‘No. 8 Wire’ in today’s world

By Sanjay Bhowmick

It’s an expression that symbolises Kiwi ingenuity, but it also implies to some that good enough is all you need. As Bridges and Downs say in their book, the No. 8 mentality is at once a curse and a blessing. Recently, as part of a larger study of opportunity recognition, capability building and internationalisation strategies for local companies, I surveyed Kiwi entrepreneurs in high-tech businesses to find out what they thought of the “No. 8 wire” concept. There was a fascinating range of responses, including the following:

- “To be under-resourced is not a good thing, but it’s useful to have the culture of getting everything you can from the resources you do have”
- “You can’t get a good product by patching things together; that doesn’t work...like The Fastest Indian, it has no place today. Today you have to build a lot of smarts into it”
- “The concept is decried as a compromise, that you can’t produce world class products. What I say is: do it with limited resource - do it without wasting resource. But get quality to match the best”
- “A successful No. 8 wire practitioner realises they don’t know everything and they’ve got to look out. We can’t afford it, we have to do it as efficiently as possible to get the best results but it doesn’t inhibit us from looking outside and considering other ideas”
- “Classic New Zealand code: built on the smell of an oily rag, cheap”
- “New Zealanders are very proud of it but it’s a real limitation, when you take the No. 8 wire mentality to overseas markets it runs out quickly, because it exposes all sorts of weaknesses in our presentation and our professionalism. It’s not appropriate anymore”
- “It’s rubbish. It never had any meaning”
- “Makes do with less? For God’s sake, look at China. They make do with absolutely nothing...our innovation is self-prophesied, but the reality is that we are just below par in terms of our performance compared to the rest of the world”

Can we make sense of the curse and the boon? If physical isolation hinders Kiwi entrepreneurs from integrating with the world, does it also lead to creativity from not knowing how things are “supposed to be done”? as Richard Taylor, CEO of Weta Workshops has said (quoted in Geare et al., 2005) Does it help to have fresh eyes, away from markets offering readymade solutions within known paradigms? Seen as a fix, the No. 8 wire concept is perceived as low in technology and short on quality. However, as creativity it is seen as positive and desirable.

In terms of new academic thinking on the subject, entrepreneurial action is understood not so much as bricolage (improvising with what is at hand) as effectuation (enhancing control over means, as well as generating pre-commitment from potential stakeholders, which in turn augments the means and shapes the future product). Successful entrepreneurs use resources creatively, eliminate waste and effectuate under uncertainty, delivering to the market its need for uncompromised quality. In today’s ultra competition, this points to bootstrapping and creativity on the production bench, and slickness at the point of sale. Successful entrepreneurs offer the market the 20-carat gold it wants, or better, rather than their ability to make a 10-carat from less.

The biology of success

By Ann Hutchison

There is a growing body of research that seeks to understand the role of biology and brain function in business, which promises further insights into the age-old question of whether leaders are born or made.

A research project at the University of Auckland’s Business School is exploring the impact of biology at executive level, and whether there are differences that make some people more suited to executive roles than others. Over the years, a collection of studies on executive performance have explored what makes certain executives successful. Consistent themes emerge from the literature, suggesting that a certain type of person excels at executive
level. The type of person is described by Robert Kaplan, for example, as “expansive”, which is somebody who is exceptionally driven: driven to achieve and to be successful, driven to build a business, and driven to achieve rewards, status and recognition. Other studies by well-known management researchers have confirmed that while intelligence and interpersonal skills are important factors, drive and motivation is the differentiator between the outstanding and the mediocre.

The original proponent of this theory, the late Professor Jeffrey Gray, found that some people have a stronger BAS than others, and this has been found to influence the ways in which they behave in real-life settings. Self-report measures of BAS have now been developed, presenting the opportunity for us to test the concept in the workplace. Our question is, does BAS underpin the kind of drive that is essential to executive performance? If so, the implications are that executive potential is, to some extent, genetic, which would have extremely interesting implications for executive selection, succession planning and promotion practices.

In another extensive study conducted over a period of twenty years at U.S. telecommunications giant AT&T, organizational psychologists Bray and colleagues described a similar kind of manager, one they described as an “enlarger” - one who masters their corner of the world, who goes out and achieves and takes control of their personal success. There is also, however, the suggestion that excessive drive could be detrimental. Kaplan found that “over-expansive” executives sometimes display disastrous behaviours alongside positive outcomes. Excessive drive inevitably leads to results, but the state of the business’s physical and human resources can be left in tatters. A compelling argument exists that too much drive leads to toxic or destructive behaviours at senior levels.

Scientists at London’s Institute of Psychiatry have actually found that there is a brain mechanism that underpins these very drives. The mechanism is known as the “Behavioural Approach System” (BAS). Its implications have been applied to various human issues, including education, delinquency, and child development.

The journey from idea to launch of a suite of products in March this year has been an interesting one. The timing of the SPARK competition was fortuitous for us. We were just beginning to discuss commercialisation with Uniservices and SPARK helped us to develop our ideas and put them into practice. A year’s “virtual” residence at the ICEHOUSE business incubator gave us access to valuable business education and mentoring. We have continued this approach as we have developed the company, seeking advice from as many people as we can. SPARK also helped us to raise our profile locally which has helped us to gain investment. We have really good relationships with NZTE and Technology New Zealand and work hard to maintain these linkages.

We didn’t need the physical space at the Icehouse because we were already had space at the Bioengineering Institute at the University. This relationship has been critical to our company. We work with PhD students and Post Doctoral fellows to explore some of the fundamental aspects of the technology. This gives us access to bright minds and research skills. We do have to balance investment in research and development with shorter term revenue goals, which are met through our own projects.

Achieving revenue and positive cashflow has taken much longer than I had imagined. I think at the beginning I understood the steps we had to go through but perhaps not the time it would take to complete them. It’s a bit like getting a steam train moving - slowly at first and then gradually gathering speed. Most of our sales are to offshore niche markets and the sales process is very much driven by word of mouth – individual researchers talking to each other. There can be a long time and a lot of people between first sight of the product and a purchasing decision. Contact with the market is important. We are constantly out

Ann Hutchison is a PhD student at the University of Auckland Business School. She is currently conducting a study into senior executive performance as part of her research thesis. Further details can be found at www.executiveperformance.co.nz

An entrepreneurial journey
By Simon Malpas

The challenges faced by biotechnology companies are becoming familiar to many New Zealand entrepreneurs. As a producer of devices that enable remote physiological monitoring of animals, we are insulated to some extent from the huge investment of time and resources that other life sciences producers, for example pharmaceutical manufacturers, incur before they get to market. We chose this initial focus to give us a platform for testing and gaining revenue and experience in the market before moving to the human.

Contact with the market is important. We are constantly out
When surrounded by risk, your business deserves real protection.

You know that risk is part and parcel of running a business. But that doesn’t mean you can’t take steps to minimise or negate the impact through good management.

As the world’s leading insurance broker and strategic risk advisor, Marsh recognises the multitude of challenges facing businesses today. And we’d like to show you how to identify, quantify and control your risks.

The Marsh approach to risk financing enables you to identify risk and understand its consequences, stabilise volatility, confidently take advantage of opportunities and minimise costs. Our team of experts specialise in creating customised solutions using this concept along with the most effective blend of risk mitigation and risk transfer. This is all backed with our institutional knowledge and personalised service.

If you’d like to know more about how Marsh can offer you some real protection, call 0800 627 744 or visit www.marsh.co.nz

Simon Malpas is the CEO of Telemetry Research, a biotechnology company that won the University of Auckland’s 2004 Spark $40K entrepreneurship challenge.

research and development base in Dunedin and offices in thirty six countries. There was a cultural match right from the start and we have a very open relationship with them. But it still needs constant management and I think I initially underestimated the need for that.

Building a strong team has also been critical. That goes beyond staff to include investors and mentors. We have to be both specialists and generalists and share the load. My co-founder, David Budgett, has a background in commercialising electrical engineering whereas mine is in physiology. We are good sounding boards for each other – what do customers need and how can our technology be used to solve their problems? How can this solution be more widely commercialised?

A critical aspect of our approach is providing a solution for a problem, rather than creating a solution then finding a problem.

Our longer-term plan is to develop solutions for human problems. We are currently developing Intellectual Property around the transfer of power across the skin for use in powering implantable medical devices. Being able to transfer power to these devices without using wires greatly reduces the risk of infection. The University of Auckland has a long history of developing mobile power transfer for industrial use and our company has a licence to use this technology with regard to medical devices.

The value in our company is first and foremost the IP. We exploit that to create brand and products. To protect our IP platform we have had to develop a clear understanding of our IP position in all of the countries we operate in. Uniservices has helped us a great deal with that. I think it’s almost a given that IP is critical in biotechnology, but it’s probably not as well understood as it should be in New Zealand.