

**Deloitte.**

# Not all doom and gloom

Insights on growth from New Zealand's  
fastest-growing companies

A review of the 2007 Deloitte/Unlimited Fast 50 survey



“We were really pleased to have our growth recognised in the Fast 50. As a company, we spend a lot of time grappling with the challenges of growth, so it’s really enjoyable to have that growth recognised in a positive way.”

Nigel Bamford, CEO, Escea (2006 - 2007 Fast 50)

“Success breeds success...being able to say that you are a fast-growing company is an indication that you are doing something right...customers can see that this is a successful business and maybe they should be working with us.”

Peter Robinson, Director, Blue South Translation for Business (2007 Fast 50, 2005 Fast 50)

“Being in the Fast 50 has enabled us to attract a better quality of people. People want to join a company that is going places and is shown to be successful...and the Fast 50 certainly helps us prove that to them.”

Andrew Nicol, Director, Agóge, (2006 Fast 50, regional category winner 2006-2007 Fast 50)

“The endorsement of the Fast 50 has been great internally for staff and it’s also helped us in conveying our success to the market.”

Sam Knowles, CEO, Kiwibank (2005 - 2007 Fast 50)

“I think the Deloitte Fast 50 is a great opportunity for small New Zealand companies. It’s quite exciting to see where you rank...it’s also really good exposure. We’ve had great exposure from the last couple of years we’ve been in, particularly being in the Asia Pacific Technology Fast 500.”

Ben Northrop, CEO, Run the Red, (2007 Fast 50, 2005 Fast 50)

“We want to keep going up the Fast 50 and aim for the Top 10 or the Top 5 and to do that we’ve got to keep growing as fast as we can.”

Al Monro, CEO, NextWindow, (2006-2007 Fast 50)



# Introduction

2007 was a bumper year for the Deloitte/*Unlimited* Fast 50, despite the challenges the economy threw at us. With all the talk of difficult times ahead, we think now's a good time to reflect on what helps some companies grow, and grow well.

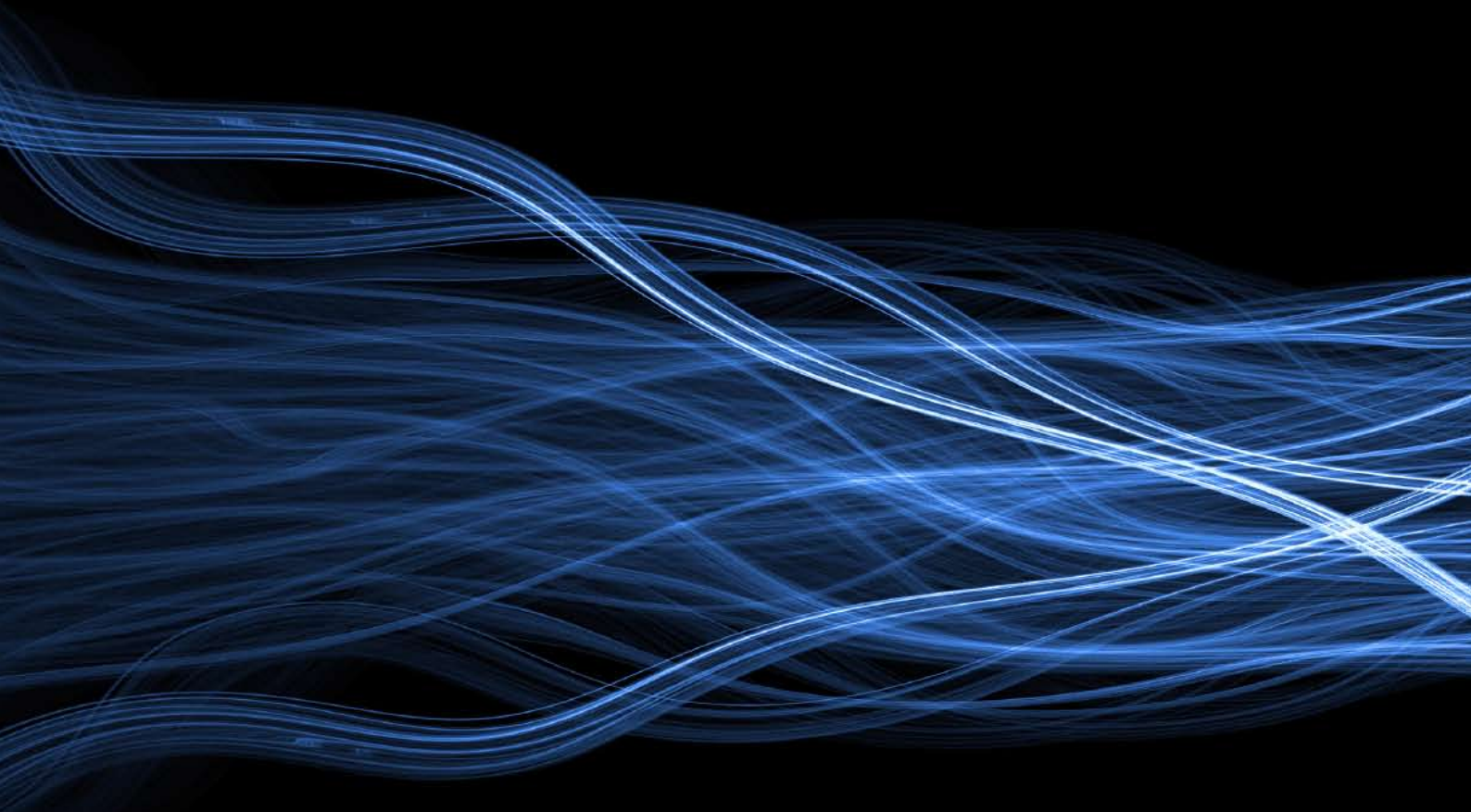
2008 promises to be a testing year – for business, for consumers, and for the economy.

Much has been made about the impact of the global credit crunch, the strong New Zealand dollar, rising food and fuel prices, the housing market, interest rates and the upcoming election.

We are living in uncertain times, and the business environment is becoming more so. However, the outlook is still fine for many New Zealand businesses. Despite the economic tension, just 11% of 2007 Fast 50 participants expect bad times ahead. With such an upbeat mood amongst this community, we thought it a good time to share with you why and how they can weather the storm.

This booklet pulls together insider tips from last year's Fast 50 research.

We take a closer look at the common traits of fast-growing companies and examine three key areas we believe New Zealand companies need to get right if they are to grow well in what are increasingly turbulent times: namely, people, export markets and going green.



**“Stick to the things that really make a difference. Be prepared to change if things aren’t working. Have a relatively flexible structure and make sure you hire people that are ready for change and growth.”**

Dave Spicer, CEO, Ezi-Pay, 2nd fastest-growing company 2007

# Growth. A blueprint

## Common traits of fast-growing companies

The 2007 Deloitte/*Unlimited* Fast 50 (Fast 50) recorded exceptional growth over the two year period surveyed. Indeed all participants recorded creditable growth rates – the average two-year growth of the lower quartile was 54%. GDP rose just 3.94% in the same period.

So, what do these fast growth companies have in common?

### Customer focus

Customer focus is top of mind for many Fast 50 entrants, and was the most cited success factor. When asked what strategic question they return to, many noted the customer: “How can we create more value for our customers? Does what we do meet or exceed customer expectations?” These companies don’t just talk about *understanding* their customers’ needs, they work to *anticipate* them, and often secure a dominant market position in the process. They’re not just thinking about what the customer wants today or tomorrow, they’re thinking about what they might want in five years or in ten.

One example of this is Energy Mad, which anticipated growing consumer concern around energy usage and energy costs to see sales of their energy-efficient light bulbs soar over the period surveyed. Another example is Pitango Innovative Cuisine, which identified a trend towards fresh organic food and developed a range of products that met consumers’ needs in New Zealand, and essentially created a category in Australia. They now own more than 80% of the fresh soup category there. Similarly, Ezi-Pay has created an additional high-value revenue stream for retailers, which doesn’t take up valuable floor space. The result? Coverage in around 80% of New Zealand’s convenience store outlets.

Customer focus is not just about today’s customers, but anticipating how these customers change and evolve. Businesses should spend time discussing nothing more than their customers: what they need, want and how they are changing.

### Courage to innovate

It is exciting to see the number of Fast 50 companies challenging the norm in mature industries. Companies such as Escea, the energy-efficient gas fire manufacturer from Dunedin, and TrioDent, the Katikati-based dental solutions company, spotted opportunities in established markets and designed differentiated products which have clearly met a market need – pushing sales at a remarkable pace over the last three years. Similarly, online retailers such as Torpedo7 and Fishpond.co.nz have successfully challenged existing business models to meet consumer demands in mature industries.

There is a growing awareness that innovation is no longer just a Eureka moment, but needs to be embedded right across the company in what it does (products/services) and how it goes about doing it (channels, business models, markets). Similarly, investment in research and development is typically higher among Fast 50 entrants than across the general business population. The average innovation budget of New Zealand companies participating in the *Fujitsu Innovation Index 2007* was 5.3% of revenue. The average R&D spend of Fast 50 entrants undertaking R&D was 10%.

This is encouraging because investment in intellectual property and an innovative approach to serving customers better, or developing new models to reach new markets, are essential to enhancing New Zealand’s competitive position.

### Creating a market niche

A prime example of creating one’s own market is New Zealand’s second-fastest growing company, Ezi-Pay. Ezi-Pay created a virtual retail channel offering pre-pay telecommunication and digital content services through thousands of retail outlets nationwide and posted exceptional growth in the process. As the first mover and front-runner in this market, it is now able to use its platform to offer new services such as bill payment, entertainment and transport ticketing.

Creating a market niche can also be about innovating within mature markets: consumer products companies such as Smartfoods, Old Fashioned Foods and Pitango have invested in branding, and new product or channel development to carve dominant category positions within the highly competitive food industry. They consciously determined their niche and focused on dominating it.

**“It’s not only important to have a good plan, it’s also important to have the confidence to change your plan as things change in front of you.”**

Nigel Bamford, CEO, Escea, 7th fastest-growing company 2007

### **A clear purpose**

Once they've identified their market-building product, service or channel, these companies are sticking to their knitting. Dr Simon McDonald, CEO of TrioDent, notes that staying focused on what the company can do really well, and not being distracted, has been one of the keys to his company's success. The 2007 Fast 50 are passionate about their purpose and retain focus on those areas where they can make a real difference.

### **Putting people first**

Attracting and retaining staff was the number one challenge cited by the Fast 50 this year and they all work hard to inspire performance and nurture a growth culture. Whilst some of their tactics include material incentives and recognition, others are less tangible and relate to a broad understanding that effective communication within the organisation is vital to future success. Fast growing companies are very open about their strategy, about where the organisation is going and how it is going to get there. Growth is not only on the agenda, it is part of the very fabric of the organisation, and key to motivating and attracting staff in our tight labour market.

### **Executing well**

Fast-growing businesses need to be able to adapt quickly to their new operating environment. Understanding and managing risk, and knowing how to structure the business as it grows, remain key challenges for 2007 Fast 50 participants. It is encouraging to note that many Fast 50 businesses are increasingly aware of the importance of planning for growth to ensure the business is adequately equipped to meet such challenges. 2007 winner Energy Mad sees planning, combined with a commitment to be flexible to the changes inherent in a fast-growth business, as critical to its success.

Finally, delivering on your strategy in a global marketplace is no longer a case of going it alone. Many of this year's Fast 50 companies have harnessed the power of partnerships to grow at staggering levels. For example, Energy Mad embarked on a number of innovative marketing ventures to see sales soar. NextWindow secured a design and manufacturing opportunity with Hewlett-Packard, which should see continued growth at this touch screen technology company for many years to come. IBEX supplies its technology and design capabilities in the meat processing industry to a range of customers in Brazil and has partnered with in-country experts to ensure the delivery of these solutions is well managed.

More and more New Zealand businesses are harnessing the value of strategic relationships to provide windows of opportunity not otherwise identified. If your goal is to build a global business, you need to be global, and often the quickest method of achieving this is to partner with locals and leverage their experience, rather than spending precious time and money building your own understanding and market knowledge.

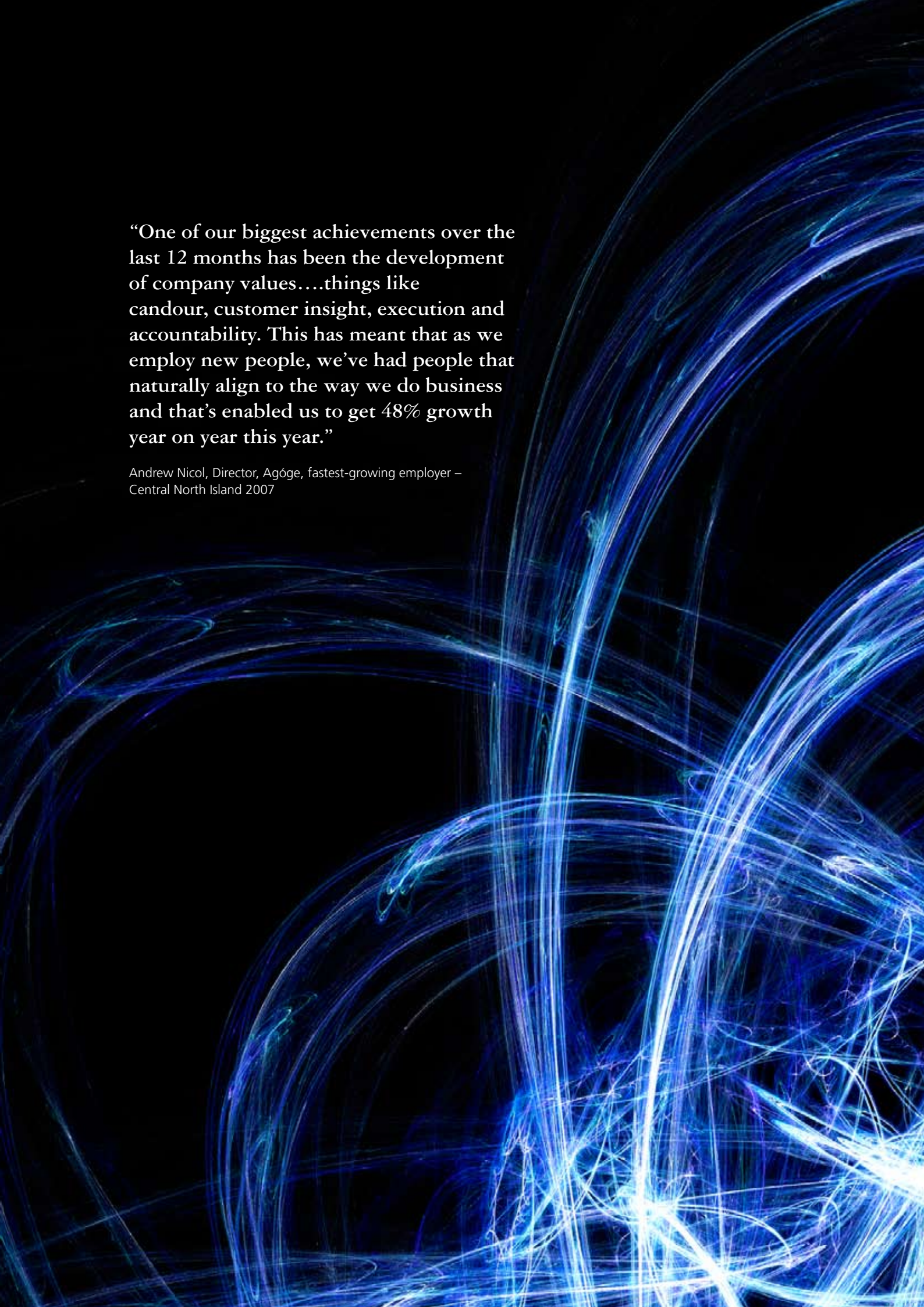
**“Our sales have been doubling every six months...this has caused considerable strain and stress on our production, our systems and staff training. Our company believes that we should be continually experimenting, continually measuring everything we do...all our marketing strategies are measured, and if something doesn't work we dump it and we move on. We are continually reinventing ourselves.”**

Dr Simon McDonald, CEO, TrioDent, 9th fastest-growing company 2007



**Matt McKendry**

Partner and National Fast 50 Leader, Deloitte

The background of the entire page is a dark, almost black, space filled with intricate, glowing blue light trails. These trails are composed of many thin, overlapping lines that curve and swirl in various directions, creating a sense of dynamic movement and energy. The light trails are most concentrated in the lower right quadrant, where they appear as a dense, bright cluster, and become more sparse and delicate as they spread towards the top and left edges of the frame. The overall effect is reminiscent of a starburst or a complex network of light paths.

“One of our biggest achievements over the last 12 months has been the development of company values....things like candour, customer insight, execution and accountability. This has meant that as we employ new people, we’ve had people that naturally align to the way we do business and that’s enabled us to get 48% growth year on year this year.”

Andrew Nicol, Director, Agóge, fastest-growing employer – Central North Island 2007

“The most important thing, if you are in a situation of growing quite rapidly, is to have the right people on your side... to have a team that can understand what you are trying to achieve and work with you...week by week, month by month, and try to understand your concept and your philosophy...as well as share all the passion and the hard work behind the scenes.”

Antonio Cacace, CEO, La Bella Italia, fastest-growing retail, wholesale or distribution business – Wellington region 2007



# Growth. It's a people thing

The shortage of available talent is thought to be the single most significant inhibitor to realising opportunities for growth. The “traditional” mechanisms of recruitment and retention that organisations utilise to manage their workforce no longer suffice, and cannot be relied upon to deliver the talent profile required for success.

Worldwide, the combination of a declining workforce population and the decreasing availability of essential skills is said to be creating a war for talent. In actual fact, the war is over. Employees have won; it's now a sellers' market.

Policies and legislation may shift, labour markets may ebb and flow, but the reality won't change. The Western world is and will continue to be labour-constrained. This predicament is exacerbated by the rise of a global talent market, shifting educational patterns, and the changing expectations of today's workforce. How will your business survive in the new people economy?

Typical talent management strategies involve a hunt for external candidates to fill an organisation's most critical jobs ('acquisition') and efforts to ensure existing employees stay ('retention'). In both cases, the organisation may offer money, perks and new challenges. This is often more of a knee-jerk response than a clear strategy. Sometimes it works. More often than not it delays, or even fuels, the inevitable churn of good people.

According to a recent US survey, companies typically spend fifty times more on recruiting than on training, with the average cost to replace an employee being one and a half times their salary. Added to this, new candidates can take a year or more to master their jobs.

Research suggests that a company's 'stars' are often the first to be poached by competitors and are less likely to stay.

Common retention approaches are also problematic and often driven by simple metrics such as employee turnover. Turnover may drop, but this may hide the fact that you are losing key staff. Turnover does not measure commitment. When jobs are scarce, it is easy to retain a non-committed workforce.

These traditional approaches to talent management:

- Do not allow individuals or organisations the flexibility they need to grow
- Can be costly, are easily matched by competition, and are not focused on what really matters to talent
- Are not built around the things that generate the most value
- Are often divorced from broader business aims

As a growing company, your marketplace reputation may be enhanced, and finding people may seem easy. However, ensuring you have the *right* people in the *right* roles for the *right* reasons will be critical to sustaining growth over the long-term.

To determine whether your organisation is well-placed, consider the following questions:

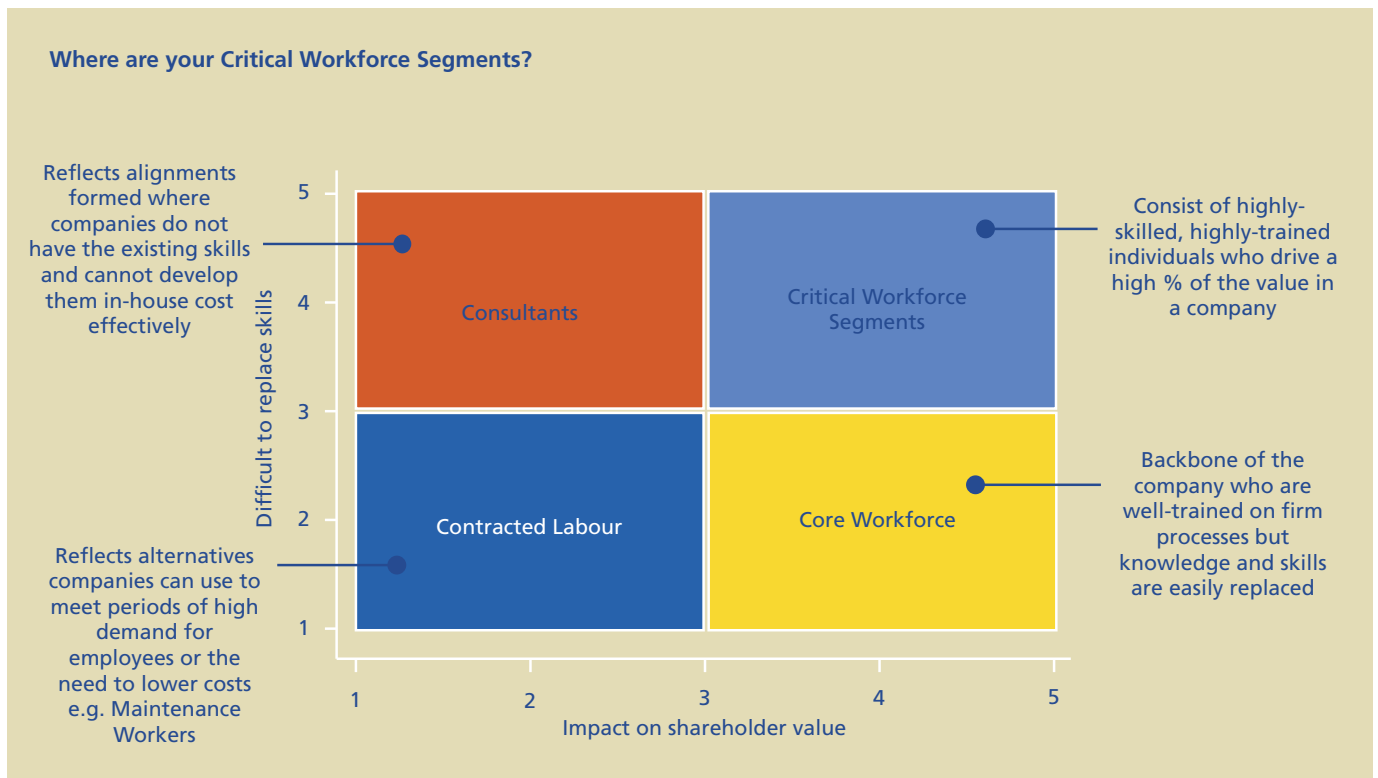
- Have you identified the **human resource implications of your planned growth targets**, for the current financial year and in five years' time? Do you have (or are you developing) the appropriate skills? What will happen to your business if you don't?
- Have you strategies in place **to grow and acquire the talent** you'll need? Remember, more often than not the talent you require is already in your organisation; they just may not be doing the right job.
- Which areas of your business will be most impacted by **an aging workforce**? What are you doing to prepare successors? Which segments of your workforce are in most demand in the marketplace?
- What is **employee turnover** in critical areas? What is it costing the business – in customers, productivity, innovation or quality? Why are people leaving? What are you doing to resolve the root cause?
- Are you actively developing plans to help understand and communicate the **financial consequences of talent decisions** on your business?

**So where to from here?**

How do you ensure you have the right talent in place to deliver value to your business? How do you ensure you are not losing your best people?

Firstly, in developing a talent management strategy, you need to understand the types of skills and talents that drive the most value to the business. Who are the people who generate a disproportionate share of current or future value to the organisation? In other words, who delivers on your strategic and tactical objectives most effectively? This is your 'critical workforce.' These people are often in high demand, scarce supply and difficult to replace. They may not be your best performers (although ideally you'd like them to be), but they are crucial to your organisation's ability to reach its growth targets. These are the people you want to stay.

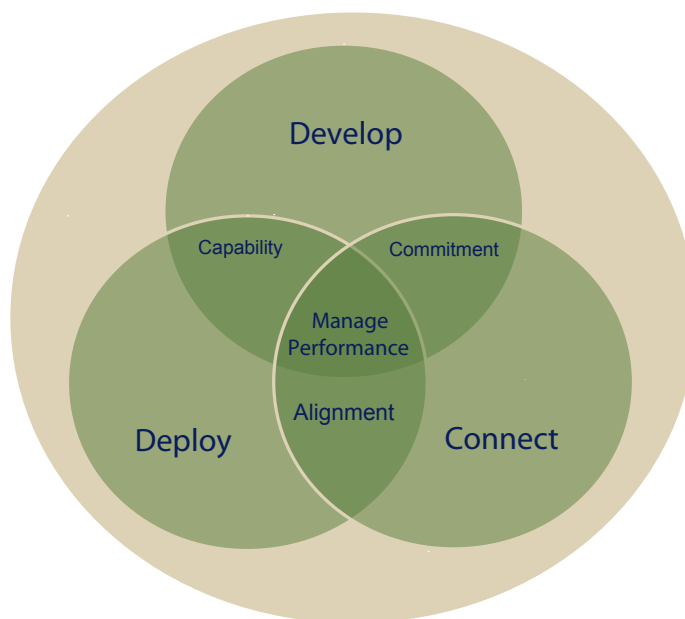
Once you know which roles are going to drive current and future value, you can then determine the best people management strategy for your organisation. This will enable you to be smarter in your management of resources (see table): such as outsourcing or engaging contract labour for non-value critical tasks and considering consultants for those value-critical tasks where you do not currently have the right skill set in-house nor can develop cost effectively. It also means that in difficult times, you know which areas of the business you might cut back on, or consider moving outside of your permanent workforce. You can also take a more focused approach to learning and development strategies. If you have an extra dollar to spend on training, it makes sense to put it towards developing those people delivering the most value to the organisation.



Having identified your critical workforce segment, you need to understand what is important to them and what is of value to them – what makes them tick? Very rarely will monetary incentives alone engender loyalty. Employees who solely respond to increases in remuneration are also likely to move on when a better bid comes in.

Our research has shown that talent savvy organisations support their key people by focusing on the issues they care about the most:

1. **Doing work that engages them.**  
Work with them to identify their skills, knowledge and interests, find their best fit in the organisation and craft a job that helps them perform well (*Deploy*).
2. **Learning how to do it even better, whilst encountering fresh challenges.** For example, aim to stretch their capabilities by providing the opportunity to work in different parts of the organisation, or opportunities to display their skills in different ways (*Develop*).
3. **Interacting with people in positive ways.** For example, provide or identify communities they can join, assisting them to build networks with people who will help them achieve their objectives (*Connect*).



A well-designed talent management strategy will differentiate your organisation in the market. Clarity around the availability and commitment of critical talent provides a solid platform for pursuing ambitious growth targets. At the end of the day, it's all about making sure you grow your business through your people and your people through your business.



**Kate McDonald**  
Partner, Human Capital Practice

## A conversation with Sam Knowles

Sam Knowles has been CEO of Kiwibank since its inception in 2002. Committed to offering straight-forward banking by New Zealanders for New Zealanders, Kiwibank has gone from strength to strength in the last six years, and has been in the Deloitte/Unlimited Fast 50 for three consecutive years.

### **Deloitte: Name one achievement over the last 12 months that has had the greatest impact on your business' growth**

**Sam:** *Our achievements are really across the board; it's been about continuing growth in all areas, in an environment that has become much more competitive.*

### **Deloitte: What is your vision for the next three to five years?**

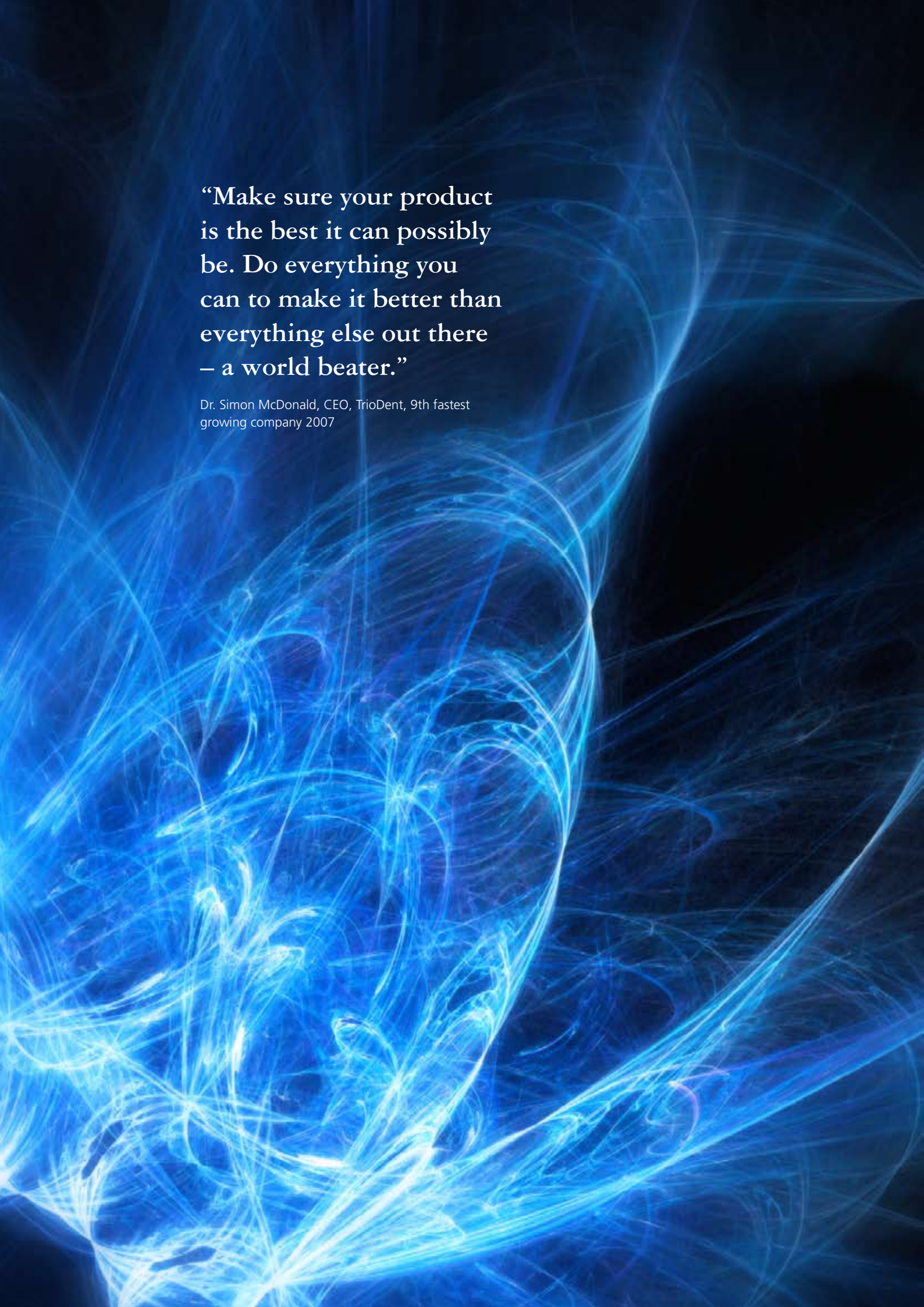
**Sam:** *Our vision is to grow from a small-sized bank to a medium-sized bank, continuing to grow with our customers.*

### **Deloitte: To achieve your growth targets, what business challenges do you need to resolve?**

**Sam:** *The biggest challenge is recruiting good people and retaining the passion that we all have in Kiwibank.*

### **Deloitte: What is the best piece of advice you would give to a growing business?**

**Sam:** *Although the challenges ahead always look bigger than the ones that you've passed...believe in yourself and be disciplined.*

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**“Make sure your product  
is the best it can possibly  
be. Do everything you  
can to make it better than  
everything else out there  
– a world beater.”**

Dr. Simon McDonald, CEO, TrioDent, 9th fastest  
growing company 2007

# Growth. Time to take on the world

In 2007, the number of exporters entering the Fast 50 dropped, however, the value of export sales doubled. Let's take a closer look at what these companies are doing to increase their export dollar.

Given exchange rate pressure in recent times, a drop in the number of exporters entering the Fast 50 is not a surprise. However, the rise in the total value of exports is interesting, and suggests that many of this year's exporters, with their niche market positions, commitment to securing intellectual property and delivery of value-add products or services, are not as affected by the vagaries of the exchange rate as many of the country's other exporters may be.

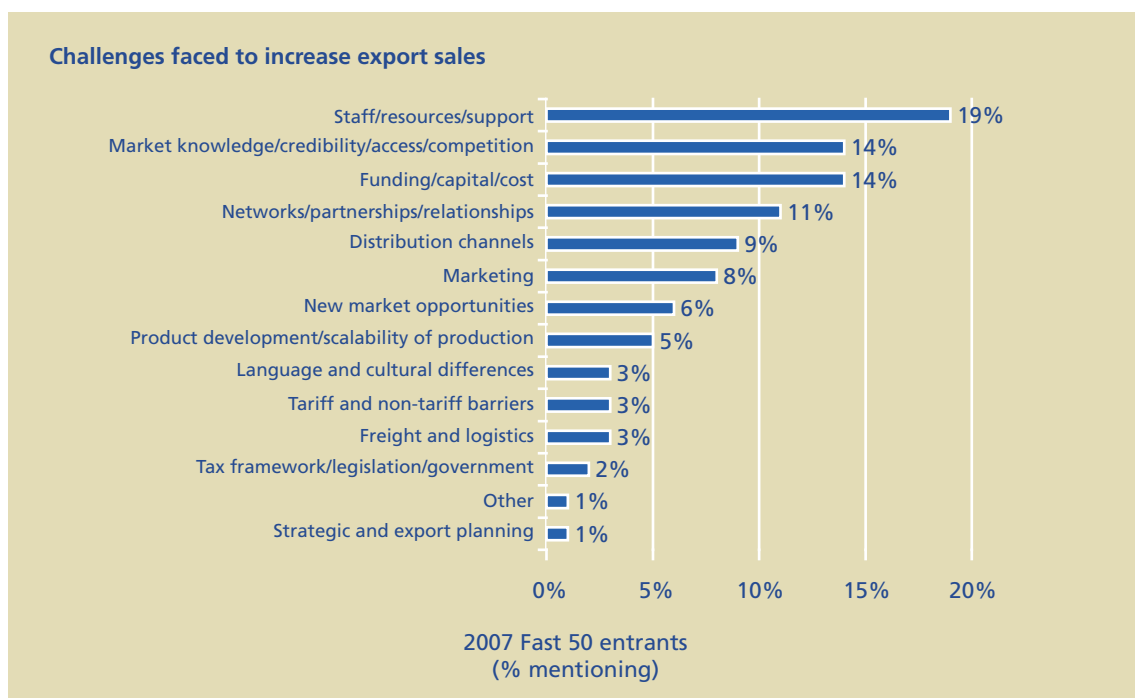
Fast 50 companies such as Fishpond co.nz, IBEX, TrioDent, NextWindow, Crystal Solutions (now known as Holistics Group) and Wellington Drive Technologies are all good examples of this. In addition, a number of Fast 50 participants have moved production overseas, whilst retaining IP in New Zealand, which may also protect them against a strong New Zealand dollar.

Successful exporters look at their end-to-end value chain and are open to making changes to their product or service, marketing, channel or business model, which suit the end market or consumer. What works at home isn't necessarily going to work in China or Brazil.

The challenges faced to increase export sales do not vary markedly year on year (see table below). However, it is worth noting how staff and resourcing issues clearly dominated the export concerns of fast-growing companies in 2007.

**“Are channels to market available to us in a country an appropriate fit with our brand?”**

Sarah Gibbs, Director, Trilogy, 2006 – 2007 Fast 50 on what she looks for first in assessing overseas markets



We asked some of this year's Fast 50 companies what they were doing to help increase their export sales:

- 5th fastest-growing company, mobile marketing agency Run the Red, has recently set up offices in Brazil and will soon be opening an office in Australia. Run the Red CEO Ben Northrop noted that one of the key challenges for the company is turning some of its key services into products, so that they can be deployed internationally and online, without needing to increase staff numbers. "As you delve into new technologies it's also important to keep track of your core offering and make sure they are deployable at a lower cost. On top of that is capital raising to match your growth as you go into new territories. You need to make sure you have the cash flow to sustain that growth."

- Dr Simon McDonald, CEO of dental solutions manufacturer TrioDent, continually evaluates sales efforts and marketing campaigns and swiftly abandons those that aren't working. This is one of the benefits of selling direct to the end-user; it allows you to quickly gauge the success of a given sales initiative, and make adjustments as appropriate.
- Al Monro, CEO of touch screen manufacturer NextWindow (a two-time Fast 50 company which rose up the rankings from 34th place in 2006 to 14th position in 2007) gave the following advice to exporters: "In the export market, or rather the global market, it's important to be out there with customers, to get on a plane and go and talk to people. We do a lot of tradeshows, a lot of talking with prospective customers, a lot of talking with other people in the industry, finding out what people are looking for and making sure our products have got at least the functionality that they are looking for, at the right price."

- Christchurch-based Particle Systems, which develops and sells software solutions to the creative industry, entered the Fast 50 this year in 26th position. Its approach to growing sales in its biggest market, Australia, was to spend its entire 2006 revenue on advertising there. Sales soared.

Just as dominating a niche is a key strategy for growth, it is also an approach worth pursuing when seeking export success. The world is a big place and doing business abroad takes grit, cunning and great planning. Don't just go to the easiest market; go to the most relevant one, i.e. the market which offers the most promise based on your analysis of its potential.



**Ralph Marshall**  
Partner, Accounting & Advisory

## A conversation with Jonathan Engle

Jonathan Engle, is Managing Director of Ibox Technologies, an Auckland-based company which provides post-production processing, sorting and temperature-change technologies to food businesses worldwide. In 2007 IBEX was named NZ Exporter of the Year as well as winning awards for 3rd fastest-growing company in New Zealand 2007 and fastest-growing exporter New Zealand in the Deloitte/Unlimited Fast 50. We spoke to Jonathan about his experiences running a fast-growing company.

### **What is your vision for the next three to five years?**

**Jonathan:** *The way we're going to keep growing over the next few years is really around developing the front end of the business. It's a sales and marketing exercise. We have very good technology and now we want to make sure we're doing the front end of the business really well. We want to be the dominant player in our market segment and really ensure that we are the very best at what we do, and make it difficult for other companies to follow. We want to be innovative and follow that through.*

### **What business challenges do you need to overcome to achieve your growth targets?**

**Jonathan:** *The challenges confronting us to reach our short term goals are around getting the right people on board. People are absolutely key. It's also about getting the right systems in place... and that's around capturing the right knowledge, and making sure you don't make the same mistakes twice. It's really about making sure we have the right foundations in place to develop the business.*

### **What advice would you give to a growing business?**

**Jonathan:** *Hang on tight because it's a hell of a ride! Make sure you have good financing in place and very good advisors in place. Plan for the growth; have a vision of where you want to go and determine what you'll need to get there – what people, finance and structures do you need. It's really about planning for it: unless you have that roadmap to get to your end goal, it'll never happen. It's about having the vision, and actually implementing it.*

**“Stay focused on what you are doing. Don’t try to do too much. Keep focused on your core offering and what you do best.”**

Ben Northrop, CEO, Run the Red, 5th fastest-growing company 2007



# Growth. Green means go

2007 will be remembered as the year sustainability and climate change raced into mainstream business thinking, and began to noticeably impact upon consumer purchasing decisions.

Businesses offering 'green' products and services have enjoyed growth in recent years, thanks to a swing towards more sustainable purchasing choices. These businesses appeal to the growing group of consumers known as LOHAS – Lifestyles Of Health And Sustainability – who make purchasing choices with sustainability and the impact on the planet in mind.

The 2007 Fast 50 is proof of this swing in purchasing patterns. Christchurch-based Energy Mad was named New Zealand's fastest-growing company with an astounding 2746% revenue growth, and was joined in the Fast 50 by six other companies arguably riding the clean, green wave:

- Pitango, B\_E\_E and Trilogy Natural Products (offering natural and/or organic ingredients in consumer packaged goods)
- Escea (energy-efficient gas fires)
- Wellington Drive Technologies (energy-efficient motors for domestic and commercial appliances)
- CER Group (identifying opportunities to provide cleaner, greener products to environmentally-conscious consumers in a number of industries)

We can expect to see more companies taking advantage of technologies, as well as social and regulatory factors, to "green" our way of life. Green is no longer just a buzz-word, it's a real market opportunity and a growing one. As times become uncertain, maybe starting to create a point of difference that is green could be your strategy for 2008.

An increasing number of businesses are assessing their impact on the planet and consequent risks or opportunities. Some businesses are changing their thinking because they are concerned about the long term effects on the planet, others because their customers say it is important to them, and others because they expect to be required to comply with regulation. For many it will be a combination of all three.

Companies that have sustainability embedded within their practices are gaining footholds in markets not previously open to them. For example, the New Zealand Wine Company has experienced growth in demand in previously untapped overseas markets following Carbon Neutral certification.

In looking at the types of responses to this change it is probably best to break them down into two groups: the easy short term plays and the longer term responses - which may be more difficult but will do the most to make business and the planet sustainable.

**The easy short term plays:** Let's assume you have measured your footprint and know the issues and risks you confront. You have an idea of the cost of programmes to manage your emissions down and a perspective on a likely price path for carbon emission offset rights. You need to have a view about how to balance these two within any legal framework you may be subject to. You are moving with a new sense of urgency to make any savings in emissions whether direct or indirect which also reduce net costs. You also have a view about whether there are any competitive advantages in accelerating your programme beyond the legislative requirements for 'brand positioning' with your customers or your people.

If you are a supplier to government departments you will be well aware of the growing weighting of sustainability in procurement choices, and, if you are an exporter you will have been exposed to the shifts in attitudes towards climate change in overseas markets — especially in Europe.

So far, so easy. And providing you have obtained good data you are well positioned to make effective decisions on this fact base. The bigger challenges and opportunities lie in the longer term.

**The longer term responses:** The more fundamental changes to emissions will come when businesses redesign what they do to deliver products to customers and also when they rethink what future products will be required to meet customer needs in a carbon constrained world. This change in thinking will give rise to new opportunities for growth and create more sustainable businesses. Leading organisations are already thinking and acting with this long term perspective.

Here are some thoughts about issues to consider for the long-term:

- **Redefine your processes:** A carbon constrained world imposes different costs but also can create credits for reductions (in the medium term at least) and for sinks such as forests. These changes may create a fundamental change to your competitive position.
- **Eliminate waste:** Waste can be a major source of emissions as well as a burden on the environment and an indication processes are not efficient. Design waste out of processes and products.

- **Think whole of value chain:** You inherit the carbon footprint of your suppliers (as your customers inherit yours) so include carbon in your supplier evaluation. You will need to build relationships with suppliers so they can help with elimination of waste and reduction in emissions.
- **Think whole of life:** Consider the emissions profile of your customer's use of products and the waste created during the whole of product life.
- **Redefine your products and markets:** In the longer term sustainable businesses will be thinking about how they will add value to their customers and how they define themselves in the carbon constrained world.

Rethinking your strategic options in the changed competitive environment provides one of the most exciting challenges business has faced. Becoming a sustainable business presents a new set of risks and opportunities.

'Green' and 'Growth' will be two terms that fit together successfully for a number of innovative and exciting companies for some time to come. Reinventing your business in a more sustainable form is one of the greatest gifts you can give to the planet.



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## A conversation with Tom Mackenzie

Tom Mackenzie is co-founder and director of Christchurch-based energy-efficiency company Energy Mad, New Zealand's fastest-growing company in 2007. The company has easily passed its initial aim of getting 5 eco-bulbs into 55% of New Zealand households with the sale of 4 million eco-bulbs in the last three years, saving \$400m in consumer electricity usage and reducing CO<sub>2</sub> emissions by 1 million tonnes.

### **Name an achievement over the last 12 months that has had the greatest impact on growth**

**Tom:** *Our greatest achievement over the last 12 months has been our promotion with Shell. We sold 800,000 eco-bulbs through 220 outlets nationwide. We believe this was the largest energy-efficiency project in New Zealand to date.*

### **What is your vision for the next three to five years?**

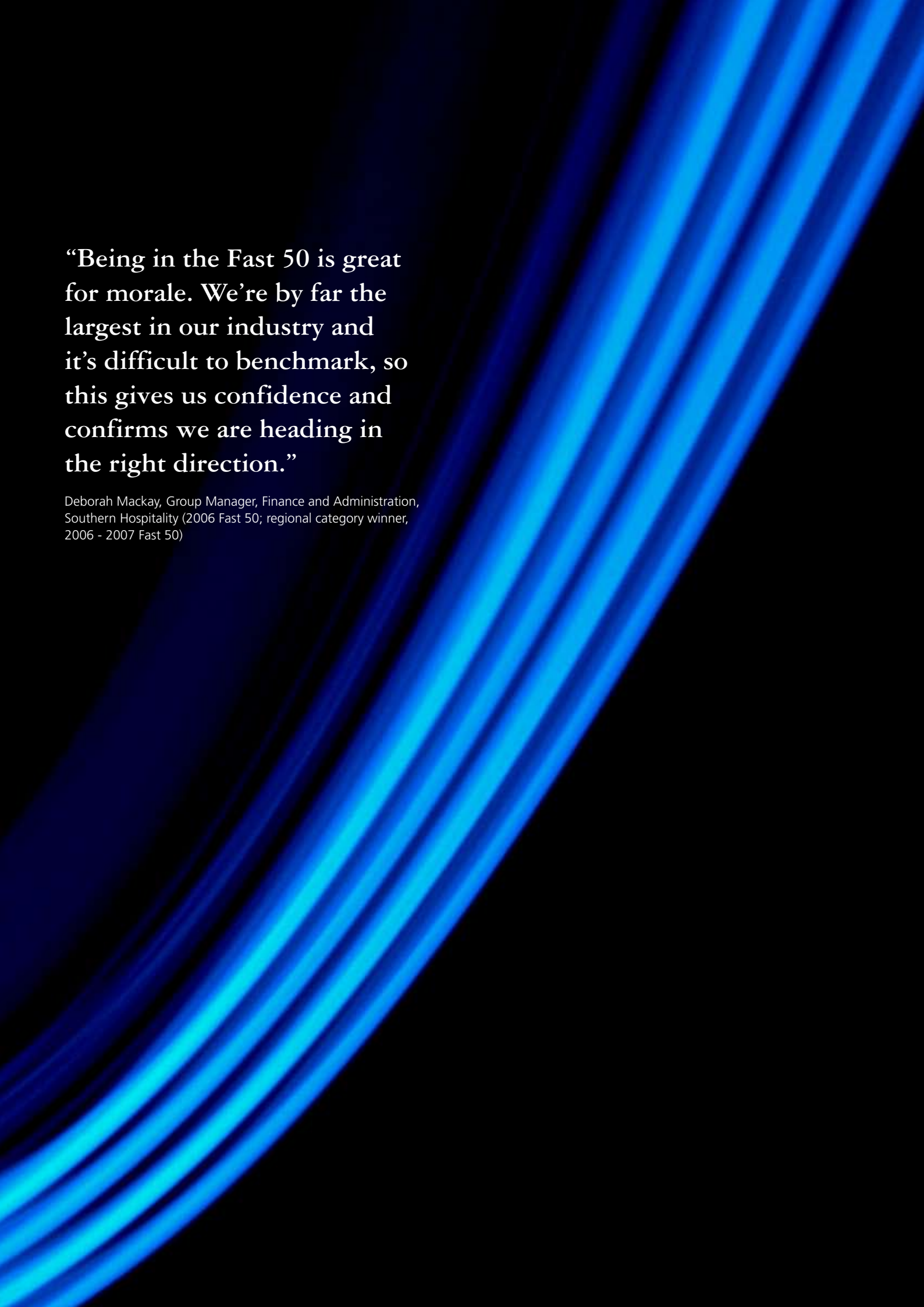
**Tom:** *19 per cent of the world's electricity usage is used on lighting; our aim is to save 10 per cent of the electricity used in the world.*

### **What business challenges do you need to overcome to achieve your growth targets?**

**Tom:** *To achieve our global growth, our main challenges are going to be finding the right people, and replicating our eco-bulb projects in different cultures and different countries.*

### **What is the best piece of advice you would give to a growing business?**

**Tom:** *The best business advice I could give is to plan well. Write your business plan every couple of months, and be very flexible to the constant changes in your business.*

The background of the page is a dark blue to black gradient, featuring several bright blue, diagonal streaks that create a sense of motion and depth. The streaks are most prominent on the right side of the page, extending from the top right towards the bottom left.

**“Being in the Fast 50 is great for morale. We’re by far the largest in our industry and it’s difficult to benchmark, so this gives us confidence and confirms we are heading in the right direction.”**

Deborah Mackay, Group Manager, Finance and Administration,  
Southern Hospitality (2006 Fast 50; regional category winner,  
2006 - 2007 Fast 50)

# Fast 50 snapshot

The following is a snapshot of our business success stories. Will your company follow these examples and buck the trend despite the current economic uncertainty?

The Deloitte/*Unlimited* Fast 50 has rapidly become an index of successful, established New Zealand businesses – the average 2007 Fast 50 company was six years old, employed 48 staff, had annual sales of \$20.9m and recorded revenue growth of 504% between 2005 and 2007.

2007's Fast 50 grew the economy by an impressive \$755m in the two year period surveyed – up from total revenue growth of \$404m from the 2006 index – creating 1291 jobs in the process.

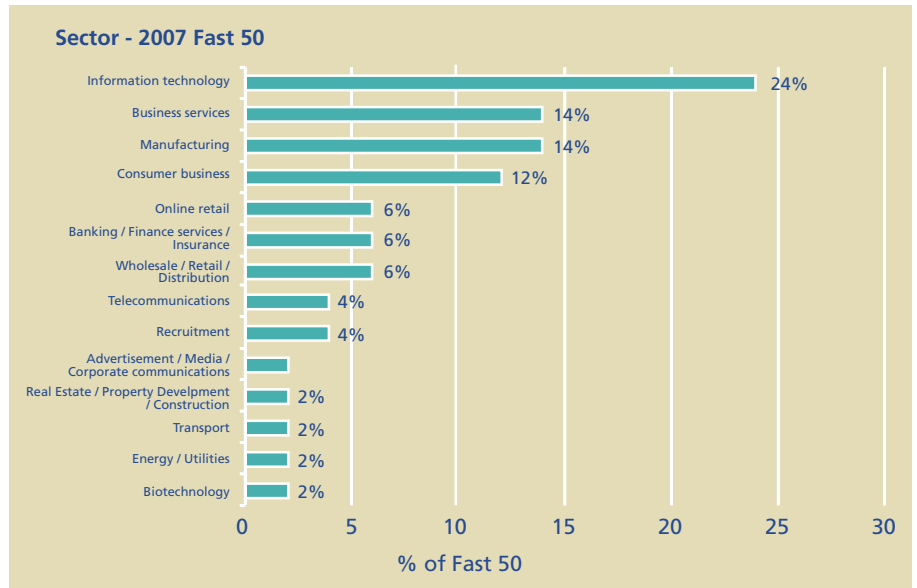
The threshold for inclusion in the Fast 50 once again increased: two-year revenue growth of 151% was required to make the index, up from 149% in 2006 and 139% in 2005.

However, what sets 2007 apart from previous years was the staggering growth rates as we moved up the index, as well as the strong contribution from businesses in the \$5m to \$20m revenue band (see 'Average growth by revenue range' on page 18)



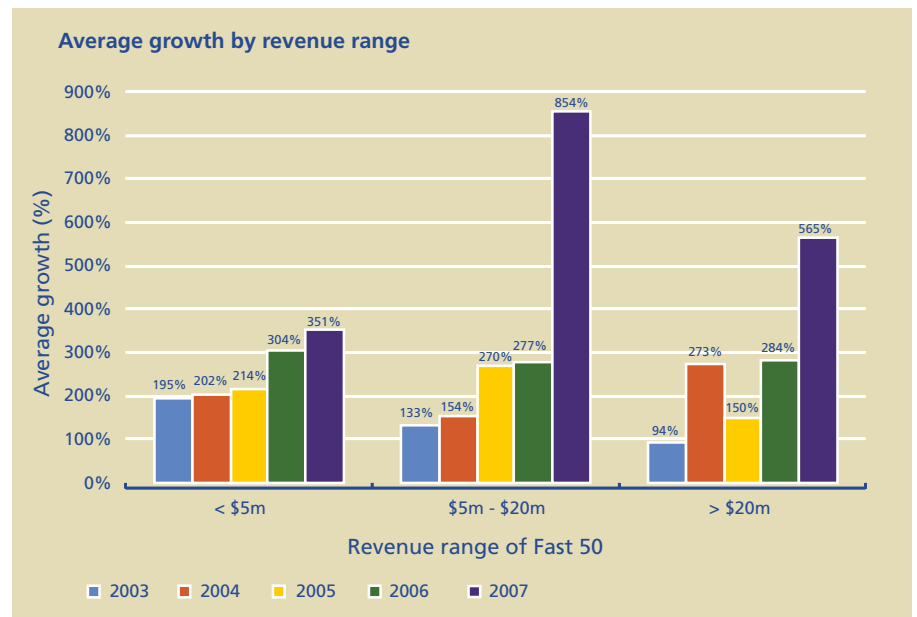
**Fast 50 by sector**

Technology companies still dominate the Fast 50 and a majority of the business services companies in this year's index deliver IT or web-based services. Technology is also critical to the competitive advantage enjoyed by a number of companies in other sectors.



**Average growth by revenue range**

2007 saw exceptional growth across all revenue segments, with particularly impressive results from companies in the \$5m-plus range. Even excepting the top ten, companies in the \$5m-\$20m range grew an average 475%, and companies in the \$20m-plus range grew an average 216%. This is great news for the economy, as companies in this range have the critical mass to invest in new markets, new people, research and development, and innovation.



**2007 Fast 50: key success factors**

Customer focus	23%
Innovation	13%
Value proposition	12%
Staff	12%

Fast 50 entrants: % mentioning

**2007 Fast 50: main challenges**

Attracting and retaining staff	20%
Managing risks associated with growth	16%
Internal organisational alignment for continual growth	13%
Marketing the business	9%

Fast 50 entrants: % mentioning

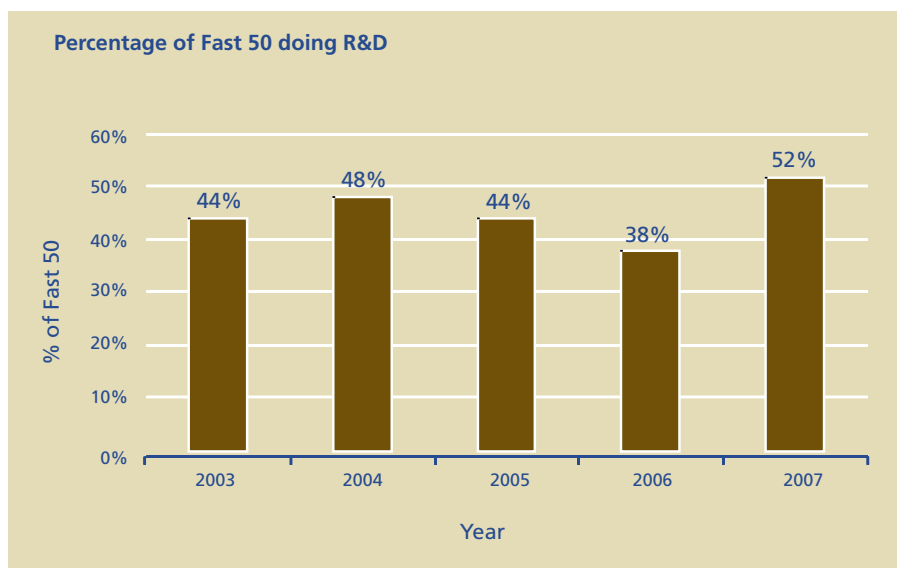
### Percentage of Fast 50 companies that export

27 Fast 50 companies (or 54%) export and 13 of these (or 26%) derived at least half of their revenue from export sales. Total export sales by 2007 Fast 50 companies grew by 318% in the period surveyed, up from 262% for the 2006 Fast 50. The value of export sales by 2007 Fast 50 was twice that of the 2006 Fast 50. Export sales growth represented 17% of revenue growth for Fast 50 companies during the period.



### Percentage of Fast 50 companies doing R&D

52% of Fast 50 companies in 2007 undertook some form of research and development, up from 38% of the 2006 Fast 50. The total value of R&D spend rose accordingly – up 37% on the previous year's Fast 50 – however, the average R&D spend as a percentage of revenue dipped to 10% of revenue in 2007, down from the 2006 Fast 50's 18%.



## About the Survey

The Fast 50 is a Deloitte initiative which operates in 32 countries or regions worldwide. 2007 was the seventh year New Zealand businesses were invited to benchmark their growth as part of the Deloitte/*Unlimited* Fast 50. Businesses were ranked by revenue growth over a two year period and the top 50 were named as the 2007 Deloitte/*Unlimited* Fast 50.

To be eligible, companies must have New Zealand-registered operations, have been in business for at least three years, and have posted minimum revenue of \$250,000 in the base year (FY2005) and at least \$500,000 in the final year (FY2007).

The Deloitte/*Unlimited* Fast 50 is firmly established as a key barometer of New Zealand's emerging market and input from over 1200 businesses is sought. However, this index only ranks businesses that choose to participate.

In addition to the Fast 50 survey, this booklet draws on interviews with selected Fast 50 companies as well as insights gained in working with fast growth companies throughout New Zealand.

## 2007 Deloitte/Unlimited Fast 50

Rank	Company	Revenue Growth %	Rank	Company	Revenue Growth %
1	Energy Mad Christchurch	2746.05	26	Particle Systems Christchurch	261.13
2	Ezi-Pay Auckland	2691.84	27	Optimal Usability Wellington	254.08
3	IBEX Auckland	1234.37	28	Flotech Auckland	253.76
4	Fishpond.co.nz Auckland	1230.76	29	New Zealand Finance Holdings * Auckland	246.37
5	Run the Red Wellington	1120.58	30	ServerWorks Christchurch	237.21
6	Digital Island Communications Auckland	1071.59	31	The Optima Corporation Auckland	236.77
7	Escea * Dunedin	1026.86	32	Chillisoft * Auckland	236.71
8	Torpedo7 * Hamilton	968.32	33	LCP Holdings Auckland	225.58
9	TrioDent Katikati	940.15	34	Trilogy Natural Products * Wellington	197.71
10	Potentia Auckland	758.61	35	Key Lumber Rotorua	195.24
11	Agility Group * Auckland	743.30	36	Impac Solutions Wellington	195.01
12	Alexander Bulk Gases Cambridge	637.16	37	Pitango Innovative Cuisine Auckland	191.16
13	CER Group * Auckland	601.63	38	Old Fashioned Foods Group Auckland	190.87
14	NextWindow * Auckland	567.44	39	HiFX * Auckland	185.68
15	Crystal Solutions Auckland	519.31	40	Observatory Crest * Wellington	177.62
16	Mako Networks * Auckland	497.61	41	iQ Toys Mt Maunganui	166.99
17	Mojo Coffee Cartel Wellington	408.32	42	Touchpoint Auckland	166.02
18	Wellington Drive Technologies Auckland	402.17	43	Endace Group * Auckland	164.98
19	Zeald.com Auckland	391.40	44	Match Auckland	160.30
20	Smartfoods Auckland	327.41	45	Kiwibank * Wellington	156.78
21	First Rate NZ * Auckland	304.02	46	Redvespa Consultants Wellington	153.87
22	Trade Me * Wellington	294.42	47	B_E_E Auckland	152.00
23	Tiger Networks * Auckland	294.03	48	Xytech Technologies Auckland	151.99
24	Magic Pulse Wellington	293.69	49	Blue South Translation for Business Wanaka	151.60
25	RimuHosting Cambridge	289.28	50	Andrew Stewart Auckland	151.43

\*Also in 2006 Deloitte/Unlimited Fast 50

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