



# ANNUAL REPORT 2010

Prepared by  
Rosin King  
Chief Executive



# 1

The New Zealand Business Capability Society (NZBCS) was incorporated in November 2008. The Society was incorporated to play a key part in enabling companies to contribute more value to the NZ economy and its stakeholders, by coordinating and leveraging the best of what the private and public sectors can contribute to building competency in NZ businesses and their people.

CapabilityNZ is the market-facing brand of the organisation and during 2009/2010 was in start-up mode. CapabilityNZ appointed its first CEO in August 2009 and has taken a leadership role in the development and uptake of the BAT. Under this leadership CapabilityNZ has effectively maintained the BAT usage figures increasing the number of business assessments completed to 4,242 and increased the number business advisors by 300%. We have also embarked on a significant project to increase the online tools to increase business capability and driven product development towards a significant enhancement for the assessment tool. We have also revised our strategic objectives, mission and vision.

**DIG A LITTLE DEEPER**



# 2

## vision

“CapabilityNZ helps build capability by coordinating and leveraging the best of what the private and public sectors can contribute.”

## mission

“To be recognised as the catalyst for accelerating the building of business capability, contributing to a productive and competitive NZ.”

2009-2010 has been a challenging and exciting year and there is still much to achieve in the forthcoming year. The main challenges have been around funding from a single source but a significant contract to manage while in start up.

However, the highlights for me during the past year were the relationships we have established and the new funding agreement for the platform with a redesigned assessment tool delivering key value deliverables. Thousands of New Zealand small businesses have benefited from using the tool and feedback from the statistical data we released has been profound. From previous skeptics of the assessment process contacting us to praise the benefits they received from using the tool and the statistical data to luke-warm existing users becoming champions. There is no easy way or silver bullet to addressing accelerating progress in building business capability. Each organization needs to find a role that they can play but look to play a wider role through a collaborative process



# 3

## Highlights

Driving uptake of the  
assessment tool helps  
Build Business  
Capability

The flagship service that CapabilityNZ offers is the New Zealand Business Assessment Tool. The tool will act as the catalyst for accelerating progress in the area of capability, through driving inclusion and collaboration amongst key players to provide a neutral, trusted vehicle for the delivery of a 360-degree assessment service. In other words the Business Assessment Tool is an excellent vehicle to contribute to business owners learning about business capability and going forward with an action to improve their business capability.

A survey conducted by CapabilityNZ showed that Business Owners who completed the assessment tool had a better conversation with their business advisors and was of value to their business. For an hour of their time the assessment tool “made them think” and as an online tool we were able to reach a lot of businesses

the word we're all talking about

**capability**

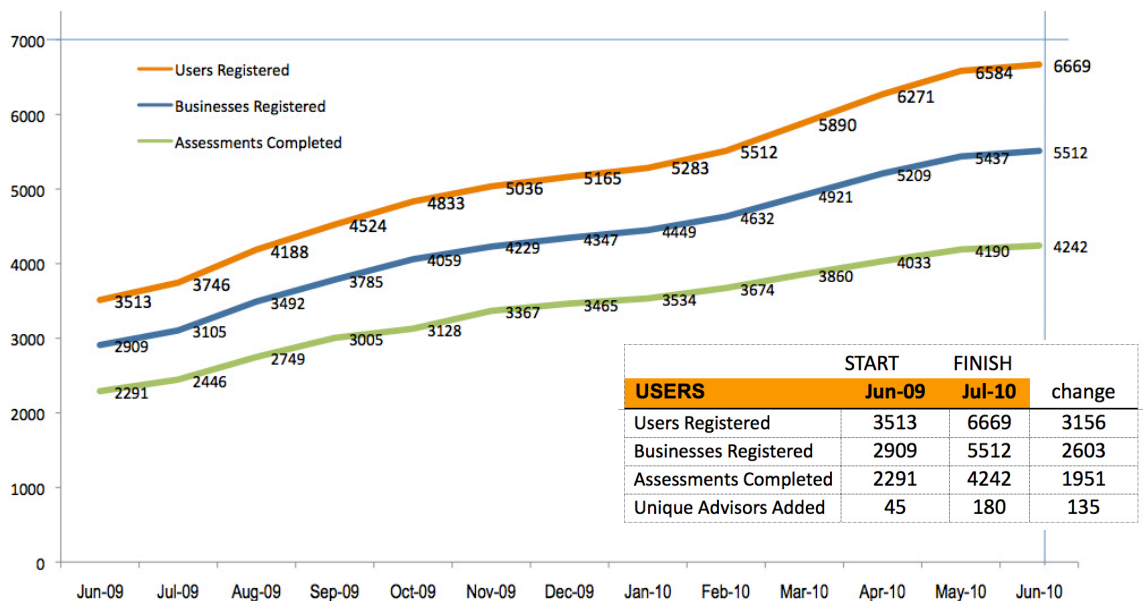
- 1, ability
- 2, a characteristic that may be developed potential aptitude

# 4

## Making a Difference

CapabilityNZ can make the difference – our figures at a glance

We embarked on a comprehensive analysis of the data. Business Advisors and organizations to improve conversations with business owners used insights and analysis of questions from the existing tool. Our relationship management focuses on raising awareness of the assessment tool and the link with business capability. By working with Enterprise Training Providers and reinvigorating their use of the assessment tool we continued the upward trend for registrations and completions. By greatly increasing the number of new Business Advisors using the tool we over achieved expectations on the number of completed assessments, set by NZTE at 4,000,



300% increase in Business Advisors

90% increase in registered users

95% of 7000 target achieved

## 3 Cornerstones

Relationship Management  
 Product Development  
 Communications & Promotion

Three areas were identified in our Marketing Strategy, signed and approved by NZTE and our Council. The key areas were Relationship Management, Product Development and Communications & Promotion. Remember by raising awareness and engagement with the Business Assessment tool we are making a difference and contributing to our strategic objectives in the best way that we are funded.

Relationship Management - a key initiative.

ACTIVITY	STATUS
Recruit Business Development Manager for active and ongoing account management	August 2010 Completed on time on budget

Key statistics from the data analysis have been released. Business Advisors and organizations have used these to improve conversations with business owners using insights and analysis of questions from the existing tool. Our relationship management focuses on raising awareness of the assessment tool and the link with business capability. 57 key organizations contacted on multiple occasions, 31 visited. Uptake of business advisors using the assessment tool up 300% between August 2009 and August 2010.

ACTIVITY	STATUS
Work with target accounts to promote the tool internally	Completed on time on budget
Organise and run focus group sessions	Completed on time on budget
Develop bulk e-mail communication mechanisms to provide regular updates and collect feedback from key stakeholders, business advisors and other contacts	Completed on time on budget
Develop bulk survey and feedback mechanism to gather feedback from existing business owner user base.	Completed on time on budget

## Join the Race

ACTIVITY	STATUS
Run a 3-month promotion amongst advisors to drive uptake, in partnership with ETP providers.	Completed on time – Over budget due to larger prizes to attract users to the tool and additional budget required to run communications
Organise and run follow-up sessions	Completed on time – over budget due to the set up and time taken to run user tests and extended scope

Highlighted building business capability in 13 media publications and TV appearance. 16 Economic Development Agencies (EDAs) and 4 Chambers used the tool during this period. This led to Vision Manawatu, Upper Hutt Chambers and Wairarapa Chambers winning prizes totaling \$11,000 and generated a revenue opportunity of \$15,000 spend on business capability services for Improvus, the winner in the business category. Over 1200 organisations were involved in a direct mail campaign in total 481 of people registered and took part in the business assessment

IMPROVE YOUR BUSINESS  
CAPABILITIES AND  
ACHIEVE SUCCESS.



# Product Development

## Redesign Questionnaire - a key initiative

A comprehensive Product Roadmap has been developed and signed off by Council and NZTE to deliver more value. Questionnaire has been redesigned and assessed. Value to Business Owners has risen from 40% to 85% and better conversation with business owners up from 40% to 95% (refer APPENDIX 1). The new design will allow council members to submit and have incorporated a wide range of assessment questions to add value to their business.

ACTIVITY	STATUS
Investigate and develop benchmarking tools.	Completed on time – over budget due to redesign of questionnaire required.
Investigate and integrate content and recommendations from the Business Health Check	Completed on time and on budget
Investigate and develop web links and banner adverts amongst appropriate stakeholders.	Completed on time and on budget
Investigate and develop reporting on the tool data to advisors, providers and business owners – automatic updates, printed publications,	Completed on time – Over budget due to the lack of reporting functionality on the tool. Manual process
Investigate and develop a directory of suitably qualified advisors – ‘Find an Advisor’	On hold – merged with Regional Partner network
Investigate and develop process integration with business advisors and capability providers (e.g. centralised registration process).	On hold – merged with business capability platform
Investigate and integrate the LearningSource platform or similar to provide a full course directory.	Completed on time and on budget
Investigate and integrate the iGovt login authentication platform.	Completed on time and on budget



## Communication & Promotion

ACTIVITY	STATUS: August 2010
Recruit Communications Administrator. Part-time on tool, part-time on CapabilityNZ hub and business administration	Completed on time and on budget
Build relationships with comms/marketing in key relationships to distribute web banners, publications, press releases and any other comms material	Completed on time and on budget

### Tool Kits

250 Toolkits - were distributed to raise awareness of building business capability through the use of the assessment tool. Over 60 accounting firms, 50 business associations, 36 IABC members, 26 EDAs, and the 6 top Chambers and the top 50 performing Business Advisors including the 15 ETPs received toolkits. It is expected that greater awareness of the assessment tool and building business capability would have a knock-on effect for council members and the wider stakeholder groups.

ACTIVITY	STATUS: August 2010
Complete design, development and production of tool-kits and associated collateral.	Completed on time and on budget
Revamp aesthetic of the tool and refine content and presentation of website as a whole.	Completed on time and on budget

Rebranded the assessment tool making it more attractive and easier to use, attracting 4,261 completed assessments (along with other activities). 2,983 completed assessments have been done since CapabilityNZ took over in August 2009. 40% of users (726 businesses) reported that they had a better conversation with their business advisor by using the assessment tool. It is expected that this would have a knock-on effect for council membership and the business advice industry along with business owners.

## Communication & Promotion

ACTIVITY	STATUS
Recruit Communications Administrator. Part-time on tool, part-time on CapabilityNZ hub and business administration	Completed on time and on budget
Build relationships with comms/marketing in key relationships to distribute web banners, publications, press releases and any other comms material	Completed on time and on budget
Complete design, development and production of tool-kits and associated collateral.	Completed on time and on budget
Revamp aesthetic of the tool and refine content and presentation of website as a whole.	Completed on time – Over budget due to expanded scope
Develop CapabilityNZ website (stage 1) to provide a central communication base, start of hub.	Completed on time and under budget
Develop press releases and articles for distribution to media and CapabilityNZ website.	Completed on time – Over budget due to external resource required
E-mail promotion of revamped website to 8,000 businesses registered through ETP yet to engage.	Completed on time and on budget
Link-building activity on websites of key stakeholders and other relevant organisations.	In progress

## Other Key Deliverables

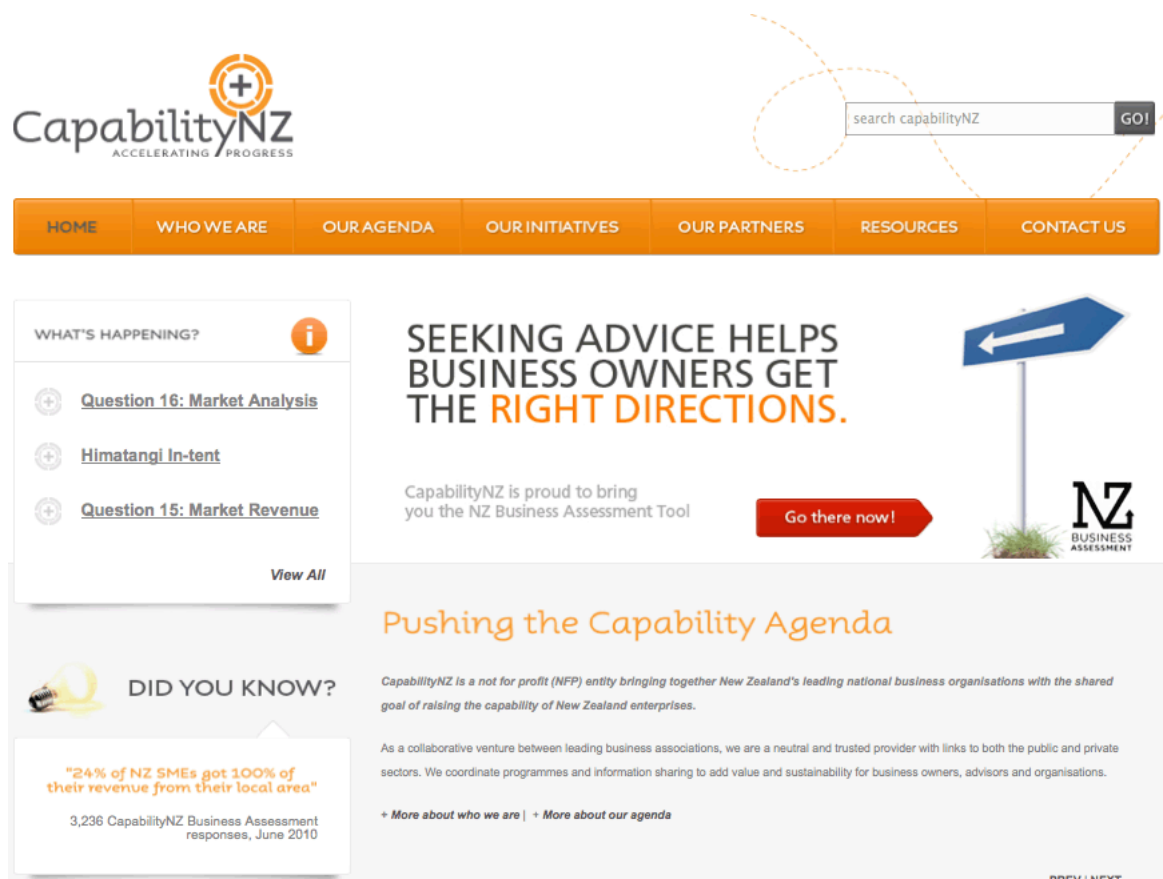
Ongoing costs to support the tool reduced resulting in a saving in the first year of \$192,000.00 (Optimization and staff costs)

CapabilityNZ branding established, website up and running with 3091 visits by 1,615 unique visitors who viewed 11,112 pages social media channels established for Facebook and Twitter with currently 198 followers for the latter.

“How they did it” content developed to articulate the capability journey and inspire business owners to build business capability. Initial online views 3,500 and plans completed for distribution

Progression with board papers and policies

Renewal of NZTE funding agreement - pending



## Cost vs. Budget

June 2010 marks the 14-month Year-End for CapabilityNZ's inaugural first year and I am pleased to attach for information, as Appendix I, CapabilityNZ's Statement of Financial Performance – 14 months to June 2010. Overall we appear to have constrained spending to within overall budget, and can carry the resulting surplus forward into the 2010-11 financial year. This surplus relates to the cost of rebuilding the assessment tool, which we were unable to progress as it was merged with the Business Capability Platform.

The costs for extracting data analysis were more than anticipated due to the lack of reporting functionality and the design of the existing questionnaires complexity. What we overspent in some areas we pulled back in other areas. This result suggests that we have not made as much progress as expected. It should be noted that the original budget was an inaugural one, comprising our best estimates, as we had no history to guide us.

### Variance highlights

- **Net Profit** – \$222K higher than budget.
- **Total Revenue** – was \$24k greater than budgeted as a result of \$37k Voucher Funding income, partly offset by Assessment Tool Funding being \$15k under budget, and interest being (\$2k) over budget.
- **Total Expenditure** – was \$200K less than budget reflecting slower than expected start on the project
- **Key Contributors** – to this favorable expenditure variance were Assessment Tool costs \$163K under budget. The majority of this was marketing costs \$158K under budget, and development costs being \$38k under budget.
- **Overhead Expenses** – was \$37K under budget, predominantly driven by under expenditure and staff costs (\$56K), partly offset by over-expenditure in Consultancy \$25K. This reflects a redistribution of the staff budget with consultancy resource.

# 12

## Our Website



GO!

HOME

WHO WE ARE

OUR AGENDA

OUR INITIATIVES

OUR PARTNERS

RESOURCES

CONTACT US

WHAT'S HAPPENING?



[Workforce Efficiency](#)

[Question 16: Market Analysis](#)

[Himatangi In-tent](#)

[View All](#)

### BUILDING BUSINESS CAPABILITY HELPS BUSINESS OWNERS ACHIEVE SUCCESS.

CapabilityNZ is proud to bring  
you the NZ Business Assessment Tool

Go there now!



NZ  
BUSINESS  
ASSESSMENT



DID YOU KNOW?

"SMEs accounted for 30.7%  
(605,320) of all employees"

Source: SMEs in New Zealand: Structure and  
Dynamics 2009 (MED & Statistics NZ)

### Pushing the Capability Agenda

CapabilityNZ is a not for profit (NFP) entity bringing together New Zealand's leading national business organisations with the shared goal of raising the capability of New Zealand enterprises.

As a collaborative venture between leading business associations, we are a neutral and trusted provider with links to both the public and private sectors. We coordinate programmes and information sharing to add value and sustainability for business owners, advisors and organisations.

[+ More about who we are](#) | [+ More about our agenda](#)

[PREV](#) | [NEXT](#)

#### FEATURED ADVISORS / PARTNERS

##### Institute of Accredited Business Consultants

The IABC seeks to improve New Zealand business success by improving the quality of business management advice

[+ learn more about the IABC](#)



# Customer Feedback

**Julie Varney**

BUSINESS DEVELOPMENT CO.

Marlborough

It's good to see this information being made available. One of the biggest resistance factors we have come across with businesses using the business assessment is one of trust ie what are they using the information for? When people are able to see how the information is being used, this helps to alleviate this concern. It would be useful to have regional info as well, as the sample size becomes bigger.

**Tony Hocking**

GENERAL BUSINESS PRACTITIONER

Hastings

About the example results that came out last week. I have called on three businesses today and shown those results to them suggesting that they go and do the assessment. So I was wondering if you have any further examples that you can make available, as I have found that they really get people to sit up and start thinking

**Tony Hocking**

GENERAL BUSINESS PRACTITIONER

Hastings

The information for the MED study on New Zealand manufacturing commissioned by the MED and executed by the University of Sydney is comprehensive and makes interesting reading. It does not conflict with any of the data in your presentation just posted on the website

**Richard Forgie**

VISION MANAWATU

Palmerston North

Thanks for the e-mail. The data is very useful as it does let one do some forward planning and as the trends become clear so it is easier to predict what future needs will be I think this is all fantastic stuff. ! Will be really good once the regional partners are sorted and training/mentoring services kick in.

Great work !!

**Chris Heyward**

ROTORUA DISTRICT COUNCIL

Rotorua

Thanks for this. Very interesting info. I guess a lot of it really confirms ones experience and gut feel about SME business. The response highlighting the difficulty of finding employees is surprising given the unemployment situation. I guess it possible refers more to techies. The 80% who don't have a written business plan is frustrating, given the immense benefits they bring.

# Customer Feedback

## Max Mason

CHAMBER OF COMMERCE  
Tauranga

I really like the use of infographics, and think many people are more inclined to interact with dash boards and other graphical displays, and numerals.

## Nikki Franklin

INSTITUTE OF DIRECTORS  
Auckland

When Anna and I talked she thought it made sense for us to be in the Partners area which is why I based this on Business Mentors NZ. Happy to work in with what fits best your end. Many thanks for your help.

## Kirsten Dunne-Powell

GRO  
Tauranga

We are hoping to incorporate the business assessment tool into our processes with our clients. I have read the information available on your website, could you please send me further information on how we adopt this tool into our business.

We are very much looking forward to incorporating your tool into our processes!

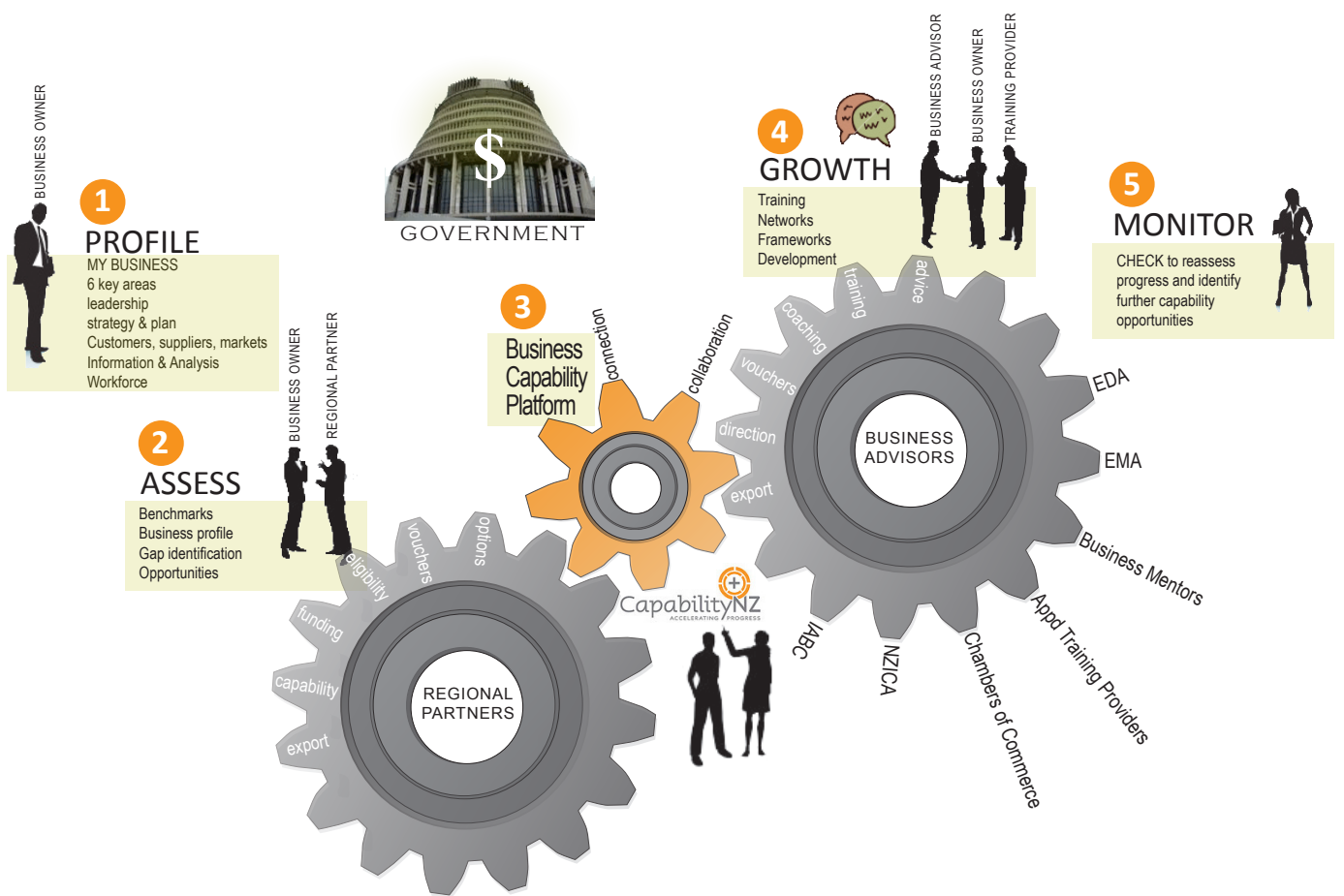
I will be in touch again to let you know how we are going with it. Thank you for sending the information pack.

## MYOB

CONFERENCE 2010  
Taupo

The Toolkit has just come across my desk. This is exactly what we are looking for ... our MYOB Partners will love this and will use the business assessment as a structured way to engage with their clients. We will have about 60 accountants and 60 business advisors and consultants at our Taupo conference. Please can we have some Toolkits to hand out and promote (70 Toolkits couriered to Taupo)

## The Capability Journey



## The BAT Value

