

# Venture Taranaki: Results of the June 2020 Business Survey



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TARANAKI  
Te Puna Umanga

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like no other

- Monitors economic confidence by Taranaki enterprises and their views on key business issues
- Undertaken by Venture Taranaki 6-monthly since 1999
- Sent to over 1700 enterprises; cross-section of industry type, location, size
- Standard economic questions, plus a special topic: **COVID-19 impacts and learnings**
- **Timing – undertaken just as the nation shifted to Alert Level 1**

# ECONOMIC CONDITIONS | NEW ZEALAND

The majority of respondents do not have a positive outlook on the national economy over the next 12 months.

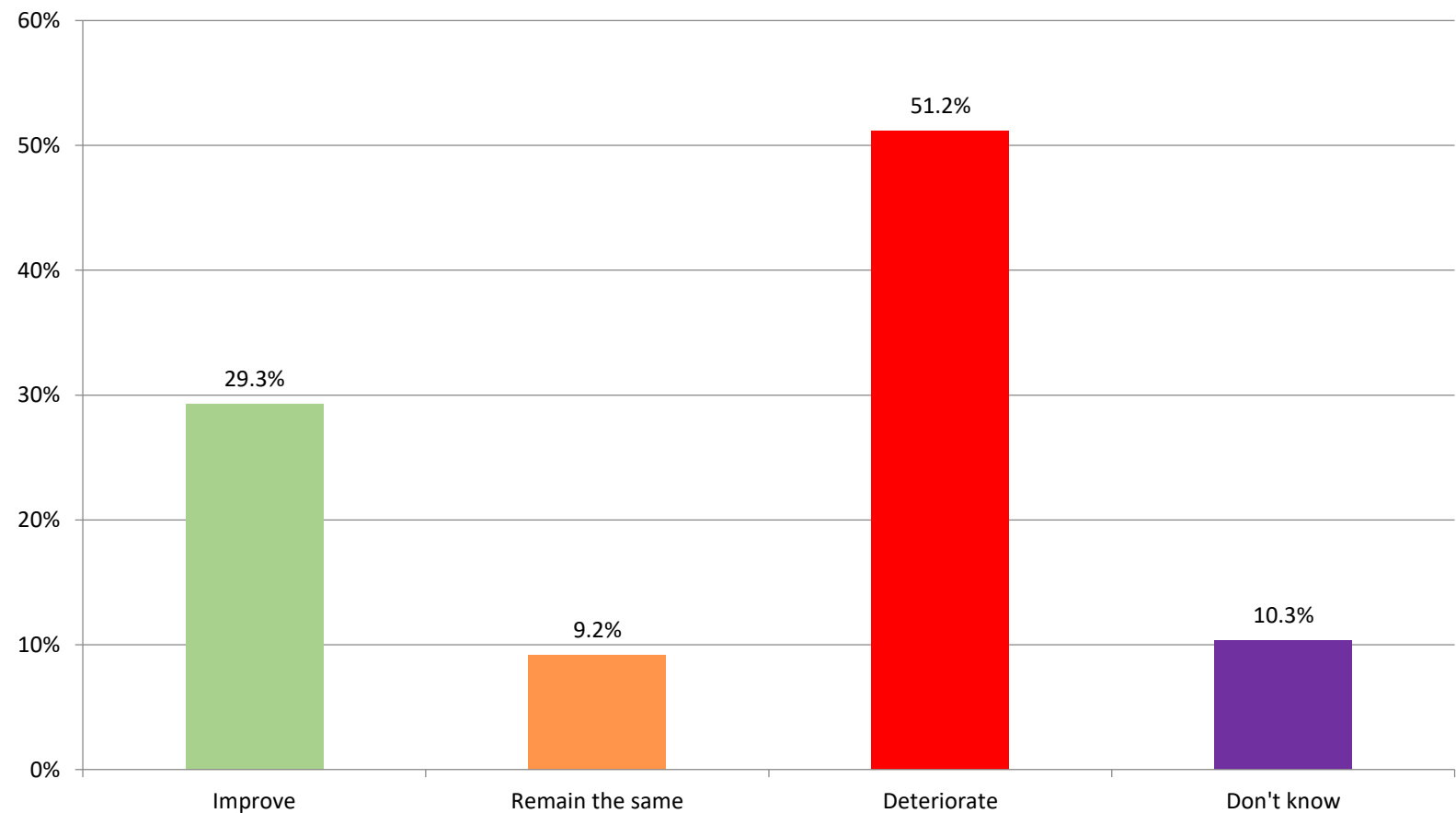
Improve – 29.3%

Remain the same – 9.2%

Deteriorate – 51.2%

Don't know – 10.3%

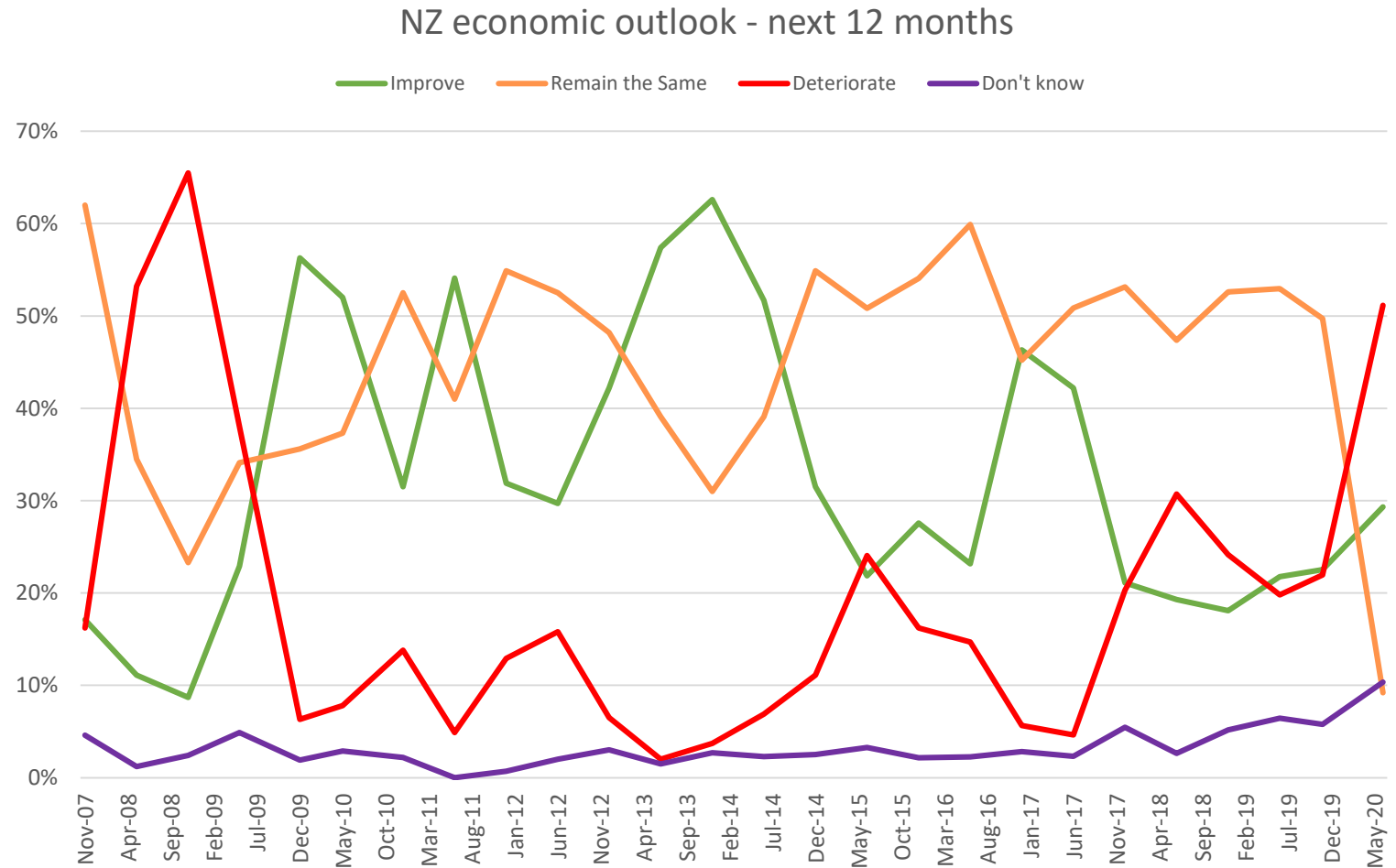
NZ economic outlook - next 12 months



# ECONOMIC CONDITIONS | NEW ZEALAND

Sharp increase in view that economic outlook will deteriorate - 51% of respondents, compared to 22% previously.

More uncertainty around the economic outlook than we have seen historically.



# ECONOMIC CONDITIONS | INDUSTRY OUTLOOK

Similar to NZ outlook,  
increasing sentiment  
towards industry  
deterioration in the  
coming 12 months.

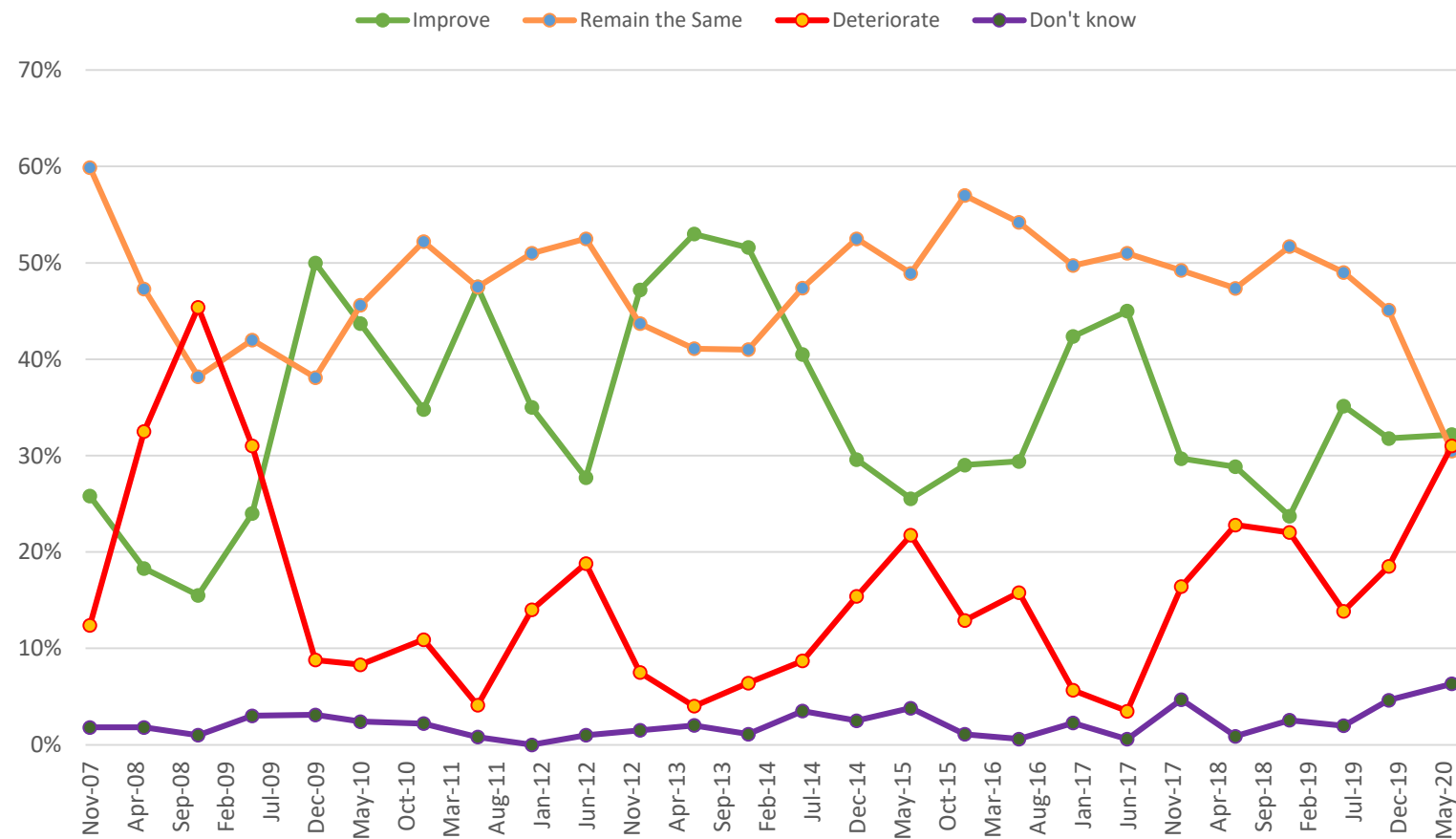
Improve – 32.2%

Remain the same – 30.5%

Deteriorate – 31%

Don't know – 6.3%

Industry outlook - next 12 months



# ECONOMIC CONDITIONS | TARANAKI OUTLOOK

Mixed results concerning Taranaki's economic outlook over the next 12 months.

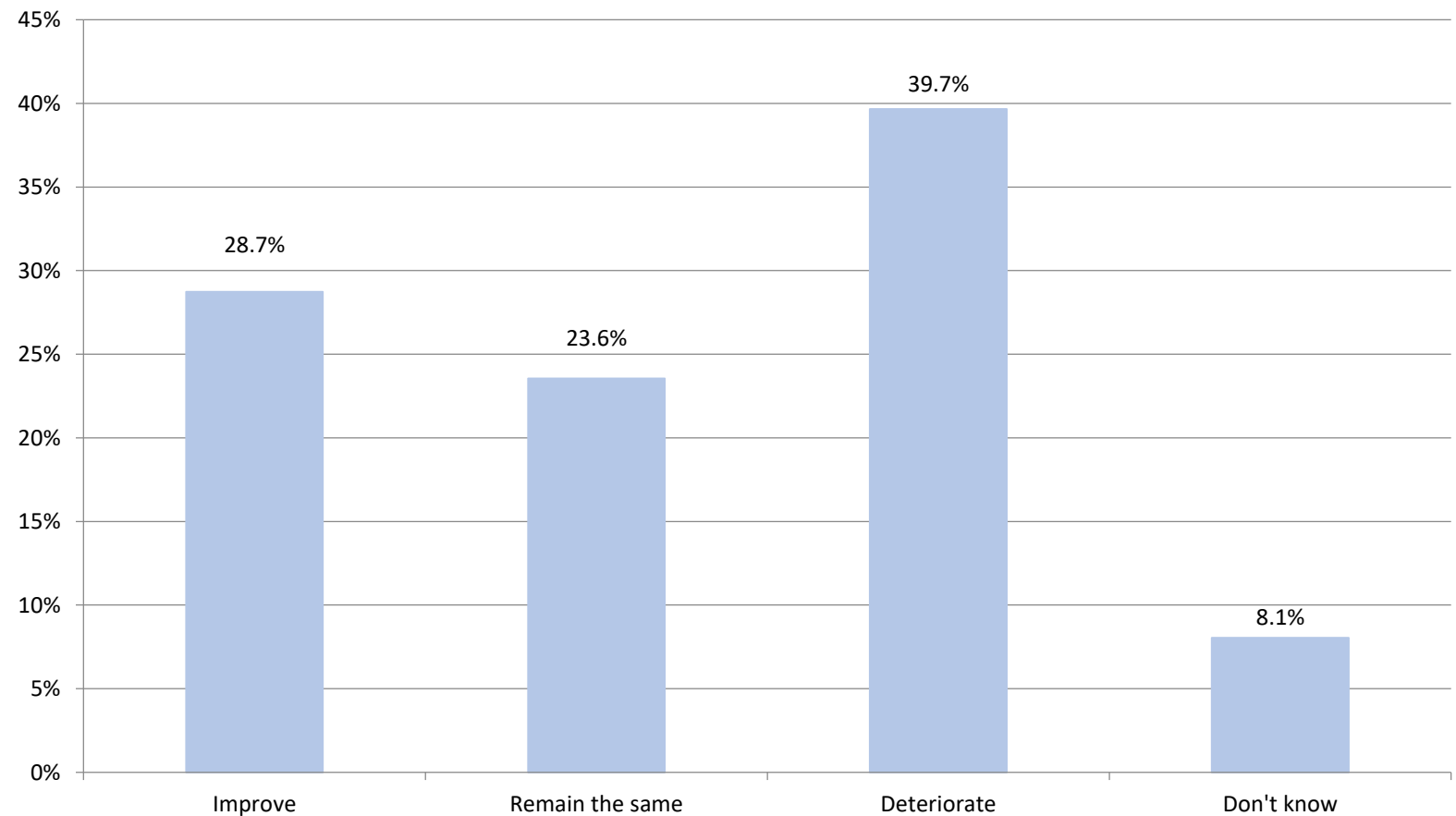
Improve – 28.7%

Remain the same – 23.6%

Deteriorate – 39.7%

Don't know – 8.1%

Regional outlook - next 12 months

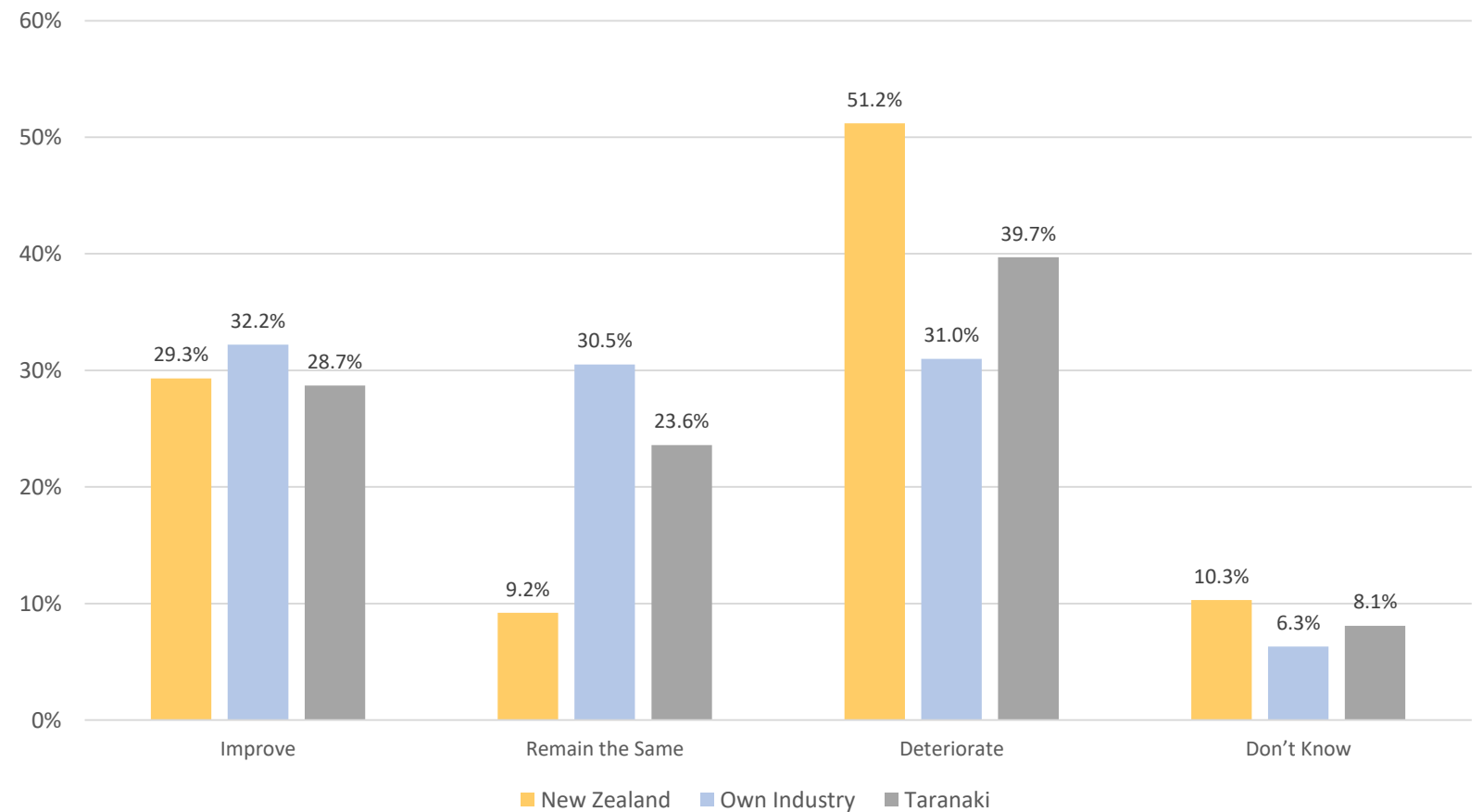


# ECONOMIC CONDITIONS | NZ vs INDUSTRY

Respondents feel more positive about their own industry outlook as opposed to the national or regional economic outlook.

Respondents identify the greatest deterioration will take place in the national economy compared to their own industry and regional economy.

Conditions over the next 12 months



# ECONOMIC CONDITIONS | SALES FORECAST

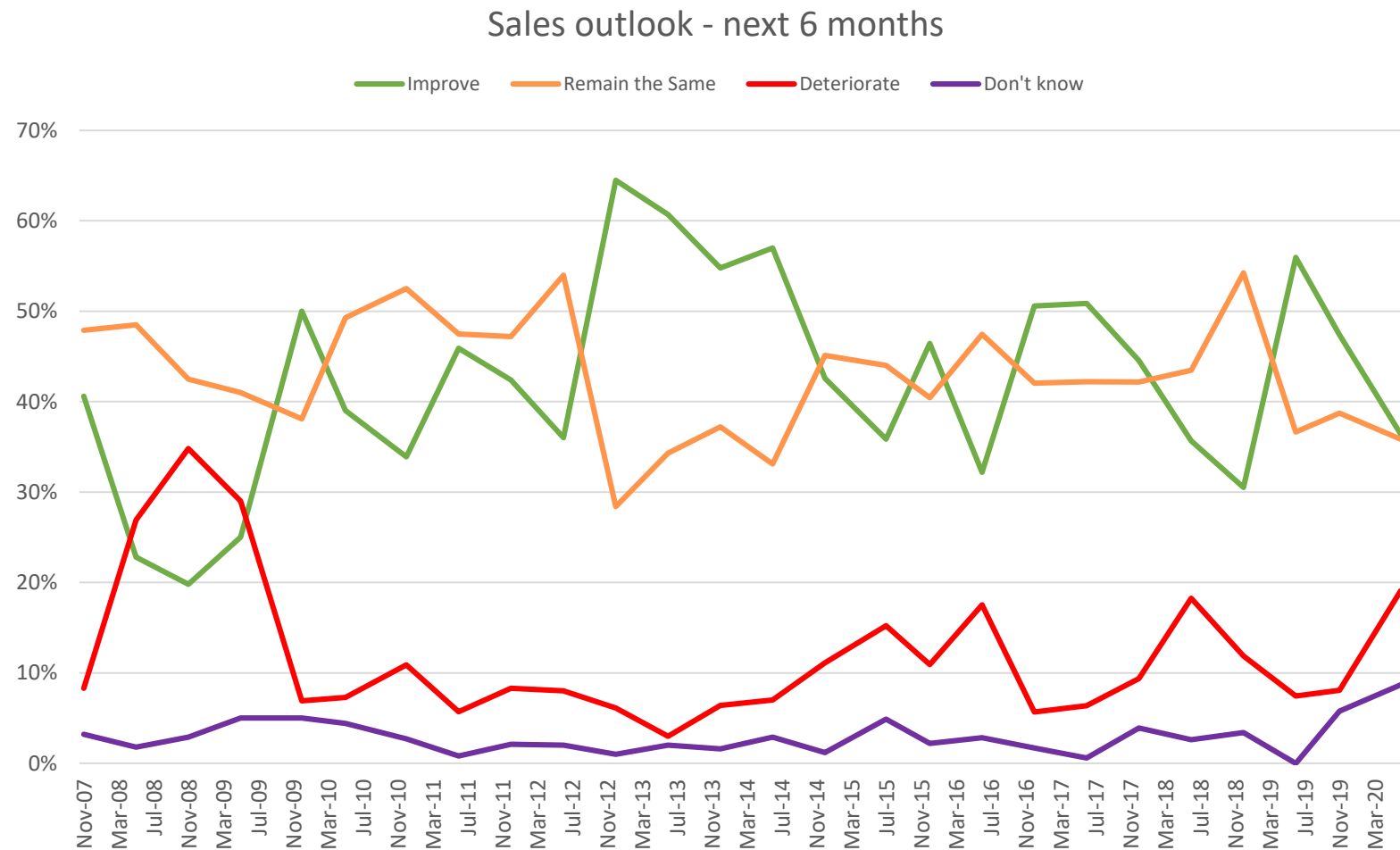
Sales forecast less confident for the next 6 months.

Improve – 36% (was 47%)

Remain the same – 36% (was 37%)

Deteriorate – 19% (was 8%)

Don't know – 9% (was 6%)





# ECONOMIC CONDITIONS | TARANAKI BUSINESS CONCERNS

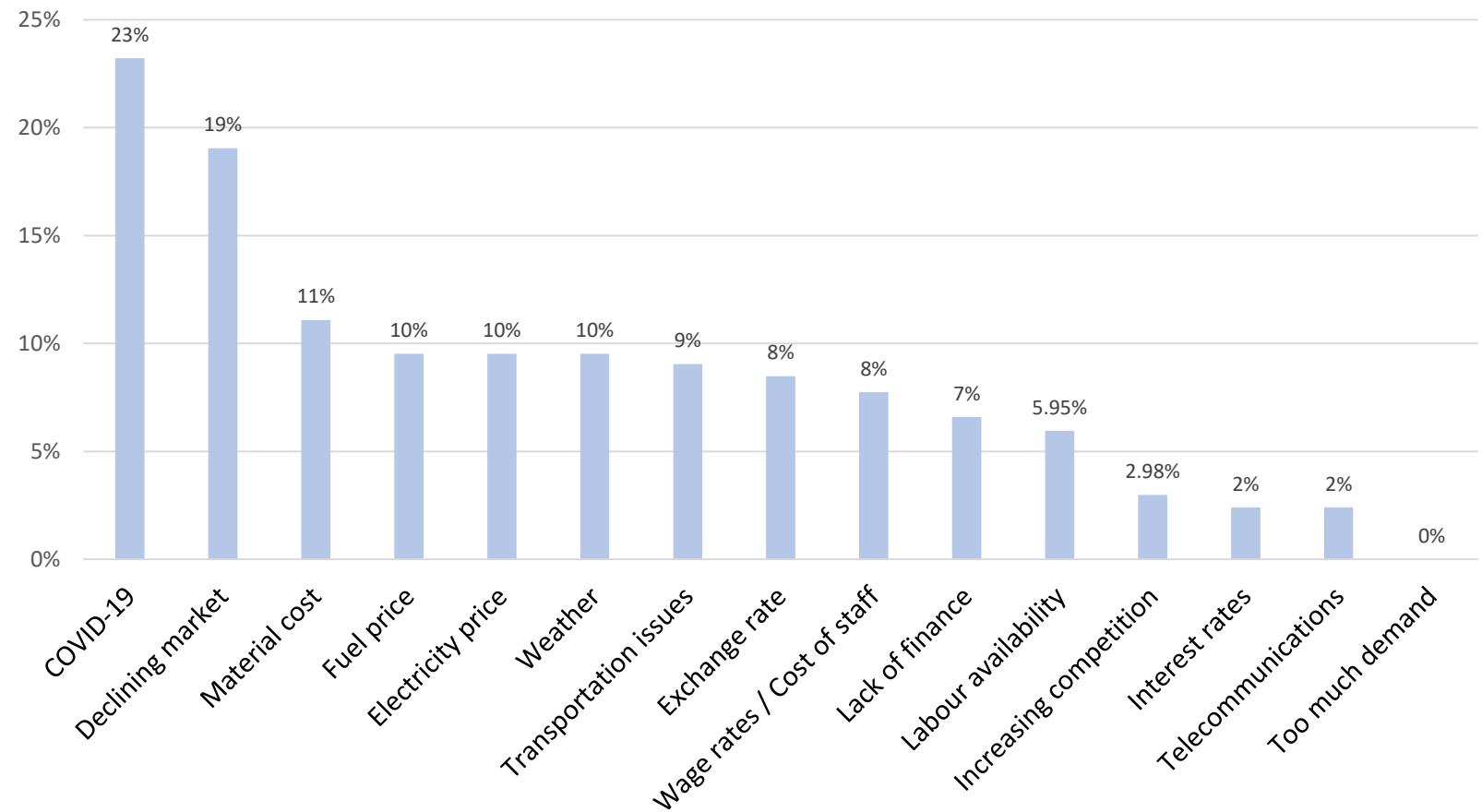
Greatest concern:

Ongoing/unknown impacts  
of COVID-19 (23%)

Others:

- Declining market
- Costs of business
- Weather

Factors that have the largest impact on Taranaki enterprises



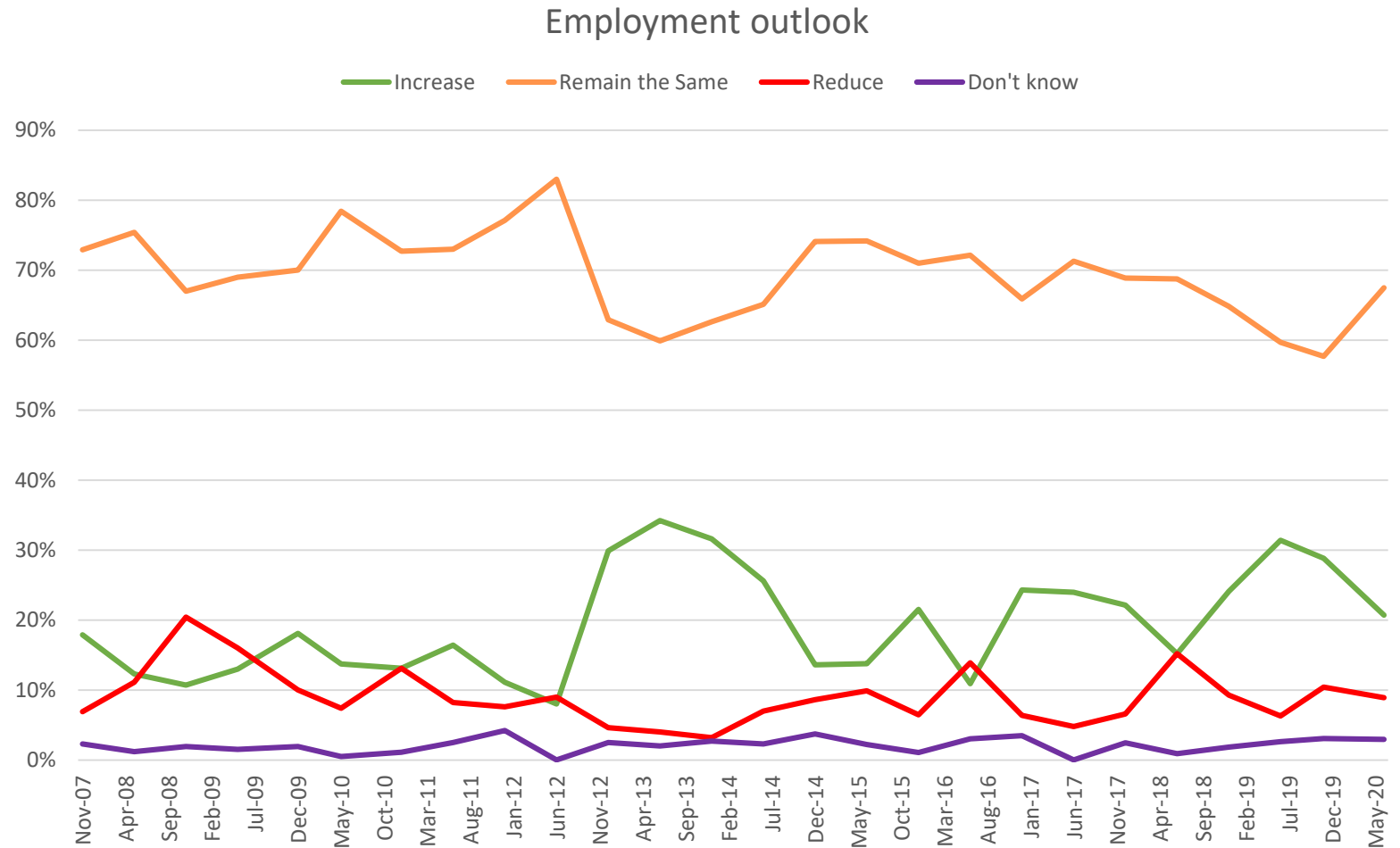
# ECONOMIC CONDITIONS | FACTORS

- *“Now focusing more on the local market while the borders are indefinitely closed”*
  - *“International events impacting on overall economy”*
  - *“Impact of COVID border restrictions on ability to travel to execute business”*
  - *“Uncertainty in the industry”*
  - *“Reduced sustainability funding confidence”*
  - *“More concerned that we do not get a repeat of what has been, as economy would be destroyed”*
  - *“Many of our supplying businesses have not adapted well ... a lot will be going out of business”*
  - *“Finance options have changed but opportunities to source elsewhere have increased”*
  - *“I am anticipating getting more market share as competitors struggle with post-COVID environment”*
- 
- Travel/borders
- Confidence
- New opportunities

# ECONOMIC CONDITIONS | EMPLOYEE NUMBERS NEXT 6 MONTHS

**Majority anticipate holding firm on staff numbers.**

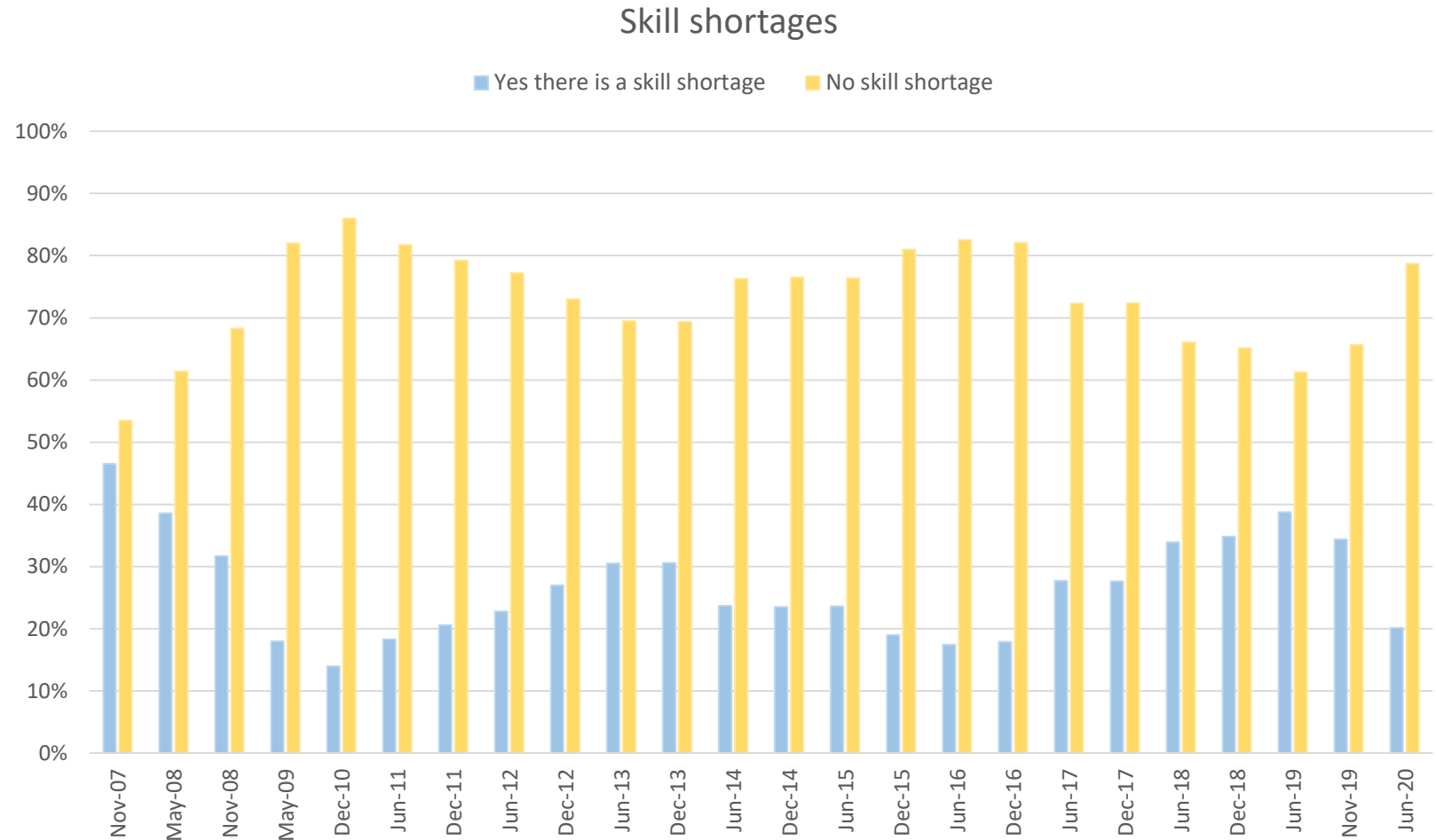
From the last survey we are seeing an increased confidence in enterprises being able to **retain staff**, although **not increase staffing numbers**.



# ECONOMIC CONDITIONS | SKILLS SHORTAGE OR DIFFICULTY HIRING?

79% - do not currently experience skill shortages.

This is the highest confidence in the ease of hiring appropriately skilled staff since December 2016.



- *“People with the right attitude and willing to work”*
- *“Require skilled staff which takes 2/3 years to attain a commercially viable level”*
- *“Lack of skilled professional pool in Taranaki”*
- *“Young staff don’t want to work”*
- ***“We need an extra but will wait until business returns to a little normality”***
- *“These days it is the young with the skill. But with the skill is not practical experience. Following that when you employ and train them up, they leave and head elsewhere for newer opportunities”*



# SPECIAL TOPIC | COVID-19 IMPACTS AND LEARNINGS

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# SPECIAL TOPIC: COVID-19 | PANDEMIC RESPONSE

New Zealand's  
handling = 3.95 stars  
(out of 5)



New Zealand's handling of the COVID-19 pandemic, including decisions this country has made concerning lockdown, information provision and support?

Taranaki's handling =  
3.89 stars (out of 5)



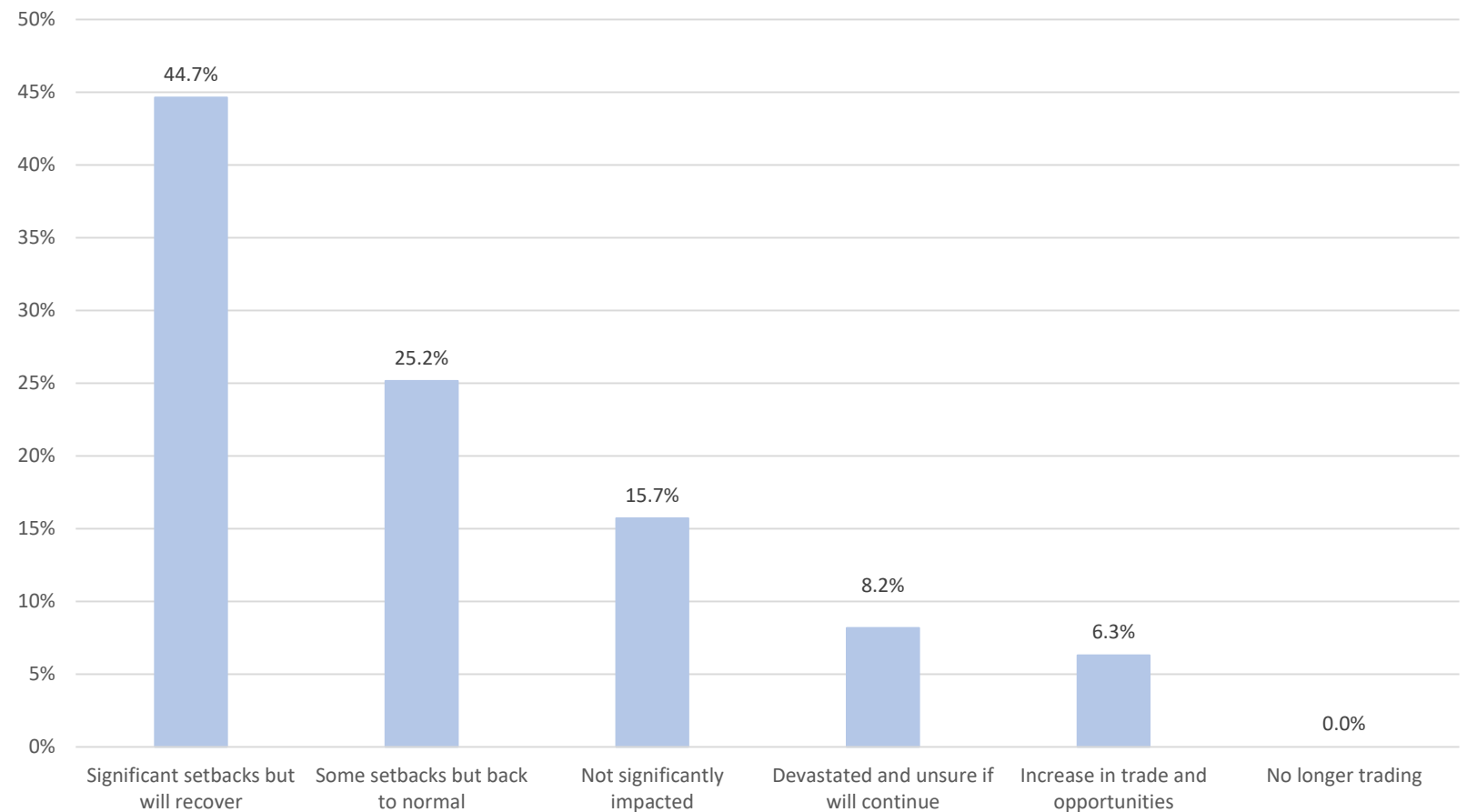
Taranaki's handling and response to the COVID-19 pandemic, including the lockdown phases, information and support?

# SPECIAL TOPIC: COVID-19 | ENTERPRISE IMPACTS

45% - significantly impacted by COVID-19, but were confident in their ability to recover.

16% of respondents not significantly impacted by COVID-19.

Impact of COVID-19 on enterprises



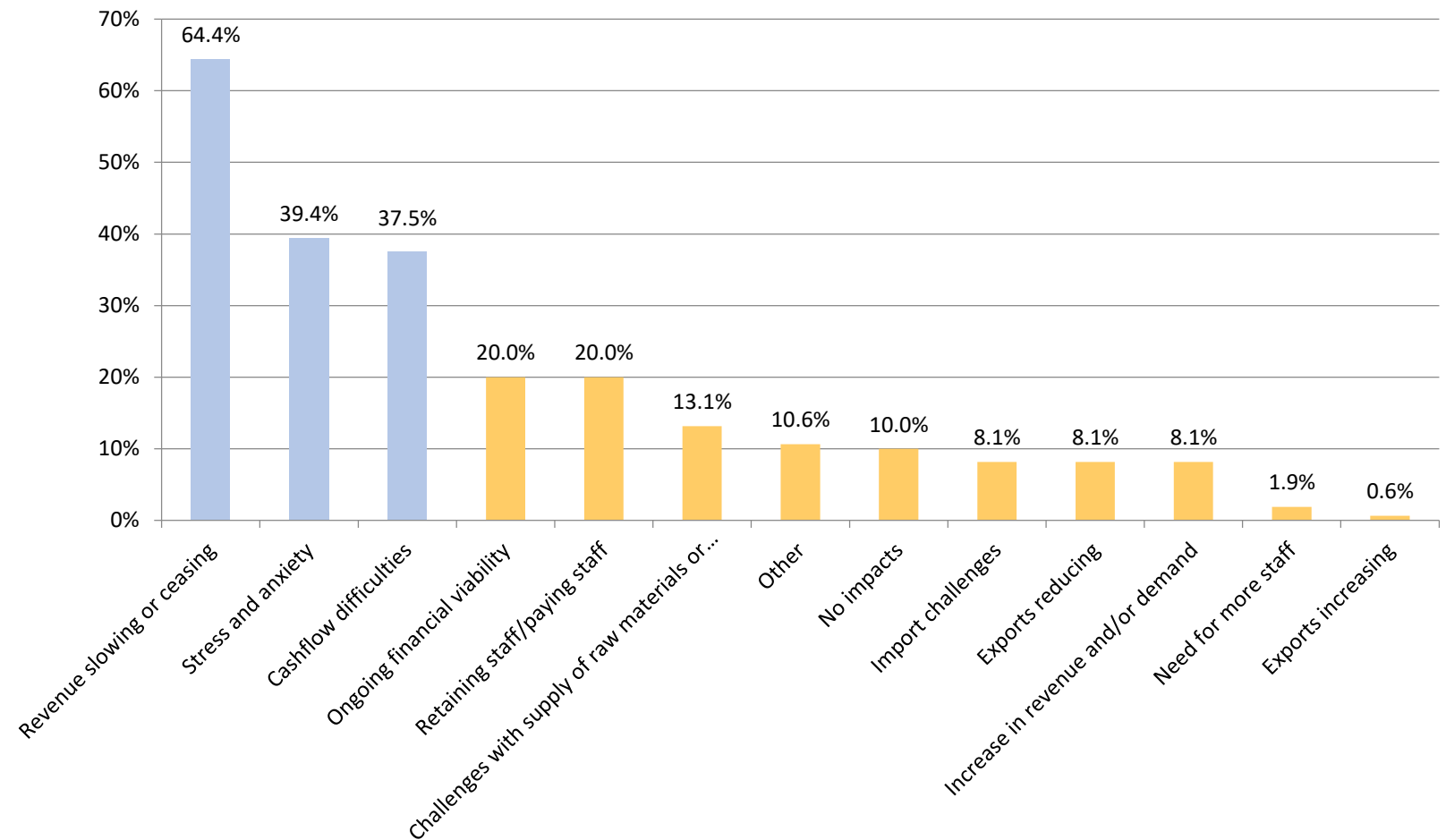


# SPECIAL TOPIC: COVID-19 | AREAS IMPACTED

The top three areas of business most impacted:

1. Revenue slowing or ceasing
2. Stress and anxiety
3. Cashflow difficulties

Top three areas impacted by the COVID-19 pandemic

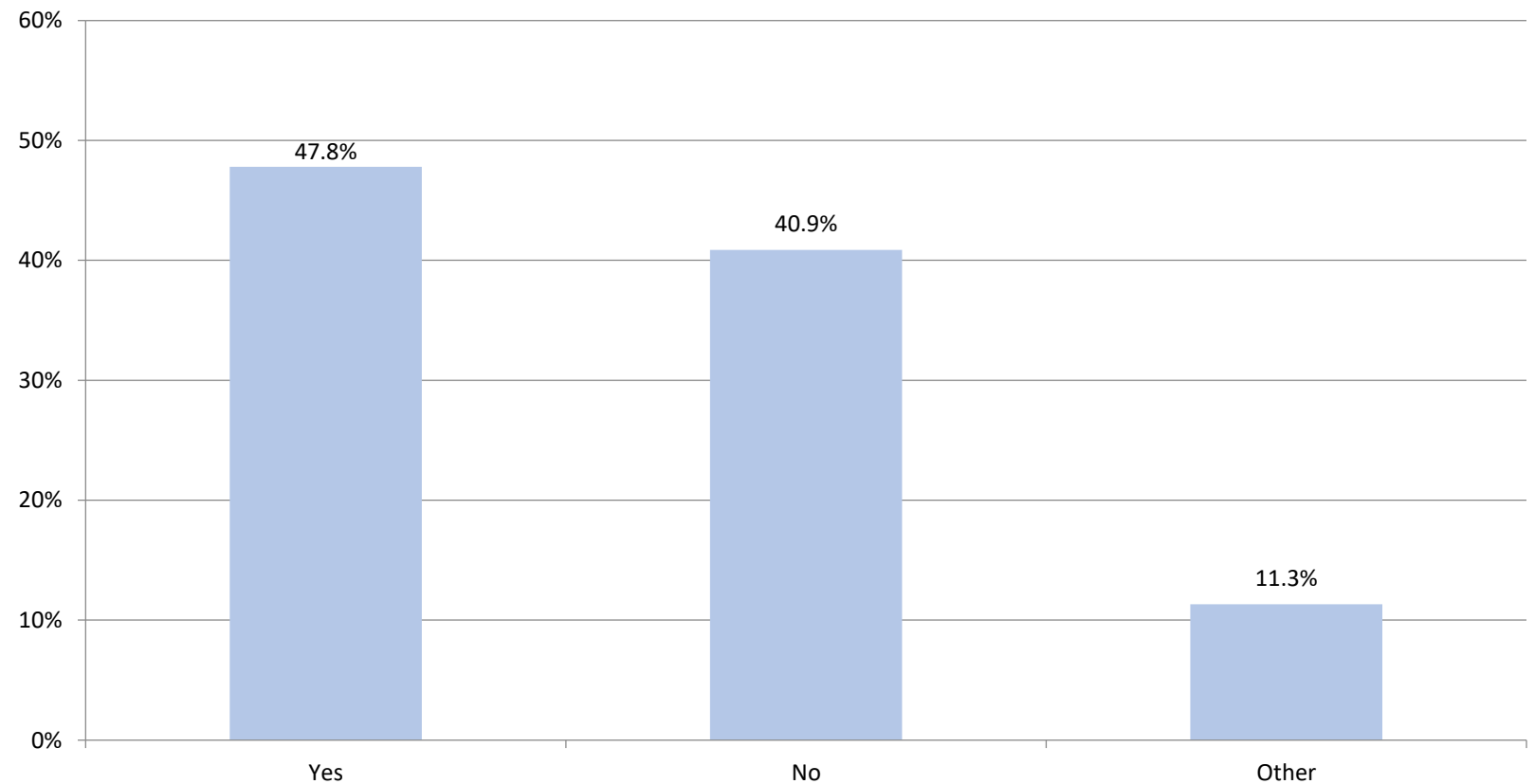


# SPECIAL TOPIC: COVID-19 | REMOTE WORKING

48% of Taranaki enterprises surveyed shifted to remote/virtual working during Alert Levels 4 and 3.

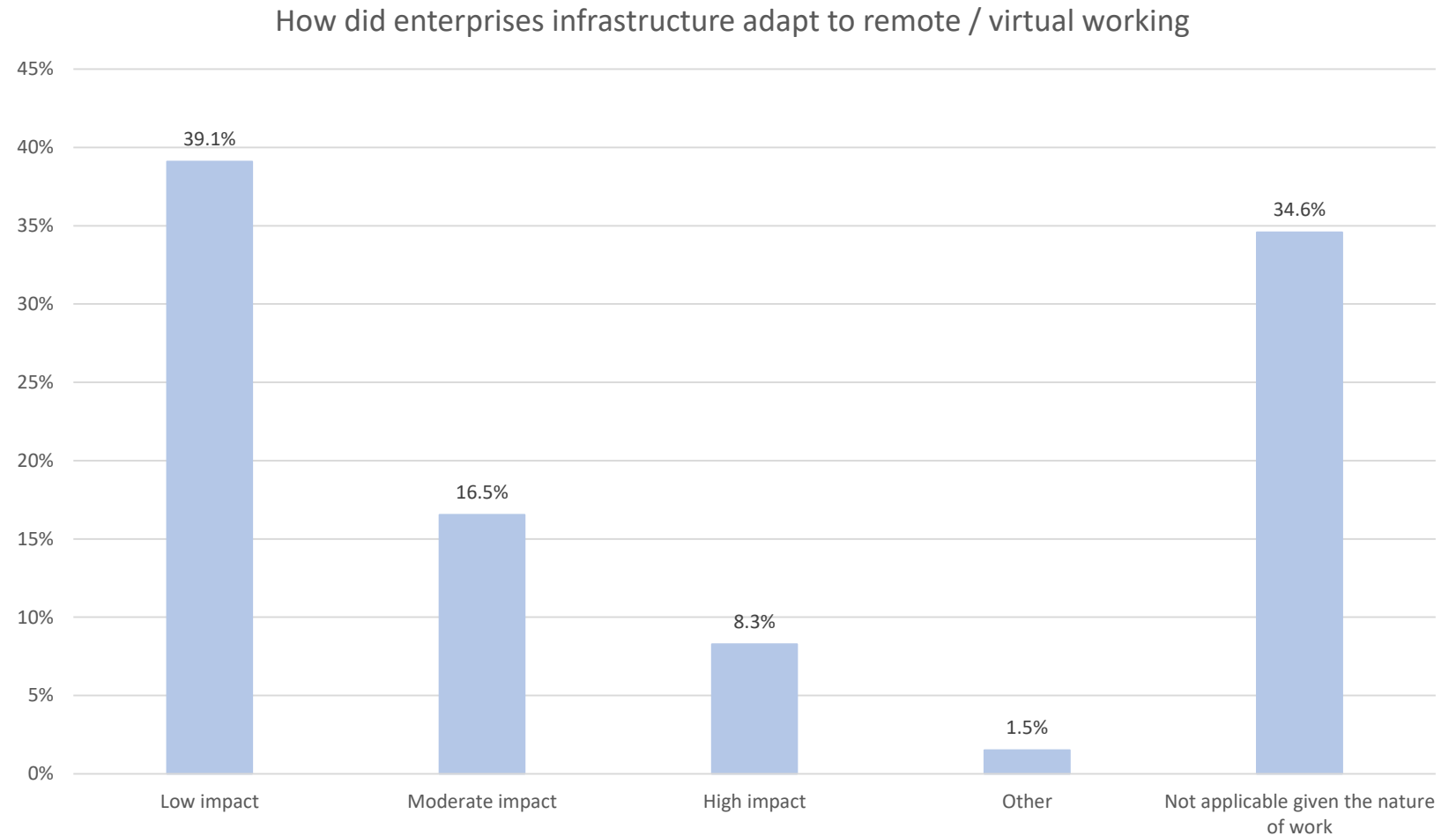
41% of enterprises surveyed did not shift to remote/virtual working.

Percentage of enterprises that shifted to working remotely/virtually (all or in part), during Levels 4 and/or 3



# SPECIAL TOPIC: COVID-19 | INFRASTRUCTURE ADAPTABILITY

39% of enterprises reported the transition to remote working had a low impact given their infrastructure. Those that answered 'other' had only part of their enterprise working remotely, and the other already had flexible work practices in place.



**When asked how their enterprise's organisation culture adapted to the change of virtual/remote working, the following responses were received:**

- *“Badly, very time consuming for little reward”*
- *“No change, the external social aspect however was affected”*
- *“Really well. Created excellent communication streams, which I think helped with team moral”*
- *“We adapted quickly and made sure we scheduled regular catch-ups and virtual social events outside work hours – had competitions etc.”*
- *“There is no way we could sustain that for a long period of time”*
- *“We experienced some cultural disconnect and isolation and had to regularly check in on our peoples’ wellbeing”*

## Cont.

- *“Well. Accelerated adoption of suitable protocols”*
- *“Well and made sure communication was top of list”*
- *“Devolved decision making to a cross-function team operating through TEAMS worked well”*
- *“With great difficulty”*
- *“High trust model worked well in most cases”*
- *“Trying to adopt more virtual working in regular times including some staff working from home for the foreseeable future (less people in the open space office = less distractions)”*

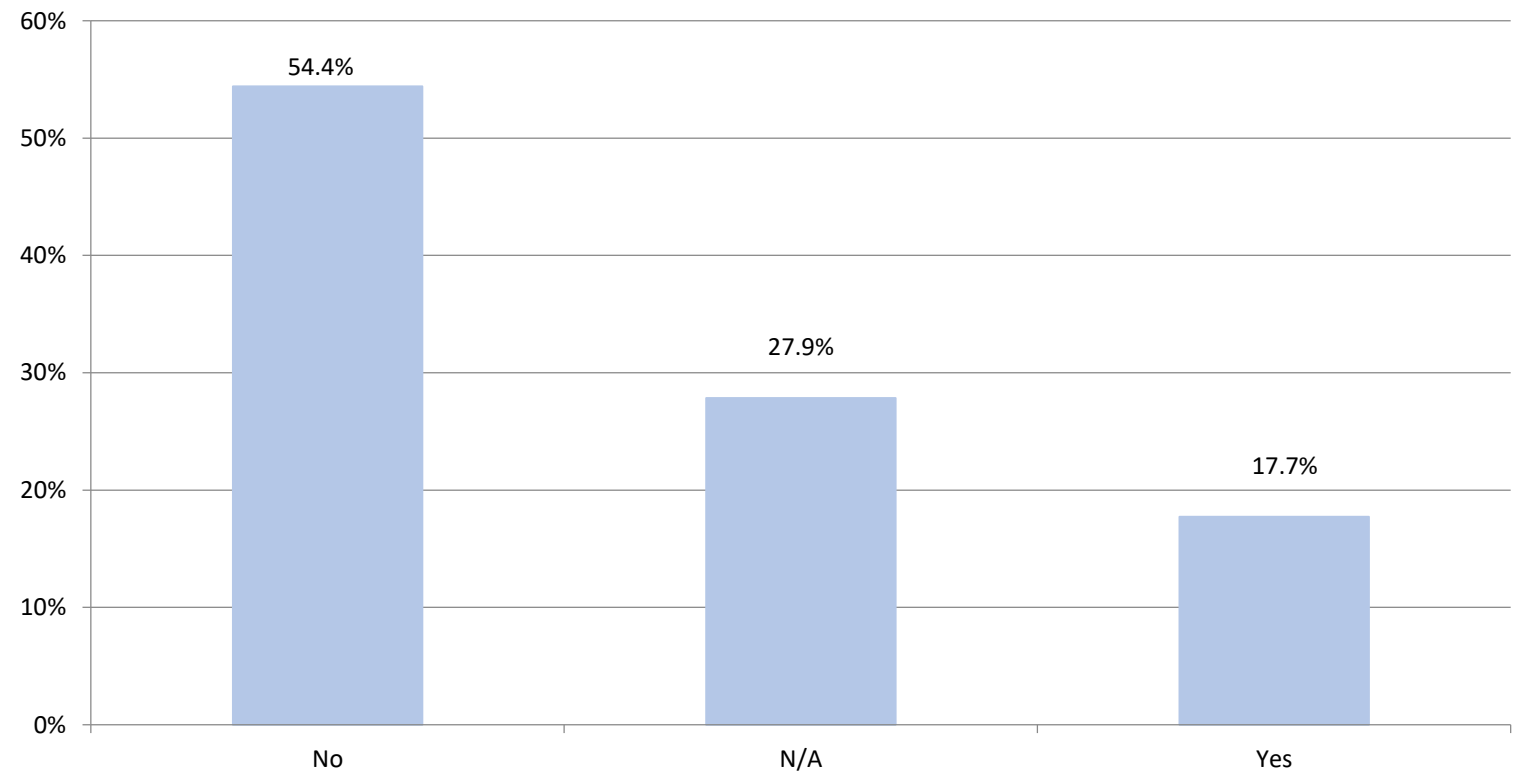
# SPECIAL TOPIC: COVID-19 | REMOTE WORKING

Majority - not  
considering  
implementing a remote  
working option for staff.

18% - would consider

28% - N/A - not an  
option

Percentage of enterprises considering, or in the process  
of implementing a remote or virtual work option for all or  
some staff



## Details provided of considered/implemented approach:

- *“In the process of developing a co-working space in South Taranaki”*
- *“Opportunity for individual staff to work both at home and at the organisation’s locations”.*
- *“Providing remote access via vpn and laptops”*
- *“Flexiweek allowing a proportion of the working week to be worked flexibly including remotely”*
- *“We now have the permanent option of working a few days per week from home if they choose”*

# SPECIAL TOPIC: COVID-19 | BIGGEST RETURN TO WORK CHALLENGES

29% - social

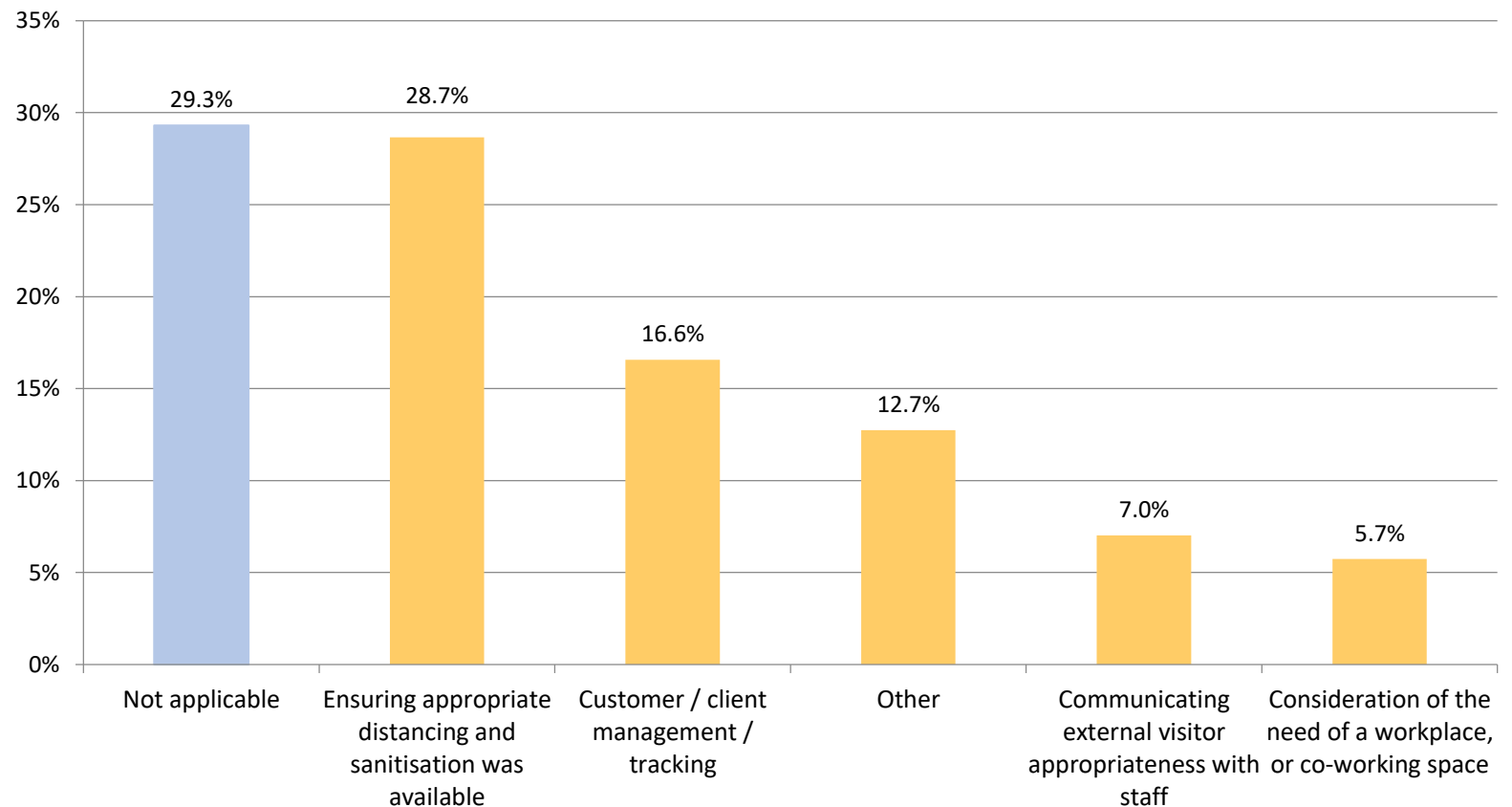
distancing/sanitisation

17% - customer tracking

Other challenges:

- Travel restrictions,
- Product availability,
- Anxiety/stress among staff
- Trade restrictions.

### Biggest challenges faced by enterprises as they returned to business after lockdown

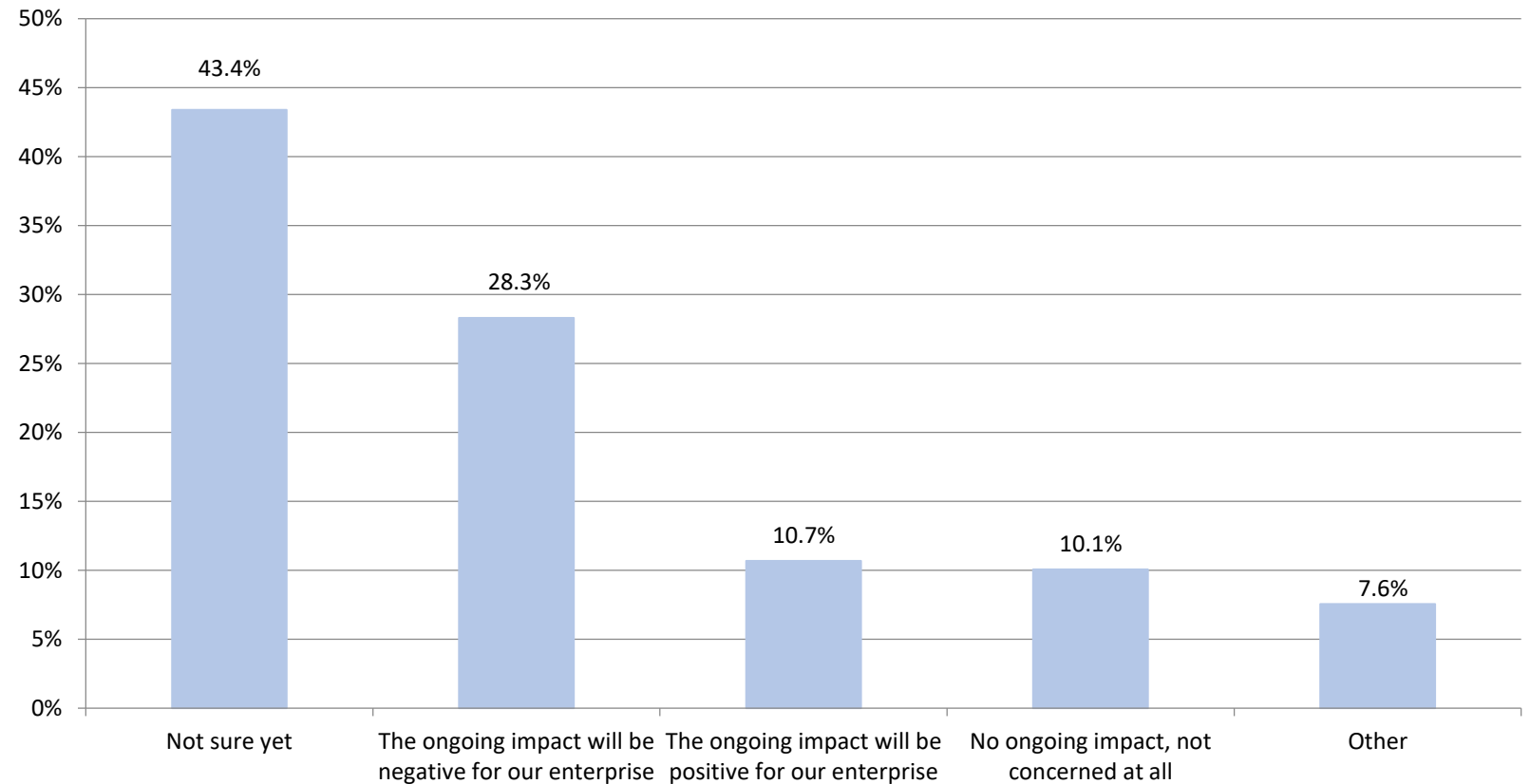




# SPECIAL TOPIC: COVID-19 | LOOKING AHEAD 3-6 MONTHS

Over 43% of enterprises are unsure of the ongoing impacts of COVID-19 on their business, with over 28% of enterprises envisioning an ongoing negative impact.

How concerned are enterprises on the ongoing impacts of COVID-19 over the next 3-6 months



# SPECIAL TOPIC: COVID-19 | WORKFORCE NUMBERS

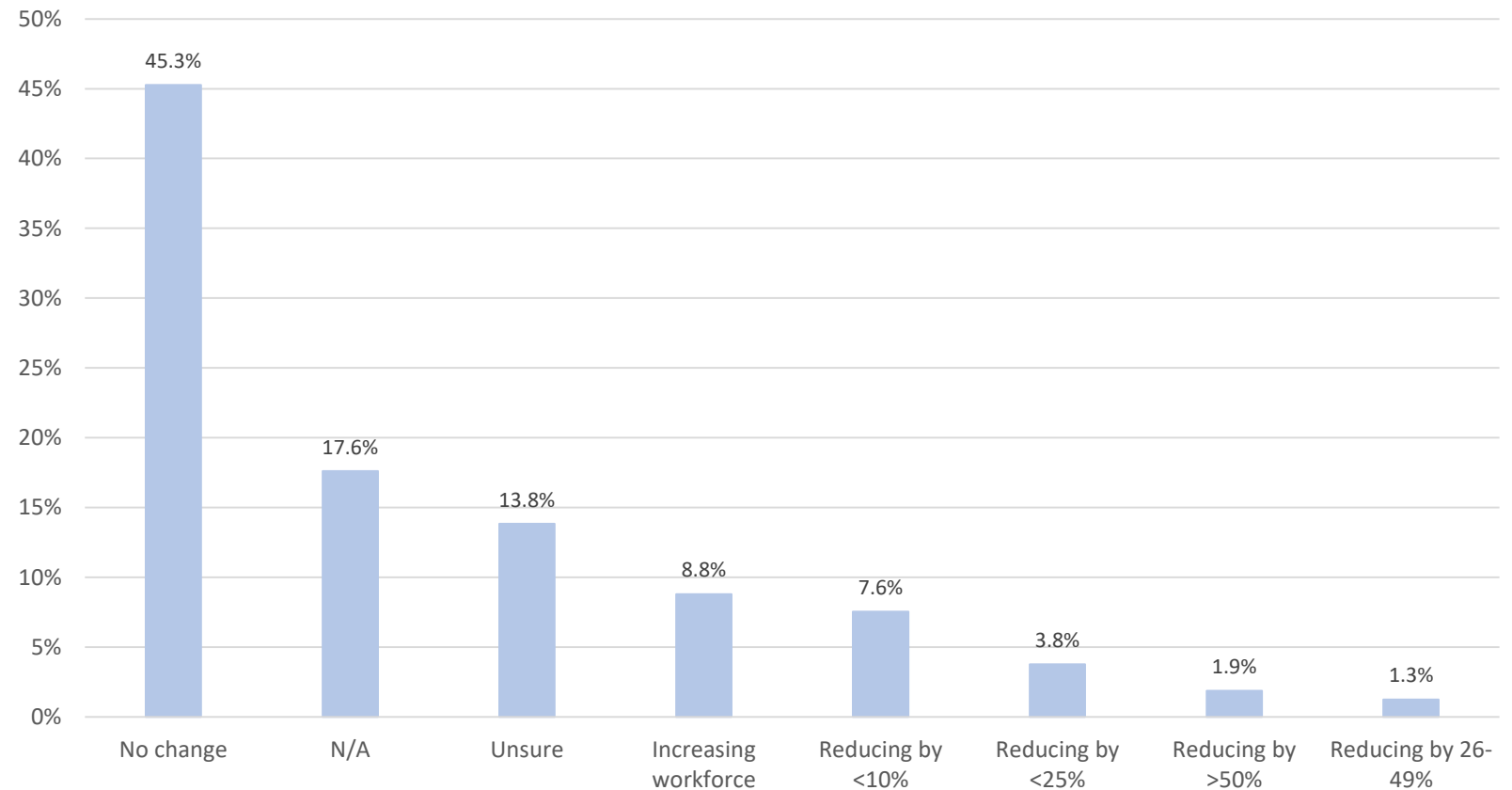
**45%** - anticipate no change  
to current workforce  
numbers

**14.6%** - decrease

**13.8%** - unsure

**9%** - increase

Anticipated (or already made), changes to workforce numbers as a result of COVID-19



# SPECIAL TOPIC: COVID-19 | 'CATCHING UP' WITH WORK

55% - no rush to 'catch up' with work once Alert Levels lowered.

38% - Experienced 'catch up'

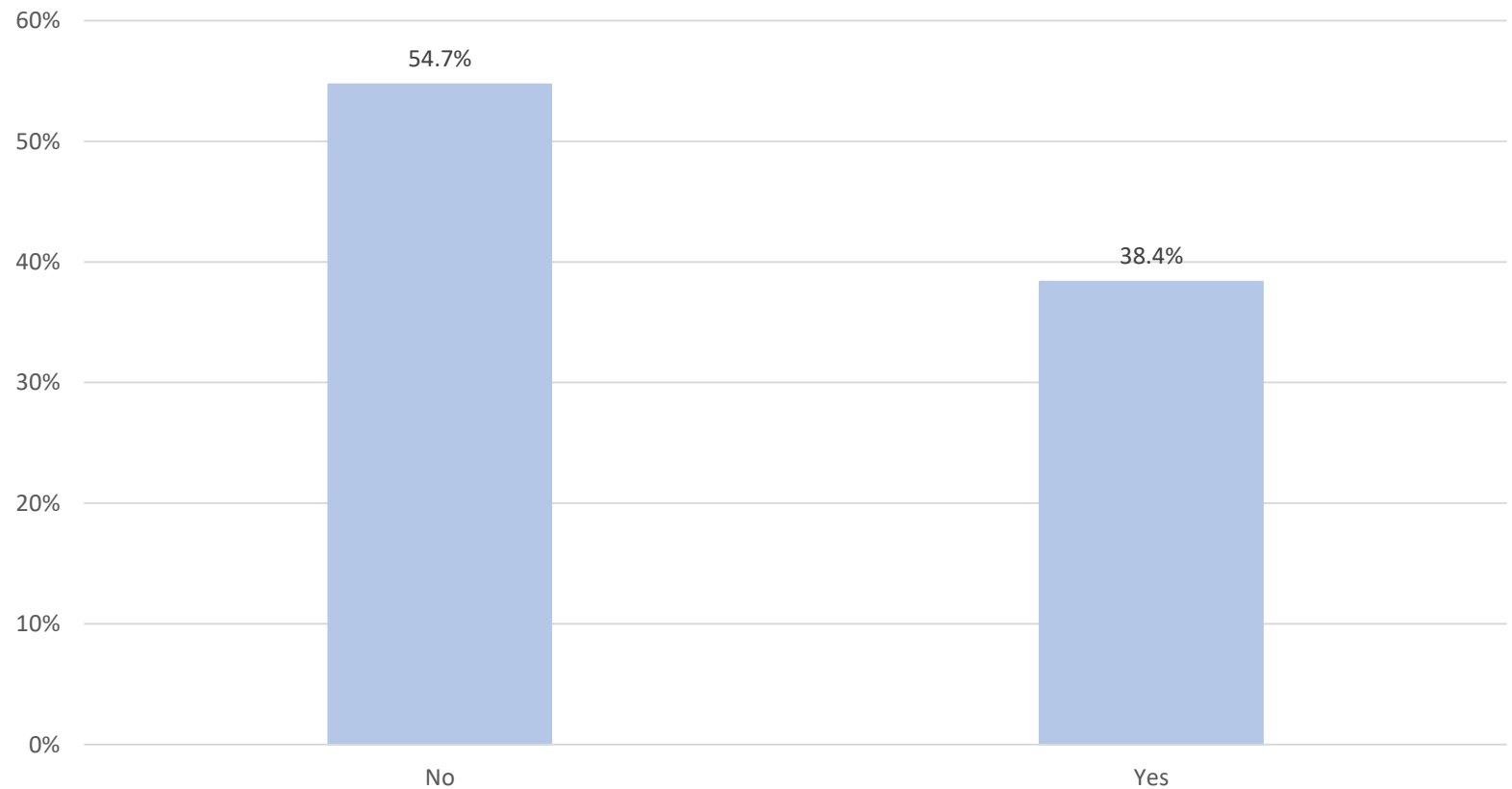
Other:

"had to put projects on hold due to cashflow issues with investors",

"Had a big rush now very slow",

"Extra work but less staff and more hours".

Are enterprises anticipating/experiencing a rush to 'catch up' with work demands



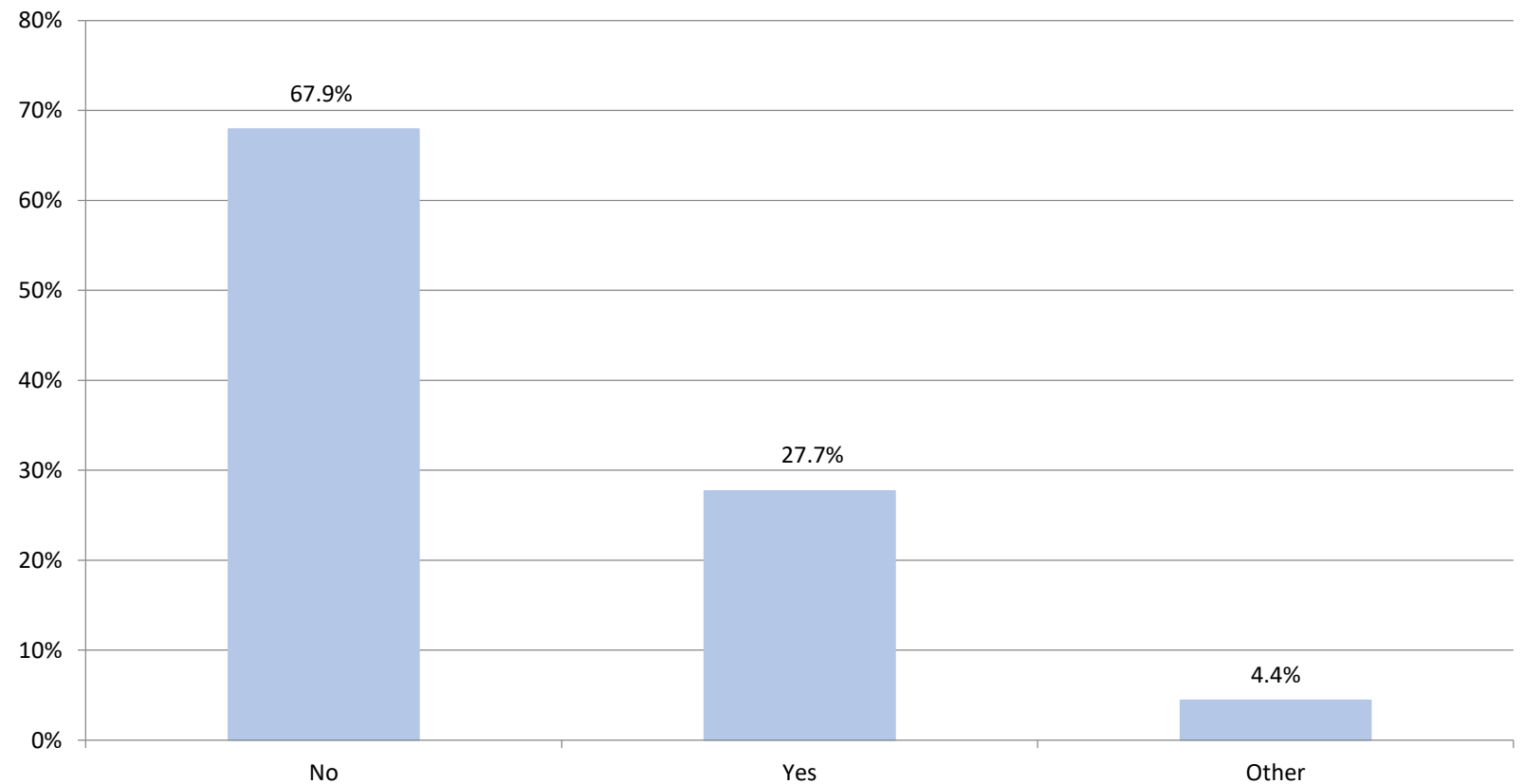
\* Responses do not equal 100% due to respondents being able to enter comments instead of selected a yes or no option

# SPECIAL TOPIC: COVID-19 | NEW OPPORTUNITIES

28% - COVID-19 has created new commercial opportunities for them.

“New commercial opportunities are likely ... it’s a matter of keeping aware of the challenges and changes.”

Has COVID-19 created new commercial opportunities for enterprises



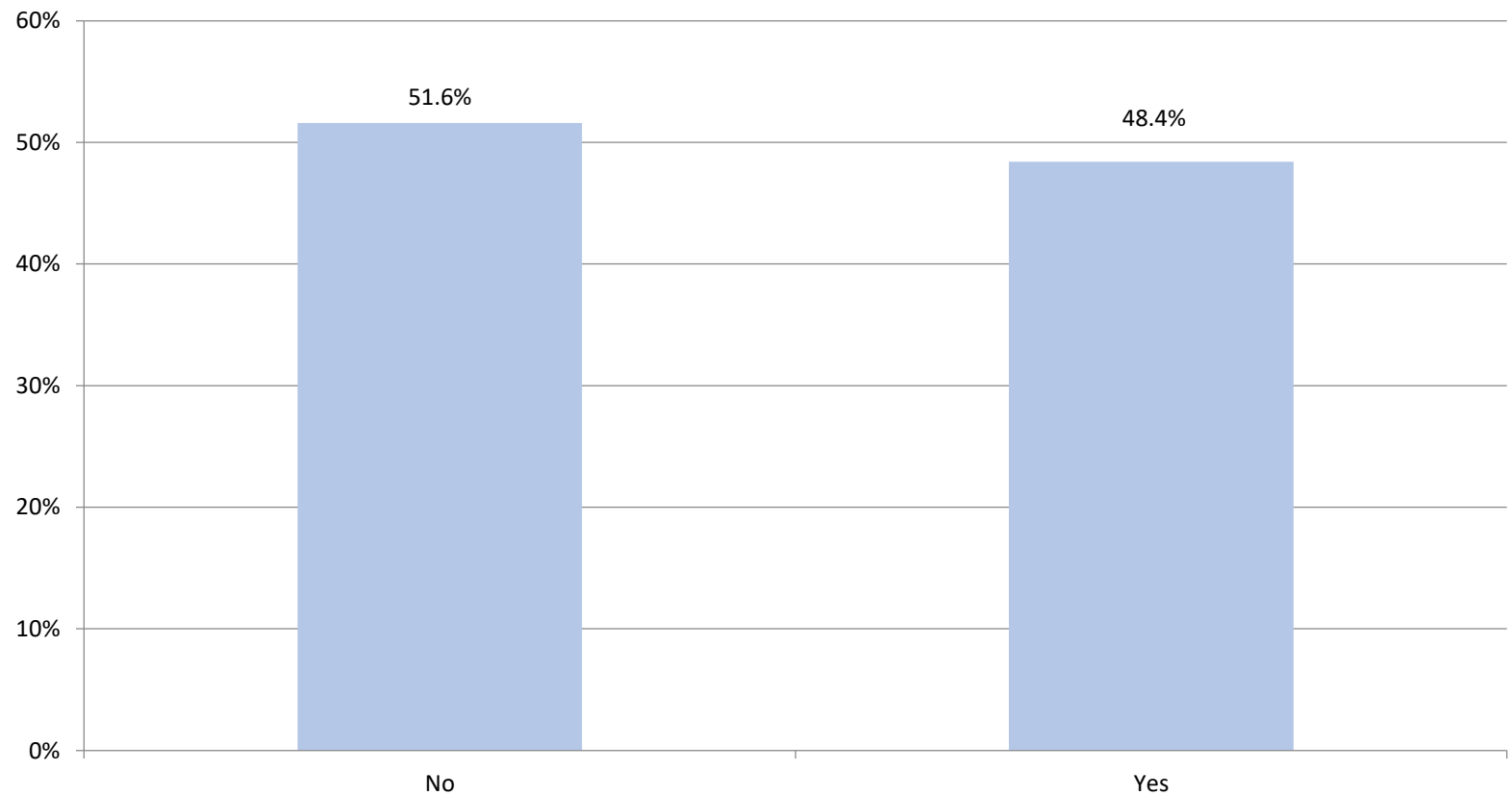
# SPECIAL TOPIC: COVID-19 | BORDER RESTRICTIONS AND GLOBAL IMPLICATIONS ON BUSINESS

Results – quite close

52% - global border restrictions did not directly or indirectly impact on their business.

48% - did impact on their business.

Will global border restrictions or global implications have a direct or indirect impact Taranaki enterprises



# SPECIAL TOPIC: COVID-19 | PRACTICES AND LEARNINGS TO BE INTRODUCED

- *“Options for online digital selling of information will be implemented”*
- *“Look at preparedness of remote work”*
- *“Better systems for electronic review and sign off”*
- *“Less travel. More electronic communications, less direct contact with clients”*
- *“Better internal communication and better management of expenses”*
- *“To be better prepared for future shocks”*

Tech

Finance

# SPECIAL TOPIC: COVID-19 | ENDURING CHANGES AND TRENDS

- *“Reduced demand for commercial space – increased flexibility for employees”*
  - *“More readiness to accept non-traditional work practices, e.g. virtual meetings”*
  - *“Fear of travel”*
  - *“Financial viability of business”*
  - *“Slowing in spending as people are more cautious”*
  - *“More focus on innovation, R&D, local manufacturing and exporting”*
  - *“A more centralised economy”*
  - *“More understanding of Taranaki’s work force capabilities and keeping work local”*
- Change in methods of working
- Financial considerations
- Support local



# SPECIAL TOPIC | TARANAKI EXPERIENCE AND LOOKING AHEAD

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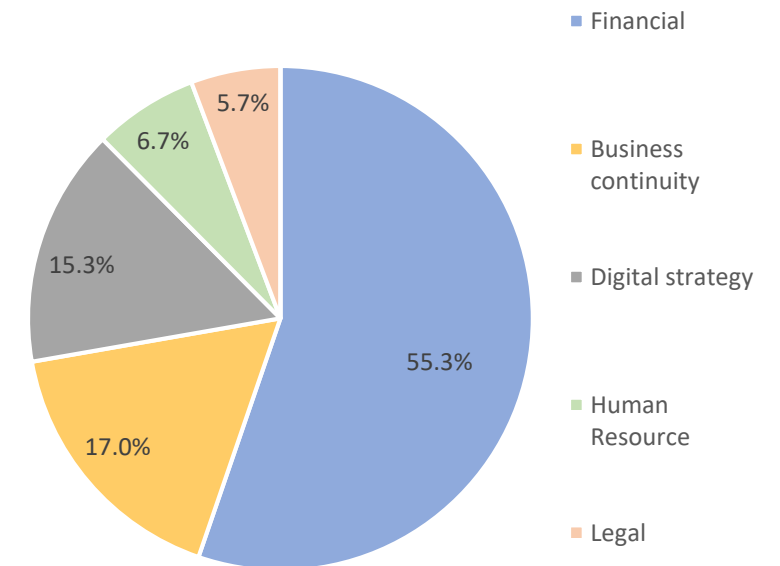


# COVID-19 | TARANAKI EXPERIENCE

Since mid-March, almost 600 businesses have approached Venture Taranaki for enterprise support due to COVID-19. Approximately 86% of those businesses were from New Plymouth district.

Over 70% of enterprises surveyed during lockdown were extremely or very concerned about the impact of COVID-19 on their business, it was no surprise that over 80% of enterprises had accessed the Government's Wage and/or Leave subsidy scheme.

Advice sought by Taranaki Enterprises

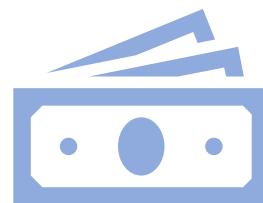


# COVID-19 | TARANAKI EXPERIENCE

Venture Taranaki supported enterprises with two COVID-19 programmes; a Local Fund and the Regional Business Partners programme (a national fund). These funds were used by businesses to access a range of professional services and advice.

## Local Fund

Funds issued -  
\$194,400



Enterprises  
supported - 486



## Regional Business Partners Programme

Funds issued -  
\$501,394



Enterprises  
supported - 227



# COVID-19 | LOOKING AHEAD

Venture Taranaki is leading the economic recovery pillar aspect of the regional recovery plan. The tactical economic pillar plan has been created to guide and focus efforts from May 2020 to mid-2023 and integrates Tapuae Roa and Taranaki 2050 Actions, shaped by COVID-19 impacts.

	Ramp Up Phase	Create Smart Connected Communities & Enterprises	Food and Fibre Value Acceleration	Advance energy transition	Better tomorrow
DESCRIPTION	Prime focus on infrastructure and stimulus phase to rapidly get the economy going, attract/circulate monies, retain jobs, get spend underway, kick start vibrancy and confidence	COVID-19 has created a shift – the future will necessitate new skills/ different ways of working/ digital platforms and enablement/ innovation that has never been seen before. Entrepreneurship will be critical for rapid sustained resilience/recovery - without it enterprises will struggle, fail to adjust to new paradigms and grasp growth prospects.	Now is the time to realise the unmet potential of Taranaki world-class climatic conditions, fertile soils, ability to grow terrific food, and leverage existing companies and entrepreneurial talent. New appreciation of local food industry – including farming community. Time to use this as a key plank and accelerate forward opportunities.	It's time to really advance and capitalise Taranaki as the country's epicentre for low emission energy innovation. Continue work and follow through on vision, actions and commitments – Taranaki/Govt/NZ	Disruption = catalyst to really rethink and shape our future in ambitious ways. Get major projects on the table: Projects with high value, that target our unmet potential, that may have a high risk but high return possibility, or that have a step change consistent with our long-term vision.
Vibrancy					
DESCRIPTION	Having vibrant arts/creative, hospitality and visitor sectors attract and support investment, talent and innovation.				

Thank you | [www.Taranaki.info](http://www.Taranaki.info) for more



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