



INAUGURAL NEW ZEALAND SMALL BUSINESS SUMMIT

SUMMARY REPORT



Event Summary

Date Held:	Friday 25 July 2008
Venue:	Sky City, Auckland
Delegates:	132
Purpose of Summit:	To provide a forum from which to build relationships and communication between small-to-medium enterprises (SMEs) and government.

The inaugural New Zealand Small Business Summit 2008 was held at Sky City, Auckland and was an important event for small businesses and government agencies concerned with the effects of legislation on the growth of our economy.

This summit brought together a diverse group of 132 delegates including business leaders, policy advisors, decision makers and representatives from all segments of the Small to Medium Enterprise (SME) sector. Given the importance of SMEs in the New Zealand economy and the forthcoming election, the Summit provided a unique opportunity for SME business executives and legislators to engage in lively and constructive dialogue. It was also a forum for the major political parties to present their policies and programmes for economic growth, as well as considering their impacts on small business.

In terms of output and outcomes the 2008 Summit exceeded expectations. The format, organisation and staging found overall approval from delegates, who took full advantage of the opportunity to participate in concurrent break-outs and engage in constructive debate in the plenary reporting session. In spite of lower than expected numbers the quality of those attending was a good sample of virtually every SME representative, supporting and facilitating entity. There were many expressions of support for the next event, with 97% of delegates saying they will attend the 2009 Summit.

The Programme

The Summit agenda combined presentations, expert sessions, networking opportunities and discussion sessions. It included ample opportunities for everyone who took part to gain knowledge, exchange experience and generally build their network of SME practitioners and supporters from throughout New Zealand.

"Thanks for a very informative day out. Made many great contacts, got great ideas." – IAN GRACE

The main conference agenda, formulated by the Independent Business Foundation, featured eleven individual speakers and offered a range of opportunities for participants to learn, share and network with colleagues. With five keynote speakers, six concurrent breakout sessions featuring nine presenters, a post-event networking session and a range of trade displays, the 2008 Small Business Summit made a considerable contribution towards the building of mutually beneficial relationships between small business

and government.

The inaugural 2008 Small Business Summit was officially opened by **Peter Sewell**, Vice-Chairman of the Independent Business Foundation who spoke of the Foundation's role as a 'brains trust' and its partnership between business, academic, organisational and professional trustees to find practical solutions for SME development supported by information access and higher education.

The opening plenary speaker was **Phil O'Reilly**, CEO of Business New Zealand, one of the country's largest business advocacy organisations. Phil spoke about the challenges facing New Zealand SMEs and the lack of consultation in the drafting of business binding legislation. Delegates then heard from **David Eder**, business expert and Director of Just The Berries Ltd, who outlined the tools required by SMEs in order to succeed in what are currently challenging markets. **Professor Claire Massey** spoke of the government's perception of small business and the challenges faced by business researchers to attract funding for a much needed longitudinal study of the SME sector in New Zealand.

Dr Roger Wigglesworth, Director of the Effective Markets Branch of the New Zealand Ministry of Economic Development, addressed the international community's rediscovery of SMEs and was followed by our last keynote speaker **George Fistonich**, Director of Villa Maria Estates, who spoke of his experiences in sustaining and growing a successful business.

The policy debate between opposition spokespersons (**Hon Peter Dunne, Lindsay Tisch, Matt Robson, Doug Woolerton, Dave Clendon and Rodney Hide**) and SME business leaders (**Bob Fenwick, Professor Claire Massey, Phil O'Reilly and Andrew Hamilton**) proved to be an informative and beneficial session,

"The summit has certainly reinforced for me the difficulties, particularly in terms of compliance, of increasing productivity in the small business environment, and where there is government-funded support, how this is communicated to business. There is plenty of room for improvement in this area and a requirement for the policy makers to look at the issues facing small business at a more micro level."

– JAN BIERMAN

with critique of Government business policy and calls for corrective measures centred around bureaucratic disconnect, high-tech demands on skilled trades, employer binding regulations and business education.

Following lunch with guest speaker **Hon Bill English**, a number of concurrent break-out sessions were held and were designed to inform and prompt discussion and networking amongst participants. A range of topics were discussed, including:

- Skill Shortages/Recruitment and Retention (**Michael Barnett**, Auckland Regional Chamber of Commerce).
- Compliance Costs for SMEs (**Alasdair Thompson**, Employers and Manufacturers Association (Northern)).
- IT/Connectivity (**Pam Martin**, Extra Mile Training).
- Energy Supply/Climate Change for SMEs (**Dean Carroll**, Genesis Energy and **Warren Snow**, Envision New Zealand Ltd).
- Business Planning and Development (**Ifor Ffowcs-Williams**, Cluster Navigators Ltd and **Mark Robotham**, General Manager Escalator Service).
- Business Success Factors (**Judy Miller**, Skin Deep Body Products Ltd and **Ross Green**, Wellington Drive Technologies Ltd).

The breakout sessions concluded with a short afternoon tea and networking and were followed by a political party response from New Zealand First Economic Development Spokesperson **Doug Woolerton**, ACT leader **Rodney Hide** and Green Party Small Business Spokesperson **David Clendon**.

The final address of the day was made by **Hon. Clayton Cosgrove**, Minister for Small Business, who shared his perspective on taking New Zealand SMEs forward. **Peter Sewell** officially closed the summit with a review of the day's outcomes and achievements.

Key Recommendations and Outcomes Arising From the Summit

Submission to Government

As a result of the presentations and discussions, major issues for SMEs were identified and a set of specific recommendations prepared for the political parties, government agencies and SME advisors to consider. The recommendations covered:

- Productivity
- Education and training
- Infrastructure for SMEs
- Growth opportunities
- Sustainability for SMEs

- Government and its advisory role
- Creating an entrepreneurial culture in New Zealand
- SME research.

Encouraging responses have already been received from MPs and several noteworthy MPs (including Richard Worth and Lindsay Tisch from the National Party) also attended and took great interest in the event.

Assistance for Small Businesses

The Small Business Summit helped reiterate the great number of central and local government intervention programmes offered to small and medium enterprises. General opinion is that these programmes, although valuable, are often insufficiently marketed and have the potential to create confusion and administrative waste rather than opportunity. Delivery agencies are seen to be working in competition with each other, when a single access portal, efficiently promoted, would stand a better chance of achieving greater take-up. While the focus on supporting small innovative companies with high growth and export potential is recognised there is also evidence of public funding going to established corporates able to succeed on their own.

Consultation is Key

Summit delegates placed high priority on politicians seeking wider counsel in order to analyse the impact of proposed new regulations on SMEs. The Kiwi Saver scheme was cited as a classic example of lacking consultation, resulting in poorly drafted and implemented legislation. There was little objection to its basic concept, but its implementation, associated compliance demands and manner of introduction resulted in another costly compliance burden on small business in particular.

Cluster Development

The Summit called on Government to provide resources for enterprise development to encourage local area integrated clusters of firms operating in the same specialised sectors, such as the marine industry in Auckland and the equine cluster in Matamata. Based on overseas evidence, industry clusters are an effective means of establishing successful industry hubs in decentralised locations.

Into the Future

New Zealand's poor performance in business growth and succession was largely attributed to a lack of preparedness, business skills training and recourse to available assistance. It was concluded that greater constraints to starting up businesses in the first place, as is the case in many EU countries, would result in more long-term viable enterprises.

The success of the 2008 Small Business Summit is set to be expanded on in 2009, with the New Zealand Small Business Summit now an annual event.