



**MASSEY UNIVERSITY**  
TE KUNENGA KI PŪREHUROA  
UNIVERSITY OF NEW ZEALAND



## **New Zealand Business First 2020**

### ***Workshop #3 Report***

#### ***Business Models:***

### ***Developing tailored business models and plans to work for you***

Following a workshop 4 February 2020, facilitated by  
Stephen Kelly, James Lockhart, Wayne Macpherson & Jennifer Scott

Massey Business School

and

Steph Gundersen-Reid, ExportNZ

18 February 2020

## Executive Summary

This report summarises the first *NZBusinessFirst* workshop for 2020, titled “*Business Models: Developing tailored business models and plans to work for you*” hosted by the Massey Business School. This workshop is the first of four planned for 2020, as a response to the outcomes of two workshops held in 2019, designed to assist businesses highlight problems and dilemmas and seek solutions in the pursuit of business excellence and sustainable competitive advantage.

We would like to acknowledge the support of Steph Gundersen-Reid from ExportNZ (a division of BusinessNZ) who invited attendees from the business community. The workshop was attended by 14 business owners and/or business managers from the Manawatu, Wanganui and Wairarapa. The workshop was facilitated by Massey Business School Pro Vice-Chancellor Professor Stephen Kelly. Three Massey Business School staff were in attendance – James Lockhart, Wayne Macpherson and Jennifer Scott. Dirk Boehe, from Massey’s Albany campus, was unavailable.

### 1. Businesses in Attendance

The following business were represented by either owners or employees:

Business	Sector
Ali Arc Industries	Structural metal fabrication
BakerAg	Agricultural services
Business Central	Business development
Carousel Confectionary	Confectionery manufacturing
CEDA	Economic development
Dowdeswell’s Derlphinium	Horticulture
Education & Training Consultants	Education and training
Garden Barn	Garden supplies
Genoese Foods	Food preparation
GasNet	Gas delivery
Gropak	Food preparation
Palliser Estate	Winery
Prepack	Food manufacturing and supply

### 2. Workshop Summary

Professor Stephen Kelly facilitated the workshop, guiding participants through the *how* and *why* of developing a plan for their businesses. Attendees were introduced to strategic and operations planning; and, associated barriers including: the temptation to focus on short term objectives, not identifying enterprise competence, not delegating tasks, misunderstanding of what it is that management should do, and in some cases, not having the right interpersonal skills necessary to turn a vision into reality.

Participants were introduced to a number of generic strategies, including *differentiation* - whereby you can make your product different by, say, branding, *cost leadership* - whereby the enterprise is able to produce their product cheaper than others in the same market, or *focusing on a specific niche* in a market that where there are few competitors.

A valuable tool was the OODA Loop, which is a method developed originally for the US military<sup>1</sup>. It provides a means to quickly adjust strategies as leaders work through the processes of Observe, Orient, Decide and then Act. This then flows on to a new loop of Observe, Orient, Decide and Act. The free eBook mentioned may be found at: <http://www.free-management-ebooks.com/news/ooda-loop-in-business-strategy/>.

Following this introduction to strategic and operations planning, participants worked through a step-by-step process, where they contemplated and discussed ideas in light of their own businesses:

Step 1: Identifying the nature of the business

Step 2: Identifying customers

Step 3: Identifying customers' needs

Step 4: Undertaking a SWOT Analysis (Strengths, Weaknesses, Opportunities, Threats)

Step 5: Deciding critical success factors

Step 6: Identifying sustainable competitive advantage

Step 7: Identifying businesses purpose, overall objectives and global strategy

Step 8: Setting objectives and strategies

Step 9: Setting actions

At the conclusion of the workshop, it was recommended that this initial, concentrated effort should be further considered within each participant's business. It is suggested that participants work through the steps again, refining each idea, and then socialising these with other stakeholders in the company, family, and key external partners.

Please refer the attached Compact Strategic Management Process document at the end of this report for a working copy of the above steps.

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<sup>1</sup> The OODA loop, Observe-Orient-Decide-Act was first identified by Colonel John Boyd, a highly successful USAF fighter pilot, instructor and strategist. Boyd is the subject of several books, "Boyd: The fighter pilot who changed the art of war"; and, "The mind of war: John Boyd and American Security" being the two best references for the development and application of the OODA loop. Nicknamed '40 Second Boyd', he applied the OODA loop in air combat and combat training, always taking less than 40 seconds to defeat any combatant.

### 3. Proposed Next Steps

This workshop was the first in a series of four workshops planned for 2020. The three following workshops are to be run as follows. We would also encourage those of you who wish to engage with staff or students within business courses (e.g., guest speakers, internships, or student paid positions) to get in touch to see how we can help facilitate this.

<b>Workshop</b>	<b>Overview</b>	<b>Tangible Takeaway</b>	<b>Logistics</b>
<b>Letting Go: Effective delegation for enhanced decision making</b>	<p>Massey-led workshop to understand where effective delegation could take place in your business.</p> <p>You will work through areas of your business's operations where you often end up taking on all of the work because it initially seems easier than trying to find the right person. You will learn how delegating effectively will help reduce the overwhelming stress of allowing others to make key decisions, so you can focus on the 'right' areas of the business.</p>	At the end of the session you will have tools and techniques to effectively delegate decision making and an understanding of different governance models.	<p>Wed May 6<sup>th</sup> 3:00 – 6:00pm facilitated workshop 6:00pm networking</p> <p>Food and beverages provided for afternoon tea and networking</p>
<b>Recognise and Appreciate Issues: Problem identification for strategic decision making</b>	<p>Massey-led workshop focusing on problem identification.</p> <p>Using your business model, strategy, and plans for action, you will identify potential issues and learn how to plan to overcome them. You learn how to recognise which problems to tackle and how solutions might help you move from focusing on the issues to focusing on excellence.</p>	At the end of the session you will have the ability to recognise potential problems in your business and be able to prioritise which areas to focus on for solutions in order to tackle them strategically.	<p>Tues Aug 4<sup>th</sup>, Thurs Aug 6<sup>th</sup>, or Tues Aug 11<sup>th</sup> (TBC) 1:00 – 5:00pm facilitated workshop 5:00 – 6:00pm networking</p> <p>Food and beverages provided for afternoon tea</p>
<b>Realise Excellence: Reflections, review, and where to from here</b>	<p>Massey-led session to review your business growth and development, achievements, and recognise areas for continued improvement.</p> <p>You will be guided through a review of your business model, strategy, and plans, with support to amend them as necessary to continue to improve your business. You will learn about</p>	<p>At the end of the session you will have conducted a review of your business, and its performance.</p> <p>As a broader group, there will be opportunity to suggest plans for the following year and</p>	<p>Tues Nov 3<sup>rd</sup>, Tues Nov 10<sup>th</sup>, Thurs Nov 12<sup>th</sup> (TBC) 4:00 – 7:00pm facilitated workshop 7:00 – 8:00 pm networking and year end wrap up</p>

Workshop	Overview	Tangible Takeaway	Logistics
	the process of reviewing your strategic documents and making changes as necessary.	review how the facilitated sessions throughout the year impacted your business/operations.	Working dinner provided

#### 4. Thank you

We would like to thank you for attending this first workshop in the *NZBusiness First* series at the Massey Enterprise Centre, and welcome any feedback, comments, ideas or questions you may have. Please note, if there are any issues or amendments required, we would greatly appreciate your feedback on this report. Feel free to contact the group via Dr Wayne Macpherson, [W.Macpherson@Massey.ac.NZ](mailto:W.Macpherson@Massey.ac.NZ).

# STRATEGIC BUSINESS PLANNING WORKSHOP

## THE COMPACT STRATEGIC MANAGEMENT PROCESS

### WHAT BUSINESS AM I IN?

#### What is the nature of the business?

We must understand the nature of our business. It is not sufficient to understand the operation of our business, we must step outside the business and look back at it from the perspective of our customer, because it is not our needs that must be satisfied but our customer's.

If we fail at this early stage to recognise the true nature of our business we stand a great chance of failing to recognise opportunity and then of being able to exploit it.

#### Who are our customers?

We must be able to clearly identify all our customers and potential customers. If we fail to recognise a particular segment of the market as our potential customers, we cannot determine a strategy to satisfy their needs.

#### What are their needs?

We must identify and understand the needs of our customers and potential customers (the reasons why they would chose to do business with us). Only if we understand their needs will we be able to package our business solutions to satisfy their needs.

## SWOT ANALYSIS

### Strengths

List the particular strengths that will bring you competitive advantage.

### Weaknesses

List the areas of the business where you suspect you have weaknesses.

### Opportunities

List the elements in your marketplace where you can see opportunity.

### Threats

List the elements in your business and marketplace where you can see threats.

## FUNDAMENTALS

### Critical Success Factors

Describe any issues that are critical to the success of your business.

### Sustainable Competitive Advantage

Articulate your sustainable competitive advantage.

## STATEMENT OF BUSINESS PURPOSE & PRIMARY COMPANY OBJECTIVE

### Statement of Business Purpose

Before we can start the detailed planning process, we must have a framework from which to hang our action plans. The initial part of the frame is to determine our statement of business purpose, which is a statement that defines the company, either as it is, or in a changing environment, where it is going. We shall also need to determine our primary company objective.

Our Statement of business purpose and primary company objective define the paradigm within which we can determine and drive the direction of the company

**Statement of business purpose**

**Primary company objective**

**Generic strategy**

### Company Objectives

Before we can start the detailed planning process, we must have a framework from which to hang our action plans. The frame is our set of company objectives. These objectives must be fundamental to the business. They must be practical and achievable and SMART.

**They must not be a wish list of the things we would LIKE to see happen, but things that are feasible within the strategic horizon. They must be capable of passing the SMART test (simple; measurable; achievable; reasonable; time specific)**

To achieve our objectives we develop strategies. These are statements specifying what has to be done to achieve our objective. Often these are written as a series of steps, with strategies being undertaken in a staged fashion which ultimately leads to the stated objective.

Note that the objectives and strategies must drive your business forward and need to become the basis upon which all business decisions are made. You need to ask yourself whether a decision is consistent with your stated objectives or will it unnecessarily divert attention away from them



Note that you are provided with space to identify five strategies and associated objectives. You do not need to have five, but too many more is probably unrealistic and one or two too limiting

<b>Objective 1:</b>
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<b>Strategy 1a:</b>
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<b>Strategy 1b:</b>
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<b>Strategy 1c:</b>
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<b>Objective 2:</b>
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<b>Strategy 2a:</b>
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<b>Strategy 2b:</b>
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<b>Strategy 2c:</b>
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<b>Objective 3:</b>
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<b>Strategy 3a:</b>
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<b>Strategy 3b:</b>
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<b>Strategy 3c:</b>
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<b>Objective 4:</b>
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<b>Strategy 4a:</b>
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<b>Strategy 4b:</b>
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<b>Strategy 4c:</b>
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<b>Objective 5:</b>
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<b>Strategy 5a:</b>
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<b>Strategy 5b:</b>
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<b>Strategy 5c:</b>
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## COMPANY ACTIVITIES

### Actions to achieve objectives and strategies

It is all very well to have a set of quality objectives, they are our guide lines. However what we really need to know is how we are going to achieve those objectives. That is, what are we going to do?

These activity sets do not need to be detailed but they must be practical because they will form the basis of the detailed action plans that will follow.

#### **Actions to achieve Objective 1 and its associated strategies**

#### **Actions to achieve Objective 2 and its associated strategies**

#### **Actions to achieve Objective 3 and its associated strategies**

#### **Actions to achieve Objective 4 and its associated strategies**

#### **Actions to achieve Objective 5 and its associated strategies**