THE UNIVERSITY OF AUCKLAND
Te Whare Wānanga o Tāmaki Makaurau
NEW ZEALAND

BUSINESS SCHOOL

Growing New Zealand Businesses Summary of Survey Findings

Edited By: D Hugh Whittaker, Benjamin Fath, Antje Fiedler

NEW ZEALAND ASIA INSTITUTE
THE UNIVERSITY OF AUCKLAND
Te Whare Wānanga o Tāmaki Makaurau

About the Growing New Zealand Businesses Surveys

Growing New Zealand Businesses (GNZB) is a project being undertaken by staff and research students at the University of Auckland Business School (UABS) and the New Zealand Asia Institute (NZAI). It seeks to understand growth and innovation activities and challenges of New Zealand small and medium-sized enterprises (SMEs). The project is creating a knowledge base which will inform teaching and related outreach activities, and ultimately to assist the growth and development of New Zealand SMEs.

The survey was carried out in late 2014 and early 2015, against a backdrop of continued economic growth, the reorientation of the economy towards emerging Asia, and the Canterbury rebuild. Other important economic factors included strong net migration, a strong New Zealand dollar, and high business and household confidence.

The GNZB Survey was sent to the Chief Executive Officer of 3623 manufacturing and business service SMEs (with fewer than 250 employees). The sample consisted of the 1762 participants of the 2011 GNZB Survey plus additional businesses with more than 20 employees in the targeted industries to populate the sampling frame. The survey was sent out in three waves between late December 2014 and February 2015. Some (373) were returned unopened (wrong address, business closed etc). Altogether 894 were filled in and returned, marking a 27.5% response rate. Of these, 871 fitted the size (less than 250 employees) and sector (manufacturing and business services) criteria, and these businesses are the focus of analysis here.

The survey had three sections: You and Your Business; Opportunities and Innovation; and Collaboration and Business environment. Participants took great care in answering the survey questions, which offers us an opportunity to provide a meaningful account of SME activity in New Zealand.

This summary is based on descriptive statistics. Detailed analysis is ongoing.

Contents

Growing New Zealand Businesses

Summary of Survey Findings

About the GNZB Surveys 2
About the responding businesses 3
About the CEOs and their business involvement 3
Turnover growth and profit 4
Growth aspirations and competition 4
Opportunities and Innovation 5
Knowledge and R&D 7
Collaboration 8
Business advice 9
Internationalisation 10
Key points for CEOs 11

Acknowledgements

The GNZB Survey is a collaborative undertaking. The survey structure and design, and many of the questions, originate in surveys developed by the Centre for Business Research (CBR), University of Cambridge.

We have benefited from ongoing discussions with colleagues from the CBR, particularly Alan Hughes. We also want to thank our research assistants Laura Browne, Fernanda Alvarez De Lugo Colmenares, Oliver Towle, Toby Whittaker and William Towle, and the office manager of New Zealand Asia Institute, Dinah Towle, for their support. We would also like to thank Jenny Mason and the Marketing and Communications team. We acknowledge funding and related support from the New Zealand Asia Institute. More individuals than we can name here contributed to the survey development, administration and subsequent data entry, coding and analysis. We thank all these people, and above all, we thank all the CEOs who generously gave their time, answers and insights to make this survey meaningful. This Executive Summary provides our initial feedback to them.

Citations: For citation, please contact the authors.

About the responding businesses

Forty-eight percent were in manufacturing, and 52% were in business services. About one third of manufacturers and almost half (48%) of business services were in high-tech industries (essentially R&D intensive industries, designated by ANZSIC codes).

Roughly a third of the businesses were started before 1980, almost a quarter in the 1980s, another quarter of businesses in the 1990s and the remaining 17% since 2000. Manufacturers and business service firms had a similar average age (average age 34 years versus 33 years).

Forty-two percent had nine or fewer employees (we call these micro businesses), 43% had 10-49 employees (small businesses), and 15% had 50-249 employees (medium-sized businesses). Just over 80% of business were companies, with the remainder split between sole ownership and partnerships.

International business expertise is more common amongst CEOs of fast growing businesses, however, it is the least common experience overall.

About the CEOs and their business involvement

The average age of chief executives/proprietors/senior partners was 57. They had been with their business for 20 years on average, 17 of those as CEO. Only 9% were women.

About 70% were founders or acquirers of their business, 7% were a relative of the original founder or acquirer. Roughly 60% had been involved in founding or acquiring more than one business.

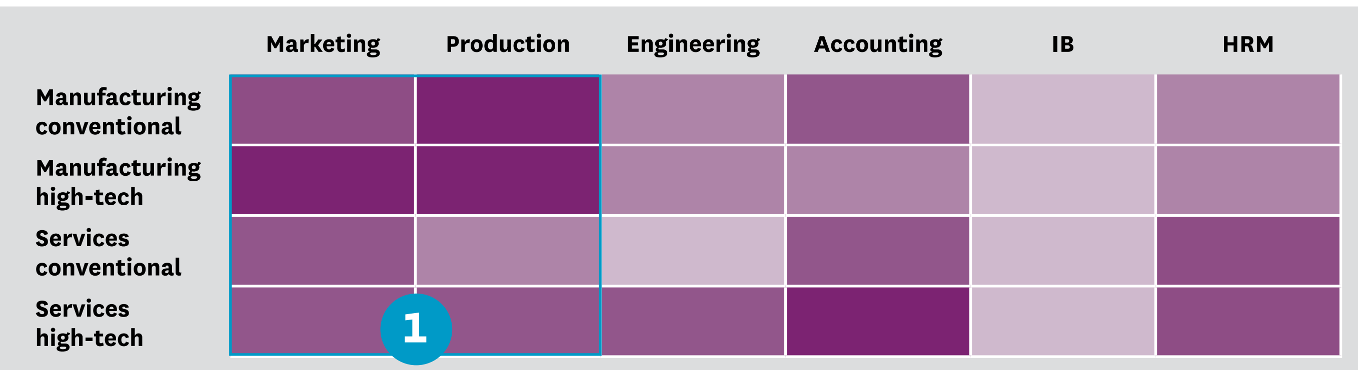
We asked CEOs about relevant expertise in different areas. Sixty-three percent had relevant expertise in marketing or sales; 61% in Production & Operations; 45% in Accounting & Finance; 40% in Engineering & R&D; 36% in HRM; and about 15% in International Management respectively. Most CEOs had relevant expertise in more than one of these areas. One third of CEOs had acquired expertise in more than three.

Exhibit 1 shows a heat map outlining the functional expertise of CEOs in different sectors. Marketing and Production & Operations were generally the core areas of expertise for NZ CEO across all sectors [1]. Only about one in five CEOs did not have expertise in one of these two core areas. Moreover, Marketing and Production & Operations expertise can either stand alone or be combined with any of the other areas of expertise. In contrast, Engineering, Accounting & Finance, International business experience (IB) and Human Resource Management (HRM) were usually combined with either Marketing, Production & Operations, or both. Engineering & R&D expertise was more prevalent in manufacturing and high-tech businesses, while HRM was more prevalent in service firms.

Asked about involvement in decision making, half of the CEOs indicated "personal control of strategic and operating decisions", a quarter "personal control of strategic decisions but delegation of operating decisions", a fifth "key member of group taking strategic decisions with indirect control of operating decisions" and the balance "other". Personal control of both strategic and operating decisions was, not surprisingly, much more common in micro businesses, while more devolved forms were common in medium-sized businesses.

Forty-seven percent of the businesses had a board of directors. About two thirds of boards had between two and four members and more than half had at least one non-executive member. Boards usually met either monthly (10-12 times a year: 31%), quarterly to bi-monthly (4-6 times per year: 29%), or annually (15%). Sixty-five percent of the boards had members with international business experience. Boards were, not surprisingly, more used in medium-sized businesses (80% had boards - most met monthly) rather than in small businesses (55% - most met monthly or bi-monthly) or micro businesses (25% - most met annually).

Exhibit 1: Heat map of the prevalence of CEO expertise by sector



Turnover growth and profit

Businesses were evenly split between no or declining turnover growth (no growth), moderate growth (less than 10% annualised), and fast turnover growth (10% or more annualized) between 2011 and 2014. Notably, more than a third of small and medium-sized businesses were in the fast growth group. In contrast, only a quarter of the micro businesses were in this group and almost half of them were in the no-growth group.

There were differences between manufacturers and non-manufacturers. More business service firms than manufacturers were fast growers (34% versus 30%) and fewer were non-growers. Within manufacturing more high-tech businesses were in the fast growth group. By contrast, most fast growing service businesses were in conventional industries.

Growing businesses were also more profitable. No growth businesses were the least profitable (Profits here refer to pre-tax profits, after subtracting directors, partners or owners remuneration, but before deduction of interest and tax). In the last year (to 2014), 37% of the no growth businesses had profits of 15% or more, while 14% made a loss. In contrast, 50% of the growing businesses had profits of 15% or more and only 4% of them made a loss. Most profitable were the moderately growing businesses; 51% had profits of 15% or more and 25% achieved profits of 30% or more. Moreover, fast turnover growth was associated with fast profit growth. 80% of the fast growing businesses had increased their profits by 10% or more annually.

Exhibit 2 shows that there were striking differences in profits between manufacturers and business services. [1] Only 35% of manufacturers had profits of 15% or more compared with [2] 57% of business services; 10% of manufacturing businesses had profits of 30% or more compared with 31% of the service businesses.

International competition was more detrimental to profitability than domestic competition.

Growth aspirations and competition

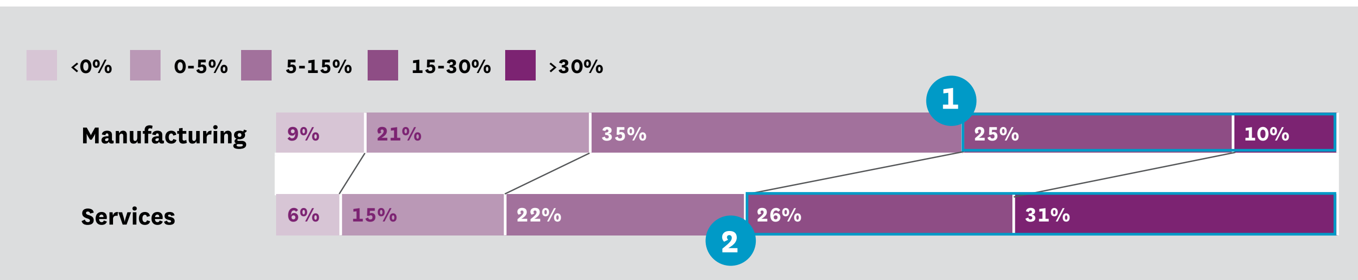
The majority of CEOs wanted to grow their businesses over the next three years. Overall, 56% of the businesses wanted to grow moderately and 23% wanted to grow substantially. Only 4% wanted to become smaller over the next three years, while 17% wanted to stay the same size. High growth aspirations were more prevalent in exporters, high-tech manufacturers, in larger businesses and in newer businesses. High growth aspirants also were more likely to be industry-level innovators, had introduced a higher number of innovations, and to have made more sales from innovative products or services (about 35% of total sales).

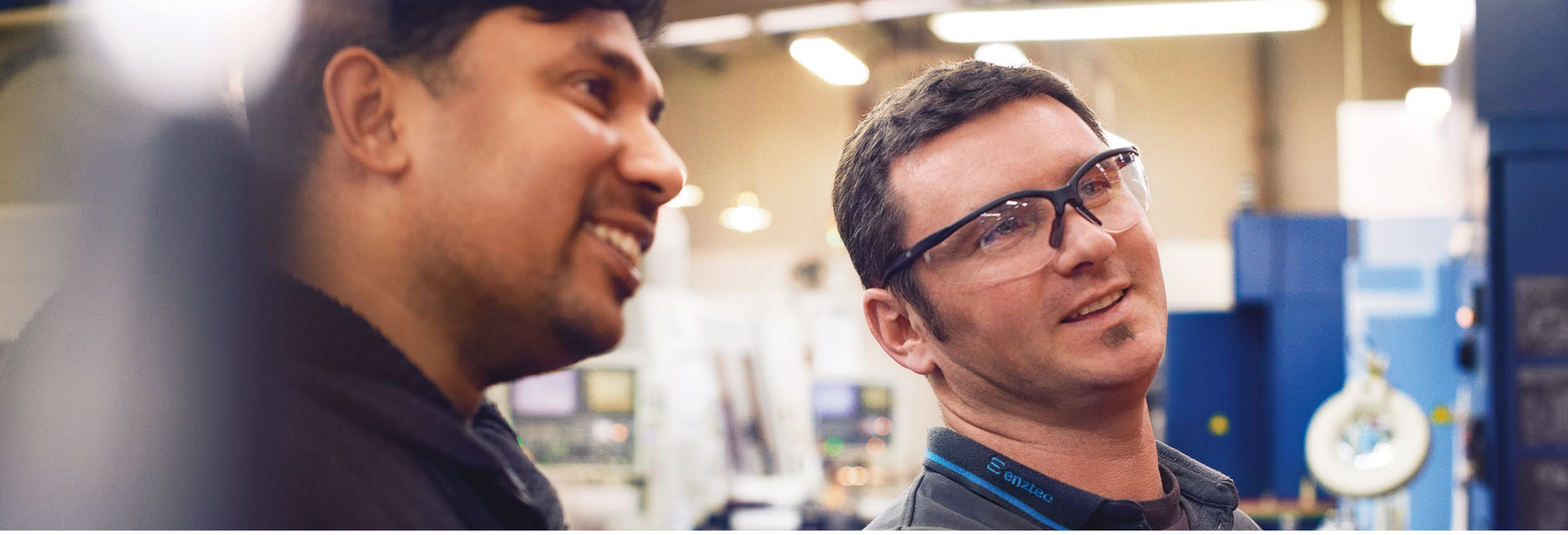
Those wanting to shrink or stay the same size, on the other hand, were more prevalent in micro businesses, non-growers, non-exporters, non-innovators and (to some extent) business services. By size, 70% of those wishing to become smaller were micro businesses, 73% had no exports, and 23% had no competitors, compared with just 5% of those wishing to grow substantially.

CEOs with high growth aspirations saw different opportunities. Four out of five CEOs anticipated major sales opportunities in international markets. Interestingly, over 40% saw these opportunities in international markets not yet realized. In contrast, CEOs wanting to grow moderately saw the main sales opportunities as being in the domestic market and only about one in five overseas.

About half of CEOs believed they had fewer than 5 competitors, and 12% believed they had none! These were more likely to be micro businesses, while small or medium-sized businesses reported more competitors. Almost half (49%) thought they had no international competitor. Not surprisingly, the higher the percentage of exports, the greater the number of international competitors. International competitors were negatively associated with profits. Over 70% of the highly profitable business had no international competitor.

Exhibit 2: Profitability by sector





Opportunities and Innovation

We asked CEOs about the emphasis they place on pursuing different types of opportunities. Improving efficiency was the most emphasised (62% indicating "strong" or "very strong" emphasis), followed by innovating for the current market (44%), and selling existing products services into new markets (38%). The lowest emphasis was on innovating for markets not yet served (25%), a position which interestingly did not vary between growth and non-growth businesses or by business size.

Overall, 70% of respondents reported some kind of innovation in the past three years, with a similar proportion in manufacturing and in business services. We distinguish between two levels of innovation – that which is new to the firm but not its industry (firm-level innovation) and that which is new to both the firm and its industry (industry-level innovation).

By size, a higher proportion of micro businesses (40%) were non-innovators than were small (25%) and medium (17%)-sized businesses. The proportion of firm-level innovators was similar, but there was a marked contrast in industry innovation – 35%, 43% and 57% for micro, small and medium businesses respectively. Fast-growing businesses were more likely to be industry-level innovators. 39% of the non-growing businesses were also non-innovators, compared with 28% of medium growth and 20% of fast growth businesses - demonstrating a strong link between growth and innovation.

We asked about five types of innovation: product, process, logistics, service product, and production and delivery of service product. Interestingly, innovation at the firm level was evenly distributed between these different types of innovation (23-31%), with the exception of logistics (16%), but at the industry level product innovation was significantly more prevalent than the others.

On average, CEOs had introduced about 5 innovations in the last three years, four of which they considered successful. These averages varied slightly by business size and sector. Manufacturing businesses tended to introduce more innovation than service businesses, yet the latter have a higher success rate (86%). Similarly, micro businesses also innovate less but also had a better success rate (85%). A different measure of innovation is the proportion of sales (in the last year) from innovative products or services which are; 1) only marginally changed, 2) significantly improved, or 3) new. The averages were 72%, 15% and 12% respectively. There was a strong link between innovation and business growth. Interestingly, this link depended on the overall number of innovation introduced and not the success rate.

We compared innovators that received strategic business advice from Callaghan Innovation with those that did not: the two groups had roughly the same success rate in innovation projects. However, the successful projects seem to lead to more sales in products and services that were significantly improved (sales +20%) and new (sales +17%).

As for where the innovations were developed, over two thirds (67%) were developed within the firm or group, 15% were developed collaboratively, and 17% were adopted after being developed by other firms or institutions. Internally developed products and services were more common in manufacturing and medium-sized businesses, and those adopted after external development were conversely less frequent in these sectors. The proportion of innovations that had been developed collaboratively was highest in small businesses, and these businesses also had higher sales from innovative product or services compared to micro and medium sized businesses. While small businesses had the most to gain from collaboration, medium-sized business had to build stronger internal capabilities to pursue innovation.

Fast growing businesses introduced more innovations. However, the ratio of successful to unsuccessful innovations was about the same as for non-growing businesses.

Businesses that simultaneously exploit existing capabilities and explore new areas for value creation focus on fewer key competitors

In staying competitive, most businesses focused on the needs of their current customers. Businesses emphasized the need to innovate for their customers (31% of CEOs “strongly agreed” that this activity describes their firm), to improve the reliability of products and services (21%) and to think “outside the box” (23%). Another focus was on process innovation and efficiency gains (17%) and the fine-tuning of current offering to existing customers (18%). Less emphasis was placed on identifying new customer groups (8%), entering new market segments (6%) or on systematically surveying the customer base (10%).

CEOs ranked these activities very similarly irrespective of sector or growth aspirations. There were, however, some subtle differences by performance outcome. Fast growers rated understanding and accessing new market segment somewhat higher than non-growers or moderate growers. Moderate growers, on the other hand, focused more than any other group on increases in operational efficiency.

We compared companies (a) focusing on exploiting existing capabilities [Exploit]; (b) exploring new areas for value creation [Explore]; and (c) doing both simultaneously [Ambidextrous].

Businesses focusing on exploitation had a lower turnover per employee (-8.7%) and a lower success rate in innovation (-3.1%), suggesting that a focus on exploitation comes at the expense of innovation, or that unsuccessful innovation prompts a “return to basics”. However, they were successful with regard to turnover growth (+5.1%) and export intensity (+5.7%) than businesses that focused on exploring new areas for value creation.

Businesses focusing on exploration, by contrast, were very similar to the base group in terms of performance. In particular, their export intensity was almost identical to that of the reference group suggesting that exploration alone is not the only factor driving performance and does not increase the ability of businesses to compete internationally. Moreover, exploration-focused businesses noticed the highest number of serious competitors, which suggests that innovative efforts of companies may be driven by competitive pressures.

Finally, ambidextrous businesses (engaging in both exploitation and exploration) showed the highest difference from the reference group in terms of performance measures. They were also more confident about their profitability and faced fewer competitors (-4.9%). Overall, ambidexterity supported the internationalisation of NZ SMEs.

Knowledge and R&D

More medium-sized businesses and small businesses reported internal sources as very significant or crucial than micro businesses (73%, 75%, and 60% respectively). The same applied to fast growers relative to businesses with medium or no growth.

The most important external sources of information for innovation were customers and suppliers followed by professional conferences and trade fairs. Businesses drew on a number of external information sources to innovate. In our analysis we distinguish information breadth (which is the number of sources used) and depth (which is the number of significant sources). In terms of breath, only about 8% of innovative businesses did not use external information sources, and those who did typically used five sources or fewer. In relation to search depth the picture was different: about 40% of innovating businesses found no external knowledge that was of high importance to them, and only about 30% regarded two or more external sources as significant.

Forty-six percent of the businesses had engaged in R&D in the last financial year. Manufacturers were more likely to engage in R&D than service businesses (54% versus 41%), high-tech businesses more than conventional businesses, and larger businesses more than smaller businesses (62% medium-sized, 48% small and 33% micro), but there was little differences between and fast growers, moderate growers and non-growers.

R&D spending within the NZ SME sector was concentrated around a few big spenders and a large number of moderate to low R&D spenders (Exhibit 3). Looking at the accumulated amount spent on R&D over the last financial year, 1% of the R&D-spending businesses accounted for 14% of total R&D spending, and 5% of businesses spending on R&D accounted for 44% of total R&D spending. This shows that a few “heavy” R&D spending businesses contribute a very large share to the total R&D spending.

Of the businesses investing in R&D, 42% invested 2% or more of their turnover, 25% invested 5% or more and 10% invested 10% or more. Industry-level innovators were more likely to be high R&D-spenders, as were business in the high-tech sector and those exposed to international competition. Interestingly, high R&D-spenders introduced fewer product and service innovations, but considered more of these to be successful and had more sales from these innovations. This suggests that innovating successfully requires a targeted approach where resources are not spread too thinly across multiple projects.

CEOs used a range of activities for protecting and exploiting innovation. About two-thirds sought lead-time advantage over their competitors. This strategy was more common amongst medium-sized businesses and businesses in the high-tech sector. There was, however, little difference regarding turnover growth or profitability between businesses engaging in a first mover strategy and those which did not.

Other common strategies for protecting IP were ensuring secrecy (62%) and using designs that were difficult to imitate (55%). Formal IP protection was less common; only 15% of the businesses used licensing and 12% patenting.

R&D intensive SMEs have to be patient in becoming profitable. Positive effects of high R&D investment on profits only emerged after 5 years.

Exhibit 3: Concentration of R&D spending

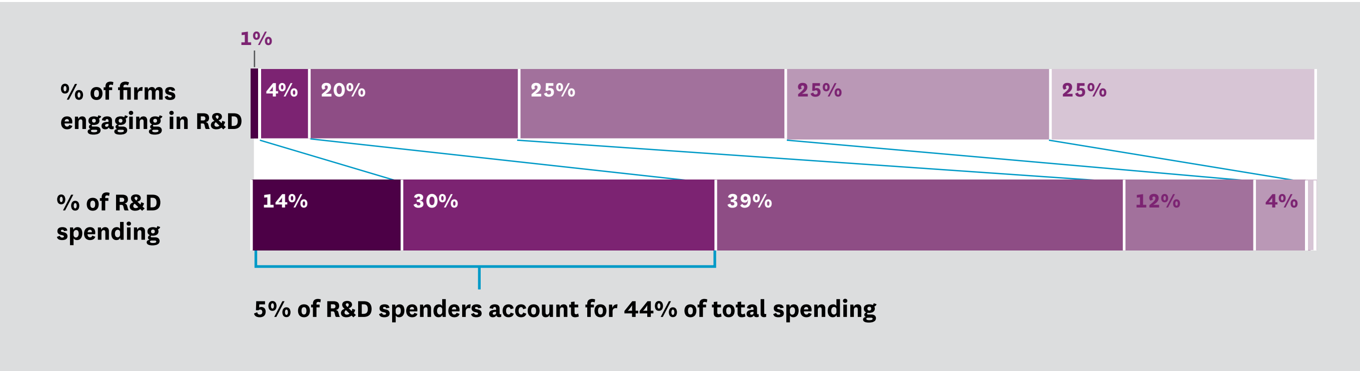
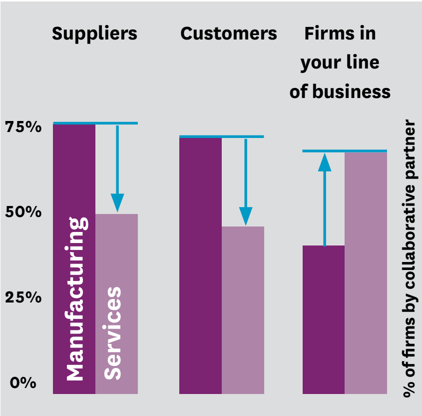


Exhibit 4: Main collaboration partners by sector



International collaboration and fast turnover growth often go hand in hand.

Collaboration

In recent years, increased business focus, complemented by a willingness to collaborate, especially in innovation, has become a conspicuous business trend. The survey asked about formal and informal collaboration or partnership arrangements, who these partners were, and where they were located.

Almost half (44%) of businesses reported some form of collaboration or partnership. Of those which collaborated, the most common partners were firms in the same line of business (66%), customers (60%), and suppliers (58%). Higher education/research institutes and private research institutes/consultants trailed at 30% and 28% respectively.

There were some notable differences in the collaboration patterns between manufacturing and service firms. Manufacturing businesses collaborated with more types of partners compared to service businesses. Moreover, while manufacturing businesses mainly collaborated with suppliers and customers, most service business collaborated with businesses in their line of businesses (see Exhibit 4).

Firms also collaborated to stay internationally connected. About half of the collaborating businesses had overseas collaborators. Most had only one overseas collaborator. Collaboration was mostly with overseas suppliers (55% of the businesses with overseas collaboration) or firms in their line of business (44%). Businesses pursuing international collaboration were more likely to achieve fast turnover growth.

We also asked CEOs for their reasons for collaboration. The most important reasons were: expanding the range of expertise or products offered to customers (84% of collaborating businesses), assisting in the development of specialist services/products required by customers (75%), enhancing the firm's reputation (68%), and assistance to keep current customers (64%). Interestingly, high tech businesses were more likely to collaborate for market access and product development, but less likely to collaborate on gaining access to new technology or information. This was perhaps a reflection of the contribution of their technological capabilities to their competitive advantage.

Exhibit 5 provides an overview of why businesses collaborated and the location of their collaboration partners. [1] Not surprisingly, international collaboration was more prevalent in businesses that sought to access overseas customers. Interestingly, firms also tended to pursue international collaboration to share R&D activities, or to gain access to, or spread the cost of, new equipment or information sources.

Exhibit 5: Reasons for collaboration

			A	B	C	D	E	F	G	H	I	J	K	L
Type	International collaboration	A	1											
Type	Domestic collaboration	B	-1.00	1										
Reasons for collaboration	Jointly purchasing materials or inputs	C	0.07	-0.06	1									
Reasons for collaboration	Outsourcing elements of own output	D	0.05	-0.03	0.25	1								
Reasons for collaboration	Gaining access to or spread cost of new equipment or information sources	E	0.15	-0.13	0.27	0.16	1							
Reasons for collaboration	Sharing research and/or development activity	F	0.17	-0.13	0.16	0.07	0.11	1						
Reasons for collaboration	Providing access to overseas customers	G	0.41	-0.38	0.09	0.13	0.10	0.07	1					
Reasons for collaboration	Developing specialist services/products required by customers	H	0.09	-0.03	-0.03	0.13	0.15	0.09	0.13	1				
Reasons for collaboration	Keeping current customers	I	0.01	0.02	0.08	0.16	0.13	-0.05	0.09	0.15	1			
Reasons for collaboration	Enhancing your firm's reputation	J	0.08	-0.06	0.00	0.09	0.18	0.01	0.09	0.18	0.29	1		
Reasons for collaboration	Expanding the range of expertise or products offered to customers	K	0.09	-0.08	0.01	0.16	0.10	0.00	0.07	0.23	0.17	0.21	1	
Reasons for collaboration	Developing management staff	L	0.07	-0.06	0.14	0.14	0.14	0.14	0.08	0.05	0.16	0.28	0.05	1
			Type	Type	Reasons for collaboration									

Types of relationship

- Strong relationship p<0.001
- Moderate relationship p<0.05
- Weak relationship p<0.1
- Interlinked indicators

Reasons for collaboration also clustered into three distinct groups. [2] Businesses collaborated mainly to outsource elements of their own output, jointly purchase materials or inputs and to enhance access to new equipment or information. [3] Market related reasons for collaboration were also closely related to each other. Businesses that collaborated in order to keep current customers also tended to collaborate to extend the range of expertise or products offered to customers and to enhance their firm's reputation. Interestingly, sharing research and devotement activities and access to overseas markets did not relate strongly to other reasons for collaboration. Finally, businesses that collaborated on outsourcing and to gain access to new equipment or information also tended to cite other reason for collaboration [4].

Only about 1/3 of CEOs received strategic business advice from outside their personal network. Levels of satisfaction were high irrespective of the source of advice.

Business advice

Almost four out of five CEOs had received strategic business advice in the last three years. Of those who had done so, 66% had received advice from only one or two sources. Just over 80% of the CEOs who had obtained such advice had obtained it from their personal network, 47% had engaged paid consultants, about 25% had received advice from NZTE, banks, trade associations or chambers of commerce, and 11% from Callaghan Innovation.

CEOs were generally satisfied with the advice received irrespective of the source (generally more than 60% of CEOs ticked this option). Overall, few CEOs were dissatisfied with only about 7% indicating that the quality of the advice received was on average not satisfactory.

Exporters were more likely to seek strategic business advice, as were innovators and businesses with high growth intentions. About 15% of the innovators received strategic advice from Callaghan Innovation, and 46% of the exporters from NZTE. There was also considerable overlap between the two groups, with 70% of the businesses both receiving advice from Callaghan Innovation and also working with NZTE.

Over one-third of the exporters had taken up one or more of the services offered, and of those that did, two-thirds had received two or more services. About half the businesses that used NZTE services had received market entry and development advice, 45% international market intelligence, 32% operations support, 30% sales and marketing advice, and 21% Strategy advice. 19% had used the regional partner network or incubators.

With regard to the perceived impact of the services offered, businesses generally acknowledged that the support received had improved the firms' ability to grow internationally. Ninety percent reported that working with NZTE had a positive impact, and 82% of businesses that all the services received had had a positive impact. The perceived impact of NZTE support was higher in firms with high growth intentions, businesses that invested in R&D and those with higher export growth or that had started exporting within the last 3 years.

Internationalisation

Forty-three percent of the businesses were engaged in exporting, up from 39% three years earlier. Among these, slightly more than half had experienced growth – 22% under 15% and 33% more than 15% on an annualised basis – while 30% had experienced a decline in exports, The highest proportion of those exporting did so to Australia, followed at some distance by "other international" - Asia, North America (including Mexico) and the EU.

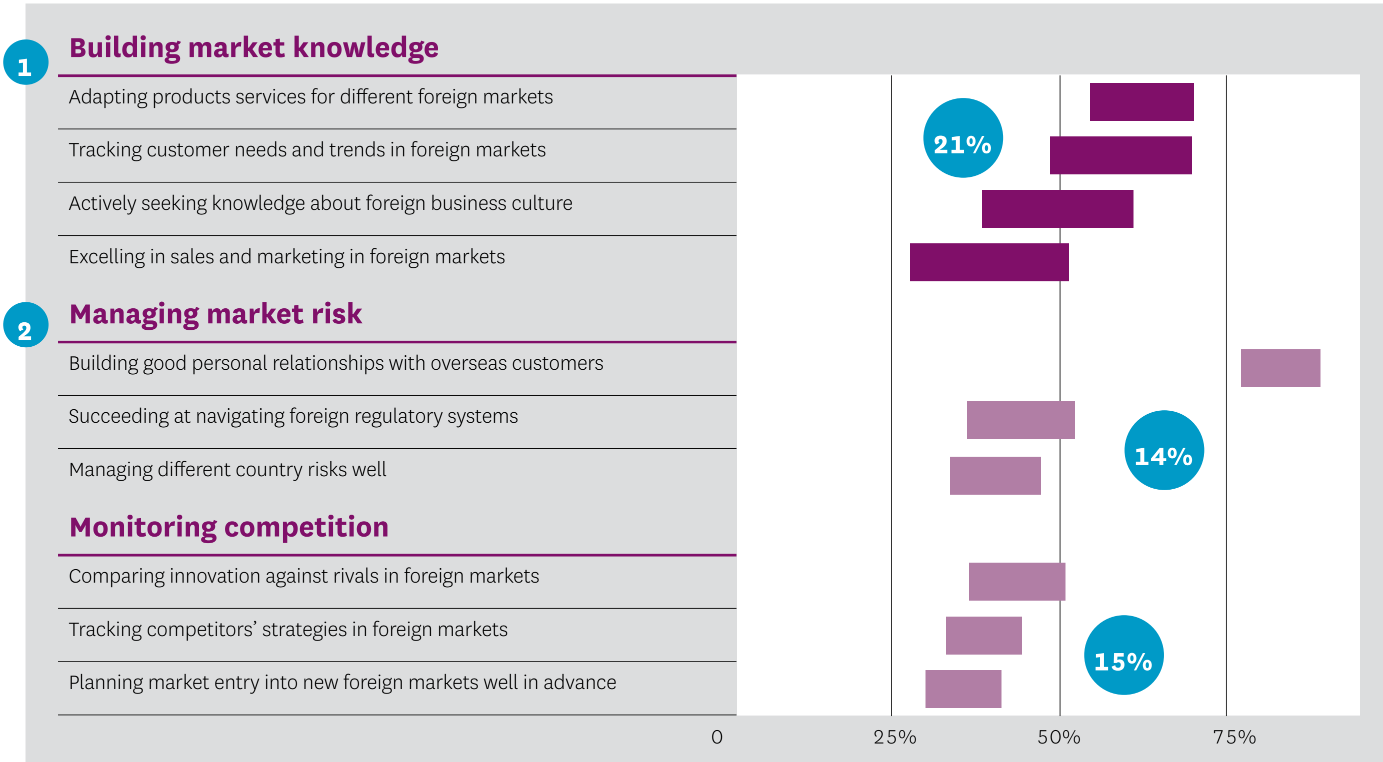
About half of the exporters exported exclusively to one of these regions, and only about 8% had sales in all regions. Interestingly, there was little difference between export performance by region, suggesting that fast export growths can be achieved in many regions.

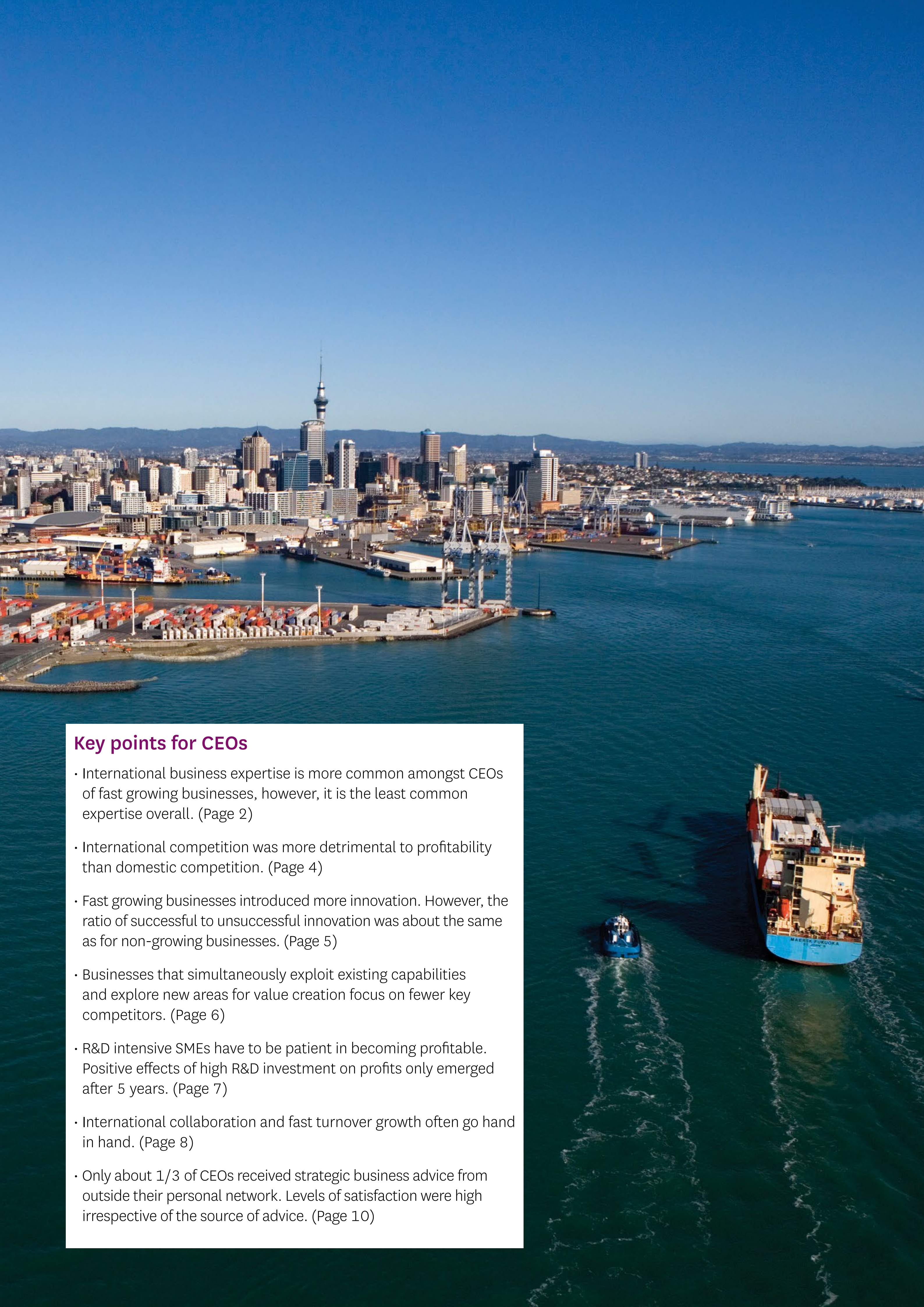
Businesses experiencing annualised export growth over the past three years of 15% or more had some notable features. High-tech businesses were more likely to be in this group, as were industry-level innovators, businesses that received strategic advice from three or more sources and businesses that collaborated with international customers. We also asked businesses about the activities they pursued when engaging with international markets (Exhibit 6). Overall, they placed most emphasis on building market knowledge, and personal relationships with overseas customers.

In a second step, we compared businesses that believed that they were doing better than their competitors in foreign markets to those that did not. The largest differences were in terms of understanding of, and marketing to, foreign customers. [1] Businesses seem to outperform their competitors in international markets because they invest more in their marketing capabilities and in understanding their customers in these markets (+21%). [2] Interestingly, the importance of relationship-building did not differ markedly between high and low performing businesses as all CEOs thought that they were building good personal relationships in overseas markets.

We also investigated key characteristics of NZ businesses with employees dedicated for international market development. There were, not surprisingly, big differences depending on industries, future sales expectations and the overall strategy of individual businesses which we cannot show here. However, there were some general tendencies. About 15% of exporters had staff in overseas markets, mostly in Australia followed by North America and the EU. Only about 6% of exporters had staff in Asia. About 10% of exporters had less than $100k in exports per full-time employee dedicated to developing international markets. Finally, businesses with staff in international markets were more optimistic about their performance. 43% of those businesses expected to grow substantially compared to about 25% of business with domestic staff only.

Exhibit 6: Activities in international markets comparing high and low performers





Key points for CEOs

- International business expertise is more common amongst CEOs of fast growing businesses, however, it is the least common expertise overall. (Page 2)
- International competition was more detrimental to profitability than domestic competition. (Page 4)
- Fast growing businesses introduced more innovation. However, the ratio of successful to unsuccessful innovation was about the same as for non-growing businesses. (Page 5)
- Businesses that simultaneously exploit existing capabilities and explore new areas for value creation focus on fewer key competitors. (Page 6)
- R&D intensive SMEs have to be patient in becoming profitable. Positive effects of high R&D investment on profits only emerged after 5 years. (Page 7)
- International collaboration and fast turnover growth often go hand in hand. (Page 8)
- Only about 1/3 of CEOs received strategic business advice from outside their personal network. Levels of satisfaction were high irrespective of the source of advice. (Page 10)

THE UNIVERSITY OF AUCKLAND
Te Whare Wānanga o Tāmaki Makaurau
NEW ZEALAND

Business Student Centre
Owen G Glenn Building
12 Grafton Road
Auckland
Phone: 923 7186 (within Auckland)
Phone: 0800 61 62 63 (outside Auckland)
Phone: +64 9 373 7513 (overseas)
Email: comenquiry@auckland.ac.nz
Web: www.business.auckland.ac.nz

International Office
The University of Auckland
Private Bag 92019
Old Choral Hall
7 Symonds Street
Auckland 1142
New Zealand
Questions: www.askauckland.ac.nz
Email: int-questions@auckland.ac.nz
Web: www.international.auckland.ac.nz