wellington IT cluster for attracting immigrants to learn lessons for other sectors.
High market share in a high growth market niche or sector	Identify and support high growth market niches and sectors	Identify emergent industry clusters of excellence and support participants to achieve an identified goal.
Lifestyle possibilities in New Zealand	Maintain environment, access to beach, wilderness, safety etc.	
Passion for New Zealand	Build national pride	
Resources dependent on New Zealand including climate, southern hemisphere seasons, time zone, New Zealand natural beauty, fisheries, etc	Identify and exploit. Minimise unnecessary bureaucracy and time delays in decisions	Speed decision making Study successful and unsuccessful processes for development then apply systems thinking to improve
Innovativeness, can do, problem solving staff	Education	Careful with education measures, max of 15% rote learning foreign students in classrooms. Schools as learning organisations
E-business potential	Support	Currency Portal and vortal development – see paper on business incubators