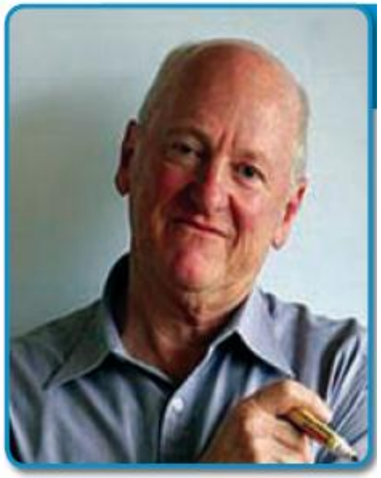

Sir Ken Stevens

Director, Glidepath

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Management Pearls - Practice Managers Programme

Friday, 10 June 2011 | Start 2:00pm | Duration: 90mins | Sportsdrome

Rotorua GP CME 2011

NZMA

General Practice Conference & Medical Exhibition

09-12 June 2011 | Energy Events Centre | Rotorua

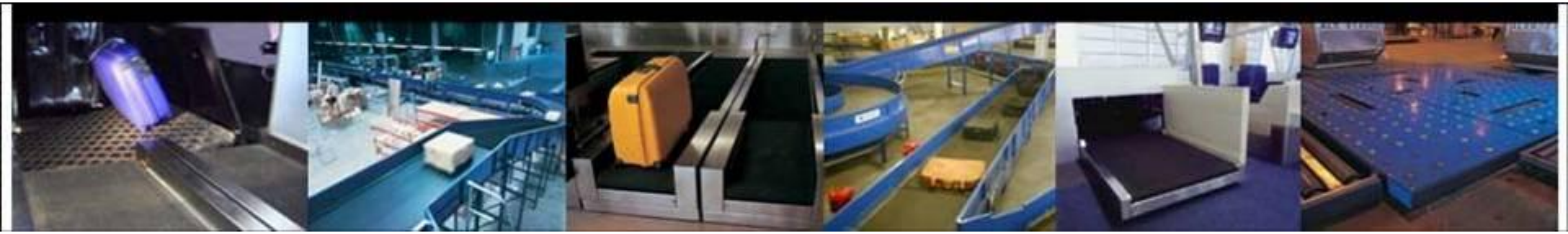
$bucks and Wellbeing Rewards & Retention

Sir Ken Stevens KNZM

Glidepath .....

Designs, manufacturers, installs airport Baggage & Cargo Handling Systems

and related security products



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My guess ....

…. is that Practice Managers fret about :-

- Budget pressures – paying bills – workload
- Improving market share – delivering better services
- Governments role and expectation
- Practice management, skills and training
- Competitive remuneration - Staff retention*

Nothing different here ….you are running another business

Today's address ….

- Deals with final 2 points :-

- Setting up to manage
- Competitive forces NZ v Aus
- Rewards & benefits
- Stopping the rot
- Turn around
- Way forward

My journey here & offshore ….

- Glidepath - 10 offshore entities
- Opened and closed 5 others
- Project offices are in effect a new business entities
- Similarities exist – diversity makes it interesting
- Huge logistical & HR issues have been encountered
- The human element is the imperative
- We're known for stretching a $buck
- We get by – we compete – we win

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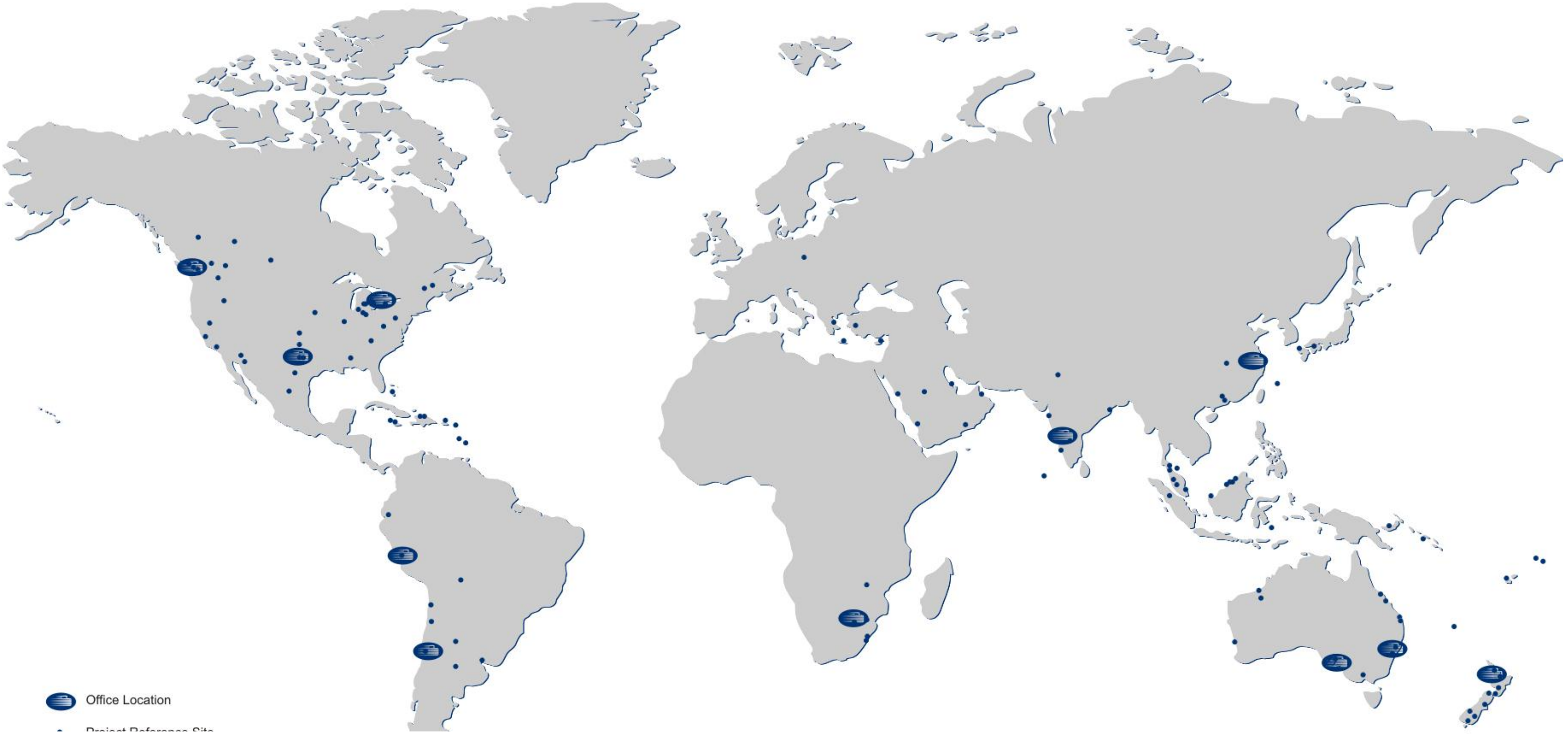
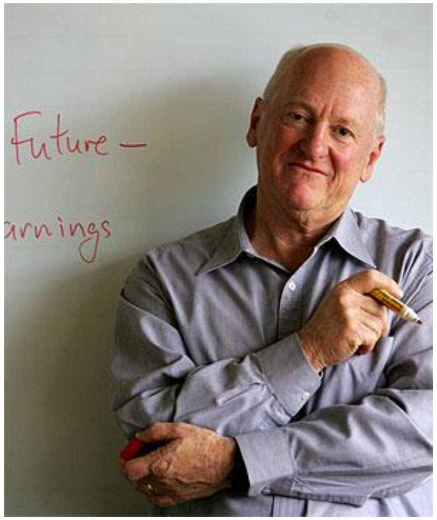
Glidepath's Global Sites…..



608 sites – 63 countries

Other Interests ….



- Export NZ – National Chair
- Asia:NZ Foundation – Trustee/Board
- Business Mentors NZ – Trustee
- NZ Robotics Challenge Trust – Trustee/Board
- The Icehouse – Board
- Howick Ltd - Chair

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Starting on the front foot ….

- What worked for me :-

- Clear expectations to start with :-
- Start at partnership forming - with clear understandings
- Partner expectations are formed from market
- Policy and behavioural manual – high quality
- Revenue expectations – accurate – measurable
- Strict calendar for partner/management meetings
- Duly minuted and circulated – quasi advisory board

Multi-cultural and personality issues

- Ethnic and cultural differences and expectations
- Religious differences
- Language – understanding
- Performance factors
- Output variances
- Thresholds – deadlines – technical - financial – personal
- Rest and leisure expectations

Procedural/behavioural ….

- Set the tone on day one
- Current and relevant documentation
- Hard and soft copies – of uniform content
- Well illustrated and navigable
- Compliance issues dealt with
- Review of all docs – regular updates
- Candid feedback – all staff - all aspects

Plain and simple KPI’s

- Methodology of scoring
- 5 x 5 task breakdown method
- 5 major topics – broken down further 5 times
- Quarterly reviews
- Employee scored – face to face – agree the points
- Employee retains copy immediately
- Written overview follows – 48 hrs max
- Agree rewards – timing – payout terms

Outcomes depend on ….

- Milestones that are well understood and monitored
- Means of regular acknowledgement and feed-back
- Quarterly formal review
- Clear communication lines
- Bad news is promptly and accurately dealt with
- Regular organisational updates
- Staff providing active input into improvements

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Skills drift offshore ….

- In pursuit of the great OE
- To gain experience and additional skills
- For volunteer work
- For spouse & family reasons

But very often it is simply for :-

- Financial gain

Very often Aussie is the Villain ….

So – do we need to bridge the gap

- Requires GDP increase of $40 billion
- PM's tourism portfolio yields $80,000 per employee
- Dairy yields $350,000 per employee
- Technical goods and services exporter $480,000 per.

- Aussie's waiting for us to catch up – Yeah right !!

- And we may end up bottom of the OECD heap

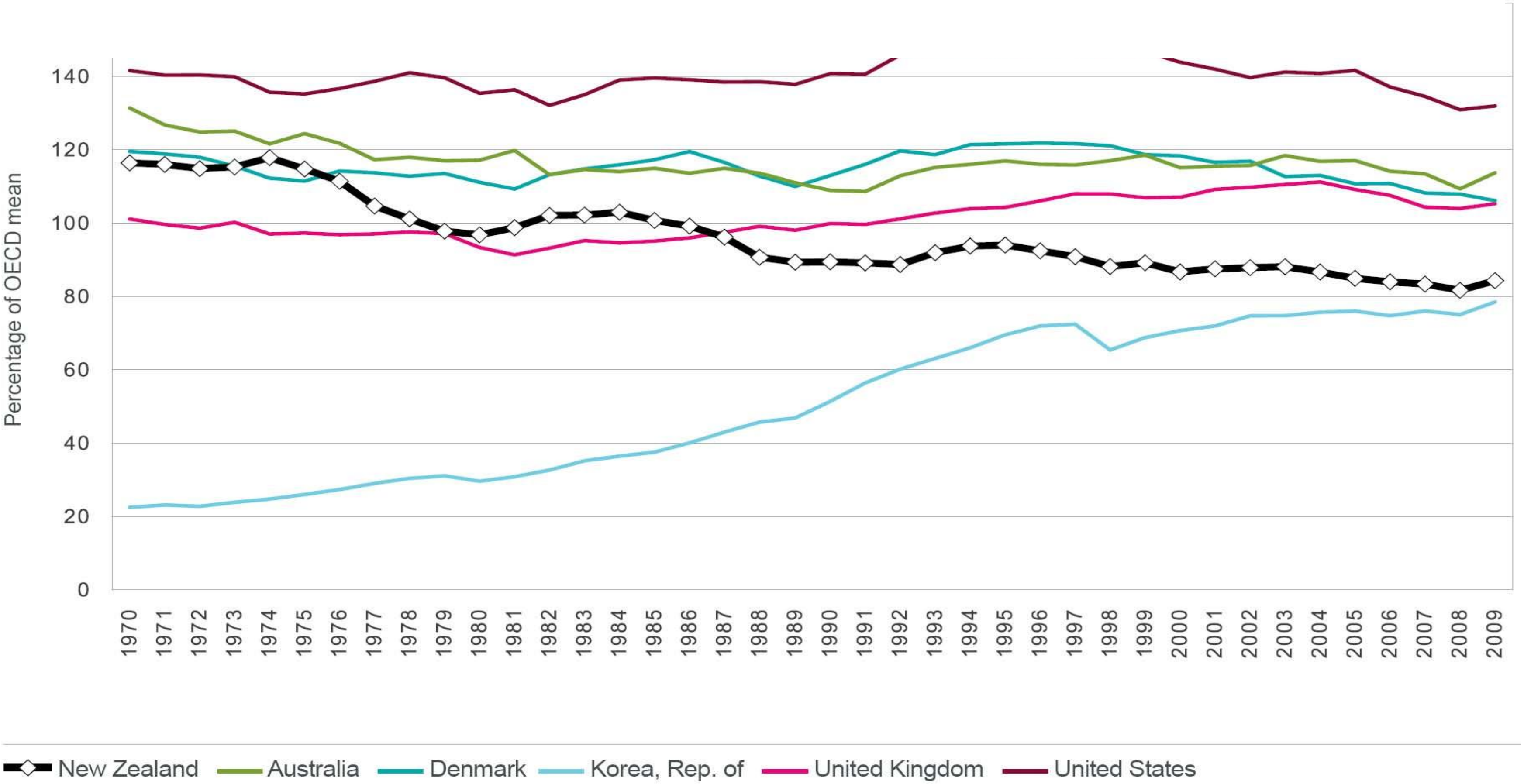
NZ's International Scorecard....

- Lower end of OECD performance
- Mounting debt
- Aging population
- Skills drifting offshore
- At the whim of commodities
- High household debt

Our relative wealth is slipping

New Zealand’s GDP as a percentage of the OECD Average

FIG 1.5 **Nominal GDP per capita as a percentage of the OECD mean (US$ and PPPs)**

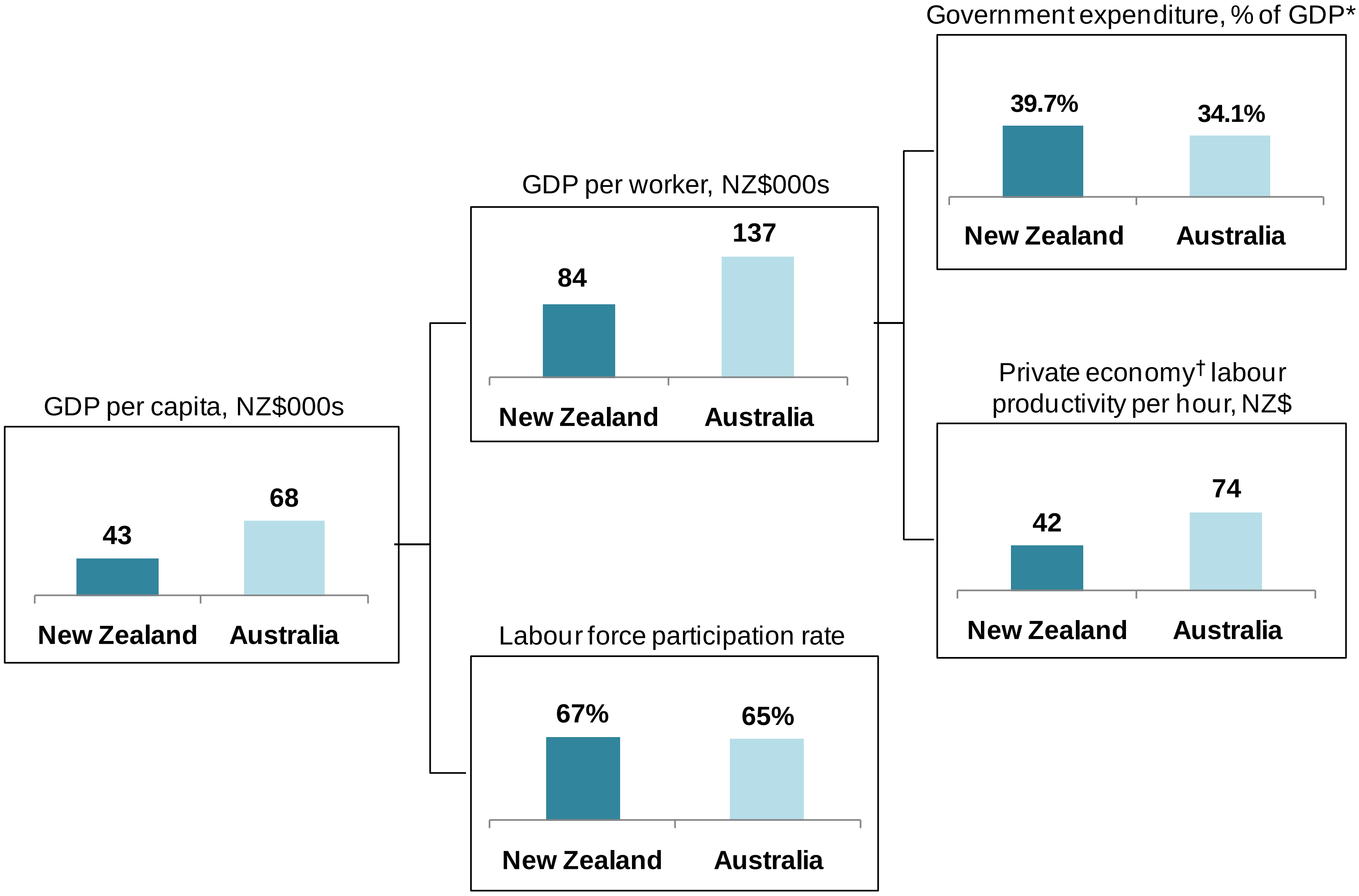


Source: OECD Factbook 2010, GDP per capita

Published in Economic Development Indicators 2011

EXPORT NEW ZEALAND
A division of Business NZ

Productivity v Australia ….



Notes: * 2007 year. † Excludes government. AUS$ converted to NZ$ at 0.839.
Source: OECD; Statistics New Zealand; Australian Bureau of Statistics; Reserve Bank of New Zealand.

Aussie catch-up ….

- Should we worry
- What effect does Aussie’s strength have
- How can we leverage our incomes <
- What other ways can to sweeten the pot

Looking at our rewards

- Basic remuneration – fixed - variable
- Benefits – social – personal – perks
- Work/life rewards
- Performance and recognition
- Career and development

Benefits - categories

- Tangible or solid benefits
- Soft benefits – quantifiable
- Environment benefits – work – home - outdoors
- Fuzzy benefits – family – job – sport – collegial
- Heart & gut – belonging & so on

People and their work ….

- Voluntary work – who does it & why
- Business Mentors – experts give of their time
- 40 foreigners assist NZ in their markets - why

- People like to chat about their work
- Most folk like their work – sector – industry – profession

- So isn't there a conversation here – "wealth & wellbeing"

Job satisfaction depends on ….

"Professional satisfaction is derived from a job well done"

From :-

- Working within sound guidelines
- Strict standards & conduct
- A great working environment
- Superb communication
- Candid feedback
- Genuine acknowledgement of the individual
- Comfort in our knowledge & skills
- Community/industry/professional esteem

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Treasuries view ….

Reading – Treasury report 25th May :-
"Working Towards Higher Living Standards for New Zealanders"

- Cash is not the only reward

- But if we must catch Aussie

- We must lift our game nationally
- Gross national income continues to slip behind OECD
- So for now we must reward in softer more variable ways

Stop the rot ….

- We can't hover in limbo for ever
- Foreigners will scalp our best and brightest
- We continue to underachieve
- We rate ourselves in so many ways
- We lead the world in many sciences and technologies
- We lead the world in many sports

- *We are the little guy – punching above our weight*
- *We are the #8 wire solution blokes*

Need for renaissance ….

We :-

- Are not just a farm
- Are not just a destination
- Need value added industries/professions/services
- We have the intellectual horsepower
- Reap the reward of our training & skills
- Build wealth and prosperity into our nation

The imperative ….

A rapid lift in GDP

Through:-

- Innovation lead productivity uplift – smarter not harder
- Applied science & technology
- Reap what we sow from our educated youth
- Tech firms stepping up
- A source of capital from savings

Earn our place in the global market

Educators are producing ….

- World class education & it continues to improve
- Producing skills that are in global demand
- Many innovative youngsters with ambition
- Tertiary institutes ‘get it’
- Govt claims it ‘gets it’

- But we lose these great assets overseas too often

Students are engaging ….

World class results from:

- Spark Entrepreneurial Challenge – UABS
- Vex Robotics Challenge Trust – High Schools
- Business Enterprise Challenge – Asia:NZ
- Entrepreneurs Challenge – Bidwell/UABS
- Global Enterprise Challenge – High Schools
- Kiwi/Asian Diaspora emerging

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Turn it around and have ….

- A skills & value-added economy
- Organisations capable competing globally
- Technologies that are in global demand
- Connections & relationships in key markets
- Market leading skills and technology sectors*

- The choice of enjoying - wealth & lifestyle

Creators of wealth ….

- Professionals –Technicians – Innovators
- Organisation that are globally competitive
- Internationalised companies
- The tertiary institutions do their bit
- Students who “get it” – will certainly lead the way
- Internationalised organisations will provide tech careers

Leader's challenge ….

Nation wide campaign to internationalise our industries

With the imperative of :-

- Developing new strategies around internationalisation
- Re-apportioning budgets in favour of science & technology
- Fostering R&D, sciences, technology
- Adding value every step of the way - LEAN practices
- Rewarding excellence and performance

So where it's at ….

- Wellbeing over wealth is our current mode
- The need to be more astute managers
- Soft/rewards are powerful bargaining chips for now

Future direction:-

- Lift the nations competitiveness
- Internationalise our technologies & compete
- Build international markets through enduring relationships
- Youth and education – the key to our future

In conclusion ….

- Our place in the global pecking order must be earned
- Our prosperity assured through internationalised trade
- Our youth encouraged into sciences & technology
- Our artisan/trades skills base secured and grown
- Reward of our high achievers
- Celebrate our successes*

Then we may retain our skills, improve personal incomes & provide opportunities for our youngsters coming through.