

2014

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News from Massey University's College of Business
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Trading up

NZ's **first** university trading room



Young and smokefree

Massey's 'It's My Life' campaign

Smart food capital of the world

A blueprint for our agri future



THE ENGINE
OF THE NEW
NEW ZEALAND





HAMISH NUTTALL, FOUNDER AND CEO OF NAKEDBUS. MASSEY MBA GRADUATE

Hamish Nuttall says studying a Massey Executive MBA gave him the skills and confidence he needed to transform his idea into a successful enterprise that has revolutionised bus travel in New Zealand.

The MBA programme is taught part-time on weekends. Massey is proud to have helped thousands of executives, SME owners and entrepreneurs achieve their business goals.

Go to mbabreakthrough.ac.nz to read more about Hamish and other Massey MBA graduates.

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2014 is a special year for Massey. Not only does it mark our golden jubilee as a university, it's also the 21st birthday of the Albany campus, which has become part of the fabric of the North Shore and the Auckland region.

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Welcome

Business as usual? No thanks

Steve Maharey,
Vice-Chancellor of Massey University



If the economists and prevailing business sentiment are right, 2014 - which marks Massey's 50th anniversary as an independent university - should be a good year for New Zealand. On our pastures, New Zealand's 6.6 million-strong dairy herd is industriously converting grass to the milk that will be turned into sought-after dairy products; in Christchurch, building teams are beginning work on the host of empty sites strewn through the central city; at our airports, migrants are arriving,

bringing with them skills, knowledge and consumer demand.

At 3.4 per cent, the HSBC's growth estimate for New Zealand puts us among the strongest growing economies in the OECD, and in the December *ANZ Business Outlook* survey, business confidence stood at a near 15-year high.

From the international business magazine *Forbes*, more good news. In its 2013 list of the world's most business-friendly countries, New Zealand came in at number two. Evidently, some things are going well for us.

Yet, by another obvious set of indices we are not doing nearly as well as we should. In 2009, New Zealand's GDP per capita was 26 per cent below that of Australia. In December 2013, the New Zealand Productivity Commission released a working paper showing that average labour productivity levels in New Zealand were almost a third lower than in Australia.

This raises a serious issue. The New Zealand economy is still not 'smart'. That is, we fall behind other nations because we are yet to create enough of the added-value businesses we need to lift our overall economic performance.

So what are we to do?

I believe that we can close the gap not only between ourselves and Australia, but also with other developed nations around the world. The way forward is to make sure we think differently about how we run our businesses and our economy. Perhaps most importantly, we need to ensure we apply more skill, more knowledge and more research to everything we do.

"We need to ensure we apply more skill, more knowledge and more research to everything we do."

From its origins as an agricultural college in the 1920s and through its 50 years as a university, Massey has consciously committed itself to making New Zealand more internationally competitive by working with industry and business. Today,

as a sign of that commitment, the university describes itself as the 'the engine of the new New Zealand'.

That means we are committed to the business of business. Business studies was first offered by the university in 1971, and today Massey's College of Business is the largest of its kind in New Zealand.

Massey alumni include the chief financial officer of Adidas, Robin Stalker; the new-broom CEO of the Royal Bank of Scotland, Ross McEwan; and businesswoman Alison Paterson, who was named a Dame Companion of the New Zealand Order of Merit (DNZM) for services to business in the 2014 New Year Honours list.

It also means that we are committed to encouraging the business community to work in new ways. New Zealand will not succeed in the 21st century by doing the same things it did in the last. Obviously Massey has a key role to play, and we intend to play it. Join with us in making New Zealand a better and more prosperous society.

Partnering with business to enhance success

Professor Ted Zorn, College of Business
Pro Vice-Chancellor & Dean



As this annual publication was going to press, pen was being put to paper on a landmark agreement for the College of Business. The Warehouse, one of New Zealand's largest retailers, has agreed to fund a new chair at Massey University - the Sir Stephen Tindall Chair in Retail Management.

The Warehouse is a leader in both the retail sector and the community and employs over 9,000 staff from Kaitiaki in

the north to Invercargill in the south. The College of Business is proud to be working with such an organisation to increase the capability of one of the largest sectors of our economy.

We want to raise the profile of retail as a career and this agreement is the first step towards partnering with industry to establish a degree in retail management.

This project is just one example of the college's focus on connecting with business. You will read about many others in the pages of this magazine - from our agreement with McDonald's to create a pathway for their managers to continue their education, to a tailored MBA programme for Qatar Airways staff.

Our priority for the coming year is to build on these initiatives so Massey continues to partner with the business community to develop their capabilities, and to use these partnerships to create learning and employment opportunities for our students. A close and open relationship with industry will be crucial to our success, as will Massey's unique three-campus structure and distance learning infrastructure.

One step that should help things along is the college's newly-created Institute for Executive Education and Enterprise. We have recruited the very highly-regarded Mike Fiszer from Plymouth University in the UK to head the institute. He has been tasked with expanding Massey's MBA programme and offering businesses a 'one-stop-shop' for education and research. (Read more about Mike on p.3).

Finally, I can't close this year's welcome message without mentioning one of the college's most exciting developments of the past year. As you will have seen from this year's cover story, Massey is the proud home of the country's first university trading room. The state-of-the-art facility provides would-be fund managers with a truly innovative learning environment and ensures they will be job-ready upon graduation.

Our first Trading Room is located at the university's Albany campus, which is celebrating its 21st birthday this year. If you haven't been before, I'd encourage you to visit so you can see just how the campus has come of age. And for those of you based in other parts of the country, I'd like to invite you to attend one of the events marking Massey's 50 years as a university because we are always looking for opportunities to engage.

"We want to raise the profile of retail as a career and this agreement is the first step towards partnering with industry to establish a degree in retail management."

Custom MBA for Qatar Airways



Students of the Qatar Airways MBA programme at the launch event in Doha.

A group of 15 pilots, engineers and managers from Qatar Airways will see their careers take off thanks to an agreement with Massey University to deliver a two-year MBA programme.

The agreement was officially launched at a gala event in Doha last year, and the first Massey lecturer has already visited the Middle East to deliver the first face-to-face classes.

The programme of 15 papers will be delivered as contact courses, supported by web-based learning. Massey lecturers will travel to Doha for five days at a time to deliver each of the contact courses.

The students will also travel to Massey's Manawatū campus for two of the papers and a study tour of leading New Zealand organisations is planned for March 2015.

"The programme contains all the essential

"We'd like to think this will also be a pilot for offering other courses and degrees in the region."

Ashok Poduval

components of a traditional MBA in terms of developing strategic competencies and carving out personalised goals and career paths, but with a number of special papers with an aviation focus," says School of Aviation chief executive Ashok Poduval.

Poduval sees this agreement as an important breakthrough for the university in a key international market.

"We are seeking official government accreditation of the programme and this could open up the possibility of Massey offering its MBA programme more widely in Qatar," he says. "We'd also like to think this will be a pilot for offering other courses and degrees in the region."

Business psychologist heads new institute



Mike Fiszer

Massey has recruited Scottish leadership expert Mike Fiszer to head its new Institute of Executive Education and Enterprise. The renowned business psychologist has moved from Plymouth University, where he was director of executive education, to take up the role.

The new institute brings Massey's MBA programme, executive short courses and contract research together to help businesses develop their capability and performance.

Fiszer says this approach is what attracted him to the role. "Massey has had the insight to put together executive education, enterprise, entrepreneurship and innovation – not a lot of universities have done that.

"I'm excited by the opportunity to bring these things together in a cohesive way that makes a difference to the lives of people in business."

Fiszer says he has a "strengths-based and solutions-focused" approach to leadership and executive development.

"Success comes by looking to the strengths and capabilities of individuals and fitting them into a space where they can be brilliant," he says. "What would get you running into work on the wettest July morning? That's playing to your strengths.

"Your limitations need to be accommodated by someone else. It means you make space for other people so they can shine too – and that creates teamwork that is truly based on collaboration."

Fiszer's priority will be to "grow a great team" and engage with the business community at all levels. He says he aims to bring the best of management and leadership practice to New Zealand organisations.

"I would love to see New Zealand stepping up into a place where its unique strengths, rather than its limitations – like its geographic isolation and small population – are to the fore."

Marketing professor makes global top 20



Professor Harald van Heerde

Massey's Professor Harald van Heerde has been placed 14th equal in the world for marketing research by the American Marketing Association (AMA).

The AMA's productivity report measures the number of articles published in the four premier academic marketing journals over the past five years.

With nine articles published in the top four publications, Professor van Heerde is the only researcher from Australasia in the report's top 50. That puts the Albany-based academic alongside professors from such prestigious universities as Yale, Harvard, Stanford and Columbia.

"I was really pleased to see our little corner of the world showcased and included in the rankings," he says. "It's good to be out there competing against others who work at the top schools in America."

Deputy head of the College of Business, Professor Malcolm Wright, says Massey's School of Communication, Journalism and Marketing is proud of Professor van Heerde's achievement.

"Harald came to Massey with a big reputation for his research and has proved to be an important part of the school. His work typifies Massey's aim of taking the best of New Zealand to the rest of the world and this recognition is very much deserved."

Professor van Heerde has a PhD in economics and his research focuses on measuring the quantitative effect of marketing, including the impact of advertising on sales.

Massey wins 16th national teaching award

Finance lecturer Dr Jing Chi has become the 16th Massey lecturer to receive a Tertiary Teaching Excellence Award in just 12 years.

The former stock market analyst said winning the award was a great honour and something she never expected.

“To be honest, I never dreamed of winning a New Zealand national teaching award, as English is my second language. However, things like having empathy for students and being passionate about my subjects cut across language and cultural barriers.”

Dr Chi was specifically recognised for making her classes relevant by using “live” case studies and for her international focus. She often uses her own real-world experiences working at Huatai Securities Company in China and the London Stock Exchange to prepare students for the workplace.

She also embraces technology with podcasts and video lectures to allow students to revisit material, prepare for exams and practice what they’ve learned at their own pace.

As chair of the International Programmes Committee, she is one of Massey’s leading champions of internationalisation and helped establish the successful Wuhan and



Dr Jing Chi (second from left) at the awards ceremony with Prime Minister John Key, colleague Dr Carolyn Wirth, and Tertiary Education Minister Steven Joyce.

Massey 2+2 programme that has brought hundreds of students to the university.

In her acceptance speech Dr Chi thanked her managers and the university for supporting her international programme initiatives.

“Although this work is time-consuming, I do feel really proud of using my Chinese heritage to make contributions to the two places I love – China and New Zealand.”

Over the years, Dr Chi has taught many cohorts of students from China, and as a former international student herself, she

feels privileged to have assisted them in adjusting to Western education.

Her Sustained Excellence in Tertiary Teaching Award came with \$20,000 to further her career and share good practice in teaching. Dr Chi had no immediate plans for her prize money, but said she would “put it somewhere safe” until she came up with a more concrete idea of how to use it effectively. “You know what finance people are like – we are very cautious with our money,” she laughed.



MASTER OF PROFESSIONAL ACCOUNTANCY AND FINANCE (MPAF) A UNIQUE COMBINATION OF ACCOUNTANCY AND FINANCE

The MPAF is the only professional Master's degree in New Zealand where two popular disciplines, accountancy and finance, have been combined. It is open to graduates with a Bachelor's degree in any discipline and is available by block mode on the Albany campus in Auckland or by distance.

The MPAF is accredited by the New Zealand Institute of Chartered Accountants (NZICA), CPA Australia and ACCA.

The course comprises 16 papers and can be completed in four semesters (two years). Part-time study is permitted.

There are two starting dates each year, February/March (Semester 1) and September (Semester 2).

To find out more information on MPAF and enrol visit

www.massey.ac.nz/mpaf





Making a degree of difference

Professor Ted Zorn and McDonald's Patrick Wilson shake on their new agreement.

McDonald's staff will swap burgers for textbooks through a new partnership with Massey University that will see restaurant managers work towards a business degree.

The two organisations have signed an agreement that creates a pathway for McDonald's staff to complete a Bachelor of Business Studies or Diploma or Certificate in Business Studies.

The unique agreement recognises McDonald's in-house education and allows staff to cross credit their prior learning towards an undergraduate qualification.

"It's important that universities meet the needs of employers, especially in terms of skilled graduates," says the head of Massey's College of Business Professor Ted Zorn. "Because we've recognised the quality of their prior learning, this initiative creates a real pathway for McDonald's to develop staff capability.

"We see this very much as a partnership – we've listened to what McDonald's required and delivered a flexible solution."

McDonald's has also introduced a scholarship programme for eligible staff to cover their tuition fees. Restaurant managers at company-owned restaurants can access the scholarship, along with head office staff who wish to pursue further education as part of their development.

"Talent is a key focus for McDonald's, and we're delighted to be able to offer the opportunity for higher education to our restaurant managers," says the company's New Zealand managing director Patrick Wilson. "The partnership with Massey is testament to the quality of our internal training programmes, and a great example of industry working with leading education providers.

"McDonald's is one of the country's largest employers of youth – over a quarter of our franchisees started off as crew, and 60 per cent of our head office staff have come from restaurants. McDonald's offers great opportunities – I never would've guessed as an 18 year old working in a McDonald's that one day I'd be the managing director.

"The flexibility of being able to learn while you earn is something many of our staff appreciate, and the Massey University partnership is a fantastic extension of what we can offer our people."

The McDonald's staff eligible for the programme will have completed a National Diploma in Hospitality (Operational Management), an in-house course run for McDonald's by Service IQ. The cross credits awarded for this study will allow students to reduce the time it would take to complete a degree by about two years if studying part-time.

Professor Zorn says providing applied learning opportunities for a major organisation like McDonald's is an exciting prospect for the College of Business.

"As the country's leading provider of tertiary distance learning programmes, and with campuses in three locations, Massey really is the only university that could deliver a programme like this for a national corporation like McDonald's," he says.

"The flexibility of being able to learn while you earn is something many of our staff appreciate, and the Massey University partnership is a fantastic extension of what we can offer."

– Patrick Wilson



Trading up

Massey University started New Zealand's first student-managed investment fund in 1995. Now it's opened the country's first university trading room. Sidah Russell reports.

The traders are concentrating intently on the data flicking across their Bloomberg terminals. The latest financial news is being posted on large screens at each end of the room and a long ticker broadcasting live stock prices draws the eye.

But the fund managers in this state-of-the-art trading room are not professional brokers; they are Massey University students.

The university's College of Business opened the country's first student trading room at its Albany campus at the end of 2013. Since then, many students have gained their Bloomberg Essentials certification and both students and staff use the facility for research projects, including stock report assignments.

NZX chief executive Tim Bennett, who appeared in a live television broadcast from the Trading Room to mark its launch, gave the facility the thumbs up. He said Massey's

students would be sought after as New Zealand will need more fund managers as KiwiSaver contributions grow.

"We'll need people to manage that money...we need to train the next generation," he said.

For project manager Associate Professor Russell Gregory-Allen the initiative has been seven years in the making.

"This is something I've wanted to make happen since joining Massey. The university already had New Zealand's only student-managed investment fund, now students have a state-of-the-art facility in which to do their work and research," he says.

Dr Gregory-Allen is a former fund manager at TIAA-CREF, one of the largest private pension funds in the world. His vision for Massey's Trading Room is modelled on the facility at the University of Texas, where he was on the board of advisors for the student investment fund for several years.



3 News business reporter Tony Field interviews Associate Professor Russell-Gregory-Allen.

“The University of Texas has about \$25 million under management and 40 managers in rotation in a two-year programme at the master’s level,” he says. “They have hundreds of applications from around the world every year for those 20 positions and I see Massey fulfilling a similar role in the Asia Pacific region.”

The Trading Room provides students with an innovative learning environment where they can gain real-life fund management experience.

“To have access to the Bloomberg terminals and all the data they contain is really incredible,” says finance student Scott Gardner. “We can look up every single index, virtually every single stock in the world, and the information is being updated in real-time. Having access to all this information has really changed my thinking and the way I approach my studies.”

Postgraduate student Sam Weir agrees: “It just makes us much more marketable to the fund management industry – having Bloomberg terminal training is considered a real asset.”

The Trading Room is just the first phase of Dr Gregory-Allen’s vision for an integrated finance research facility at Massey. There are long-term plans for a second Trading Room on the Manawātū campus and a market simulation lab where researchers can run trading and market interaction experiments.

The university is also seeking a \$1 million endowment to go into the student investment fund, which will then be able to produce income for research grants and student scholarships into the future. Since its inception in 1995, the student investment fund has performed well against the NZX50.

Postgraduate student Carolyn Kang, who is part of Massey’s student fund management team, says working with a larger fund is an exciting prospect.

“It would bring a lot of pressure, but good pressure, it would be really exciting,” she says. “I think the learning experience we are having here will really benefit us because we can see how our decision-making leads to fund performance improvements. We are building skills to contribute to the future of our nation.”

“We can look up every single index, virtually every single stock in the world, and the information is being updated in real-time.” – Finance student Scott Gardner



Associate Professor Russell Gregory-Allen with NZX chief executive Tim Bennett and Professor Ted Zorn, the head of Massey’s business school.



A student outside the Trading Room.

 Watch the Trading Room video: <http://bit.ly/1cxlmvf>

Teaching the teachers

Teenaged beneficiaries and Northland whānau looking to manage their budgets are being given a helping hand by the Fin-Ed Centre, discovers Paul Mulrooney.



Fin-Ed Centre director Dr Pushpa Wood.

Better financial literacy is not a silver bullet, but it does equip you to critically review your income and expenditure and then make well-informed decisions, says Dr Pushpa Wood. As the director of the Fin-Ed Centre (Financial Education and Research Centre), a joint venture between Westpac and Massey University, Dr Wood has seen the difference that can make.

That's why she's so happy to see the centre's Certificate in Facilitating Personal Financial Management being used by youth organisations and the Māori Women's Development Inc to help individuals and families improve their financial wellbeing.

Youth workers from four youth organisations in Auckland are currently completing the certificate so they can provide a pilot financial literacy programme to their respective members aged 16-18.

Under guidelines drawn up by the Ministry of Social Development, teenaged recipients of managed benefits (in which most of their funds are ring-fenced for specific purposes like paying power and phone bills) are required to undertake such programmes to maintain their benefits.

Called MoneySmarts, subjects covered under the programme include attitude to money, budgeting, tracking spending and an explanation of the function of banks.

Youth Horizon, Strive Community Trust, Solomon Group and Youthline are participating in the pilot and the MoneySmarts course content has been developed in collaboration with them. It will be further reviewed once the first cohort of youth beneficiaries completes the course and up to 500 people are expected to participate in the programme in Auckland during 2014-2015.

"The beauty of doing it this way is that each organisation takes responsibility for delivering the course content in the context and culture of their own particular organisation," Dr Wood says.

Meanwhile, the Māori Women's Development Inc has also enlisted the Fin-Ed Centre's services to develop a financial literacy programme for Ngāpuhi whānau through the use of trained staff who have completed the same certificate studies.

It will train community workers to present personal financial management information in a culturally appropriate environment. This certificate is particularly useful for people who want to improve their skills in delivering financial literacy to others, but who do not want to undertake a full degree or diploma programme, Dr Wood says.

Ngāpuhi educators and facilitators, including community workers and those from Whānau Ora, are working with three whānau each as part of their certificate requirement. It's a unique programme that has been specifically tailored to meet the needs of the Ngāpuhi community.

"The Fin-Ed Centre provides flexibility in all its courses to meet the needs of our diverse communities, be it on an individual basis or at an organisational level," Dr Wood says. "We take great pride in meeting those needs."

Young Ngāi Tahu saving well

A Fin-Ed Centre study of young people from Ngāi Tahu shows they are more likely to have retirement savings than others their own age and are also more wary of debt.

The study was carried out by Dr Claire Matthews and Dr Jeff Stangl from Massey's School of Economics and Finance as a part of the centre's 20-year longitudinal study into the financial behaviour of 18 to 22-year-olds.

The report showed young Ngāi Tahu were more likely to have retirement savings other than Kiwisaver and were more likely to have attended school personal financial management classes, and to have found those classes helpful.

"It is important to note that young Ngāi Tahu are aware of the Whai Rawa savings scheme available through Te Rānanga o Ngāi Tahu, and have positive views about it. In particular, many see Whai Rawa as

likely to be a major contributor to their retirement savings," says Dr Matthews.

Whai Rawa is an iwi-based savings scheme aimed at building the wealth of Ngāi Tahu whānui by encouraging and assisting savings for home purchase, education and retirement.

"It is great to see the findings of this study showing that our young people are aware of the iwi savings scheme," says Whai Rawa programme manager Andrew Scott. "Whai Rawa is a vehicle for Ngāi Tahu

distributions, and since it was established in 2006, over one-third of the iwi has signed up.”

More concerning, the report also showed that many young Ngāi Tahu were content to pay the minimum on their credit cards.

“Most 18 to 22-year-olds do not have a lot of cash, so credit cards become an attractive option. We can see from our research that young Ngāi Tahu, like other young people, do try to avoid credit cards where possible and are wary of credit card debt,” Dr Matthews says. “However, preliminary results also show that some young Ngāi Tahu are less likely to place importance on repaying their monthly accounts in full, compared to others in the study.”

Dr Matthews says the report forms a valuable baseline on the tribe’s financial literacy and will be useful for Ngāi Tahu in the long term. The special cohort will be re-interviewed every five years for the next 20 years, to discuss their financial habits. The full report can be found on the Fin-Ed Centre website.

www.Fin-EdCentre.ac.nz



Young Ngāi Tahu are saving for their retirement.

EMPOWERING YOU TO TAKE CONTROL OF YOUR OWN FINANCES

The Fin-Ed Centre aims to help New Zealanders become more financially savvy by improving their knowledge, attitudes and behaviour towards money.

A series of certificates have been designed to educate individuals on financial literacy. The Fin-Ed Centre also has the ability to tailor make certificates for those wanting to teach financial literacy to others. Certificates are taught by Massey University through a mixed mode of face-to-face teaching and online learning.

AVAILABLE COURSES:

STRAND ONE: Tailor-made certificates for individuals and organizations who teach or facilitate financial literacy at school, tertiary, industry or community level.

STRAND TWO:

- Understanding Your Financial World
- Your Pathway to Financial Success
- Fundamentals of Managing Your Finances
- You as a Consumer of Financial Products and Services
- Your Financial Documents
- You and the Wider Economic World

Visit our website to find out more: www.Fin-EdCentre.ac.nz

Fin-Ed Centre



FINANCIAL EDUCATION AND RESEARCH CENTRE



THE ENGINE OF THE NEW ZEALAND



Massey's student research army

Business students pounded the pavements to conduct research for Auckland Council



When the Auckland Council needed a report on the Wairau Valley business precinct compiled at short notice, it turned to Massey University's Auckland Knowledge Exchange (AKE) Hub.

The research hub swung into action, marshalling the help of nearly 40 business students to pound the pavements and map out every business in the Wairau Valley. The aim was to scope out the nature of businesses in the area and the potential impact of rezoning proposals that could introduce high-density housing.

In total, the students identified 1225 businesses in 181 different industry

classifications. A further 235 businesses were interviewed about their satisfaction with the Wairau Valley as a business location and their attitudes to potential high-density housing projects.

Awareness was low, with 71 per cent of those surveyed saying they were unaware of proposals for high-density residential development in the area, and reactions to the plan were mixed.

Half of businesses felt the changes would increase their customer base, but many expressed concerns about traffic congestion, a lack of parking, security and increases in the cost of leasing or buying property in

the area.

The study represented the first formal review of the Wairau Valley business district and the AKE Hub team pulled the report together in a fortnight.

"It was really done in record time, and I'm particularly proud of our students who met some very tight deadlines," Dr Stangl says. "They were out there walking the streets in horrible weather – but they really loved it because, not only did they get paid, they got some practical, hands-on research experience."

<http://akehub.massey.ac.nz>

'Hub club' continues to grow

Massey's Auckland Knowledge Exchange (AKE) Hub has continued to engage with businesses through a series of networking events and agreements.

The AKE Hub aims to make it easier for businesses and government agencies to develop research partnerships with Massey. It has already produced tangible results – including the contribution of forecasts by Massey researchers to KPMG's annual Financial Institutions Performance Survey.

At a North Shore networking event, hub business development director Dr Jeff Stangl said Massey was keen to take a central role within the local business community.

"We want you to tell us, as your local uni, how we can help your business grow. What we envisage starting tonight is a 'hub club' that can be part of a community

of like-minded individuals interested in working together collectively to grow the local economy."

In the past year the hub has added partnerships with Toyota Financial Services, CPA Australia and Hewlett-Packard to those already established with KPMG and Auckland Council.



Professor Christoph Schumacher signs a partnership agreement with Toyota Financial Services' CEO Brent Knight.

Under the new agreements, Massey will collaborate on joint research with each of the organisations, share resources and provide access to business students for internship and graduate programmes.

"These sorts of partnerships are what the AKE Hub is all about," said hub director Professor Christoph Schumacher. "We want to bring the academic and corporate worlds closer together so Massey is better serving the needs of our local business community through our research and the future employees we produce."

"We want to bring the academic and corporate worlds closer together so Massey is better serving the needs of our local business community."

– Professor Christoph Schumacher

Massey studies impact of living wage

Professor Jane Parker discusses Massey's new research project looking at the impact and perceptions around introducing a living wage. By Sidah Russell.

The research project will include evaluating how a living wage affects families.



Wellington Council gave its staff a new year's present by introducing a living wage and Auckland mayor Len Brown is proposing his council follows suit.

With the Labour and Green Parties committed to doing the same within the public sector, Massey's new living wage research project should provide valuable data on what is shaping up to be one of the key issues of the 2014 election campaign.

It is one of the first key research projects to be managed by Massey's new research hub MPOWER (Massey People, Organisation, Work and Employment Research). Project team co-leader Professor Jane Parker says the research aims to "go beyond the usual economic analysis" of the living wage.

"We want to establish a whole range of indices that might be useful to different parties – whether it's an employer weighing up the costs of a living wage or a union organisation looking to put forward a case for it," she says.

"Existing research has tended to focus on the economics of introducing a living wage so we also want to look at it in terms of 'softer' benefits like wellbeing, happiness and quality of life. We are trying to take a broad view of

how it actually affects employees and their families, and how this might impact on things like productivity and retention for employers."

There will be three strands to the research project: a national online survey of employers, managers and employees; stakeholder meetings

with government, unions and employer organisations to map out policy considerations; and an in-depth case study of an organisation that has recently introduced a living wage for staff.

"At the end of the research project we will produce a report that outlines the scope of living wage initiatives in New Zealand – which organisations are looking at it, which ones have implemented it, and what form the initiatives are taking," Professor Parker says.

"We will understand what the challenges are to introducing a living wage and, for those that have introduced it, whether they perceive the benefits outweigh the costs, and whether their employees feel it has made a tangible difference to their lives."

Professor Parker says the research project will provide much-needed New Zealand context to the living wage debate and will report its findings in late 2014.

"Existing research has tended to focus on the economics of introducing a living wage so we also want to look at it in terms of 'softer' benefits like wellbeing, happiness and quality of life."

– Professor Jane Parker

What is MPOWER?

MPOWER (Massey People, Organisation, Work and Employment) is a new research hub housed within the School of Management. It aims to encourage collaboration across disciplines and organisations to address the key issues faced by organisations and workers in New Zealand.

Launched in mid-2013, the hub is about engaging with stakeholders – other academic institutions, trade unions, community groups, professional bodies and businesses – to do relevant research.

"MPOWER is a network for collaboration. We don't even have all the questions, let alone all the answers," said Professor Jim Arrowsmith at the hub's launch.

"We need to talk to managers, business leaders and trade unions to find out where we need to do research, how we can do it effectively, and how we can disseminate the results to the people it will be useful for."

This approach was illustrated by the speakers at the launch event. They were Peter Conway, secretary of the NZ Council of Trade Unions, who gave a union perspective; Angela Atkins, Auckland branch president of the Human Resource Institute of NZ (HRINZ), who provided a practitioner's point of view; and employment law barrister Helen White who discussed the need for solid research to inform policy decisions about new legislation.

All three highlighted the need for their sectors to engage more closely with the academic community to find evidence-based solutions to New Zealand's specific workplace issues.

MPOWER has already run a series of events, including a presentation by The Warehouse chief executive Mark Powell on the 'Career Retailer Wage Initiative' and a half-day workshop on organisational resilience, in partnership with HRINZ.

<http://mpower.massey.ac.nz>

Students dive into business challenge

A group of eight Kiwi students experienced their first taste of international business success as part of the winning Asia Pacific team in the Global Enterprise Challenge.

“The students who take part in the Global Enterprise Challenge will be the next generation of entrepreneurs leading our economy into the future.”

- Dr Jeff Stangl

The New Zealand competition, which is run by the Young Enterprise Trust and sponsored by Massey University, is held at the university's Albany campus each year.

The 2013 winning team, mentored by Warehouse Stationery, took out the national contest and then went on to win the Asia Pacific title. They were just pipped at the post for the global title by Stuyvesant High School in the United States.

The 2013 challenge was to develop a proposal for a sustainable tourism business that used science and technology to manage environmental issues. Team Warehouse Stationery developed a business plan for a company called Eco Dive, which would take dive trips on the Bay of Plenty's Astrolabe Reef, site of the grounding of the Rena container ship.

“The idea was to develop the Rena shipwreck into a diving experience and also use a close-by island as a centre

for creating accommodation and other tourism facilities,” said Kingsway School student Jack Hulbert.

The business plan also included a contribution of three per cent of profits to the local iwi trust and the ability for customers to transplant coral to replenish the reef and then geo-track the growth of that coral.

“I definitely see a future in business for myself, especially after this weekend. I'm so much more excited about the idea of that,” said Connor Skeens from Westlake Boys.

He said the feeling of winning after 12 hours of hard work was “awesome”: “The best moment was the feeling of finishing, of putting the business plan in the Dropbox and everyone just clapping and screaming and feeling so relieved.”

Massey finance lecturer Dr Jeffrey Stangl, who was an international judge for the competition, said it's amazing to see how the students develop their creative thinking and business acumen over the course of the weekend.

“The students who take part in the Global Enterprise Challenge will be the next generation of entrepreneurs leading our economy into the future,” he said.

All students who took part in the Global Enterprise Challenge were presented with a \$1000 scholarship towards study with the College of Business, and members of the winning team received a \$2000 scholarship.



Team Warehouse Stationery, winners of the New Zealand leg of the Global Enterprise Challenge.

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Young and smokefree

What is the key to getting young Kiwis to support a smokefree New Zealand? A new Massey campaign sought answers straight from the horse's mouth.

By Paul Mulrooney.



Massey communication students Bridget Hayman and Charlotte Moffatt are organising the Smokefree Summits.

Massey's 'It's My Life' campaign has inspired young New Zealanders to create dozens of posters, videos and apps to encourage their families and friends to go smokefree. Now anticipation is building for a series of Smokefree Summits, where the winners of the nationwide competition will be announced.

The summits will be hosted on Massey's three campuses in late March and will conclude an awareness campaign aimed at promoting effective smokefree messages – created by youth, for youth.

Summit project leader Associate Professor Elspeth Tilley, from Massey's School of Communication, Journalism and Marketing, says the events aim "to reach out to schools and other universities in each region to become part of an international global youth smokefree movement".

Two international guest speakers are being flown out from Liverpool. Teenaged smokefree advocate Katie Lou Holland and Helen Casstles, a smokefree health advisor from the UK's National Health Service, will share insights into how young people can take the lead with issues that affect them, including smoking.

The duo were involved in a UK campaign to change the way smoking was portrayed on TV. A petition containing 10,000 signatures was presented to the government and a

demonstration in Liverpool saw protesters, dressed up as characters from Coronation Street, carry banners calling for the removal of glamorised smoking from television before 9pm.

The Smokefree Summits will create a festive atmosphere with bands and other entertainment, while conveying the serious message that New Zealand should become a smokefree society. 'It's My Life' competition winners will also be presented

her own communications students to develop media, event management and sponsorship plans.

It's a challenge that has been embraced by communication students Charlotte Moffatt and Bridget Hayman who are organising the programme and securing the support of numerous entertainment acts and sponsors for the summits.

"There will be giveaways from Whittaker's Chocolate, AJ Hackett Bungy, Burger

"The evidence in the entries suggests that youth are angry, particularly with adults who smoke around them and in environments such as cars."

– Associate Professor Elspeth Tilley.

with prizes worth \$17,000, funded by the Ministry of Health and Massey's College of Business.

Many of the competition submissions showed that young Kiwis were getting the message to resist peer pressure to smoke.

"The evidence in the entries suggests that youth are angry, particularly with adults who smoke around them and in environments such as cars," Dr Tilley says.

To ensure the competition's appeal for its target audience Dr Tilley recruited design students from Massey's College of Creative Arts to create the 'It's My Life' website and

Wisconsin, Burger Fuel, LaserForce, Macpac and others – we've had to learn how to approach sponsors and negotiate and close deals, all of which will help us in our careers," say the duo.

"But on the day itself, the message will focus on what you get out of not smoking rather than focusing on the negative aspects of smoking."

The Smokefree Summits will be held at Massey's Wellington campus on March 24, Manawatu campus on March 26 and Albany campus on March 28, 2014. For more details visit: www.smokefree-itsmylife.org.nz



The sky's the limit

Steve Corbett explains why cloud-based computing could be the decade's biggest job creation opportunity for New Zealand.

According to analyst firm Gartner, by 2016 the bulk of new IT spending will go on cloud computing services. By then it's estimated that total global spending on cloud services will have grown to US\$210 billion.

This shift to cloud-based systems is a hugely important one for New Zealand. For the first time, we are in a position to participate in a global technology wave. Our geographic location is no longer subject to the 'tyranny of distance' and our investments in infrastructure could, and should, provide a payback to New Zealand many times over.

The growth in the online market has only been possible because of the significant advances in global connectivity. The improvement in bandwidth and remote storage capability has changed the business model dramatically for software companies and their clients. These technology changes have allowed firms to scale their solutions and provide their services across borders. Going global is a real option – for many it is the only option.

The business strategy for any online company is fundamentally a land grab. How to acquire and keep customers is the focus of every management team in the sector – and Kiwi companies like Xero, VendHQ and Unleashed Software have to challenge established firms in overseas markets for customers and market share.

A story in UK newspaper *The Times* about Xero's fundraising round in the United Kingdom was headlined: 'David and Goliath face off with software in the cloud'. This highlights the opportunities and challenges for new entrants – and it's

only those companies that can demonstrate innovation in product, integrate it with other solutions, deliver it with minimal latency, have credibility with security and offer superior back office support that will succeed.

The most important measure of success is customer traction. It is the speed with which Kiwi software firms can gain customers that will decide how they will ultimately be judged. They must grab significant market share before the incumbent can regroup and organise a competitive offering. They must also show significant customer growth to justify their future funding rounds.

Xero has been a great role model in demonstrating the relationship between growth in customer numbers to shareholder

“So what is holding us back? I would rate the lack of capital as the major challenge that New Zealand companies face.”

– Steve Corbett

value and ability to raise new capital.

Fortunately, the business model for the user is equally persuasive and the rapid growth in demand for online software services is almost guaranteed to continue. The ability for a company to upgrade its legacy systems without incurring the upfront cost of software licences and infrastructure, coupled with the ability to access a wide portfolio of solutions, has created a demand for software solutions that was non-existent just five years ago.

There are great opportunities here for Kiwi technology companies, especially in the specialist add-on market in enterprise software or apps.

So what is holding us back? I would rate the lack of capital as the major challenge that New Zealand companies face. There has been a complete disconnect between the way the New Zealand investment community has assessed cloud-based software companies and how global investors have priced them.

The result has forced more and more Kiwi companies to seek funding offshore, where investors have a greater appreciation of what a large addressable market means to a company valuation in its early development phase.

The other requirement of a strong, homegrown technology sector is people. We need to keep developing our people – with IT skills, but also human resources, marketing, design and engineering capabilities.

With good management and support, this technology wave could be one of the most important job creation events of our times. New Zealand must ensure that industry, educational institutions and the government are aligned in the development and education of our future workforce because we are going to need a lot of them.

I doubt we will see another opportunity this large for some decades. This wave will generate the formation of some very large global online companies – and we need to make sure that at least some of them have significant New Zealand ownership.

Steve Corbett is the chief executive of ecentre, the business incubator based at Massey University. www.ecentre.org.nz



RadioLive's Andrew Patterson, Vend HQ CEO Vaughan Rowsell, Entrepreneur of the Year Rod Drury and Unleashed Software founder Greg Murphy at the ecentre cloud computing workshop.

Social styling

Fancy yourself a fashionista? Or are you someone who can never find the perfect outfit? Sidah Russell discovers a new ecentre startup that combines style with social media.

Finding the perfect outfit can be a real chore for the “style challenged” among us. But a newly-launched website called LittleBlackFrock.com aims to provide a solution.

The website crowdsources fashion ideas by getting users to create ‘LookBooks’ – entire ensembles, complete with accessories – that others can browse, like and share. But the real advantage for those short of time is the ability to purchase entire outfits online from a range of Australasian retailers.

Company founder Olivia Willard, who is based at Massey University’s business incubator the ecentre, says the idea was borne out of frustration.

“I’m a busy person who likes fashion but gets frustrated when shopping for clothes,” she says. “It’s hard to find the time to visit multiple stores to find an entire outfit – you’re probably not going to get a bag and earrings from the same place as your shirt. In reality, you’ll probably try on a few shirts and then race home.

“I thought there had to be an easier way of looking at a lot of outfits to get that style inspiration, something that was better than trawling through jumbled racks when you’re in a hurry.”

Willard says LittleBlackFrock.com caters to “a whole market of people out there who are style challenged or time poor and would love someone with a good eye to put entire outfits together for them”.

The site has also been designed to attract would-be stylists who want to show off their creativity.

“Little Black Frock is also for aspiring fashionistas who want to show their friends what’s on trend,” Willard says. “Creating LookBooks is really fun and creative. Your inner stylist comes out and you get instant feedback if people like your fashion ideas.”

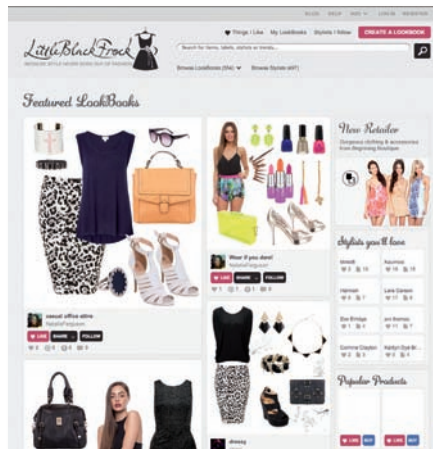
Stylists can mix and match products from brands such as Sass & Bide, Kardashian Kollection, Karen Walker Jewellery and Lime Crime – with new retailers being added regularly. As items are dragged into a LookBook, the website gives a running tally of the outfit’s total cost.

The website launched in November 2013 and proved itself very popular over the summer party season. Willard left her full-time digital marketing job at talent directory StarNow.com in mid-2013 to focus her efforts on making LittleBlackFrock.com a success.

“It’s been a slightly scary but exciting learning curve. When I started working with the ecentre all I had was an idea. I really didn’t know how to validate my idea or build it into a business,” she says. “But I’ve received a lot of valuable advice that has really focused my original ideas into a simple, easy-to-use website.”



LittleBlackFrock.com founder Olivia Willard.



“I thought there had to be an easier way... to get that style inspiration, something that was better than trawling through jumbled racks when you’re in a hurry.”

- Olivia Willard

Since then Willard has recruited an experienced design and development team of three to help her develop the website. And with her own decade of experience as online marketer, including as an early employee at TradeMe, she is confident that LittleBlackFrock.com’s membership will continue to grow quickly.

Her ambitions for the business include launching into other regions and broadening the site’s product categories.



www.littleblackfrock.com

Rising from the rubble

When the Christchurch earthquakes all but destroyed her livelihood, Massey MBA graduate Lee Retimana rebuilt her business by helping others rebuild theirs. She speaks to Sidah Russell.

12.51 pm, February 22, 2011 – the ground shakes and the central business district of Christchurch collapses.

After the trauma and destruction of those first post-earthquake days, Lee Retimana knows she's one of the lucky ones. She is without power, water or sewerage at her home and her business premises is closed until safety inspectors can visit. But she and her family are unharmed. It's her livelihood that she's most concerned about.

"Like many Christchurch businesses, the earthquake almost shut us down," she remembers now. "I tried to run Muritai Marketing out of the back of my car, and then out of a friend's kitchen.

"Nearly all of our clients were in the red zone. It was a really worrying time because, until you were actually able to make contact with people, you were never completely sure they were all right. So, really, for the first three months it was waiting to see if they were alive and well, and then if they were still going to be operational as a business."

"I went from thinking about Muritai Marketing and how dreadful everything was going to realising that, ah, there are a lot of people out there who are much worse off than I am." – Lee Retimana

Retimana's own company, Muritai Marketing, was a small firm that helped other small and medium-sized businesses with their marketing strategies and programmes. She knew she had to rebuild her own business by helping others to rebuild theirs.

She quickly found her niche: helping ethnic businesses to reinvent themselves.

"Christchurch had a lot of Chinese business owners, for example, who sold products and services to Chinese people on holiday. But, suddenly, they had to reinvent their businesses and learn how to sell to Kiwis because all their old clients were gone."

Retimana was approached by fellow Massey MBA graduate Taz Mukorombindo, who was also chief executive of the Canterbury Business Association. His organisation provides support to ethnic businesses and he asked Retimana to help his members develop new business and marketing strategies. Working with these people was, she says, "like a breath of fresh air".

"I went from thinking about Muritai Marketing and how dreadful everything was going to realising that, ah, there are a lot of people out there who are much worse off than I am. A lot of Kiwis were struggling to deal with

the EQC and their insurers – imagine the difficulties if English wasn't your first language.

"These were great business people whose lives had been shattered. But they were strong, they were determined, and they weren't going to lie down and give up. It was fantastic to work with people like that."

She reckons being Māori helped break down some of the barriers.

"What my cultural heritage brings to what I do is the inherent understanding that everything is about people. Others might look at business in terms of numbers or processes – that's not wrong, that's just the way they operate. But to me, everything you

do touches someone in some way and, without those people, you would have no business."

Retimana says the broad business and strategic thinking skills she gained while doing her Massey MBA also came into play. She primarily helped her new clients



Shane Bond capped once more

with marketing, but also found herself assisting with other strategic decisions like pricing and even sourcing new facilities. She looked for ways to expand their businesses beyond Christchurch – a lesson she'd learned the hard way, courtesy of the 2011 quake.

The work with the Canterbury Business Association led to further work with Recover Canterbury, an initiative partly funded by New Zealand Trade & Enterprise (NZTE) to help firms in the region get back on their feet. Retimana provided training and coaching and is now a registered service provider for NZTE's national Capability Development Voucher Scheme.

The years since her world crumbled down around her have seen both Retimana and her business go from strength to strength. While she's the first to admit she never wants to live through something like that again, she also knows she's happier in her work than she's ever been.

The earthquake made her rethink her business and it threw up new opportunities.

"Coaching other businesses was a way we could give back to our community, a way we could help, but it's also shaped our business going forward. Muritai Marketing is absolutely stronger now. It's been tough, but we got through it – and we're more focused and better as a result."

www.muritai.com



Cricketer Shane Bond was concerned he wouldn't be able "to cut the mustard" when he embarked on his Master's of Business Administration at Massey University, so it was a proud moment for the former Black Cap when he crossed the stage at his graduation ceremony last year.

"One of my regrets has always been not finishing the tertiary studies I started earlier in my life, so I am really satisfied to have completed my MBA," he says.

Bond first considered tackling postgraduate study after meeting Massey University Council member Bruce Ullrich at a Christchurch Rotary event. Ulrich convinced him that the flexible structure of Massey's programme would fit with his lifestyle and other commitments.

"When I started I was worried I wouldn't cut the mustard, but I found my feet and had great support from Bruce, my classmates and, of course, my awesome wife who had to deal with all my travel as well."

Bond embarked on his MBA after retiring from professional cricket but had to juggle his responsibilities as Black Caps bowling coach during the final year of his studies.

"I was travelling with the team for six months of the year so that made it a bit difficult to get the interviews for my final research project done," he says.

"Fortunately Massey offered me some flexibility and, to be fair, I imagine all the others in my cohort who worked fulltime would have had workloads that were just as big."

Bond says he won't miss lugging his textbooks and reading materials around with him on cricket tours, but he is looking forward to using some of the new skills he's learned.

"I wanted a degree that would provide me with broad knowledge and I'm already finding the management and leadership

skills useful in my cricket job. I deal with a lot of different types of people and I'm using those tools more and more. The MBA has also challenged me to think strategically and look at the big picture."

Given New Zealand Cricket's well-documented governance issues, Bond's MBA research project into cricket governance should prove useful if he stays with the sport in the longer term.

"I can see myself eventually getting involved with cricket at the board level and I now have an appreciation of the different governance structures and models. I guess what I really learned is there is no perfect formula."

While Bond says he's definitely happy in his role as Black Caps bowling coach, the MBA broadens his future career options both within cricket and elsewhere.

"I love cricket but I have three young kids at home and I'll eventually look for something that involves less travel. The MBA should open up more doors for me away from the game. It's given me more credibility and confidence in my abilities – and it shows there's more to me than just a name."



Shane Bond at his graduation ceremony.

Bond says he won't miss lugging his textbooks and reading materials around with him on cricket tours, but he is looking forward to using some of the new skills he's learned.



The **rise** and **rise** of **Auckland house prices**

Despite the Reserve Bank's new restrictions on low-deposit loans, property lecturer Alan Pope sees no end to high prices in the short term.

Housing prices in our largest city have been the source of much hand wringing in the past year. It's been a hot topic in the media, with government at all levels, and around water coolers across the city.

Accurately predicting the future direction of a market is notoriously difficult, but there are some underlying trends that point to Auckland house prices continuing more or less on their current path.

While the Reserve Bank's loan-to-value ratio restrictions are reducing the number of mortgage approvals, and presumably house sales, this has yet to lead to decreases in house prices. The demand for property in Auckland is still high in most areas.

A much-predicted increase in interest rates may also have an impact, but it's unlikely the Reserve Bank will increase rates to a level that severely dampens

people's desire to buy property, at least in the short term. If prices are adversely affected, it's likely to be in localised, less desirable areas, and there may be some consolidation in price levels in other areas.

This is a far cry from a dramatic property bust; the overall, long-term trend for Auckland house prices is still up.

There are only two ways of increasing Auckland's housing supply: open up new greenfield sites or build higher-density properties. The length of time needed for consenting processes means neither will have a major impact in the next few years, and both will require an adjustment of consumer expectations.

Aucklanders must accept changes to the way they live. A house close to the city centre with a large yard will no longer be affordable for many – there's just not enough land in inner-city suburbs to increase the supply of traditional subdivisions with standalone properties.

As we slowly transform the way Aucklanders live through higher density residential developments, there will be a moderate easing of pressure over time. But Auckland's population is growing through a combination of births, immigration and New Zealanders moving from the regions, so there will always be a demand for property.


Right now prices are increasing rapidly due to demand. While this is creating problems for first homebuyers, it will assist the shift to higher density living, which will be a more affordable option. Immigration from countries where apartment living in major cities is the norm will also help.

If Auckland lives up to its potential it will become an even more significant city in the Asia Pacific region, a place where increasing numbers of people want to live. There is a certain long-term inevitability that its population will either live in high-density accommodation near the city centre or commute from the extremities or even outside the city boundaries. A rapid rail link from Hamilton, for example, would put that city in reach for Auckland workers.

In the meantime, it's hard to see any reason for a steep fall in Auckland property prices. Unforeseen macroeconomic factors aside, there's no quick solutions to the chronic housing shortage.

In a decade or two, when high-density housing is the norm, we may still look back to 2014 and think, "Actually, prices really weren't too bad back then."

Alan Pope is a Registered Valuer and a lecturer in Massey University's School of Economics and Finance.



“Aucklanders must accept changes to the way they live. A house close to the city centre with a large yard will no longer be affordable for many.”

– Alan Pope



The world's smart food capital

Professor Claire Massey outlines her blueprint for ensuring New Zealand lives up to its agribusiness promise.

By 2050 last year's milk 'crisis' may well be remembered as a turning point in New Zealand's approach to agribusiness. With the benefit of almost 40 years' hindsight the event could become as important a milestone as the first shipment of frozen meat from New Zealand to Britain in 1882.

We will hopefully see it as a coming-of-age year when we realised that New Zealand's core advantage in agribusiness was intellectual property, a year when we collectively decided to pursue the goal of making New Zealand the smart food capital of the world.

So, how will we get there? As the saying goes, "never waste a good crisis". Now the story of Fonterra's botulism scare has faded from the daily news bulletins, the real work must begin. Industry leaders, government and the country's science providers need to get together to develop a blueprint for the future.

This process should engage the whole country in an open dialogue. Fonterra's crisis spilled over into many other sectors – tourism being the prime example – and it highlighted the fact that every one of the approximately half million New Zealand enterprises has a role to play in building the country's reputation.

The next step is to focus on the whole value chain. We have traditionally focused on industries (dairy, meat, wool) or sectors (pipfruit, seafood) but, to gain most value, we need to build strength in all components of the chain – traceability, resource management, processing, packaging, distribution, retailing, marketing, branding, exporting, policy, finance, technology, computing, management, research and development.

We must also look for smart business models. One of our core national values is independence, but the demands of the future will require us to partner with those who have skills or resources we lack in a process of open innovation.

The problems facing the world today (food supply, poverty, disease, climate change) are complex. They require integrated responses, and we need to harness all the resources (including tikanga Māori) available to us.

New Zealand also needs to build a seamless science system. We already have excellent science and education systems where individuals and groups are closely connected, but we can do better. Our goal must be to provide easy access for firms, with scientists working across institutional boundaries (in New Zealand and around the world) and alongside industry as standard practice.

We must then make 'best practice' the new norm. Our farmers and producers have always been world leaders, and we need to retain this position and make it the norm across the whole economy for manufacturers and service providers alike.

We have clear capability in producing food, we have a business infrastructure that is consistently rated as amongst the best in the world, and a farming community that is highly educated and has the capacity to integrate the newest technology into their farming operations.

This puts New Zealand in a strong position to export education, training and technology in agricultural production. There is no reason New Zealand should not become a leader in knowledge distribution, an international hub for agricultural know-how.

The reality is that this blueprint does not yet exist in any formal sense – but that doesn't mean it shouldn't be written. Wherever conversations about New Zealand's future occur, these same ideas are kicked around: How do we work better together? How do we ensure that our firms have access to the best science and the best infrastructure?

It is only by ensuring that we create the conditions where our firms can do what they do best – be enterprising and take the best of New Zealand to the world – that we can secure our economic future as the world's smart food capital.

Professor Claire Massey is Massey University's Director of Agri-food Business.

"As the saying goes, 'never waste a good crisis. Now the story of Fonterra's botulism scare has faded from the daily news bulletins, the real work must begin.'"

– Professor Claire Massey





Singles need work/life balance too

If balancing work and family demands is one of the central challenges of modern life, why do parents score better on the work/life balance scale? Sidah Russell investigates.

Parents will tell you that juggling the pressures of a job with bringing up young children is a constant challenge. But Massey’s Professor Jarrod Haar has found that it’s the non-parents who are struggling most to achieve work/life balance.

He surveyed 609 parents and 708 non-parents and found that 52 per cent of parents felt happy with their work/life balance, compared to only 42 per cent of those without children.

“It’s not about kids or no kids,” he says. “Everyone has multiple roles they are trying to balance. It might be work and sports or, if you’re religious, your church – and that can be just as draining and hard to juggle as someone who has young kids.

“It’s a reminder to managers not to categorise people as parents or non-parents, and then assume the non-parents don’t have anything important going on.”

Professor Haar says it is often easier for parents to maintain a clear line between work and non-work time.

“Parents are better at getting up and leaving the office at the end of the day,” he says. “It’s easy to flag going to the gym and stay at your desk, but you can’t decide not to pick the kids up from daycare! Maybe parents are just a little more skilled at achieving that balance because they have to be.”

Feeling good about your work/life balance is also a lot

about perception. Professor Haar says it’s not about the number of things you do, but how you feel about doing those things and whether you feel you are doing them well.

“There are good life skills that come with balancing multiple roles well – it makes you feel good about yourself and you are more likely to cope with unexpected additional stresses.

“You could have 100 things on and think, ‘Woohoo, I’m really achieving here’. Or you could have two things on and think, ‘Oh, I can’t handle this’. It’s about your perceived ability to cope – if you’re somehow managing to do it all to your satisfaction, then go for it. One person’s exhaustion is another’s exhilaration.”

Professor Haar says the key piece of advice to come out of his research is the value of flexibility, both from an individual and company standpoint.

“At a personal level my advice would be to take stock of all the things in your life and decide which are the important ones. Focus on those and be a bit flexible with yourself if you don’t achieve the less important ones all the time.”

He says employers need to recognise that work/life balance policies are good for everyone, not just those with children. Flexible start and finish times, for example, can benefit all employees.

“Accommodating the needs of parents is a good thing, but you can be single and childless and still lead a busy, stressful life. Policies that focus solely on parents must make single employees feel discriminated against at times.”

“Policies that focus solely on parents must make single employees feel discriminated against at times.”

– Professor Jarrod Haar

	Parents	Non-parents
Achieving work/life balance	52%	42%
Had above average job burnout	37%	48%
Had above average depression	39%	50%
Had above average job satisfaction	61%	43%
Had above average life satisfaction	61%	48%

Key findings:



The secrets of exporting success



The government wants to increase the country's exports from 30 to 40 per cent of GDP by 2025. A new report from Massey gives insight into how this might be done. By Sidah Russell.

Massey University has completed the largest systematic study of New Zealand firms to identify the factors that lead to successful export activity.

The report's lead author, Professor David Deakins, says the research aims to understand why less than 20 per cent of New Zealand businesses earn overseas income from international activity.

It found that while export activity by New Zealand firms was diverse, there were some common factors among those who had experienced success.

"There really is a major commitment needed, so to sustain export activity you have to take a long-term view and commit enough time and resources into the overseas market," Professor Deakins says. "You also need trusted contacts and strong networks to allow you to research the market well."

While unfavourable exchange rates were one of the most frequently reported barriers in Statistics New Zealand's 2011 Business Operations Survey, the more in-depth interviews in this study revealed that exchange rates were not a major trigger for disengaging from export activity.

"We found that companies learn to live with fluctuating exchange rates and adjust their strategies accordingly. What's more important

is the quality of their product or service, the strength of the overseas market, having those trusted contacts and what I call an entrepreneurial orientation."

Professor Deakins says that while technology and knowledge-based companies tend to follow an early internationalisation model because they have to, the majority of New Zealand firms take a much more gradual and "staged" approach to exporting.

"New Zealand companies don't just have to deal with physical distance, they also have to overcome psychological distance. That's why most companies look to Australia first – it's our nearest neighbour in a physical sense, but it's our nearest neighbour psychologically as well because of its similar language, culture and regulations."

He also found that many companies had quite modest exporting ambitions, usually limited to activity within Australia. As a result, the report

identifies a "support gap" for small New Zealand businesses that may occasionally export into overseas markets.

"While individually these companies represent small amounts of export activity, together the activity could add up to a significant impact."

"New Zealand companies don't just have to deal with physical distance, they also have to overcome psychological distance."

- Professor David Deakins

When simple is best

Three Massey University researchers have won the inaugural Philip Brown Best Published Paper Award for their research into commodity trading transaction costs.

Professor Ben Marshall, Associate Professor Nuttawat Visaltanachoti and Associate Professor Nhut Nguyen looked at a number of techniques for understanding the liquidity of commodities – and found that the simplest techniques are often the best.

"We tested 10 techniques and some of the more sophisticated ones weren't as good as we had hoped," Dr Visaltanachoti says.

"There are some simple proxies that can be calculated in an Excel spreadsheet and they actually work pretty well. They might not be the most accurate techniques, but they are accurate enough and low in time and cost."

One of the simplest techniques is to look at the price reversal, or the fluctuation between buying and selling prices.

"You pay slightly more for the commodity than you will get if you are selling it – the difference is the dealer's profit and a measure of the asset's liquidity," Dr Visaltanachoti explains. "The greater the gap, the lower the liquidity, and the more you're paying in transaction costs."

The research, which shows the liquidity of commodities can be reasonably accurately inferred from price patterns alone, means that even small investors can participate in the commodities market.

"Usually the way to accurately measure liquidity is to look at high frequency trading data – but not everyone has access to real-time data. And, even if you do have access, it's a huge amount of data to deal with and it doesn't go back very far in time," Dr Visaltanachoti says.

The research is the first time the methods for establishing transaction costs when trading commodities has been extensively analysed, and Dr Visaltanachoti says it should prove useful to researchers, analysts, fund managers and investors looking to diversify into the asset class.

"We tested 10 techniques and some of the more sophisticated ones weren't as good as we had hoped."

- Associate Professor Nuttawat Visaltanachoti



MELANIE KIRK

THE X-FACTOR

From Palmerston North to LA, Melanie Kirk has risen through the ranks to become Senior Vice President of FremantleMedia in Los Angeles, managing the finances of the company that runs mega-rating TV shows like American Idol, America's Got Talent and X-Factor.

Studying for a BBS, majoring in Accounting, at Massey in the mid 90s, Melanie found the hands-on practical nature of Massey's business degree programme equipped her with a fundamental set of business and accounting skills that's ensured she's never looked back, climbing the career ladder at a frenetic pace.

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