

STELLARIS

THE OFFICIAL NEWSLETTER OF STELLARIS LTD



MEETING FACILITATION



TRAINING WORKSHOPS
FOR TRUSTEES AND
DIRECTORS



COACHING AND
MENTORING OF KEY STAFF
AND BOARD MEMBERS



POLICY DEVELOPMENT

STELLARIS IS YOUR ONE STOP
SHOP FOR ALL THINGS GOVERNANCE

STRATEGIC STARTER OF THE MONTH

WHO IS YOUR SWOT TEAM?

SWOT

It is likely that if you have sat through any strategic workshop you will have come across a SWOT exercise. Any strategic session worth its salt will have a version of a SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities and Threats.

In my experience while many sessions will identify items under each of the SWOT headings, few go on to answer the question: Now what?

But first let's be clear about what each of the SWOT headings mean.

Strengths and Weaknesses refer to the strengths and weaknesses that the organisation has compared to other providers in their market and/or providers of alternatives that customers could choose to spend money on.

For example, a furniture shop not only competes against other furniture shops but also against overseas holidays because people might choose whether to spend the \$7,000 they have saved on a new mattress or on a cruise. So, the shop will identify what makes them likely to attract the business (e.g. strong brand, quality products, location, immediate delivery) or not (e.g. untrained staff, dated décor, high prices).

Notice how each of those items are under the control of the business. The business can make decisions to accentuate the positive and eliminate the negative. They could magnify the marketing reach, promote the strengths and invest in staff training or update the décor. High prices? Turn it into a strength as many people associate price with quality.

Opportunities and Threats refer to the external influences on the business over which they have no control. To identify these Stellaris uses the STEEPLE approach which I'll talk about in another newsletter.

Suffice to say at this point that you should be looking at statistics such as the ones we have every month in this newsletter to try to understand what is happening in the wider world that might affect your business.

In our furniture shop example - current opportunities might be the Covid lockdown, which means that people are less likely to go on overseas holidays. A threat might be the clogged logistics lines which make it difficult to import stock in a timely manner.

The business has to find ways to maximise the opportunity ("A luxury retreat at home" to replace the cruise) and ameliorate the risks of the threats (change the current "Just in Time" approach to stock management).

You can see from my examples above that it is not just a matter of identifying the SWOTs. The exercise should identify actions for you to take to:

- Accentuate your **strengths**
- Eliminate your **weaknesses**
- Maximize the **opportunity**
- Mitigate the **threats**

If you would like help working through these and then prioritising the most effective actions to take first, give me a call on 0800 23 23 78 OR email us at info@stellaris.co.nz

To make things easy for you this month Stellaris has a helpful template. To get a Word version simply sign up to the newsletter [here](#) to receive your free copy.

<p>criteria examples</p> <p>Advantages of proposition? Capabilities? Competitive advantages? USP's (unique selling points)? Resources, Assets, People? Experience, knowledge, data? Financial reserves, likely returns? Marketing - reach, distribution, awareness? Innovative aspects? Location and geographical? Price, value, quality? Accreditations, qualifications, certifications? Processes, systems, IT, communications? Cultural, attitudinal, behavioural? Management cover, succession? Philosophy and values?</p>	<p>strengths</p>	<p>weaknesses</p>	<p>criteria examples</p> <p>Disadvantages of proposition? Gaps in capabilities? Lack of competitive strength? Reputation, presence and reach? Financials? Own known vulnerabilities? Timescales, deadlines and pressures? Cashflow, start-up cash-drain? Continuity, supply chain robustness? Effects on core activities, distraction? Reliability of data, plan predictability? Morale, commitment, leadership? Accreditations, etc? Processes and systems, etc? Management cover, succession?</p>
<p>criteria examples</p> <p>Market developments? Competitors' vulnerabilities? Industry or lifestyle trends? Technology development and innovation? Global influences? New markets, vertical, horizontal? Niche target markets? Geographical, export, import? New USP's? Tactics: eg. surprise, major contracts? Business and product development? Information and research? Partnerships, agencies, distribution? Volumes, production, economies? Seasonal, weather, fashion influences?</p>	<p>opportunities</p>	<p>threats</p>	<p>criteria examples</p> <p>Political effects? Legislative effects? Environmental effects? IT developments? Competitor intentions - various? Market demand? New technologies, services, ideas? Vital contracts and partners? Sustaining internal capabilities? Obstacles faced? Insurmountable weaknesses? Loss of key staff? Sustainable financial backing? Economy - home, abroad? Seasonality, weather effects?</p>

Let's Talk Statistics

I have included a random range of statistics. Please let me know other statistics you would like to follow.

		Previous		Latest	Comments
Companies Removed from Companies register https://companies-register.companiesoffice.govt.nz/news-and-notices/	Sept 2019	5313	Sept 2021	6044	13.7% uplift
Business Confidence ANZ	July 2021	-3.8	August 2021	-13.4	Huge loss of confidence (and this was prior to the Lockdown) however profit expectations have improved.
Bankruptcies per month https://www.insolvency.govt.nz/support/about/statistics/insolvency-procedure-statistics/monthly-bankruptcy-figures/	Aug 2020	95	Aug 2021	53	Much lower than the peaks of recent years (131 in Aug 2019)
GDP Growth pa https://www.stats.govt.nz/information-releases/gross-domestic-product-june-2021-quarter	Mar 2021	-1.4	June 2021	5.1	Huge turnaround
Unemployment rate https://www.stats.govt.nz/indicators/unemployment-rate	March 2021	4.7	June 2021	4.0	There are 2.3 million paid jobs in New Zealand
Workforce Participation rate https://www.stats.govt.nz/topics/labour-market	March 2021	67.1	June 2021	67.6	More people working as % of workforce
Inflation rate https://www.stats.govt.nz/indicators/consumers-price-index-cpi	March 2021	1.5	June 2021	3.3	Budget expected inflation of 2.5% for the year so there will be consequences
Public sector wages change. https://www.stats.govt.nz/information-releases/labour-market-statistics-june-2021-quarter	March 2021	1.9% \$83525	June 2021	1.9% \$84,821	Central Government up 2% and Local 1.1%
Private sector wage change https://www.stats.govt.nz/information-releases/labour-market-statistics-june-2021-quarter	Mar 2021	1.6 \$65421	June 2021	2.2 \$67,135	Private sector earnings up from this time last year led by 3.2% increase in construction earnings
Business lending rate (ANZ) https://www.interest.co.nz/borrowing/business-base-rates	July 2021	8.35	September 2021	8.35	Stable for now but watch Reserve Bank changes.
Tourist Arrivals -Visitors visa + Australians https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month	May 2021	2464 + 31140	August 2021	1674 + 400	Effect Covid lockdowns
Work Visas https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month	May 2021	440	August 2021	473	Still tight.(20142 work visas in August 2019).
Resident Returns	August 2019	40744	August 2021	2333	Where are the 38000 residents that would normally be returning?
Govt debt to GDP https://www.treasury.govt.nz/system/files/2021-03/fsgnz-8mths-feb-21.pdf	Jan 2021	34%	Feb 2021	32.6%	Budget predicts 34% by June 2022. One of the lowest in the world.
Household debt as % of household income https://www.rbnz.govt.nz/statistics/key-graphs/key-graph-household-debt	March 2021	167	June 2021	168.6	Scary...but serviceability has improved to 5.3 % from 5.8% of income in Dec. because interest rates fell from 3.8% to 3.3% in that period
Credit Card Debt % annual change https://www.rbnz.govt.nz/statistics/c12	July 2021	-1.8% \$6134m	August 2021	-6.0% \$5691m	Still falling as households save.

RONNING AROUND



I sit on the boards of the Bay of Plenty DHB (and chair the Audit and Finance Committee), SILC Charitable Trust (as Chair), the Royal New Zealand Foundation of the Blind and the AA (Bay of Plenty) Council.

Of these, SILC trustees appoint replacement trustees, and the remainder are elected by stakeholders. In the case of the AA it is those present at the AGM, for the Blind Foundation it is members of the Foundation and for the DHB it is residents of the Bay of Plenty.

I am up for re-election at the Foundation and last weekend spoke by zoom to members of Blind Citizens, Auckland at a meeting to hear from candidates. Eleven people are standing for the three positions. There was an impressive turnout of members to hear what we candidates had to say. A sign of democracy in action.

At the other end of the democratic spectrum the DHB role comes to an end on June 30th next year as the government has decided that a centralised Health Authority (actually TWO Authorities as there is also a Māori Health Authority) will better serve the needs of the good people of Tauranga, Te Kaha and Te Puke. From that date, a lot will be different although it is not clear to either Board members or staff what the new management structure will be. This week the members of the Authorities were named (see <https://dpmc.govt.nz/news/boards-announced-interim-maori-health-authority-and-health-new-zealand>).

Experts generally view 12 years as about the right length of tenure for a director and as I would have reached the 12 years next year, I was not going to stand again for the DHB but I will follow developments keenly from the side lines.

MEETING FACILITATION



Whether it's a strategic planning session, a discussion group or an annual team building day - give us a call!

TRAINING WORKSHOPS FOR TRUSTEES AND DIRECTORS



We offer a range of workshops covering Understanding financials, Meeting procedure, Strategic planning, Expectations of an employer, Health and safety, Creating a strategic plan and more. We adjust the level of the training to suit the level of your board members.

COACHING AND MENTORING OF KEY STAFF AND BOARD MEMBERS



It could be helping a CEO understand the Boards needs or talking through approaches to leadership challenges or even helping the Chair of the Board design a regular agenda.

POLICY DEVELOPMENT



We will help you create fit for purpose policies for your organisation.

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