



Business in the Community

ANNUAL REPORT 2013

Make our experience
your success.

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BUSINESSMENTORS
NEW ZEALAND



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THE BENEFIT OF MENTORING
HAS NEVER BEEN MORE
IMPORTANT THAN IN THE
CURRENT ECONOMIC
BUSINESS ENVIRONMENT.



BUSINESS IN THE COMMUNITY

CHAIRMAN'S REPORT

With over 1,900 volunteer mentors Business Mentors New Zealand helps on average 4,300 business clients a year and has assisted over 65,000 businesses since its inception in 1991. In addition we have also supported a significant number of Not for Profit organisations in recent years.

The organisation also plays a key community support service whenever there are areas in particular need such as the Canterbury reconstruction, Pike River disaster, the wreck of the Rena or the PSA disease affecting Kiwi fruit growers. Government recognition of our role in these circumstances is that we are often supported financially in delivering the business mentoring service in times of need.

We are now focussing on how we can assist the agricultural sector in New Zealand, which has been affected by drought, disease and depression in some areas over the past year or so. We are also exploring the possibility of extending our services into the Not for Profit sector and looking at a pilot programme, in the first instance.

The Government's understanding of the effectiveness of business mentoring was behind its decision to fund the delivery of services to 10 Pacific Island nations as part of MFAT/NZAID, programme using NZ Volunteer mentors. The British Government was so impressed by our Pacific Mentoring programme that it has retained us to provide a business mentoring service to Pitcairn Island.

Business failure is a serious problem for New Zealand with devastating consequences for families and communities. The Business Mentoring service is a proven generator of employment and growth, which is vital to our nation's well being. In particular we help to grow the economy through building performance capability, especially exporting from the SME sector.

Our patrons understand the benefits of providing experience and guidance to the SME business sector and the considerable contribution to building of business capability, which in turn is of overall benefit to all of us working in New Zealand's economy and our communities.

Although Business Mentors New Zealand receives an annual grant from New Zealand Trade and Enterprise (NZTE) for its work in New Zealand, the support of our Patron sponsors is as critical as ever. Without the commitment of more than 70 Patron Sponsors and our other key stakeholders, New Zealand Trade and Enterprise, Inland Revenue, The Ministry of Business Innovation and Employment and Statistics New Zealand we would be unable to deliver the programme across New Zealand.

We recently came to an agreement with The New Zealand Law Society to work together to enhance the sustainability of legal practices as a key development in its Practising Well programme, which aims to provide support and resources to enhance the health and wellbeing of lawyers.

This year I would also like to particularly welcome Telarc and 2degrees to our family of patron sponsors. We are grateful for their recognition of the importance of business mentoring.

We are committed to keeping the day-to-day running costs of Business Mentors New Zealand to a minimum. However, until what we do is recognised as benefitting the community with a return of our charitable status, the increasing demand for our services from small and medium enterprises and the associated costs means that we struggle to fund the service. We are particularly grateful to those Patron Sponsors who have stayed with us and to our new supporters who have chosen to invest in the future of New Zealand business through us.

The year was marked by the sudden death of Sir Wilson Whineray. Sir Wilson, along with the late Sir James Fletcher, was an enthusiastic champion of Business Mentors New Zealand for many years, becoming one of our Trustees, six years ago. He generously contributed both his time and wisdom to our organisation and will be sadly missed by our Trustees, Board, staff, agents and nationwide team of mentors. In particular, we remember his friendly and easy manner with people - a gentleman in every sense of the word.

As Chairman of the Board, I would like to take this opportunity to acknowledge the significant contribution that our Mentors, Agents, Trustees, Board Members, Chief Executive and staff have all made to the year.



Rick Bettel
Chairman of Directors
Business In The Community

CHIEF EXECUTIVE'S REPORT

For over two decades Business Mentors New Zealand (BMNZ) has provided a volunteer mentoring service to New Zealand small and medium sized enterprises (SMEs). Since it was established in 1991 by a group of leading New Zealand businessmen BMNZ has helped over 65,000 companies, that's over 14% of the country's SME businesses.

The only criteria are that they have fewer than 25 full time employees and be trading.

There can't be any doubt that we play a vital role in helping SMEs to survive and grow, and create employment opportunities right across our communities. But there is still so much that needs to be done.

Our Patron Partner, Statistics New Zealand: NZ Business Demography Statistics for 2012 reported that there were only 40,690 new enterprises set up in New Zealand, a fall of 11.2 per cent on the previous year. This was the lowest 'birth' rate since comparable data was first collected in 2000 and the third year in a row that more businesses have closed than opened. There were 469,120 enterprises in total, down by 0.8% on the previous year.

This means that 30,000 fewer businesses set up last year than in 2004. Our agents and volunteer mentors tell us that finding the right support, financial as well as expertise, advice and tools to put a new venture on a sustainable footing are vital components to success.

Business Mentors New Zealand helps around 250 businesses find a mentor every month with another 1,500 clients on-going from previous years. We provide access to over 1,900 volunteer mentors for a modest \$150 registration fee, which allows mentoring for up to two years.

Our independent volunteer business mentors give on average over fifteen hours to each client. They are dedicated to supporting the implementation of knowledge and solutions that meet their

particular client's circumstances. They remain independent and objective, focus on growth opportunities and export, build their client SME business capabilities, help generate wealth and employment as well as support businesses in crisis and recovery.

Our Volunteer Mentors are a unique resource for New Zealand business:

- 70% not available through commercial services
- 50% retired/semi retired
- 30% in commercial services
- 22% women
- 20% patron senior employees

Business Mentors New Zealand is the only national volunteer business mentoring organisation that SMEs can turn to if they run into trouble early in their development. There are lots of challenges in those early years of setting up a business but if only owner operators got themselves a business mentor earlier, more of them would survive.

We are very pleased that BMNZ continues to consistently achieve a high standard of service delivery. Last year recommendation of the service has improved yet again reaching 95% during the last four-month survey period of December 2012 to March 2013 matches. In addition, the key performance indicator (KPI) index continues to be maintained at 4.3, which was a new high achieved in the previous financial year.

We are now focussing in particular on how we can assist the agricultural sector, which has been affected by drought, disease and depression in some areas over the past year or so. We are also exploring the possibility of extending our services into the Not for Profit sector and looking at a pilot programme in the first instance, which will be independently funded.

Our Pacific Mentoring Programme is looking forward to the new part of its activity in the 9 Pacific island countries (Cook Islands, Samoa, Vanuatu, Solomon Islands, Papua New Guinea, Fiji, Tonga, Kiribati and Tuvalu). This programme uses New Zealand mentors and trainers and is totally funded by the Ministry of Foreign Affairs through NZAID.

Experienced Independent NZ business mentors bring a fresh perspective and approach to analysing existing business performance and opportunities in smaller business communities. Often the range of expertise provided by the NZ mentors is simply not available in many Pacific island countries.

The support of our Patron Sponsors is as critical as ever. Without the commitment of more than 70 Patron Sponsors and our other key stakeholders, New Zealand Trade and Enterprise, Inland Revenue, The Ministry of Business Innovation and Employment and Statistics New Zealand we would be unable to deliver the programme across New Zealand.

We particularly welcome Telarc, 2degrees and The Law Society to our family of supporters but I wish to thank all our Patron Sponsor organisations for their on-going commitment to business mentoring.

Our Patrons understand the benefits of providing experience and guidance to the SME business sector and the considerable contribution to building of business capability, which in turn is of overall benefit to all of us working in New Zealand's economy and our communities.

I wish to acknowledge and thank Rick Bettel, our Chairman of the Board during the past year, for his guidance and help, and the commitment and assistance provided by our excellent Board of Directors, Richard Austin, Geoff Vazey and John Gilks. Dr Grahame Craig, Chairman of Trustees has made a significant contribution to our mentor training both in New Zealand and the Pacific over the years and we are fortunate to have the backing of a wonderful group of Trustees. Our agents and our current team at our Newmarket Office have been loyal and hard working and we couldn't manage the service without them.

In conclusion, a special thank you to our volunteer mentors who freely make available their experience, knowledge, skill and time to assist our clients in achieving their goals. Our mentors represent a unique business resource for community action and small business development. Their very special commitment enables our business mentoring service to successfully assist the growth of SME businesses and the direct benefits that flow through to our communities in New Zealand and the wider Pacific.

A handwritten signature in dark ink, appearing to read 'R Schofield'.

Ray Schofield
Chief Executive
Business Mentors New Zealand

A fully funded service of Business In The Community



BUSINESS MENTORING –
HELPING SMALL TO MEDIUM
SIZED ENTERPRISES (SMEs)
THROUGH EXPERIENCE TO
SUCCESS.

A NOTE FROM THE CHAIRMAN OF TRUSTEES

This past year has again been one of success and reward – in particular for our mentor team at the coal-face. Since 2006 we have operated a Mentor Accreditation Programme (MAP), with the principal objectives of establishing a framework of “mentoring best practices” and for getting our new mentors up to maximum effectiveness as soon as possible.

As an organisation, we recognised very early on that the mentor-mentee relationship is unlike any other relationships encountered in the normal course of business. This means that in order to ensure the best possible outcomes for our mentees, there is a need for a mentoring framework that helps unlock the treasure trove of skills and experience of our mentors in a way that mentees can relate and respond to.

For the past five years all new mentors have been required to achieve accreditation as soon as possible after registering with BMNZ as mentors. This means attending a full day MAP seminar followed by the successful completion of a mentoring case study, within six months of that seminar. This accreditation process has provided us with four very significant side-benefits (in addition to realising the two objectives referred to above). These are:

1. Attendees have the opportunity to meet with one another, and exchange experiences and ideas.
2. The Agency Co-ordinator has an additional opportunity to get to know his or her mentors.
3. As an organisation, we get to realise and appreciate the tremendous enthusiasm our mentors have for “putting something back” – and the reward they get from doing that. The fact that so many of them have been with us for so long is testimony to this enthusiasm and commitment.

4. BMNZ is steadily building up a “library” of case studies which document all manner of success stories, across a full spectrum of business situations. We believe this to be an extremely valuable resource by virtue of the unique insight it provides into NZ’s SME sector, and the wide variety of ways our mentors can make a difference to the lives of their mentees.

Overarching all of the above, is the fact that we pride ourselves on being a “learning organisation”. In this regard, the MAP seminars are one very important source of frontline feedback on how we can keep improving our service quality and effectiveness. Most of our mentor-mentee matches are in fact a learning experience for both parties.

On behalf of the Trust I would like to thank our patrons and supporters, the Board, CEO and staff and of course our agents and their amazing teams of mentors!

A handwritten signature in black ink, appearing to read 'Grahame Craig', with a long, sweeping horizontal line extending to the right.

Dr Grahame Craig
Chairman of Trustees



THE BUSINESS IN THE COMMUNITY CHARITABLE TRUST

THE BUSINESS MENTORS NEW ZEALAND (BMNZ) SERVICE IS OWNED AND OPERATED BY THE BUSINESS IN THE COMMUNITY CHARITABLE TRUST AND WAS ESTABLISHED IN 1991 TO PROVIDE A VOLUNTARY MENTORING SERVICE TO NEW ZEALAND SME BUSINESSES.

The business mentoring service was introduced into New Zealand by Dr Grahame Craig, BMNZ's current Chairman of Trustees, and was based on the concept of the Business In The Community English and European models established in 1979.

From the start, Business In The Community aimed to fulfil a major need in New Zealand to assist the owners of SME businesses to survive and grow, and through that to create employment opportunities in urban and rural communities.

Our founding Chairman of Trustees, the late Sir James Fletcher made a considerable contribution to the establishment and development of the mentoring programme. It was Sir James' belief that private enterprise should be prepared to take this initiative and not leave it to the Government to fund assistance. He felt strongly that companies that demonstrated good social responsibility and became involved with services that support the community would be more highly regarded by their employees, who in return would demonstrate their regard through greater productivity, loyalty and commitment.

We are indebted to Sir James, the Fletcher Trust, and to a select group of outstanding individuals and organisations that have actively demonstrated their commitment and support for the business mentoring programme over the years.

BUSINESS MENTORING – HELPING SMALL
TO MEDIUM SIZED ENTERPRISES (SMEs)
THROUGH EXPERIENCE TO SUCCESS.



THE BUSINESS MENTORS NEW ZEALAND **SERVICE**

FOR 22 YEARS FROM ITS BEGINNINGS IN 1991, BUSINESS MENTORS NEW ZEALAND HAS STEADILY GROWN AND DEVELOPED TO BECOME THE LEADING BUSINESS MENTORING SERVICE PROVIDER TO THE SME (SMALL TO MEDIUM-SIZED ENTERPRISE) SECTOR IN NEW ZEALAND.

The Business Mentors New Zealand service has assisted over 65,000 SME owners since 1991. On average we see 250 new clients every month, that's more than 3,000 new clients every year. We have around 1,500 clients on-going with a mentor each year, which means that BMNZ helps on average 4,300 business clients a year.

The service is supported by 1,900 active volunteer mentors and 17 agents (Economic Development Agencies and Chambers of Commerce) based throughout New Zealand.

Our mentors are a unique resource and access to their extensive business knowledge can only be gained through engaging with the Business Mentors New Zealand service.

We recognise that while sound business knowledge is critical to developing a robust growing SME sector, implementation appropriate to the business circumstances is vitally important for ensuring the best outcomes are achieved.

Clients of the Business Mentors New Zealand service receive an independent and impartial review of their business, help to implement any necessary improvements, and support at a level not generally available to them after attending a business course or workshop.

Our mentors are not there to supplant professional services. Their primary purpose is to share their experience and skills and to provide support. As part of their engagement with a client, a mentor may help them to determine what professional services are appropriate for their further needs.

Funding to support delivery of the service comes primarily from our private sector Patron Sponsors. These are forward thinking New Zealand businesses that understand the challenges business owners in our SME sector face and how the viability of these businesses links directly to the health and well being of our local communities and national economy. They also understand the value of mentoring and the outstanding contribution being made to our communities by BMNZ volunteer mentors every day. Additional financial support for service delivery is received from the Ministry of Business, Innovation and Employment through New Zealand Trade & Enterprise.

OUR MISSION

To enhance small business sustainability by mobilising volunteer resources, utilising the skills and experience of successful business people to meet community needs.

Supporting the creation and retention of employment, and the alleviation of financial hardship in urban and rural communities.

86.6%

of clients are satisfied with the quality of Mentoring

Satisfaction survey 2013

96.2%

of clients recommended our service to others

Satisfaction survey 2013



87%

of clients are satisfied
with delivery of service

Satisfaction survey 2013



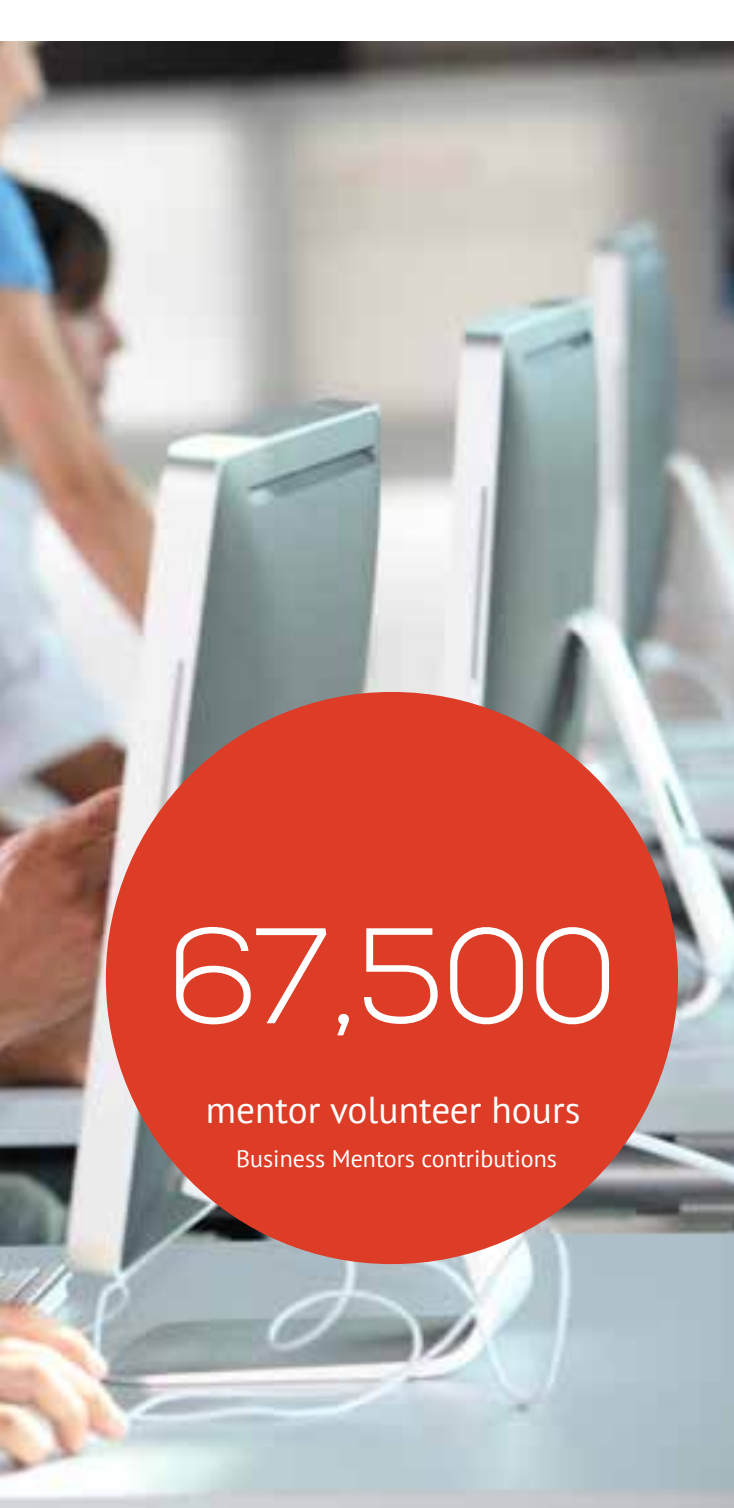
1,900

independent volunteer mentors

\$10m

of value contribution last year

Business Mentors contributions



67,500

mentor volunteer hours

Business Mentors contributions

OUR **VISION**

To be the leading community focused mentoring service for SMEs in New Zealand, providing an outstanding, effective national service at no cost to our clients, after registration.

Further, to be essentially funded by business, yet strongly endorsed and supported by central Government, local Government and other key organisations or agencies involved in the development of this important sector.

BUSINESS IN THE COMMUNITY

BOARD OF TRUSTEES



Dr Grahame Craig
Chairman of Trustees

Dr Grahame Craig is the current Chairman of Trustees and founder of Business in the Community in New Zealand. He has held accounting and management positions in a broad range of public and private sector organisations over a number of years, including Woolrest and the University of Waikato. He is also a Co-founder and Trustee of The International Rugby Hall of Fame.

Dr Craig was awarded an MBE in 1991 for services to business and the community.



Angus Fletcher

Angus Fletcher has had a long career in business, principally with Fletcher Challenge Limited and a long standing involvement in a wide variety of not-for-profit community based organisations.

Currently his trusteeships include Executive Chairman of the Fletcher Trust, Chairman of the Great Potentials Foundation, Chairman of the Methodist Employment Generation Fund, a Trustee of For the Sake of Our Children Trust and Southern Cross Campus Foundation and on the Supporters Council of the Young Enterprise Trust.



Tom McClunie

Tom McClunie has maintained a long association with Business In The Community as both a Trustee and Director, having held the position of Chairman of the Board of Directors from 2000 to 2003.

Previously co-owner and Director of McClunie Birch Limited, a leading process engineering company based in the Waikato, Tom has had more than 30 years experience in the aviation and engineering industries.



Norman Geary

Norman Geary has considerable corporate experience having held senior management positions with BP in New Zealand, Nigeria and in the UK/Europe. After his role as CEO of Air New Zealand he continued to be heavily involved in the aviation and tourism industries, for which he was made CBE in 1991 for contributions to New Zealand aviation and tourism.

He was the inaugural Chairman of the New Zealand Tourism Board, holding this position for six years and is a past President of the New Zealand Institute of Directors.

Norman currently holds governance roles and directorships in ANZ National Bank Limited and the New Zealand Institute of Economic Research.



Sir William Gallagher

Sir William Gallagher is the Chief Executive and Chairman of Gallagher Group Limited having joined the family company in 1962.

He was knighted in the 2010 New Year's honours for services to business, having created a company that employs more than 1,000 people from a "world headquarters" in Hamilton. This was the third honour to be bestowed on Sir William, a businessman with a reputation as a hands on manager at family-owned Gallagher Group. He received an MBE in 1987 and was made a member of New Zealand Order of Merit in 1998.



SIR JAMES FLETCHER WAS CHAIRMAN OF BUSINESS IN THE COMMUNITY BETWEEN NOVEMBER 1992 - DECEMBER 1994 AND JUNE 1996 - SEPTEMBER 1997. HE RETIRED AS A TRUSTEE AND DIRECTOR IN SEPTEMBER 2002.

Sir James Fletcher was an enthusiastic advocate of projects that furthered national development. He was a passionate supporter of Business In The Community and made a considerable contribution to the establishment and development of this organisation. It was Sir James' belief that private enterprise should be prepared to take the initiative in dealing with problem situations and not just look to government to fund assistance and that companies that became involved in services such as that provided by Business Mentors New Zealand would be more highly regarded by their employees, who would demonstrate their regard through greater productivity, loyalty and commitment. We are indebted to Sir James and the Fletcher Trust for their commitment and support of Business Mentors New Zealand and the Business In The Community Trust.



Garry Moore

Garry Moore has worked in both the public and private sector, and was part of the founding group that formed Whalewatch Ltd, Kaikoura. He was also a founder of Company Rebuilders. He had 15 years involvement in local government in Christchurch, where he still lives, commencing in 1992. He served two terms as a Councillor for the Christchurch City Council and was Mayor of Christchurch from 1998 to 2007.

Garry is a member of the Institute of Chartered Accountants of New Zealand and a member of the Institute of Directors. He was awarded the Companion of the New Zealand Order of Merit in 2007 and now works in both the public and private sectors and is involved in a number of companies.



Sir Stephen Tindall

Sir Stephen Tindall is the founder of The Warehouse and the Tindall Foundation. He founded The Warehouse in 1982 and grew the company into a billion dollar business before stepping down as Managing Director in 2001. He now focuses on The Tindall Foundation on social, environmental and sustainability type projects. Sir Stephen's private venture capital company K1W1 has invested in a number of emerging exporters in the field of innovation and growth technologies.

He is a Co-Founder and former Chair of the New Zealand Business Council for Sustainable Development, a founding member of The New Zealand Institute, Co-Founder and former Chair of Kiwi Expats Abroad (KEA) and a Council Member of the World Business Council for Sustainable Development. He was awarded Knight Companion of NZ Order of Merit (KNZM) in 2009.



In Memoriam Sir Wilson Whineray

Sir Wilson Whineray, KNZM, OBE, was a highly respected business leader who held a number of prominent positions in business in New Zealand including Chairman of the Board of Carter Holt Harvey and Director of a number of companies including Auckland International Airport Ltd, APN News and Media Ltd, and Nestle Ltd.

Sir Wilson had a strong community focus. He was a member of the Sir Peter Blake Trust selection panel and the former head of the Hillary Commission and various other sports related organisations and charities. He was awarded an OBE in 1961 and received a Knighthood in June 1998 for services to Sport, Business and the Community. He captained the New Zealand All Blacks from 1958-1965, and was named New Zealand Sportsman of the Year in 1965. In October 2007 he was inducted into the International Rugby Board's Hall of Fame. Sir Wilson, along with the late Sir James Fletcher, was an enthusiastic champion of Business Mentors New Zealand for many years, becoming one of our Trustees, 6 years ago. He generously contributed both his time and wisdom to our organisation and is sadly missed by our Trustees, Board, staff and nationwide team of mentors.



Sir Ken Stevens

Sir Ken Stevens has a long history as an exporter of manufactured products and systems for airports. His company Glidepath Limited has subsidiary company operations in 8 foreign countries. Glidepath can count 624 completed airport projects in 65 countries.

Sir Ken Stevens was appointed "Business Champion - Export Year 07" by the New Zealand government in 2007, an initiative formed between public and private sectors to boost our export earnings. He continues to assist a good many exporters with candid advice on in-market strategies and the importance of building lasting relationships and networks in our key export markets.

Lately he has been working with our educators in preparing our emerging youth for business and exporting careers. This work sees him working with students, teachers and government with the targeted outcome of inducting students into careers that will directly increase New Zealand's wealth and prosperity. Other directorships include – Chairman, Export New Zealand - Director/Trustee, The New Zealand Robotics Charitable Trust - Director/Trustee, Asia: NZ Foundation – Chairman, Howick Limited.



Sir Ralph Norris

Sir Ralph Norris has extensive experience in the commercial sector and has served as Chief Executive of the Commonwealth Bank of Australia and Chief Executive and Managing Director of Air New Zealand Ltd and the ASB Bank Ltd.

He is currently a director of Fonterra Ltd, Fonterra Shareholder's Fund, Origin Energy Ltd, The New Zealand Treasury and The Parenting Place and is on the Council of the University of Auckland. Sir Ralph was made a Distinguished Companion of the New Zealand Order of Merit for services to business in 2006 and a Knight Companion of the New Zealand Order of Merit in 2009. In 2012 he received the inaugural CIO Lifetime Contribution Award for his contribution to the information technology sector.



In Memoriam Athol Hutton

Athol Hutton was responsible for the formation of the Company Rebuilders Charitable Trust in 1989 which merged with Business In The Community in July 2005.

Athol served on the Business In The Community Board from August 2005 to October 2006 and upon his retirement, was replaced by Eric Millar.

Athol was a larger than life character with a tremendous personality and a great sense of humour. He was respected throughout the country for his contribution to both the principles of mentoring and Business Mentors New Zealand.



BUSINESS IN THE COMMUNITY

BOARD OF DIRECTORS

Rick Bettel is a Professional Director. He previously chaired the New Zealand Civil Aviation Authority, The New Zealand TAB, The New Zealand Lamb Co., Capital Coast Health and Wrightson Finance and was a Director of Natural Gas Corporation Ltd. Rick was the Managing Director of Wrightson 1987-1991, CEO of Alliance Group 1991-1995, and from 1995-1998 headed the Law firm of Kensington Swann. He is past President of the New Zealand Institute of Directors and was made a Fellow in 2000. He is a Graduate Fellow of the Australian Institute of Company Directors. His current directorships of public listed, government and private entities include Chairman of Powerco, Ovita (JV between NZB&L and AgResearch) and he is a Director of Diligent Board Member Services Ltd and WQI (Solid Wood Research Company).

Richard Austin is a Director on several companies and is a principal of IQ2 Private Wealth Limited, a wealth management company which deals with investment strategy and management for high net worth individual, complex family groups and trusts. He has recently been a trustee of a large charitable organisation. Richard is past President of the New Zealand Institute of Chartered Accountants and is a past Chairman of the Canterbury Westland branch of the Institute. He was made a Fellow of the Institute in 2010.

John Gilks is a Professional Director whose earlier life was spent as a public Chartered Accountant in Dunedin. He founded Motor Trade Finances Ltd. and was its Managing Director for 22 years. He is past President of the Otago Chamber of Commerce, the Institute of Directors (Otago/Southland Branch) and the Dunedin Rhododendron Trust. He has been a Director of Fisher & Paykel Industries Ltd, The Electricity Corporation of N.Z. Ltd and The National Bank of N.Z. Ltd among others. He is currently Chairman of Queenstown Airport Corporation and a Director and shareholder of several private companies. In 2009 John was appointed as a Member of The New Zealand Order of Merit (MNZM) in recognition of his services to business and the community, and in 2010 received the City of Dunedin Mayor's award for business personality of the year

Geoff Vazey is a Professional Director. His current directorships are HEB Construction Limited (Chairman), Orion New Zealand Ltd, Connetics Ltd, Auckland Racing Club and Blues Rugby Franchise Ltd. He has a strong commercial and governance background including 19 years at the Ports of Auckland, the last 11 years as the Chief Executive. Geoff is a fellow of the Institution of Professional Engineers New Zealand, a member of the Institute of Directors, Government Steering Committee Joint Border Management System and New Zealand Customs Audit and Risk Committee.

From left:

Ray Schofield *Chief Executive*, Geoff Vazey, Dr Grahame Craig *Chairman of Trustees*, Rick Bettel *Chairman of Directors*, Richard Austin, John Gilks

DIRECTORY OF PATRON SPONSORS

THANK YOU TO OUR PATRON SPONSORS FOR THEIR SUPPORT

Partner Level Supporters

The support of our Patron sponsors is as critical as ever. Without the commitment of our private sector Patron Sponsors we would be unable to deliver the programme across New Zealand as they provide 65 per cent of our funding. We are also grateful to our other key stakeholders, New Zealand Trade and Enterprise, Inland Revenue, The Ministry of Business Innovation and Employment and Statistics New Zealand.



2degrees
ANZ Bank
ASB Bank Ltd
BNZ
Bell Gully
Boyes Public Relations Ltd
CentralStation
Chester Grey Chartered Accountants

Datacom Systems Ltd
Independent Timber Merchants
Co-operative Ltd
Inland Revenue
MediaWorks Ltd
Ministry of Business, Innovation
and Employment
NZBusiness Magazine

New Zealand Trade and Enterprise
Statistics New Zealand
Telarc
Television New Zealand
The Radio Network of New Zealand Ltd
Ministry of Foreign Affairs and Trade
(Funder of Pacific Business Mentoring Programme)

National Level Supporters

Acquire Ltd
Advantage Business Ltd
Avis New Zealand Group
Bartercard New Zealand Ltd
British American Tobacco (New Zealand)
Canterbury Development Corporation Ltd
Executive Travel
Fletcher Trust
Hewlett-Packard New Zealand
IN-Business Magazine
King & Mawkes Ltd

Konica Minolta New Zealand
Lock Finance
Lumley General Insurance (NZ) Ltd
Microsoft New Zealand Ltd
Mobilize Mail Limited
MYOB NZ Ltd
New Zealand Retailers Association
NZI
NZ Sales Manager
OfficeMax New Zealand Ltd
Powerco

Qantas Airways
Sharp Corporation of New Zealand Ltd
Sovereign
Te Puni Kokiri
Television Media Group
The Law Society
The National Business Review
The Todd Corporation Ltd
The University of Waikato
Wilde & Freeman Ltd

Regional Level Supporters

BankBuddy Accounting System
Chemiplas NZ Ltd
CodeBlue
CWF Hamilton & Co Ltd
Gallagher Group Ltd
Giltrap Holden

Mazda Motors of NZ Ltd
Nelson Pine Industries Ltd
New Zealand Business Forums Ltd
New Zealand Cricket Players Association
New Zealand Bakels Ltd
Port of Tauranga Ltd

Ports of Auckland Ltd
Telstra Clear
Tourism Business Magazine
Waterford Press

Donations

HSBC New Zealand
Sanitarium Health and Wellbeing New Zealand

BUSINESS MENTORS NEW ZEALAND OFFERS A RANGE OF PATRON SPONSORSHIP LEVELS TO INDIVIDUALS AND ORGANISATIONS TO SUPPORT THE DELIVERY OF THE MENTORING SERVICE - PARTNER, NATIONAL, REGIONAL, AND SUPPORTER - AND WELCOMES FINANCIAL CONTRIBUTIONS OF CASH OR IN-KIND PRODUCTS AND SERVICES.

VALUE PROPOSITION FOR PATRON SPONSORS OF BUSINESS MENTORS NEW ZEALAND

Enhanced Brand and Leadership Profile

- Increase your brand exposure, enhance your business reputation with the elusive SME market and build customer loyalty.
- Acknowledgement in the BMNZ annual report (circulation 2,000 annually).
- Be recognised as an organisation that supports corporate social responsibility.
- Networking with other local businesses and local/national government.

Opportunity to Engage With The SME Business Community via:

- 16,500 Active BMNZ client database (for direct communications and events).
- 1,900 Volunteer mentor cohort (for direct communications and events).
- 23 Regional agencies (for events and joint initiatives) through our 17 Agents e.g. Chambers of Commerce, EDAs, EMA.
- 70 Patron sponsor business organisations (for events and joint initiatives).

Online Promotion, Engage With Our Mentors, Clients and Supporters through:

- BMNZ closed LinkedIn Group.
- Twitter followers.
- Facebook page.
- Pinterest.
- YouTube.
- Placement on BMNZ website front of house with link to your own website (average monthly users around 100,000).
- Use of Business Mentors supporters logo on your materials.
- Placement of your product/service in mentor resource kit.

- Placement of your product/service in mentor welcome pack.
- News updates on your product/service to mentors.
- Editorial opportunity in bi monthly Communication Lines (distributed to full database of around 20,000 – 16,500+ SME clients, 1,900+ mentors, 17 agents and 70 patron organisations including government agencies (three inclusions for Partners).
- Developing the skills of your employees through volunteer mentoring.
- Understanding market opportunities, SME issues and trends by access to motivated, early adopter businesses.
- Senior staff personal development through becoming mentors (increase staff pride and development, enhance skills).
- Access to Waikato School of Business Research, BMNZ SME clients statistics, SME issues, trends and market opportunities.
- Exposure through events, conferences, seminars, meetings (opportunity to host for Partners);
 - Mentor functions regional and national.
 - AGM – 70 to 100 Patrons, agents and mentors.
 - Patron function – 70 to 100 patrons.
- Coordinate your own PR programme (Media releases, briefings and conferences) with BMNZ's.
- Opportunity to engage with government and regulatory authorities.
- Advertising and other promotions (TV, radio and print endorsement).

Brochures are available for you to distribute to your customers and suppliers, promoting your support of Business Mentors New Zealand.

VALUE CONTRIBUTION FOR CLIENTS



Business Mentors
New Zealand has approximately

1,900

**INDEPENDENT VOLUNTEER
MENTORS**



Over the past year our 4,500
clients have received on average

15 hours

FREE MENTORING TIME,

which equates to 67,500
volunteer hours



At an estimated conservative value
of their time of \$150 per hour;
This equates to around

\$10 million

OF VALUE CONTRIBUTION

last year to help small to
medium sized enterprises to:

BUILD CAPABILITY

MANAGE RISK

RETAIN & INCREASE EMPLOYMENT

PROFIT & WEALTH CREATION

IMPROVE PRODUCTIVITY

FOCUS ON SUCCESS

GO GLOBAL

**CONTRIBUTE TO COMMUNITY
WELLBEING**

OUR MENTORS

With a current pool of 1,900 mentors nationwide, the level of business skill and experience associated with the Business Mentors New Zealand service is unrivalled within New Zealand. And it doesn't stop there, every year a further 250 new mentors engage with our service.

We draw on the skills and experience of business people from a diverse range of fields including sales and marketing, general management, finance and accounting, administration, manufacturing, production and distribution, human resources, legal, international trade, export, and information technology.

Our mentors are passionate committed individuals who understand New Zealand business and want to see their communities prosper and grow. They've been there themselves – some semi-retired, some still commercially active today.

They know first-hand what it feels like to take risks, how to be a responsible employer, how to negotiate a deal, what the point of a business plan is, and how to manage cash flow, amongst many, many, other things. Best of all, they understand that the most important aspect of gaining knowledge and experience is having the opportunity to share it with others to help their learning experience.

What we do is take on board their skills and experience and make them available to the owners of SME businesses through our 17 agents who service our 23 regions throughout New Zealand, from Northland to Southland.

Since the Business Mentors New Zealand service was established in 1991, our mentors have serviced over 65,000 clients.

The Benefits of Mentoring:

- The opportunity to join BMNZ and become part of a recognised credible mentoring service
- Structured and supported mentoring
- The flexibility to decide when they are available to mentor, who they mentor and how often
- The ability to determine how they manage their mentoring relationships to suit their individual style and to meet their client's needs.

In support of our Mentors BMNZ offers:

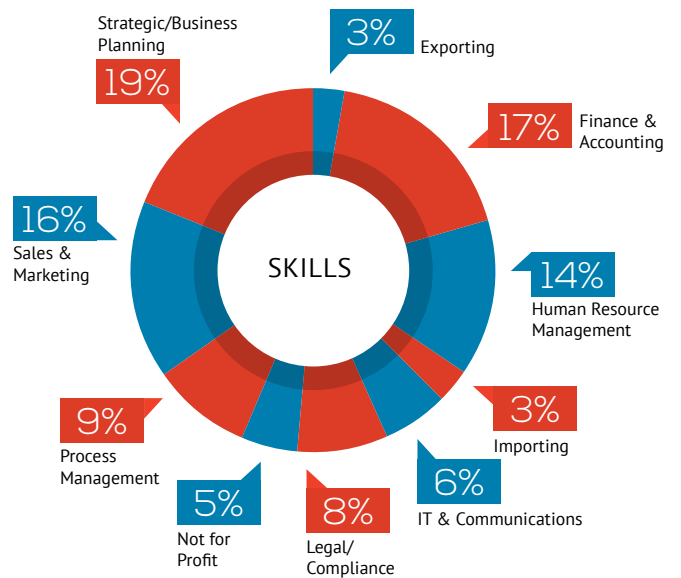
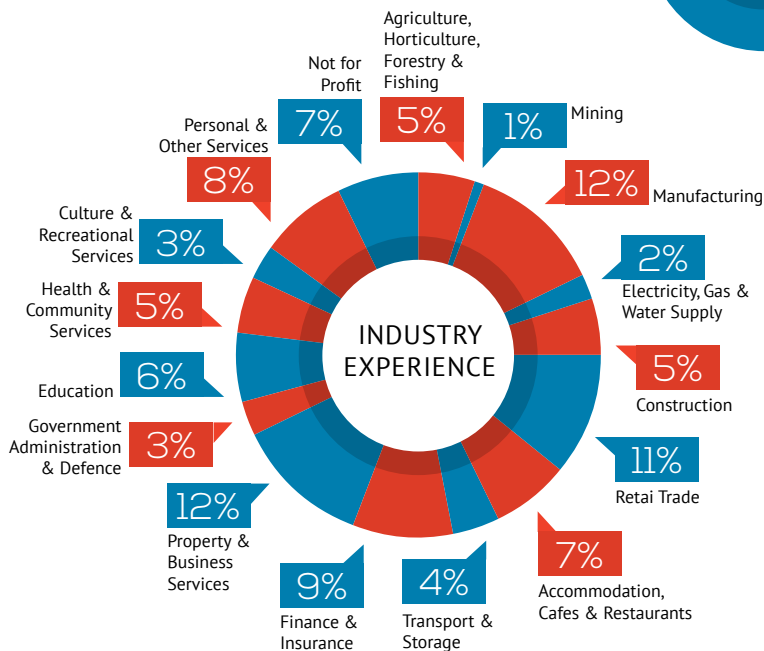
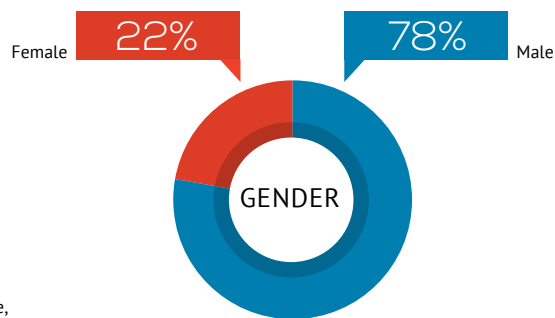
- An online client management system – no paperwork required
- Local support through a mentor co-ordinator/manager
- Educational opportunities through our Mentor Accreditation Programme
- Networking opportunities including an online Mentor Discussion Forum and closed LinkedIn Group
- A library of online resources to support the mentoring role – including access to Waikato University Benchmarking statistics.



1,900
Mentors Nationwide

WITH A CURRENT POOL OF 1,900 MENTORS NATIONWIDE, THE LEVEL OF BUSINESS SKILL AND EXPERIENCE ASSOCIATED WITH THE BUSINESS MENTORS NEW ZEALAND SERVICE IS UNRIVALLED WITHIN NEW ZEALAND.

OUR MENTORS **IN PROFILE**



EXPERIENCE YOU
CAN RELY ON

MENTOR'S TESTIMONIAL

PETER BOYES

I became a business mentor because I wanted to put something back into the local economy and community. On top of that I knew I would get a real buzz from helping people move forward with their businesses. Often, all small business owners need is a fresh perspective from someone independent of the company. That's one of the unique benefits of the Business Mentors New Zealand programme – experienced business people sharing what they've learned with up and coming companies, freely on a voluntary basis

I am the managing director of Boyes Public Relations, an award winning communications and branding consultancy. I'm also a former regional chairman of the Public Relations Institute of New Zealand and a member of the UK Medical Journalists' Association. I also provide on a voluntary basis marketing strategy advice to organisations such as Business Mentors New Zealand and Howick Little Theatre.

I became a mentor about three years ago, after working with Business Mentors New Zealand in an advisory role for some years. My main focus is assisting clients with their marketing and general business management skills.

Like me many mentors are either not available to SMEs on a commercial basis or would be far too expensive to retain. It's another of the unique aspects of the Business Mentors programme – access to unrivalled expertise not available anywhere else in New Zealand for free.

Even though I have a busy commercial life I enjoy a special satisfaction in getting stuck into my volunteer mentoring role. All of the clients that I am mentoring are extremely motivated and are excited about taking their businesses to the next stage. They are very open to new ideas on how to maximise their business potential, which makes for a great working relationship.

I spend between an hour and four hours a month with each client. Each mentor is different in how much time they spend with their clients but every one of them will use his/her own extensive experience in marketing, finance and business strategy to provide a valuable outside perspective, offer advice on specific problems and

help each company pinpoint potential areas for growth. The long, in depth experience common to Business Mentors New Zealand mentors means they are able to help business owners avoid some common pitfalls and mistakes.

One thing a lot of SMEs have issues with is business planning. Often, a business owner will have spent so many hours working in the business, focusing on the day-to-day tasks, that they won't have taken the time to step back and think about where they're going. Having someone come in from outside the company enables them to see their business from a different point of view. They can take a moment to consider what they want to achieve and how they're going to get there.

It's also important that the plan is written down on paper and updated regularly. Many business owners make the mistake of keeping any business strategy they might have in their head. Having it in a solid form keeps people focused.

Working for a wide range of business sectors in New Zealand and abroad over the past thirty years I've learned that planning ahead is something many businesses tend to overlook. They put off even attempting it because they just don't know where to start. However, it's important to have something in place, even if it's the most basic option of a three or four page business plan.

Despite juggling a number of work commitments along with the mentoring, volunteer mentors get great enjoyment out of helping their clients succeed and I recommend mentoring to anyone who is knowledgeable in business, has empathy for others and a willingness to help others do well.

The Business Mentors service is a great resource for SMEs. I'm proud to be involved and every day I find it a hugely constructive learning experience, for both my clients and me, which transfers into, enhances and informs my commercial activities.



If you are interested in becoming a mentor for Business Mentors New Zealand, visit our website – www.businessmentors.org.nz – where you can apply online to be part of the programme.

Peter Boyes
BMNZ Mentor

MENTOR ACCREDITATION PROGRAMME

BUSINESS MENTORS NEW ZEALAND (BMNZ) HAS 1,900 VOLUNTEER BUSINESS MENTORS WORKING WITH CLIENTS THROUGHOUT NEW ZEALAND. IN SUPPORT OF THESE ACTIVITIES ALL OUR MENTORS CONTRACTUALLY AGREE TO ATTEND A ONE DAY INDUCTION, THE MENTOR ACCREDITATION PROGRAMME (MAP) SEMINAR. THIS IS A KEY PART OF MAINTAINING OUR LEADERSHIP POSITION TO ENCOURAGE PROFESSIONAL STANDARDS AS AN INTERNATIONALLY RECOGNISED LEADER IN THE FIELD OF BUSINESS MENTORING.

THE SEMINAR IS FACILITATED BY PRESENTERS WHO HAVE EXTENSIVE EXPERIENCE OF THE MENTOR PROGRAMME FROM AN OPERATIONAL PERSPECTIVE, AS WELL AS BEING ACTIVE MENTORS IN THEIR OWN BUSINESS COMMUNITIES.

Mentoring is a specialised skill that often requires the mentor to further develop their abilities in areas such as communication, motivation, and even behavioural psychology. MAP is not about “teaching mentors how to run a business” - far from it. We recognise that our mentors are already successful and experienced business people in their own rights.

Through facilitation of our MAP Seminars we have observed the following:

- The commitment of mentors in supporting their local economies and communities is outstanding and their openness to learning is encouraging.
- This programme also gives our agency managers a great opportunity to gain a greater understanding of their mentors’ skills and personality through the interaction of the seminars, with the outcome of more improved matching to clients.
- Networking and the opportunity for discussion and shared learning amongst mentors is seen as being a valuable investment of their time.
- A key area of learning is accurate and balanced assessment of a client’s needs. Taking a balanced view, peeling back the layers, assimilating all the information required before arriving at a conclusion regarding a client’s situation – this learning creates lots of positive feedback from mentors.

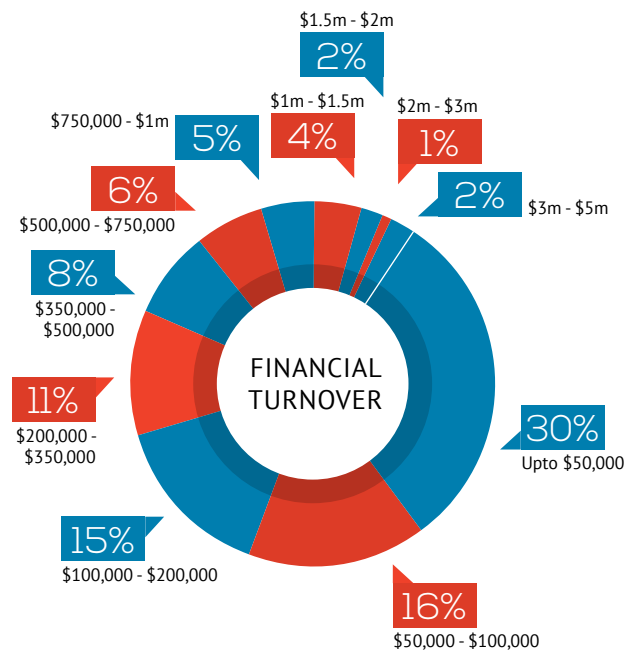
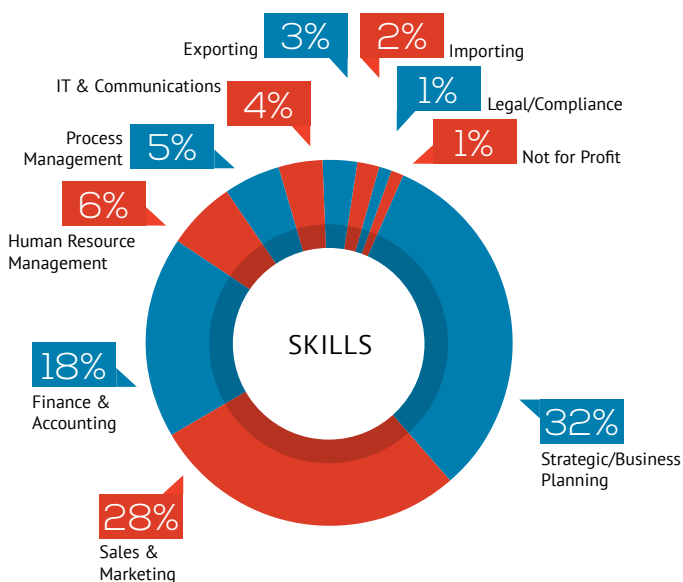
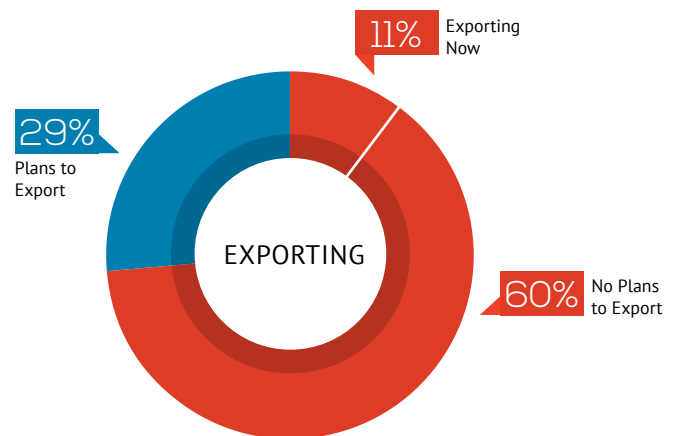
- Another key learning area is effective relationship management and skill/knowledge transfer, including discussion around mentee overload, different communication and learning styles, client commitment and motivation, effective delegation and techniques that mentors employ to support these areas of the mentoring relationship.

MAP achieves our objectives by drawing on ‘best practice’ principles collectively learned since our first mentors ‘took to the field’ back in 1991, and the use of case studies and workshops.

Dr Grahame Craig, founding Trustee of Business In The Community, has developed MAP. On completion, a mentor becomes certified as an “Accredited Mentor of Business Mentors New Zealand.” The Programme consists of a one-day seminar run on the principles of mentoring and their practical application, and completion of a client case study by each mentor and submitted for assessment.



OUR CLIENTS IN PROFILE

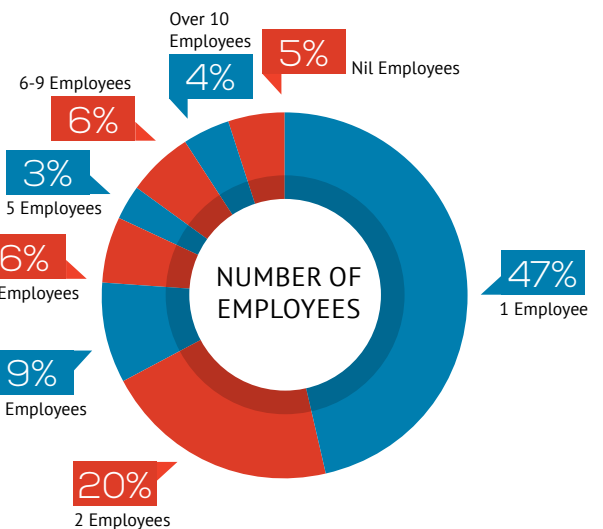
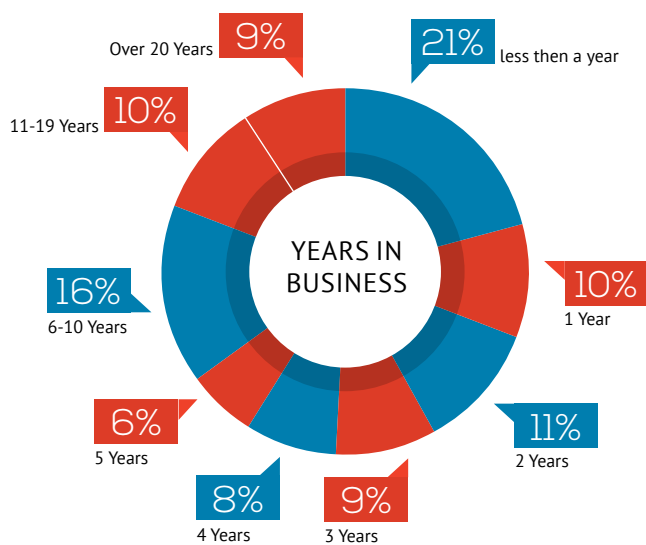
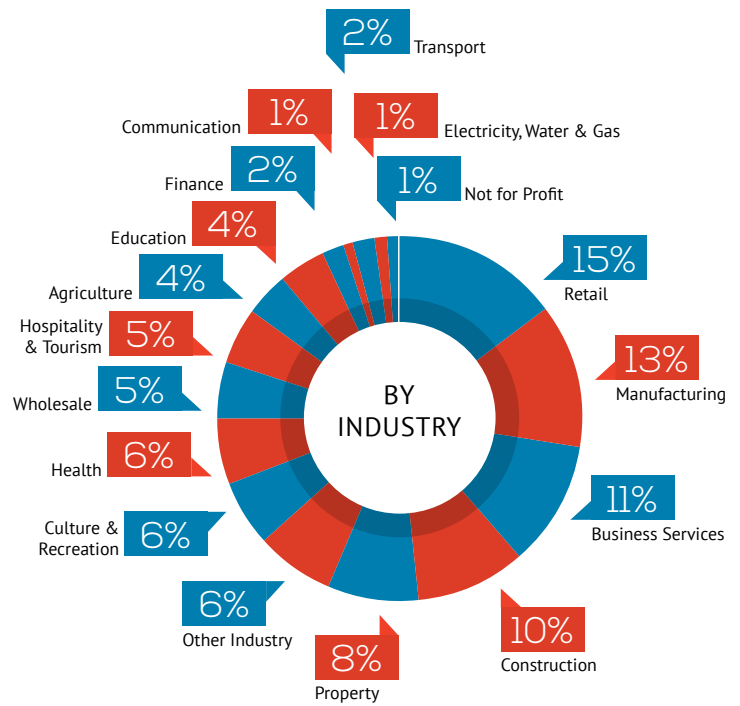


47%

Of our clients have
only 1 employee

THERE ARE MANY BENEFITS TO BRINGING A BUSINESS MENTOR ON BOARD, WHETHER A COMPANY IS STILL IN THE EARLY STAGES OF DEVELOPMENT OR THE TIME HAS COME TO PUT TOGETHER AND IMPLEMENT AN EXIT STRATEGY. A KNOWLEDGEABLE MENTOR CAN HELP BUSINESS OWNERS TAKE A STEP BACK FROM THEIR COMPANIES AND SEE THE BIGGER PICTURE. A BUSINESS MENTOR CAN ASSIST IN IDENTIFYING STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS THAT MAY HAVE BEEN MISSED BY MANAGERS TOO CLOSE TO THE BUSINESS. THEY MAY ALSO HELP THE BUSINESS OWNER REFOCUS ON THEIR BUSINESS GOALS AND OFFER ADVICE ON STRATEGIES TO BETTER ACHIEVE THEM.

OUR CLIENTS IN PROFILE



**IT'S NOT TOO LATE
TO GET ADVICE**



Jeremy Marks

MAXIMISING ADVANTAGES FOR AN EXPANDING ENTERPRISE

CLIENT TESTIMONIAL

JON RANGLES, JEREMY MARKS AND JULIAN THOMPSON, MOSH

Standing out from the crowd is exactly what Jon Randles and the team at MOSH are all about. So when the social media market wave began hitting our screens in the late half of the last decade they were there to ride on its crest as MOSH; the Social Media Marketing Specialists.

Since taking on Business Mentor Phillip Adamson in October of last year Jon says MOSH has been fine tuning and further expanding their business horizons.

'We are tighter at an organisational level and Business Mentors has provided us with a sharp focus on business strategy. It's been a real boost to our productivity.' Despite being a specialist company, Jon explains how quickly they've been able to expand since taking on Business Mentors, 'We've taken on a new partner in the company and we can definitely foresee further expansion in the near future.'

MOSH is a front runner in the pack of social media marketing specialists operating to provide businesses the proper tools in utilising their social media connections correctly. 'We are all about helping businesses use social media properly. We match their objectives up with the resources they require from social media while avoiding the fluff' explains Jon, 'Mosh allows business to communicate through social media while maintaining firm business strategy that so many social media marketing agencies miss.'

Before MOSH, Jon was a successful business banking manager, 'I went into banking to learn about how to run my own business successfully. Me and my business partner had been working together for several years and eventually decided to branch out creatively and to take control of our own business.'

Coupled with his years of experience overseas, it was a natural decision to establish MOSH Jon says. 'I'm grateful for the range of experience we have at MOSH, I feel it provides a perspective on social media that encompasses a worldly understanding of

marketing as well as business that gives MOSH that extra advantage.'

Jon remembers hearing about Business Mentors some time last year when considering how to up the ante on MOSH. 'We've been meeting with Phillip for six months now, but we first heard of Business Mentors some time last year through word of mouth. I'm keen for any and every advantage when it comes to business and when I heard about business mentors I thought that's exactly the expertise we're after.'

Jon and Jeremy were impressed by the professionalism of their mentor right from the get-go. 'Phillip was really amiable and open. He acted as a sounding board that we could bounce ideas off and provided a voice of reason backed by years of experience, which helped us greatly in implementing our ideas and strategies.'

The MOSH team boasts a wealth of experience, including Jon's management of a language school in Japan and Jeremy's work as senior consultant in firms around the world, but something was missing says Jon, 'We started out with our strengths being ideas and communication, we had all this energy potential, but we needed an action plan.'

Phillip gave us the idea not only to expand the business with a new partner, but to find the missing link of what would make MOSH truly successful.' Newly partnered Julian Thompson was that missing link. 'Taking on Julian was a mentor inspired decision to find an action planner. We've known each other for nearly twenty years and it just made sense that he was exactly who we needed on board.'





Jon Randles
Mosh

CLIENT TESTIMONIAL

NIK PAYNE AND SARAH DELANY, MOUNT DELUXE

Nik Payne and Sarah Delany of Mount Deluxe, a boutique Auckland design agency, are evangelists for business mentoring. The couple, who have been together for 15 years, both qualified with Visual Communications degrees after meeting at design school in Wellington.

Sarah explains: 'We worked in New Zealand for four years and then from 2004 had five years in London. We always knew we wanted our own company one day but we wanted to get that international experience.'

Sarah worked with a range of education-based clients such as Granada Learning while Nik worked as a graphic designer in the fashion industry. But after a while they started to feel pigeon holed and wanted to spread their creative wings.

Nik explains: 'We had a great time overseas but it was time to come home. We came back to New Zealand in late 2008 and set up Mount Deluxe design in a small apartment in the Beaumont Quarter. We still had some clients in the UK so we were being paid in pounds sterling when that was high. In the meantime we were starting to get some New Zealand clients although no one really knew of Mount Deluxe.'

After a relocation to Northcote Point Nik remembers seeing a TV ad about business mentoring and about the same time he recalls a story in the local council newsletter about business mentors.

Sarah says: 'We had been to some networking events but were mostly hanging out with other designers. We really needed advice on what to charge and strategic counsel on the next steps in growing the business. Greg Bateman our business mentor came to us with an accounting background, so quite a different viewpoint from ours. After the second or third meeting we just clicked. We were coming in as graphic designers who knew our jobs but we did not have the business experience and nous to work smarter.'

Nik agrees: 'We were going to Designers Institute events when we should have been going to the networking breakfasts and Chamber of Commerce meetings. Greg explained that's where our prospective clients were. We needed a change of mindset to being a business that happens to do graphic design rather than graphic designers who are in a business. We discovered that there is a lot of satisfaction in running a business well.'

Sarah points out: 'We always said we wanted to work with people we like and be our own bosses for lifestyle reasons, but through the mentoring process I think we learned to respect each other

and to realise that there is no place for inflated egos. We are both designers but there are also very different things that need doing in the business and we have become better at identifying the things we're good at. So while we are both networking, Nik is doing more of the business development, as well as the accounts.'

Nik laughs: 'Greg suggested a project management system to monitor how all of our time was spent. Tracking our time has helped a lot. Then there were the tips on how far to push the pricing. We discussed the difference between project management, account management and chargeable design time. He helped us identify the time we were not charging and made us think about the value of what we were offering. The next step was making the invisible visible so our clients could understand what is involved in the design process.'

Sarah is enthusiastic about the results: 'It's been great. We have now been in business for three and a half years and although we finished our mentoring with Greg earlier this year, we have kept in touch. He helped us become accountable and more professional in a business sense. We went from being employees to business people. It has been a massively positive experience.'

Nik points out that their time with their mentor is the only time they were forced to step back from the day to day activity and think about what they were doing. He says: 'We often went into our meetings with Greg frazzled but came out calmed. I want to keep learning and know that there are more secrets out there that we are yet to discover.'

The business is now housed in a smart Ponsonby villa with a range of clients including brand, identity and food packaging but the couple have plans to hire staff and move to bigger premises.

Sarah explains: 'We have tripled our income since working with Greg. We're now getting out and networking where our ideal clients are hanging out. We need to find the right space and work out who the ideal people are to help us grow Mount Deluxe. It feels like it's a really big next step.'

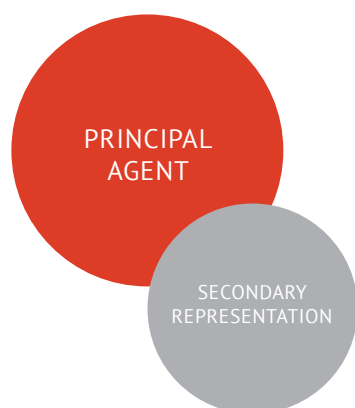
Walking along I pass a bus stop.
A woman is sitting on the edge
of the seat gazing straight
ahead. She doesn't seem to be
looking at anything in particular.
As I get nearer I can hear her
humming a single high pitched
note. A man is also waiting and
looks at her. Always, I think
disapprovingly. I don't
realize what she is doing
is humming the end of a city

MENTORING BY DESIGN

AGENCY NETWORK

THE BUSINESS MENTORS NEW ZEALAND SERVICE COVERS THE BREADTH OF NEW ZEALAND, WITH DELIVERY CO-ORDINATED THROUGH A DEDICATED NETWORK OF 17 AGENCIES.

Our agencies encompass the best Economic Development Agencies, Chambers of Commerce and Employers Associations in New Zealand. They are highly skilled economic development professionals with established local networks and a passion for helping small business.





OUR AGENCIES ENCOMPASS THE BEST ECONOMIC DEVELOPMENT AGENCIES, CHAMBERS OF COMMERCE AND EMPLOYERS ASSOCIATIONS IN NEW ZEALAND. THEY ARE HIGHLY SKILLED ECONOMIC DEVELOPMENT PROFESSIONALS WITH ESTABLISHED NETWORKS AND A PASSION FOR HELPING SMALL BUSINESSES.

NORTH ISLAND - AUCKLAND REGION

National Office

Business Mentors New Zealand
PO Box 9043, Newmarket, Auckland 1149
Phone: 0800 209 209
Contact: Lisa Ford
Email: lisa.ford@bmnz.org.nz

Auckland - Central

Auckland Chamber of Commerce
PO Box 47, Wellesley Street, Auckland 1010
Phone: 09 374 2265
Contact: Kerry Carr
Email: kcarr@chamber.co.nz

Auckland - North and

Auckland - West

Auckland Tourism Events
and Economic Development – North
PO Box 302 283, North Harbour 0751
Phone: 09 354 0050
Contact: Carley Duncan
Email: carley.duncan@aucklandnz.com

Auckland - South

Auckland Tourism, Events & Economic
Development - South
PO Box 204 357, Highbrook, Auckland 2161
Phone: 09 354 0082
Contact: Anita Keestra
Email: anita.keestra@aucklandnz.com

NORTH ISLAND - NORTHERN AND CENTRAL REGIONS

Northland

Northland Chamber of Commerce
PO Box 1703, Whangarei 0140
Phone: 09 438 4771
Contact: Tony Collins
Email: ceo@northchamber.co.nz

Waikato / South Waikato / Thames / Coromandel

Waikato Chamber of Commerce
& Industry Inc.
PO Box 1122, Waikato Mail Centre 3240
Phone: 07 839 5895
Contact: Pauline Carseldine
Email: reception@waikatochamber.co.nz

Tauranga / Whakatane

Chamber of Commerce Tauranga Region
PO Box 414, Tauranga 3140
Phone: 07 577 8952
Contact: Debbie Hibell
Email: mentors@tauranga.org.nz

Rotorua / Taupo

Rotorua Chamber of Commerce
PO Box 385, Rotorua 3040
Phone: 07 349 8365
Contact: Angie Downs
Email: accounts@rotorua-chamber.co.nz

NORTH ISLAND - SOUTHERN REGIONS

Hawkes Bay

Napier City Council Economic Development
Private Bag 6010, Napier 4142
Phone: 06 834 4193
Contact: Ron Massey
Email: ron@napier.govt.nz

Gisborne / East Coast

Gisborne Chamber of Commerce
PO Box 897, Gisborne 4040
Phone: 0800 209 209
Contact: Lisa Ford
Email: lisa.ford@bmnz.org.nz

Manawatu / Horowhenua / Wanganui

Vision Manawatu
PO Box 12025, Palmerston North 4444
Phone: 06 350 1832
Contact: Karen Blair
Email: karen@visionmanawatu.org.nz

Wellington

Employers Central Inc Chamber of Commerce
PO Box 1087, Wellington 6140
Phone: 04 470 9946
Contact: Makerita Filipo-Dallas
Email: Makerita.filipo-dallas@wecc.org.nz

Taranaki / New Plymouth

Venture Taranaki Trust
PO Box 670, New Plymouth 4340
Phone: 06 759 5163
Contact: Kayleen Schoeman
Email: kayleen@venture.org.nz

SOUTH ISLAND - REGIONS

Nelson / Marlborough

Nelson Tasman Business Trust
PO Box 1278, Nelson 7040
Phone: 03 539 0824
Contact: Sarah Holmes
Email: sarah@ntbt.co.nz

Canterbury / Timaru / West Coast

Canterbury Development Corporation
PO Box 2962, Christchurch 8140
Phone: 03 353 6860
Contact: Jill Taiaroa
Email: jill.taiaroa@cdc.org.nz

Otago

Otago Southland Employers Association
PO Box 473, Dunedin 9054
Phone: 03 456 1805
Contact: John Rigby
Email: john.rigby@osea.org.nz

Southland

Venture Southland
PO Box 1306, Invercargill
Phone: 03 211 1424
Contact: Scott Whyte
Email: scott@venturesouthland.co.nz

AGENCY CONFERENCE



BUSINESS MENTORS NEW ZEALAND IS COMMITTED TO BEST PRACTICE PRINCIPLES NOT ONLY IN MENTORING BUT ALSO WITH THE LEVEL OF PROFESSIONALISM AND ENGAGEMENT OF OUR 17 AGENCY MANAGERS ACROSS NEW ZEALAND. WE HOLD AN ANNUAL AGENCY CONFERENCE TO ENCOURAGE OUR AGENCIES TO SHARE IDEAS ON THE VALUES AND OUTCOMES OF BUSINESS MENTORING. WORKSHOPS ARE HELD IN THE FOLLOWING AREAS:

- Management and recruitment of mentors
- Customer service delivery and management
- Regional marketing opportunities
- Client satisfaction outcomes

Our agencies are integral to the success of the programme and our conference is an opportunity to ensure that they are providing an outstanding, effective mentoring service to New Zealand SMEs



CLIENT SATISFACTION RESULTS REVEAL SUSTAINED **HIGH PERFORMANCE**

In line with other leading organisations, Business Mentors New Zealand (BMNZ) focuses on client satisfaction as a competitive business differentiator. Their total commitment to building relationships and service excellence, enhancing quality and consistency of delivery, as well as exceeding service expectations through continuous improvement is reflected in the values of the organisation.

In partnership with independent research consulting firm, Beyond Consulting, BMNZ surveys clients regularly to measure the success

of its mentoring service so as to guide their ongoing improvement initiatives. The surveys are administered 90 days from clients' match date with survey results being collated three times a year for client match periods of April-July, August-November, and December-March. The survey consists primarily of 10 statements designed to evaluate the mentor service, using a 5-point rating scale (1=Poor, 5=Excellent). Clients are also asked whether they would recommend the service to others and to comment on their reasons.

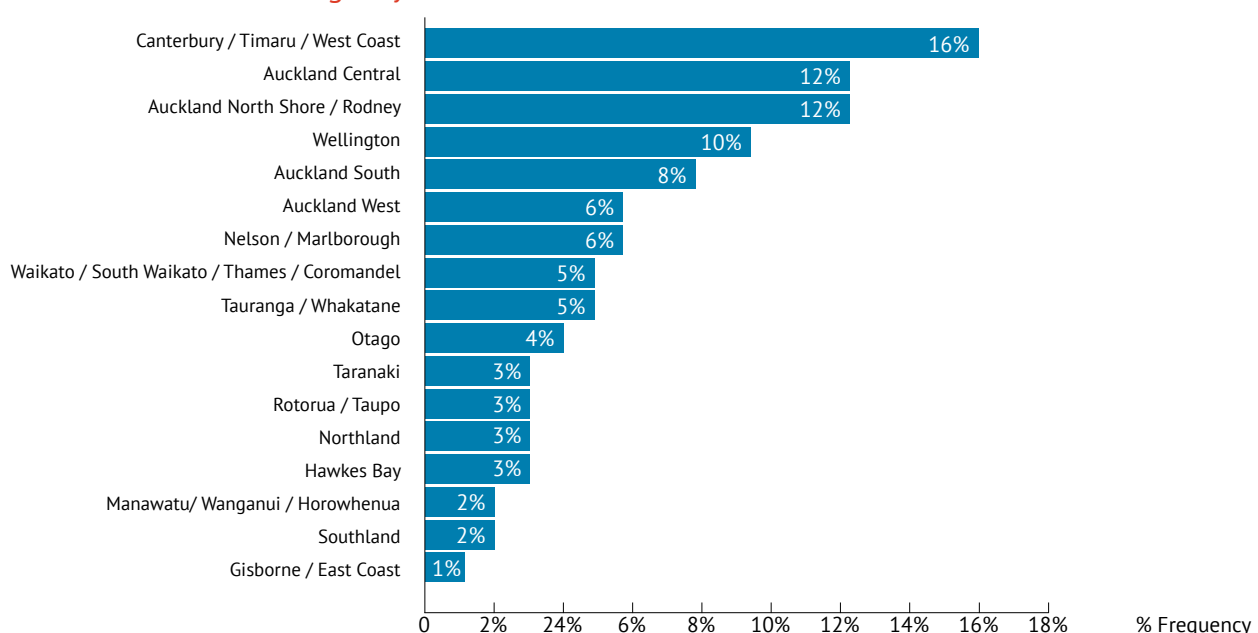
Profile of Respondents

Altogether 1,113 responses across New Zealand were received in 2012/2013 from businesses operating across a diverse range of industries and varying in business size and maturity. Response rates were high ranging from 60% to 64% for the 3 survey periods.

Of those who responded to the survey in 2012/2013:

- Majority of respondents connected with 1 mentor on average within 3 months of being matched and received an average of 3 contacts.
- 19% of businesses were novice business, 33% had been in business for 1-3 years and 48% were established (4+ years).
- Principal Industries serviced were Retail Trade (14%), Personal & Other Services (12%), Manufacturing (10%), Construction (10%), and Health & Community Services (8%).

Client's Agency



Survey Highlights

BMNZ continues to consistently achieve a high standard of service delivery. In 2012/2013, recommendation of the service has improved by 2% since the beginning of the financial year, reaching 95% during the last four month survey period of December 2012 to March 2013 matches. In addition, the key performance indicator (KPI) index (which is an aggregate of the four KPI means), continues to be maintained at 4.3, which was a new high achieved in the previous financial year.

Mean ratings of nearly all service delivery areas are above 4.0 in 2012/2013. As shown in the table below, the high performance ratings achieved in 2011/2012 continues to be sustained. A 5-point rating scale (1=Poor, 5=Excellent) is used to measure performance.

	Mean Performance Rating		
	April 2011 - March 2012	April 2012 - March 2013**	Margin
*Promptness of agency coordinator's response to your initial query	4.48	4.54	+0.06
Promptness of mentor's response to your initial query	4.44	4.46	+0.02
Match of mentor to your specific needs	4.14	4.12	-0.02
*Level of follow-up support	4.11	4.08	-0.02
Planning of structure and purpose of visits	4.03	4.04	+0.01
Level of mentor's business knowledge and experience	4.42	4.44	+0.02
*Usefulness or helpfulness of mentoring advice given	4.19	4.22	+0.03
Boosted your confidence and/or improved your self-reliance	4.01	4.06	+0.06***
Helped you evaluate your business activity	4.01	3.99	-0.02
*Overall satisfaction with the service received from the BMNZ Mentor programme	4.20	4.22	+0.02

Note: Scores represent Means on a 5-point rating scale (1=Poor, 5=Excellent)

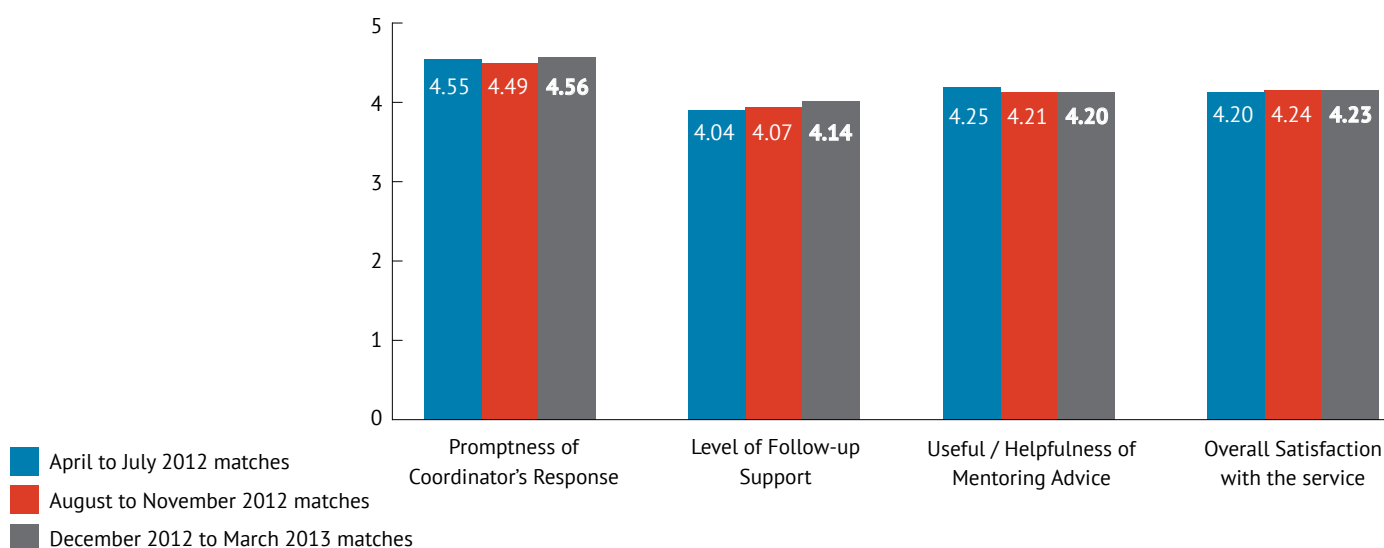
*Questions represent KPIs

**Findings of 2012/2013 is based on feedback received up to 24 June 2013 (N=1113) where approximately 70% of the March 2013 matches have been surveyed when the data was analyzed

***Margin discrepancies are due to rounding errors

BMNZ Key Performance Indicators 2012/2013: Means

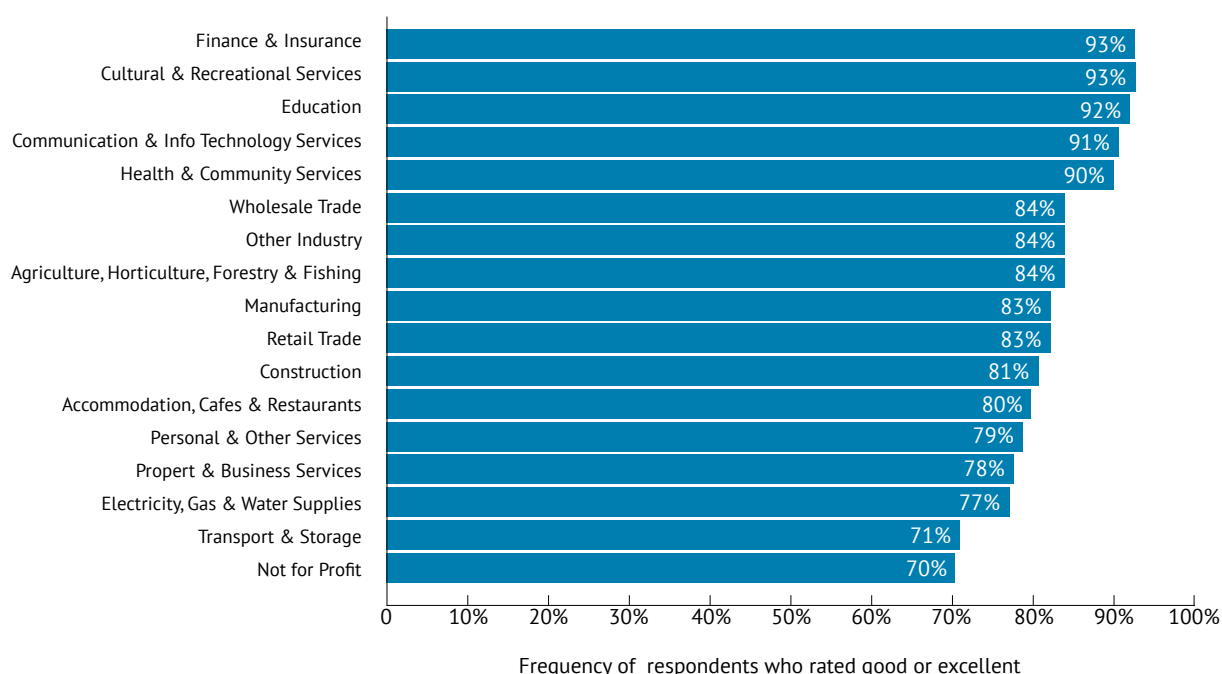
Service performance levels for each of its four KPIs are high with means exceeding 4.1 across all three of its survey periods.



CLIENT SATISFACTION SURVEY

Overall Satisfaction by Industry 2012/2013: Frequency of Good/Excellent ratings

A key measure of success is client's overall satisfaction with the mentoring service. On average, 83% of clients rated it as "Good" or "Excellent". Overall satisfaction varied by client industry. Clients from "Finance and Insurance" and "Cultural and Recreational Services" were the most satisfied.



Benefits of Business Mentoring 2012/2013

Several benefits of mentoring were identified from client comments. They include:

Benefits to the individual:

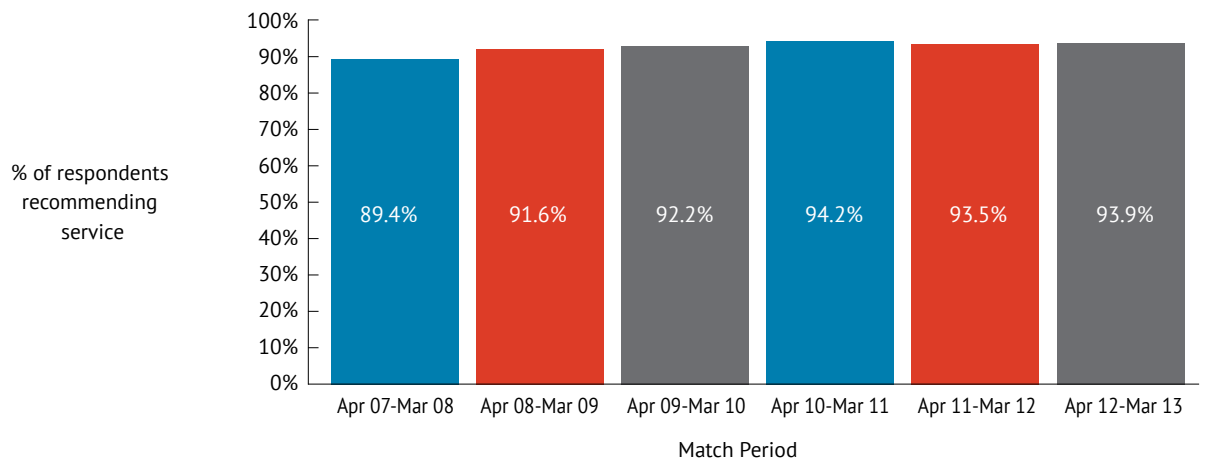
- Clarifies direction and focus
- Increases client self-confidence
- Removes the sense of isolation particularly for sole traders
- Provides a confidential 'sounding board'
- Provides independent and objective perspective
- Provides guidance, encouragement and practical advice
- Helps with motivation and/or personal accountability
- Provides support in a caring, empathic, professional manner
- Free service

Benefits to the client's business:

- Provides support to sole traders and/or removes the sense of isolation within one's business situation
- Accelerates organisational learning
- Allows access to skills and expertise not already in the business
- Provides greater insight into the organisation and wider business community
- Broadens business networks
- Leads to improvement in business performance and/or business growth
- Help identify improvements, new opportunities, ideas and innovative solutions for client business
- Help clarify and identify blind spots, potential problem areas and challenges
- Improves business productivity, efficiency, and/or business growth

Trend in Performance

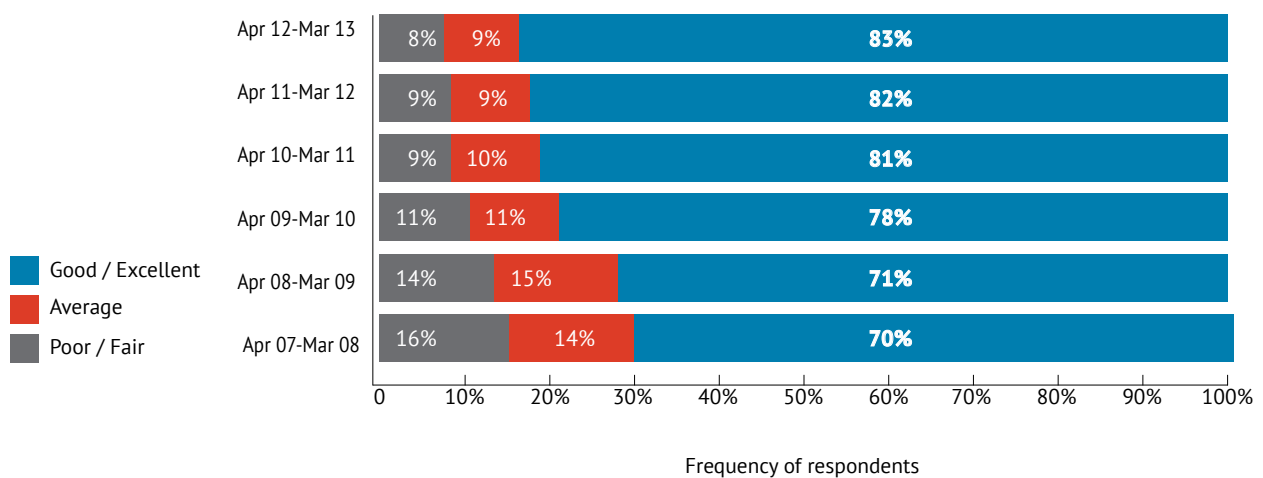
Recommendation of Service 2007-2013: Frequency



Note: Although recommendation of service was 95% for latest survey period of December 2012 to March 2013 matches, it averaged 94% for the year 2012/2013.

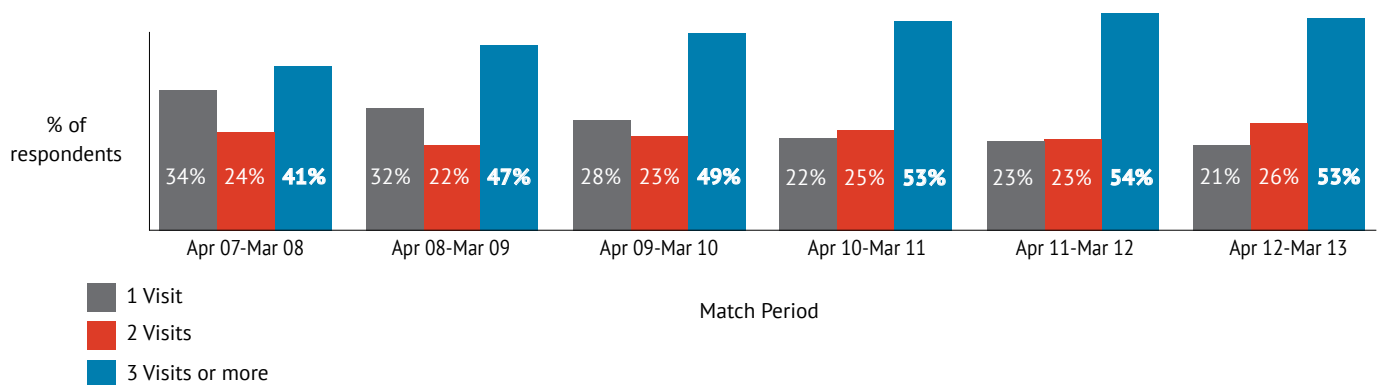
Overall Satisfaction 2007-2013: Frequency

Good/Excellent ratings for Overall Satisfaction have improved steadily over the years showing a clear positive trend.



Mentor Visits 2007-2013: Frequency

The frequency of 3+ mentor visits per client has increased over the years with 1 mentor visits showing a steady decline.



RECOVER CANTERBURY

The 2010 Canterbury earthquake was a 7.1 magnitude earthquake, which struck the South Island of New Zealand at 4.35am on 4 September 2010. Aftershocks continued into 2012; with some causing significant damage. The strongest to date, of magnitude 6.3, occurred on 22 February 2011 at 12.51pm. This was centred very close to Christchurch, it was more destructive, with 185 people being killed, more than 1,500 people injured and 164 serious injuries. The quake was felt from Invercargill to Wellington.

The quake caused widespread damage and several power outages, particularly in the city of Christchurch, New Zealand's second largest city. The damage was great due to buildings and infrastructure already being weakened by the 2010 earthquake and its aftershocks. Significant liquefaction affected the eastern suburbs, producing around 4,000,000 tonnes of silt. The government declared a state of national emergency which stayed in force until 30 April 2011.

The total cost to insurers of rebuilding has ballooned to \$40 billion; some economists have estimated that it will take the New Zealand economy more than 50 years to recover.

The free client code concession (registration) was first implemented following the September 2010 earthquake. Patti Poole and Jo Boyle from MED and Euan Purdie from NZTE coordinated this strategy to support SME businesses impacted by both earthquakes.

In excess of 700 SME businesses received free payment codes. This offering was concluded at the end of December 2012.

The funding provided by the Ministry of Economic Development enabled BMNZ to assist Christchurch business owners, clients and staff post-earthquake. Our team on the ground have provided fantastic advice, assistance and support to our clients. They have been supported by a team of 300 volunteer business mentors who are committed, passionate, empathetic individuals. They realised the need for their expertise in circumstances that the business community had not experienced nor dreamed would be an eventuality in Christchurch.

Recent news articles suggest that Canterbury businesses are bucking a nationwide drop in business numbers, with an average of 300 more opening their doors than shutting up each month.

The latest statistics for Canterbury business births and deaths (Statistics New Zealand) show an average of 300 more ventures over those that fail each month since the first quake in September 2010.

The key trend for SME businesses in the Canterbury recovery has shifted from one of very difficult business circumstance to one of uncontrolled growth opportunities. This requires businesses to have structure, discipline and capability which is not always available; so the focus of mentoring in Canterbury addresses issues of financial management, planning, compliance, sales and marketing.

Unmanaged growth to SME businesses without a wide array of business skills can be just as challenging as an extreme business environment.

The total cost to insurers of rebuilding has ballooned to \$40 billion; some economists have estimated that it will take the New Zealand economy more than 50 years to recover.

PACIFIC BUSINESS MENTORING PROGRAMME



BUSINESS MENTORS NEW ZEALAND (BMNZ) STARTED OVER 20 YEARS AGO AND HAS ASSISTED OVER 65,000 BUSINESSES SINCE THEN. THIS REMARKABLE RECORD OF SUCCESS SPARKED THE INTEREST OF THE NZ GOVERNMENT WHO SAW AN OPPORTUNITY TO DRIVE ECONOMIC DEVELOPMENT IN PACIFIC ISLAND COUNTRIES IF A SIMILAR BUSINESS MENTORING PROGRAMME COULD BE SUCCESSFULLY INTRODUCED INTO PACIFIC ISLAND COUNTRIES. THE NZ AID PROGRAMME SUBSEQUENTLY AGREED TO FULLY FUND THE PACIFIC MENTORING ACTIVITIES.

In early 2010 the Pacific Business Mentoring Programme (PBMP) was established in The Cook Islands and has since then been established in Tonga, Samoa, Solomon Islands, Papua New Guinea, Vanuatu, Fiji, Kiribati, Niue and Tuvalu.

The programme is based in the BMNZ national office in Auckland and utilises a very similar mode of operation to that used in NZ.

We select business mentors for the Pacific from a pool of over 1,900 such volunteers from throughout New Zealand.

Teams of five experienced volunteer business mentors travel to each country for one week on a six monthly basis to meet with participating businesses. These mentoring discussions result in an action plan being produced for each business which details the actions the business owner will undertake in order to bring changes for the better to that business.

The Pacific Business Mentor Training Programme (PBMTTP) has also been successfully established in all countries with the objective of enhancing the impact of the mentoring activities by helping business owners develop their skills in operating a business successfully.

An agent is appointed in each country to organise and promote the mentoring services we offer. Usually this is the National Private Sector Organisation which typically is the Chamber of Commerce in each country.

We currently have over 70 volunteer mentors involved and over 600 businesses participating and benefitting from the programme.

Results are measured through an independent outcome survey, which surveys all businesses participating.

The latest survey indicates that there has been an increase in employees as a result of the mentoring support that we have provided. On average, employee numbers have increased by 1 employee across the 332 companies participating in the latest survey.

This is great news as our fundamental objective is economic development in each country and job creation is a major indicator of economic development taking place.

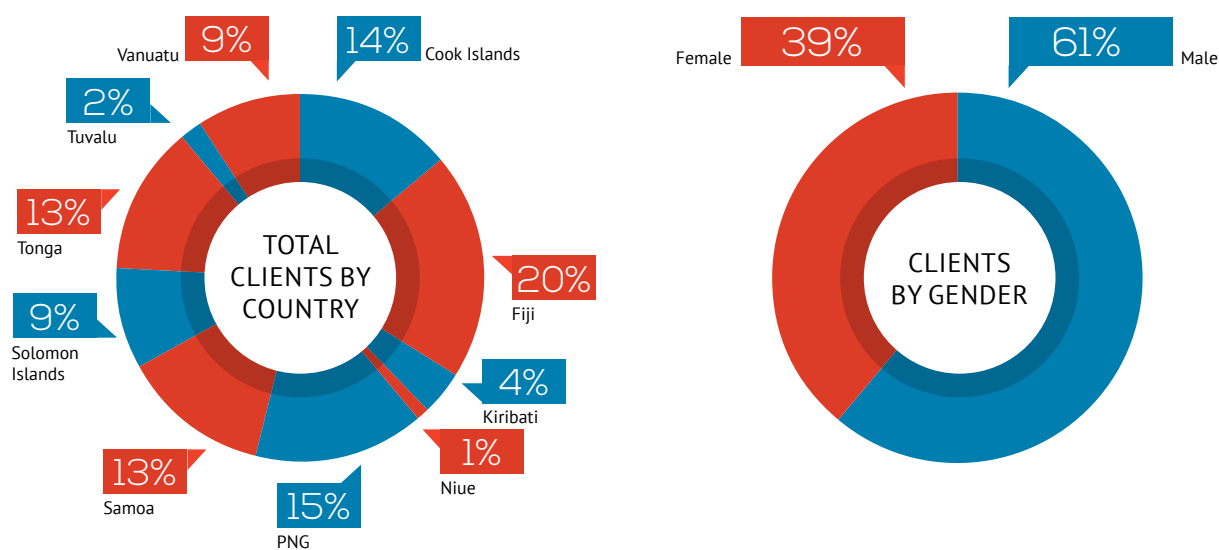
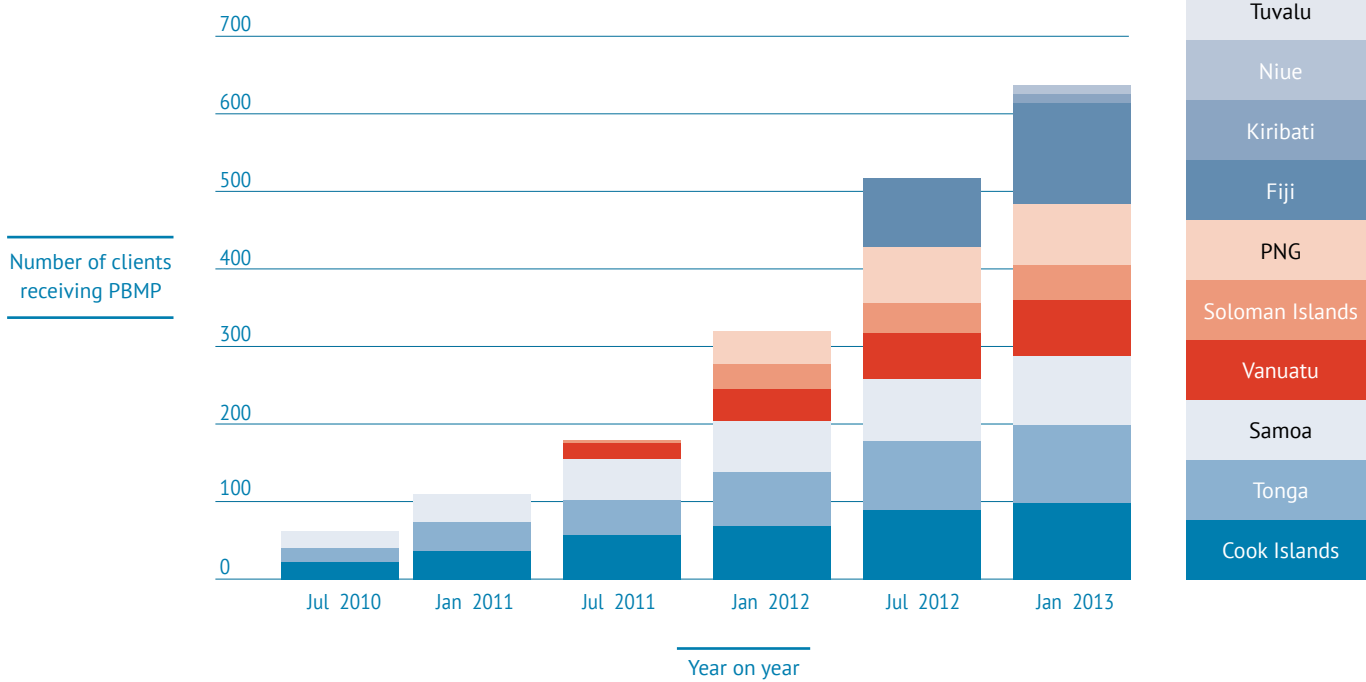
In 2011, we embarked on an extension of our mentoring services to include State Owned Enterprise CEOs (and their Boards) to assist these organisations adopt a commercial operating model. This is a pilot programme involving the Ports, Airports and Energy SOE in both the Cook Islands and Samoa, and involves a more specialised mentoring focus. It is envisaged that this programme will be expanded into other countries after the successful completion of the pilot programme.

Our experience to date has shown that providing business mentoring services into Pacific Island countries is an excellent way of assisting economic development in the private sectors of each country. Business Mentors New Zealand's mentoring success in New Zealand has translated well into these countries and we can see many more opportunities for such services in the future

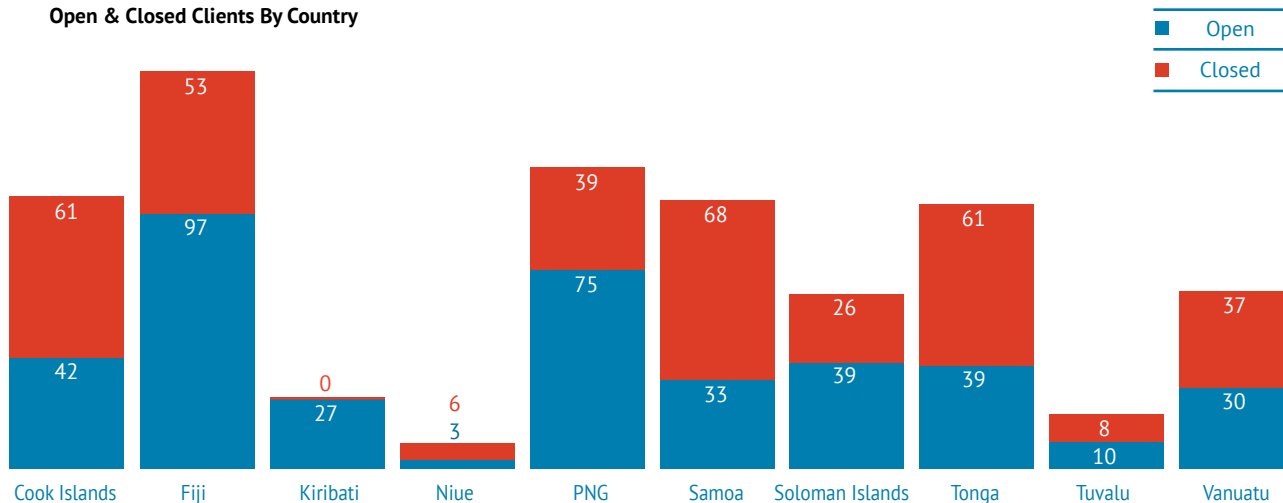


Participants and trainers in Tonga

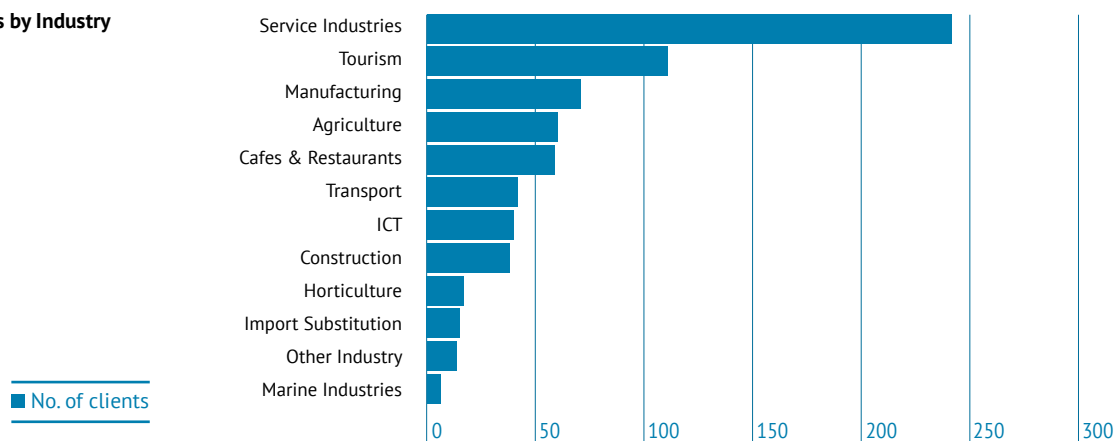
Growth of Clients



Open & Closed Clients By Country



Clients by Industry



PBMP RESULTS AS AT JANUARY 2013

A summary of the results from the fourth survey, conducted in January 2013, across a sample of 332 client businesses follows.

Client Satisfaction Survey	Good or Excellent Results
Match of Mentor(s) to your specific needs	83 %
Level of Mentor's business knowledge and experience	91 %
Usefulness of mentoring advice given	89 %
Improving your confidence and/or motivation	86 %
Helping you think more about the future and/or growth of your business	90 %
Providing you with a better understanding of the strengths and weaknesses of your business	84 %
Providing you with a better understanding of the market influences on your business(a)	72 %
Overall satisfaction with the service you received from the Mentor Programme	87 %
Overall impact of mentoring in improving your business	82 %

Performance against KPIs

The latest independent client survey results are indicating very good results against KPIs. This survey is conducted across all clients in all countries and has a very high response rate of close to 80%.

Highlights of particular note are:

1. An increase of 12.5% in employee numbers with employee numbers increasing on average from eight to nine people across the 332 businesses surveyed.
2. An increase of 31% in the number of businesses reporting increased profits. 54% of total businesses surveyed are now reporting improved profitability.
3. 18% more businesses are now reporting increasing customer numbers.
4. Sales revenue has increased by 17% on average across the 332 businesses surveyed.
5. The percentage of clients using business development tools (business plans, marketing plans and operational budgets) has risen from 44% to 77% during their first six months in the programme, i.e. 147 businesses reported that they did so on registration which had risen to 258 six months later.

Results versus KPIs	At Registration	Six Months Later
Number of Employees – FTEs (mean)	8.0	9.0
Local Sales Revenue (mean)	\$659,488	\$768,901
Export Sales Revenue (mean)	\$481,061	\$782,857
Currently exporting, or considering it in the future	9.9%	10.5%
Local Sales Revenue (% increased)	44.9%	51.2%
Export Sales Revenue (% increased)	36.1%	54.3%
Profits (% increased)	37.7%	49.5%
Customer Numbers (% increased)	46.1%	53.8%
Business Plan Usage	38.9%	85.5%
Marketing Plan Usage	29.8%	74.4%
Operational Budget Usage	36.1%	71.7%
Financial monthly reporting	42.2%	77.7%

Source: Survey conducted by independent research company, Beyond Consulting. It is a longitudinal survey conducted at six monthly intervals. This survey took place during January 2013, across 332 clients in 7 countries (Cook Islands, Tonga, Samoa, Vanuatu, Papua New Guinea, Solomon Islands and Fiji).

PACIFIC BUSINESS MENTORING TRAINING PROGRAMME

This training programme has been designed to speed up the impact of the PBMP by providing specific training to client companies which directly targets the competency gaps for each business owner.

The total PBMTTP activity has also increased markedly as this programme has become active across all 10 countries. The programme is timed to take place three months after each mentor visit thus shortening the time between face to face client contact from six months to three months in most countries. The programme material has been developed internally by the

Training Programme Manager, who is also a mentor and professional trainer, and manages a team of trainers who deliver the PBMTTP. There is strong co-ordination between the Programme Manager, the trainers and the mentors involved in each country, which is something we plan to further strengthen into the future.

The PBMTTP is strongly outcome focussed with an action plan written for each client which sets out how the knowledge that each business owner has gained is to be implemented in their business.



Training session in Fiji.



Mentors and clients at networking function in Vanuatu.

STATE OWNED ENTERPRISE (SOE) PILOT MENTORING PROGRAMME

This pilot mentoring programme objective is to assist SOEs to adopt a commercial model of operation so that they become more efficient and can reduce the input cost pressures on small business and improve continuity of supply of services.

One of the major differences in running a business in the Pacific versus that in New Zealand is that costs such as electricity and freight are very high. This places a heavy burden on small business. There are frequent power cuts and significant wharfage delays in most Pacific Island countries which also impact negatively on business performance.

The pilot programme started in 2012 and involves three SOEs in the Cook Islands and Samoa respectively. The CEOs of the Ports, Energy and Airport SOEs in each country are involved and so far we are seeing that good progress has been taking place. Once the pilot has been successfully completed and evaluated a decision for expansion, in conjunction with MFAT, will be considered.

PACIFIC BUSINESS MENTORING PROGRAMME

SUCCESS STORIES

At first glimpse the wood that Anne Timi works with might look like driftwood or firewood. It's less than 6 inches long and fits in the palm of your hand. But this is oh so wrong. What looks to be worthless wood is actually an 'A' grade piece of "Eaglewood" from the highlands of Papua New Guinea (PNG) worth NZ\$500.

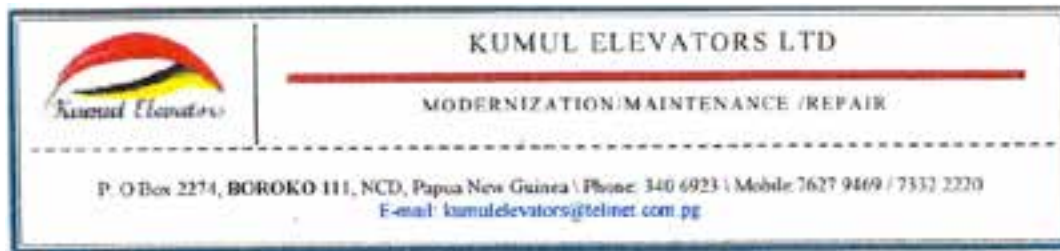
This Agarwood or Eaglewood as they call it in PNG produces one of the world's most valuable incense. The extract from this resinous wood has been used for centuries during Japanese, Buddhist and Islamic cultural activities and in traditional medicine. It is now possible to grow and harvest this wood without the loss of the tree, by just cutting out the sought after part, leaving the tree to heal quickly and hopefully produce more Eaglewood. This cycle only takes about two years in high altitude of about 1000m above sea level, and the wood is harvested by highland villagers.



George Spiers, a Business Mentor from the Hawkes Bay recently mentored Anne Timi, Managing Director of Mijoan Limited in Hohola, Port Moresby, PNG. Just a few handfuls of Eaglewood is worth a few thousand dollars, which Anne's company purchases from highland villages. George and Anne accept and are willing to work and communicate with each other; mentor and client are both enjoying the journey which began in April this year. Anne has a background in the PNG forestry service and her company has been operational for two years. She has just joined the Pacific Business Mentoring Programme.

Anne and George have spent a few hours together and George has analysed the business and now understands some of the issues that Anne faces in running the already substantial wholesale and potential export business. George's expertise in marketing forest products and building the infrastructure for a successful niche product exporter will be invaluable for Anne's business.

Step by step, George is now guiding her through the planning processes and the tasks of implementing a successful marketing strategy and having financial transparency at all times. This is a steep learning curve for Anne which she embraces wholeheartedly. We are looking forward to George's progress report in a year from now.



Date: 24/09/2012

Business Mentors New Zealand.

SUBJECT :Business Mentor Training and Assistance.

On behalf of my company (Kumul Elevators Ltd) and family I would very much like to thank the New Zealand Government Business mentor aid program and it's voluntary personals who take time out to assist small businesses here in PNG to prosper with the right attitude. We have been very fortunate to have the opportunity to have access to training that's offered with free consultancy advice and training.

I have been self employed for the last 3 years in the Elevator Industry. I started my apprenticeship with Otis Elevator company in year 2000. After Otis I was employed by another lift company but decided to quit in 2009 and be self employed.

My business started of with one single corporate client, myself and a veteran lift mechanic.

Unfortunately this single job was the only source of income as a one off repair job over one and half year period. I had no idea how to go about sourcing some more jobs, as I knew this work would soon come to an end and we would be really struggling. We were lucky enough as other clients who knew about us were able to give some work to clarify our competency in the industry before proper arrangements were done to continue.

I had no proper confidence to approach clients to ask for work, no proper business plan, no proper financial plan, no sales and marketing ideas. All I had was my technical knowledge and ability to fix lifts, the biggest asset I had.

In march 2012 while reading through the local paper there was notice in one of the pages about the New Zealand Aid Program. I knew I needed help with the business so I applied to attend the session which was conducted at the Crown Plaza Hotel in Port Moresby.

This was where I met our business mentor (Mr Trevor Johnston). During our discussions Trevor was able to give some advice and help on how to apply sales and marketing skills and to identify potential clients. The training has done so much in my confidence and ability to talk to clients that we now have 3 long term contracts and estimate six potential construction and refurbishment works. The lift industry here is so small that any success made to secure long term contracts is vital as these secure your future while also sourcing for more work.

I have also been able to employ an apprentice who is on the company apprentice program. Much of the company plans and future success have also been shared with our employees that the marketing has now been done by the employees themselves.

Because of these we are also doing a number of other jobs before actual contract is signed. This has shown the trust and confidence we are able to build as a team. It has also given our clients the confidence towards our future in the industry to deliver competently.

We've also had the opportunity to be approached by an international company overseas that has been very impressed with our work, and have given us the option of giving technical full support and supply base established here in the country.

The training has also offered the basic principal of understanding what we want from our business and how we can improve it. These were never thought of until I attended the training sessions. PNG has very unique diverse cultures and some time we get caught up in these cultures. However, the opportunity to have access to these assistance mentoring training is so helpful. Although we a small organization and operating from home, the company's future looks very promising as most of my critics gave me three years to close shop.

Once again, thank you so much for the training and I look forward to meeting you all once again.

To my mentor Mr. Trevor Johnston , Donald and Chris, thank you so much,

Joseph Maclaren Warupi

KUMUL ELEVATORS LTD.

PACIFIC BUSINESS MENTORING PROGRAMME

PUTTING SOME STEEL IN SMEs' BACKBONES

Hugh Campbell has worked in some of the world's biggest economies. He worked in the US for part of Fonterra's dairy empire and spent five years in Moscow. But it is his experience as export manager for General Foods in New Zealand, responsible for sending Watties frozen goods and canned food to the Pacific market that stands him in good stead as a volunteer business mentor to small to medium enterprises (SMEs) under the Pacific Mentors Programme.

Hugh Campbell is part of the team mentoring businesses in Fiji.

The New Zealand mentors have been working in Fiji with small enterprises in the food, textile, small construction, finance and real estate sectors.

Although his background is in the food sector and international business development, he works alongside a wide range of companies in Fiji. The businesses have between one to 10 people working in them.

In Fiji, the Fiji Commerce and Employers Federation match business mentors with their clients.

Hugh says the mentors have been very well received by the locals they are working with: 'On a general basis we all have found our clients are still learning about the basics of business strategy and the key to building successful business plans. Most seem committed to the program and utilising the advice and guidance given by the mentors.'

An advantage, he says of engaging a mentor, was having someone removed from the business, and with a fresh perspective to enable the business to grow, add more employees and enjoy all the economic spin-offs associated with an expanding venture.

Campbell adds one of the things the mentoring team helped small businesses with, was drawing up business plans.

'A well developed plan could be very useful in helping a SME secure extra funding.'

He explains they also helped in the formulation of clearly defined vision and mission statements, human resource issues and dealings with government agencies.

'We try and put a bit of steel in the SME's backbone whose owner may be a little hesitant or fearful of government bureaucracy as well as help SMEs get their governments to liaise with foreign governments to secure markets for their products overseas.'



Peter Lund, New Zealand Trade Commissioner (left) with Suva Mentor Team.



*Business mentor Hugh Campbell at the Holiday Inn, Suva.
PICTURE: ATU RASEA, courtesy Fiji Times.*

BUSINESS IN THE COMMUNITY LIMITED

FINANCIAL **STATEMENTS** 31 MARCH 2013

FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS

Directory

Nature of business	Business Mentoring Service
Address	Level 3, 255 Broadway Newmarket Auckland
Telephone	09 523 0160
Facsimile	09 523 0200
Registered Office	Level 3, 255 Broadway Newmarket Auckland
Directors	Rick Bettle Richard Austin John Gilks Geoffrey Vazey
Shareholders	Trustees of The Business In The Community Charitable Trust 99 Ordinary shares Dr Grahame Craig 1 Ordinary share
Solicitor	Bell Gully Auckland
Auditors	Hayes Knight Audit NZ Auckland
Bankers	ASB Bank Auckland

FINANCIAL STATEMENTS

Annual report

The Board of Directors present their annual report, including financial statements, of the Company for the year ended 31 March 2013 and the auditor's report thereon.

The shareholders of the Company have exercised their rights under Section 211(3) of the Companies Act 1993 and unanimously agreed that this annual report need not comply with any of the Sections (a) and (e) to (i) of Section 211(1) of the Act.

For and on behalf of the Board of Directors who approved these financial statements for issue on the date set out below.



Rick Bettle
Director

20/06/2013
Date



John Gilks
Director

20/06/2013
Date

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BUSINESS IN THE COMMUNITY LIMITED

Report on the Financial Statements

We have audited the financial statements of Business In The Community Limited on pages 54 to 65, which comprise the statement of financial position as at 31 March 2013, and the statement of financial performance and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Business In The Community Limited.

Opinion

In our opinion, the financial statements on pages 54 to 65:

- comply with generally accepted accounting practice in New Zealand;
- give a true and fair view of the financial position of Business In The Community Limited as at 31 March 2013 and its financial performance for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In accordance with the Financial Reporting Act 1993, we report that:

- We have obtained all the information and explanations that we have required; and
- In our opinion proper accounting records have been kept by Business In The Community Limited as far as appears from an examination of those records.

Hayes Knight Audit
NZ

HAYES KNIGHT AUDIT NZ

AUCKLAND, NEW ZEALAND

20 June 2013

Statement of financial performance

For the year ended 31 March 2013

	Notes	2013 \$'000	2012 \$'000
Revenue	5	2,201	2,042
Other income	6	371	254
Total income		2,572	2,296
Expenses			
Marketing		1,015	916
Administration		1,113	923
Agent and mentor costs		376	391
Other		31	47
Total expenses	7	2,535	2,277
Surplus before tax		37	19
Tax expense	9	21	-
Net Surplus for the year		16	19

This statement should be read in conjunction with the notes to the financial statements



Statement of changes in equity

For the year ended 31 March 2013

	Retained earnings \$'000	Total equity \$'000
Balance at 1 April 2011	401	401
Net Surplus for the year	<u>19</u>	<u>19</u>
Balance at 31 March 2012	<u>420</u>	<u>420</u>
Balance at 1 April 2012	420	420
Net Surplus for the year	<u>16</u>	<u>16</u>
Balance at 31 March 2013	<u>436</u>	<u>436</u>

This statement should be read in conjunction with the notes to the financial statements



Statement of financial position

As at 31 March 2013

Assets	Notes	2013 \$'000	2012 \$'000
Current assets			
Cash and cash equivalents	10	510	691
Funds held for Pacific contract	11	915	2,012
Accounts receivable and other receivables	13	215	68
Current assets		1,640	2,791
Non-current assets			
Property, plant and equipment	14	32	18
Intangible assets	15	39	21
Non-current assets		71	39
Total assets		1,711	2,830

Liabilities and equity

Current liabilities			
Accounts payable and other payables	16	283	230
Income in advance	17	77	168
Funds held against future expenditure	12	915	2,012
Total current liabilities		1,275	2,410
Total liabilities		1,275	2,410
Equity			
Share Capital		-	-
Retained earnings		436	420
Total equity		436	420
Total liabilities and equity		1,711	2,830


Rick Bettle
Director


John Gilks
Director

20/06/2013
Date

20/06/2013
Date

This statement should be read in conjunction with the notes to the financial statements



Notes to the financial statements

1. General information

The reporting entity is Business In The Community Limited (the "Company"). It is a not for profit oriented entity, incorporated and domiciled in New Zealand. The Company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

The Company's primary activity is business mentoring services across New Zealand. Due to the entity's skills in this area and success in New Zealand, the New Zealand Government via the Ministry of Foreign Affairs and Trade (MFAT) have requested that the organisation undertake operations in the Pacific Islands on their behalf. These services are conducted under contract to MFAT in accordance with specific conditions of funding hence the income and expenditure incurred on Pacific Island operations is not included in the statement of financial performance. Transactions are instead recorded in the statement of financial position as summarised in Note 12.

These financial statements have been approved for issue by the Board of Directors on 17th June 2013.

2. Statement of compliance

The financial statements for the Company have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("NZ GAAP") and the requirements of the Companies Act 1993 and The Financial Reporting Act 1993. They comply with New Zealand Financial Reporting Standards ("NZ FRS") and other applicable financial standards, as appropriate for entities that qualify for and apply differential reporting concessions. The company has elected not to adopt New Zealand equivalents to International Financial Reporting Standards as it meets the criteria for delay in the mandatory adoption of this framework.

The Company qualifies for differential reporting concessions as it has no public accountability and the Company is not large. The Company has taken advantage of all differential reporting concessions available.

3. Changes in accounting policy

The accounting policies are consistent with those used in the previous financial year.

4 Summary of accounting policies

4.1 Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by NZ FRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.



4.2 Basis of preparation

The financial statements have been prepared on the basis of historical cost.

4.3 Presentation of financial statements

The financial statements are presented in accordance with NZ FRS 2 *Presentation of Financial Reports*.

4.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Government Funding

Funding is received from the following in the form of a Grant

- New Zealand Trade & Enterprise (NZTE)
- Ministry of Business Innovation and Employment (MBIE)
- Ministry of Foreign Affairs and Trade (MFAT)

Funding received from NZTE and MBIE are treated as grants which are recognised in revenue and matched with related costs that they are intended to compensate.

The funds received from MFAT are managed by the company under contract specifically for the purpose of assisting mentoring of businesses in the Pacific Region. These funds are accounted for through the statement of financial position and do not represent income and expense of the Company other than an administration fee that is payable to the company under the terms of the contract. Related costs are recovered as they are incurred from Pacific Islands funding received in advance.

Other Revenue

Grants received in cash are recorded in the period to which they relate. Registration, Patron and Subscription income is recognised on receipt in respect of the year to which it relates. Interest income is accounted for as earned.

Income in Advance

Income from Funding Agreements is recorded when the conditions of the arrangement have been met. Until then the Funds are recorded as a liability.

Services in Kind

Services in kind are shown as a revenue item and an expense item in the statement of financial performance. The amount recognised as services in kind is Management's best estimate of the value of services received, based on information provided by the suppliers.



4.5 Finance Income

Interest income

Interest income is recognised in the statement of financial performance as it accrues.

4.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets

The company's financial assets comprise of cash and cash equivalents and accounts receivable.

The Company uses an allowance account to reduce the carrying amount of accounts receivable and other receivables that are considered to be impaired (or in the case of a reversal of a write-down because of an event occurring after the impairment was recognised, an increase), unless there is no reasonable possibility of recovering any cash from the debtor. In this case, the Company writes off the debtor directly (and transfers any impairment loss recognised in the allowance account directly to the debtor).

Financial liabilities

The Company's financial liabilities include accounts payable and other payables.

Accounts payable and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

4.7 Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash.

4.8 Income tax

With effect from 14 April 2011, the charitable status of both Business In The Community Limited and its shareholder, The Business in The Community Charitable Trust was revoked by the Charities Commission. Previously this gave the Company an exemption from paying tax on income derived for charitable purposes in New Zealand hence this policy has now changed.

The income tax expense recognised in the statement of financial performance is the estimated income tax payable in the current year, using the taxes payable method.

4.9 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided on leasehold improvements, computers and software, office furniture and equipment and motor vehicles. Depreciation is recognised in the statement of financial



performance to write off the cost of an item of property, plant and equipment, less any residual value, over its expected useful life, at the following rates:

- Furniture and Fittings 11.4% - 26.4% Diminishing value
- Office Equipment 30% - 60% Diminishing value

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

4.10 Intangible assets

Intangible assets include acquired and internally developed software used in the online operation of mentor services. They are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives, as these assets are considered finite. The following useful lives are applied:

- Website 3 years

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of financial performance when incurred.

4.11 Short-term employee benefits

Short-term employee benefits, including holiday entitlement, are current liabilities included in trade and other payables, measured at the undiscounted amount that the Company expects to pay as a result of the unused entitlement.

4.12 Equity, reserves and dividend payments

Share capital represents the nominal value of shares that have been issued. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

Retained earnings include all current and prior period retained surpluses.

4.13 Leased assets

All leases are treated as operating leases. Payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

4.14 GST

These financial statements have been prepared on a GST exclusive basis with the exception that Accounts Receivable and Accounts Payable are stated GST inclusive.



5 Revenue

	2013 \$'000	2012 \$'000
Registration Fees	261	226
Patron Subscriptions	218	212
Government Grants	795	844
Services in Kind – Advertising	678	553
Services in Kind – PR & Marketing	46	49
Services in Kind – Legal	18	35
Services in Kind – IT & Website	90	23
Services in Kind - Other	95	100
Total revenue	2,201	2,042

6 Other income

	2013 \$'000	2012 \$'000
Administration fee for Pacific Islands	341	229
Interest income on bank deposits	17	19
Other	13	6
Other income	371	254

7 Expenses

Surplus before tax includes the following specific expenses:

	Notes	2013 \$'000	2012 \$'000
Depreciation			
Plant and equipment		8	8
Office furniture and equipment		1	1
Total depreciation		9	9
Amortisation of intangible assets		22	20
Audit fees	8	15	15
Leasing and rental costs		107	30
Net loss on sale of property, plant and equipment		-	-
Personnel costs		507	471
Services in Kind – Advertising		678	553
Services in Kind – PR & Marketing		46	49
Services in Kind – Legal		18	35
Services in Kind – IT & Website		90	23
Services in Kind – Other		95	100



8 Auditors' remuneration

Amounts payable to the auditors include:

	2013 \$'000	2012 \$'000
Auditing financial statements	15	15
Other services	-	-
Total auditors' remuneration	15	15

9 Tax

	2013 \$'000	2012 \$'000
Surplus before Tax	37	19
Movement in holiday pay	8	
Adjustment for Amortisation costs previously deducted	21	
Entertainment – non deductible	-	3
Website maintenance costs – deductible	-	(21)
Taxable income	66	1
Income tax expense – current year	18	-
Income tax adjustment to prior year	3	-
Total income tax expense	21	-

10 Cash and cash equivalents

	2013 \$'000	2012 \$'000
Cash at bank and in hand	248	439
Short term deposits	262	252
	510	691

11 Funds held for Pacific contract

	2013 \$'000	2012 \$'000
Cash at bank and in hand	411	107
Short term deposits	504	1,905
Funds held on trust	915	2,012



12 Funds held against future expenditure

	2013 \$'000	2012 \$'000
Opening unspent funds	2,012	770
Funding received	1,192	2,972
Opening creditors and accruals paid	(185)	(84)
Less: Expenditure incurred on projects	(2,406)	(1,831)
Funds received in advance	613	1,827
Accounts Payables and Accruals	302	185
Closing unspent funds	915	2,012

The MFAT Funding Contract expired on 31 January 2013. The Contract has been extended until 31 August 2013 by way of Letters of Variation. We are renegotiating a new three year contract which we expect to be in place in the near future.

13 Accounts receivable and other receivables

	2013 \$'000	2012 \$'000
Accounts receivable	129	88
Sundry receivables	86	-
	215	88

14 Property, plant & equipment

	2013 \$'000	2012 \$'000
Plant & Equipment	109	89
Less: Accumulated depreciation	87	79
Total	22	10

	2013 \$'000	2012 \$'000
Furniture and fittings	21	17
Less: Accumulated depreciation	11	9
Total	10	8
Total Property, plant and equipment	32	18

15 Intangible assets

	2013 \$'000	2012 \$'000
Website	300	260
Less: Accumulated amortisation	261	239
	39	21



16 Accounts payable and other payables

	2013 \$'000	2012 \$'000
Accounts payable	139	136
Accruals	127	94
Income Tax Payable	17	-
	<u>283</u>	<u>230</u>

17 Income in Advance

	2013 \$'000	2012 \$'000
Income in advance	77	168
Other	-	-
	<u>77</u>	<u>168</u>

18 Operating lease commitments

The Company has operating lease commitments in respect of a vehicle. Total future minimum payments under non-cancellable operating leases were payable as follows:

	2013 \$'000	2012 \$'000
Less than one year	6	12
Between one and five years	-	6
	<u>6</u>	<u>18</u>

The rent had been reviewed during 2012 and a Heads of Lease for a further 6 years was signed. The arrangement is subject to the continuation of the NZAID Pacific Business Mentoring Grant, and is cancellable by either party.

19 Capital commitments

There were no capital commitments at 31 March 2013 (2012: \$Nil).

20 Contingent assets and liabilities

There are no contingent assets or liabilities at balance date. (2012: \$Nil).



21 Related parties

The Company's related parties include its parent trust, trustees, directors, and key management.

Dr Grahame Craig is a trustee of The Business In The Community Charitable Trust. He is also a director and shareholder of BankBuddy Accounting System Limited and BIZDIAG Consulting Limited. Business In The Community Limited receives sponsorship income from BankBuddy Accounting System Limited and Dr Craig is contracted to provide services for the business mentor training programme through BIZDIAG Consulting Limited.

Angus Fletcher is a trustee of The Business In The Community Charitable Trust. He is also Chairman of The Fletcher Trust which has provided philanthropic funding to Business In The Community Limited.

Sir William Gallagher is a trustee of The Business In The Community Charitable Trust. He is also a director and shareholder of Gallagher Group Limited and Business In The Community Limited receives sponsorship income from Gallagher Group Limited.

Norman Geary is a trustee of The Business In The Community Charitable Trust. He is also a director of ANZ New Zealand and Business In The Community Limited receives sponsorship income from ANZ New Zealand.

Sir Stephen Tindall is a trustee of The Business In The Community Charitable Trust. He is also a trustee of The Tindall Foundation which has provided philanthropic funding to Business In The Community Limited.

Rick Bettle is a director of Business In The Community Limited. He is also chairman of Powerco and Business In The Community Limited receives sponsorship income from Powerco.

22 Subsequent events

There were no events subsequent to the balance date which require disclosure in or adjustment to the financial statements.

23 Comparative figures

Certain comparative figures have been reclassified to be consistent with the presentation of current year figures.



OUR VOLUNTEER MENTORS ARE PASSIONATE, COMMITTED INDIVIDUALS WHO UNDERSTAND NEW ZEALAND BUSINESS AND WANTED TO SEE THEIR COMMUNITIES PROSPER AND GROW. WE ARE HUGE APPRECIATIVE OF ALL THEIR HARD WORK. BUSINESS MENTORS WOULD NOT EXIST WITHOUT THEM.



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