

Entrepreneurship: Have we got what it takes?

By Ian Hunter

If New Zealand wishes to climb back up the OECD league tables, one thing is clear: it will require a sustained burst of entrepreneurial activity. How will we achieve this aim? Some of the strongest clues lie in our past.

We have never had a good understanding of our commercial history, or how it contributed to national identity. But, truth be told, a century and a half ago, bold and ambitious souls forged a nation at breathtaking speed, that by the end of the 1800s had one of the highest living standards in the known world. Learning from the practices and principles of our past business leaders offers some powerful guidance for the way ahead.

It is clear, for example, that building a successful business is not all about the money. True, capital is one of the ingredients, but it should not overshadow the other vital components. Some of the lasting names in New Zealand business – Winstones, Hallensteins, Speights, Hannahs, were never commenced with generous doses of start-up capital or angel investors. Instead, these entrepreneurs used their personal savings to open a modest business, then applied their training and experience to deliver a quality product, that in many cases, exceeded the customers' expectations.

Henry Shacklock made up for his lack of capital with his engineering qualifications and determined innovation. His first coal range redefined the New Zealand market as it was just out-and-out superior to the



Dr. Ian Hunter

Dr. Ian Hunter is a Senior Lecturer in Entrepreneurship at the University of Auckland Business School, and is the author of a new book, *Age of Enterprise: Re-discovering the New Zealand Entrepreneur, 1880-1910*.

competitor's products. Speights' award-winning ale was similar. Every time they won an international show, sales increased. Such profile enabled both firms to build a successful business.

“ Our past entrepreneurs had a resolute determination to create a sustainable and *growing* concern – they were not just embarking on a lifestyle business. ”

Moreover, our past entrepreneurs had a resolute determination to create a sustainable and *growing* concern – they were not just embarking on a lifestyle business. Bendix Hallenstein, for example, had over 30 branches up and down New Zealand by 1900. He was resolutely applying the modern axiom of entrepreneurship writer, Michael Gerber – “Work *on* your business *in* your business” Devising systems and management structures, Hallenstein was constructing a robust organisation

that did not rely on his personality to hold it together.

Near enough was not good enough and our business heroes of the past did not accept mediocrity. When A J Burns started the Mosgiel Woollen Mills he did not make-do with what equipment he could cobble together. Instead, he journeyed back to the UK, hired highly-trained staff and returned to New Zealand with state-of-the-art plant. When they commenced production, the mills were able to compete head-to-head against low-cost imports.

Likewise, when Henry Reynolds, originator of the Anchor brand, set up a UK distribution business for his product, he constructed a world-class cool store at Hays Wharf in London – the largest of its kind in England.

Learning is helpful but if you want to build a growing entrepreneurial company you also need experience. It is true that some of our best companies have been started by youthful entrepreneurs – Robert Laidlaw was 24 when he founded the Farmers Trading Company, but like many others, he had already worked in industry for

over a decade. For the entrepreneur, experience like this is an invaluable source of competitive advantage. Today, Ecostore's Malcolm Rands, and fashion designer Trelise Cooper, are not taking on the world out of ignorance – but out of a healthy dose of passion tempered with considerable knowledge and experience in the industries in which they compete. For the budding entrepreneur today, it is a lesson they should not overlook.