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Business First NZ

Workshop Report:

Fail fast - How to fail your way to success in a crazy world

Following a workshop 12 October 2020, facilitated by

David Tweed, Jennifer Scott, Wayne Macpherson,
James Lockhart, Tanya Jurado

Massey Business School

18 November 2020

Executive Summary

This report summarises the recent *Business First NZ* Workshop for 2020, titled “Fail fast: How to fail your way to success in a crazy world” hosted by the Massey Business School, to engage local businesses. The initiative seeks to assist business leaders to highlight business problems and seek practical solutions in their pursuit of business excellence and sustainable competitive advantage.

The initiative continues to support the Massey Business School in co-defining the ‘gap’ between research and practice, in an authentic way that focuses first on the needs of the business community, and second on how research and teaching staff can support businesses.

The most recent workshop was attended by 9 business leaders from the Manawatu, Wanganui and Wairarapa and led by Massey Business School’s Associate Professor David Tweed. Four Massey Business School staff were in attendance – Jennifer Scott, Wayne Macpherson, James Lockhart, and Tanya Jurado.

To date, this initiative has delivered five workshops. Two exploratory workshops in 2019 and two dedicated workshops in 2020 provided key outcomes, being:

- Discovery of common themes of concern among businesses in attendance
- Realisation of the potential for integration of Massey internship students with businesses
- Request for practical problem identification and solving led by Massey Business School, where businesses have tangible outputs to implement post-workshop
- Massey-led workshop development to provide facilitated discussion for actions and supplementary resources, which individual businesses can tailor as required:
 - (Delivered) Business models: Developing tailored business models and plans to work for you
 - (Delivered) Letting go: Effective delegation for enhanced decision making
 - (Delivered) Fail fast: How to fail your way to success in a crazy world
 - (Planned) Reflections for excellence: Review, refine, and next steps

1. Businesses in Attendance

Across the *Business First NZ* workshops to date, the following business have been represented:

Business	Sector	Business	Sector
AFC Motorcycles	Powersports Products	GasNet	Gas Delivery
Ali Arc Industries	Structural Metal Fabrication	Genoese Foods	Food Preparation
Avatar Honey	Honey Production	Gillard Honey	Honey Production
BakerAg	Agricultural Services	Gropak	Agricultural Services
Betacraft NZ	Workwear	Henergy	Poultry Products
Business Central	Business Development	OBO	Sports Protection
CEDA	Economic Development	Palliser Estate	Winery
Carousel Confectionary	Confectionery Manufacturing	Prepack	Packaging
Dowdeswell's Derlphinium	Horticulture	Property Brokers	Real Estate
Education & Training Consultants	Education & Training	Quest Industries	Plastic Moulding
ExportNZ	BusinessNZ Division	Speirs Foods	Food Preparation
FieldAir	Aviation Engineering	Steelfort	Machinery & Equipment
Gallagher Fuel Systems	Fuel Dispensing Systems	Tasman Tanning	Leather Products
Garden Barn	Garden Supplies	Turks Poultry Farm	Poultry

2. Workshop Summary

Associate Professor David Tweed led this workshop guiding attendees through a consideration of how to approach business decision in uncertain times. Drawing on the concept of a VUCA (volatile, uncertain, complex, and ambiguous) world, David helped participants explore their own organisations within a shared external environment. Additionally, attendees were helped to assess the current state of their business in terms of the VUCA elements, and then worked to consider future strategic pathways for products, services, and markets.

Through small table and broader group sessions, attendees were able to discuss and contribute their perspectives among other business leaders to navigate the current crisis (the impact of COVID-19) in terms of strategic decision-making and position their organisation for future success. Attendees worked on designing smaller, pilot projects to test potential for success ("fire bullets first") before committing to larger, resource-heavy projects ("then fire cannonballs").

3. Key Takeaways

3.1. Understanding VUCA

Consider how your organisation operates in an external environment:

- VUCA is an acronym, first coined in 1987: **Volatility, Uncertainty, Complexity, Ambiguity**
- Volatility – are challenges expected or unexpected following the occurrence of external events? For example, oil price shifts following natural disasters.
- Uncertainty – are outcomes predictable, potential issues and events foreseeable, and the timing thereof. For example, new products in existing markets.
- Complexity – how many interconnected variables form the whole? For example, regulatory difference across locations.
- Ambiguity – how well are causal relationships between variables understood? For example, operating outside core competencies.

3.2. What VUCA means for your organisation

As a key decision-maker, you influence operations:

- *(Set a vision)* Understanding how your organisation maps against the VUCA elements, will help you make informed decisions
- *(Analyse the wider context)* VUCA can help guide you to seek new perspectives, explore how to respond, consider opportunity, and to rethink the way you lead and manage
- *(Plan for future decisions)* You can either mitigate or manage the VUCA elements within the organisation and external environment
- *(Execute within a VUCA world)* Communicate and socialise new ways of operating and new levels of tolerance based on your understanding of and planning for your VUCA environment
- *(Record, monitor, & control)* Measure against appropriate benchmarks and performance indicators, and make adjustments as needed, within VUCA bounds

3.3. Intelligent failure

Embracing intelligent failure will help set your organisation up for agility, risk taking, and organisational learning:

- Brainstorm your current business and market penetration and development options, in terms of your products, services, customer, and markets.
- Design small, pilot projects (“experiments”) that could be used to test market and product development or even diversification. Consider what you want to achieve, what will benefit your customers or your business.
- Select and implement a pilot project based on possible outcomes and resource availability (reminder – this is just testing the waters with [potentially] expendable resources).
- Review the outcome of the pilot project against initial assumptions. Consider: did you achieve what you intended, was this a result of internal operations or external factors (or both)? Identify what worked and what didn’t for future re-design and continue learning and further testing of small projects (keep firing “bullets” until they ping loudly).
- Identify the final major project to commit resources to and operationalise (fire the “cannonball”).

3.4. Reminders

- Do not be a VUCA leader – you don't want to be volatile, complex, uncertain, or ambiguous.
- Create a culture that normalises failures – collectively unpack what worked, what didn't, and why.
- There is no set “this is how much to spend/commit” for small, pilot projects – this is up to your organisation, in terms of what it is willing to lose if the project fails (except for the learning).
- Be open to alternative approaches, socialise the concepts with your organisation – people determine the success of every organisations.

4. Proposed Next Steps

While there are no formally set workshops for 2021, at the final workshop for this year, we will discuss co-designing the future structure for the *Business First NZ* initiative.

Workshop	Overview	Tangible Takeaway	Logistics
Reflections for excellence: Review, refine, and next steps	<p>Massey-led session to review your business growth and development, achievements, and recognise areas for continued improvement.</p> <p>As a broader group, there will be opportunity to suggest plans for the following year and review how the facilitated sessions throughout the year impacted your business/operations.</p>	<p>At the end of the session you will have conducted a review of your business, and its performance related to the key areas of workshop focus this year.</p>	<p>30 Nov 2020</p> <p>1:00 – 6:00pm facilitated session with nibbles and drinks provided</p>

Thank you

We would like to thank you for your continued participation in these workshops, 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.