

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

WHY READING FICTION MAKES YOU BETTER AT STRATEGY

After my economics degree I did a BA in History and Geography with some papers in English Literature. The fun part of that degree was that at exam time I got to study by reading novels while my flatmates were revising the intricacies of earth science and marketing.

What has that got to do with strategy?

Over the summer I read George Orwell's *1984* which, when it boils down, is a book about the strategy of dictators. Here's his summary of the dictatorship government in the novel:

"They pretended, perhaps they even believed, that they had seized power unwillingly and for a limited time, and that just around the corner there lay a paradise where human beings would be free and equal. ... We know that no one ever seizes power with the intention of relinquishing it. Power is not a means; it is an end. One does not establish a dictatorship in order to safeguard a revolution; one makes the revolution in order to establish the dictatorship."

But fiction is more than satirical novels.

Fiction can help you understand points of view of people you might never meet:

Books as diverse as *Black Beauty*, *To Kill a Mockingbird*, any Dickens novel, *Tom Sawyer* and *The Bone People* all aimed to get the reader to think outside their usual mindset.

By exercising the skill of putting oneself in others' shoes, a good strategist can predict possible unintended consequences should people act differently from how they would act.

A good example is how lawmakers think that reducing speed limits will change the behaviour of those who ignore the speed limit in any case. Because they are all about the law they don't seem to be able to comprehend how a law breaker would think.

Novels don't have to be great literature to get the imagination going – just ask any fan of Harry Potter, or *50 Shades of Gray*. An active imagination helps the strategist think of new ideas, or new ways of looking at old ideas. Who would have thought that there was a new way of writing the traditional English boarding school novel that is Harry Potter? I'll leave the reader to think how the second book activates the creative senses.

Novels also give one a sense of history. This is obvious with the period novels of the Brontes or Swift. Think also of Solzhenitsyn's *Gulag Archipelago* or even *War and Peace* for Russian history. In New Zealand literature you can get a sense of history from any Katherine Mansfield or *The Luminaries*.

Having a sense of history is important for understanding the impact of change and changes. In recent days we have had the incredible news that the government is considering rent freezes. There have been calls for price freezes. This last was tried in the Muldoon era more than 30 years ago, before most of today's commentators were born let alone aware of their world.

Perhaps they could read this other quote from Orwell's 1984:

“Who controls the past controls the future. Who controls the present controls the past.”

ACTION

Take the time to read some novels this month. They don't have to be great and famous or Booker Award winners. Even Lee Child's *Reacher* will have you trying to work out in advance the consequences of his actions so you will be exercising that strategic faculty.



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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
Inflation rate https://www.stats.govt.nz/indicators/consumers-price-index-cpi	Sept 2021	4.9	Dec 2021	5.9	In the Budget 2021 the Treasury was predicting inflation to be 2.4%
Business lending rate (ANZ) https://www.interest.co.nz/borrowing/business-base-rates	Jan 2022	8.87	Feb 2022	8.85	Stable
Companies Removed from Companies register https://companies-register.companiesoffice.govt.nz/news-and-notice/	Jan 2020	289	Jan 2022	2674	Either the companies Office was on a break in Jan 2020 or Jan 2022 was particularly hard on some businesses.
Bankruptcies per month https://www.insolvency.govt.nz/support/about/statistics/insolvency-procedure-statistics/monthly-bankruptcy-figures/	Dec 2020	66	Dec 2021	30	Much lower than the peaks pre-covid (131 in Aug 2019).
Business Confidence ANZ	Nov 2021	-16.4	Dec 2021	-23.2	Business confidence <input type="checkbox"/> has fallen consistently from +7 in May. In Dec 2019 business confidence was -19 so this is back to BAU.
GDP Growth pa https://www.stats.govt.nz/information-releases/gross-domestic-product-september-2021-quarter	June 2021	5.1	Dec 2021	4.9	Solid given Auckland's lockdown
Number of Paid jobs https://www.stats.govt.nz/topics/labour-market	Nov 2020	2,285,030	Dec 2021	2,357,960	3.1% growth in jobs -lower than GDP growth
Unemployment rate https://www.stats.govt.nz/indicators/unemployment-rate	Sept 2021	3.4	Dec 2021	3.2	Incredibly tight job market
Workforce Participation rate https://www.stats.govt.nz/topics/labour-market	Sept 2021	71.2	Dec 2021	71.1	High level of participation
Median weekly earnings https://www.stats.govt.nz/topics/labour-market	Dec 2020	1075.00	Dec 2021	\$1138.94	\$64 a week better off 5.9% which is keeping pace with the CPI increase
Tourist Arrivals -Visitors visa + Australians https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month	Nov 2021	2258+320	Dec 2021	2081+614	28742 Australians visited in June 2021 so will tap turn on again?
Work Visas https://www.immigration.govt.nz/documents/statistics/statistics-arrivals-by-month	Nov 2021	298	Dec 2021	362	Finally starting to increase (20,142 work visas in August 2019).
Govt debt to GDP https://tradingeconomics.com/new-zealand/government-debt-to-gdp	Jan 2021	34%	Dec 2021	30.1%	Better than predicted but still must be repaid one day.
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	Reserve Bank has missed their usual update timetable.
Credit Card Debt % annual change https://www.rbnz.govt.nz/statistics/c12	Nov 2021	2.9% \$6052 m	Dec 2021	1.3% \$6135 m	Not as big an increase as in November. \$400 million less than in Dec 2020.

STATISTICAL COUNDRUM

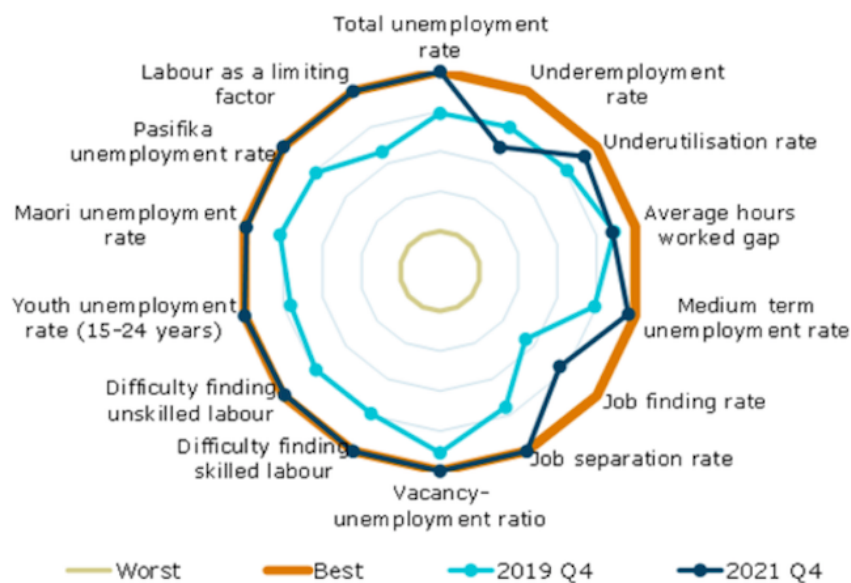
I'm interested in the unemployment figures.

In December 2021 the **unemployment rate was 3.2%**. That is historically low compared for example to 4.9% in December 2017 which was thought to be impressive.

So how come there are **187,989 people on the jobseeker benefit?** In December 2017 when unemployment was higher there were only 123,039 on that benefit.

Statistics NZ says there are **4,224,900 New Zealanders of working age** in the country. When I calculate 3.2% of that number I get 131,676 which should be the number of unemployed people.

So why are there 56,312 more people than that on the jobseeker benefit?



Source: Stats NZ, MBIE, NZIER, RBNZ, Macrobond, ANZ Research

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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