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Rod Drury

Embracing Social Media: Is it good for governance?

Social media is a new term that refers to the conversations occurring over the internet in forums, blogs, comments, videos, FaceBook and Twitter. Over the last two years this flow of conversation has moved into the mainstream as many businesses use these new media devices to attract customers and influence behaviour.

What has been the domain of the communications and IT departments is now becoming an area that boards need to think about. Consider the example of the 'United Breaks Guitars' video where a relatively unknown country and western singer saw his guitar being thrown across the tarmac while getting ready for a United Airlines flight. As a protest, he composed a song and loaded it onto YouTube. That was quickly seen by millions of people and resulted in the United Airlines share price dropping 10%.

Large companies are beginning to understand that they can no longer control the message tightly. The smallest customer can have a loud voice. These customers, suppliers and even competitors can talk about your business in a highly visible way.

History

Social media has evolved very quickly over the last few years. Beginning in the technology world, it has now crossed to the mainstream and new global

brands embrace it wholeheartedly. If FaceBook was a country, by the end of 2009, it would have been the fourth largest in the world.

Back in the early 2000s we saw the rise of the web log or 'blog'. Some internet enthusiasts started to broadcast what was happening in their daily lives. Quickly that moved to people expressing their thoughts on all manner of subjects. Next, comment functionality was introduced, enabling readers to respond

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“The impact of large corporate failures is increasingly mitigated by the use of social media, because the medium allows the company to be up front, empathetic and to connect with the customers affected.”

with their own thoughts. Suddenly, very interesting discussions across a plethora of topics exploded on the internet.

New sites with a specific angle quickly shot up. Flickr for photos, YouTube for video, Wordpress for blogs, LinkedIn for business contacts and FaceBook for keeping track of people in your network. These are some of the more well known examples.

While these sites come and go, we’re seeing a common pattern of engagement among individuals and businesses as they get involved:

- passive consumption – reading subjects of interest and consuming information
- joining the conversation – beginning to comment on other people’s blogs and stories
- starting the conversation – creating your own blog or social media activities that initiate discussion
- creating the venue for conversation – providing the place where discussion takes place.

KiwiBlog in New Zealand is a great example of creating the venue. Run by David Farrar, KiwiBlog is the country’s most read political blog. David’s audience has become so valued, he’s now approached by individuals and businesses to publish guest posts.

The governance question

The impact of large corporate failures is increasingly mitigated by the use of social media, because the medium allows the company to be up front, empathetic and to connect with the customers affected.

Poor service and product faults are debated visibly outside of the business. No longer are customer support questions confined to very private internal support systems.

Suddenly, individual customers with a problem can cluster together. And if you don’t join the conversation they still keep shouting.

The rise of social media for corporate communications has been rapid. Twitter, a micro-blogging service where users can post anything, started off as a pretty banal thing a few years ago. In 140 characters people simply answer the question: “What are you doing?”

Twitter accelerated quickly and now has more than 75 million users. Companies started to use Twitter to find customers because you can monitor Twitter to hear when someone is frustrated with your competitor or if they’re looking for a new product or service. But late last year Twitter changed profoundly. The question that Twitter asked was “See what people are saying about?” Using search, Twitter is a way of finding out directly what people are saying about ... your company!

Twitter has become a real-time social graph on almost every business of significance. While a year ago companies may have decided not to engage in social media, there is now a greater risk in not engaging. Significant companies in New Zealand like Telecom and Vodafone engage in social media to deal with customer

*Be transparent
Be honest – don't be afraid of
feedback or criticism*



issues. Banks like ASB and BNZ actively engage in social media to get closer to customers. Air New Zealand pushes the envelope by using social media as an integral part of its marketing strategy.

Boards have this new risk surface to consider. The executive team should have a social media plan that:

- measures what is being said online about the business
- covers risk minimisation strategies for dealing with social media
- makes it clear who in the business is authorised to engage
- provides the resources to work with social media
- aligns the social media strategy with other parts of strategy such as marketing, customer care, investor relations and so on.

Before a board meeting you might just do a Twitter search and be armed with the perfect question for the CEO.

Benefits

Our strategy at Xero has been to engage. That's a real commitment but we feel it's an investment we need to make.

Last year we had a near worst-case scenario take place. Our US-based hosting provider went down which meant our customers could not access the Xero application. We knew at that time of day only a few hundred customers were likely to be affected, but our policy is to communicate openly. We emailed all of our customers and kept posting

“Before a board meeting you might just do a Twitter search and be armed with the perfect question for the CEO.”

information on our blog as we ourselves were updated.

A few days later we posted a more detailed explanation of the problem from our hosting provider. Customer feedback was overwhelming positive, with many customers jumping to our defence and recommending our product. In effect our investment in an open social media policy was putting money in the bank for a rainy day when we needed to communicate a bit of bad news.

Making the transition

Many existing businesses see customer care as a cost and a long way away from sales. Social media has the potential to be a significant marketing tool that provides a practical way to close the loop between customer care and sales. Your existing customers can be turned into your most enthusiastic sales people.

Further, this dynamic fundamentally changes the space for new entrants.

Many markets may feel protected by high customer acquisition costs. But if a new competitor unlocks the true network effect of social media, you may learn that “it's not the big that eat the small but the fast that eat the slow”.

If you are a well established, large company how do you deal with it? If your business has been around for a long period of time, it's likely there will be some dissatisfied users who have the potential to be very noisy. That said, businesses such as Telecom and Vodafone have embraced many aspects of social media and now have a very engaging social media presence.

I suggest being honest and putting in place processes to gather the feedback so you can report on it. I think customers understand that it can take a while to turn the ship around. If you provide a way for customers to engage and have the dialogue, they may understand and can at least get some satisfaction from venting. I also suggest diverting some of your customer care staff into monitoring your twitter and blog exposure.

Much of the time it's the communications department that needs to change. Traditionally a communications

department is used to controlling the message. But due to the process involved, the moment can be lost. Perhaps they would be better served developing internal passionate champions, at all levels in the business, to engage. This will result in a more authentic and faster engagement while developing the talent within.

What happens next?

We are still in the early days of social media. Information is becoming streams of status updates where consumers can be continually connected to the people they care about, both in a business or personal sense. Computing is moving towards the phone. Location is becoming a standard of information. Your phone knows where you are, which allows a myriad of services that will enhance or sabotage productivity and drive engagement. Sitting down in café and knowing if any of your colleagues are within the same few blocks is an example of the sort of new applications that are available right now.

Like Google, privacy versus revenue will be a conversation that many boards will have over the next few years. The experience

of directors and the values they bring to a business will shape many interesting conversations.

How to keep up

Some directors and senior executives are no doubt fearful of this brave new world and its ever increasing jargon.

At a personal level, I think a great way to engage is simply to buy an iPhone. You'll see that computers have finally become easy enough to use. The availability of new applications allows you to see what's going on and be exposed to the magic of this new technology.

Make sure you get a laptop or home computer with a built-in camera. Simply being able to talk to your children anywhere in the world over Skype is a motivator for learning a bit more about technology.

Begin to monitor what's being said about the companies you are involved in. Google's alert service is a good start. This sends you an email once a day with links to new mentions of your business. Your IT resource will be able to set this up for you quickly.

Perhaps once a year at your normal board meeting you might ask for a technology update from inside the business. What are the technology trends and opportunities affecting the business? Most managers would love the opportunity to present to the board and have that discussion.

Conclusion

It's hard to think of a time when so much is changing, and the concept of control has been so challenged. The borders of your businesses have been broken down, with the whole world able to influence, both positively and negatively, the companies you look after.

I hope you've gained a few ideas to jump into the conversation and learn a few new things. The words *frightening* and *rewarding* spring to mind. Perhaps they are the two sides of the social media coin.

Rod Drury is co-founder of Xero and a member of the NZX board

Wellington branch initiative

The *Wellington branch committee* arranges two new members' events each year. Members are invited to attend a luncheon at National Office and view a presentation on the benefits of membership. After the formalities and presentation they have the opportunity over lunch to meet fellow new members, National Office staff and the branch committee. These luncheons have been very successful and are a great way to start a lasting relationship between the IoD and its Wellington members.

Top: Brigadier Tim Gall, Phillip Meyer

Bottom: Kate Barr, Bryan Gundersen, Kevin Bryant, new member, Frank McCarthy



London Calling: Britain's Election

By the time this goes to print the election campaign in Britain will be all but over.

Not all elections are of equal importance. Some boil down to who is preferred to implement an agreed set of policies that command wide support. Others are won at a canter by the incumbent on the basis that things are ticking along nicely. But every once in a while comes a general election that marks a fork in the road. This is such a time.

Make no mistake, Britain is in a deep malaise. The Bank of England has recently pumped over \$NZ400 billion of 'quantitative easing' into the economy, the budget deficit is a huge \$NZ350 billion and, for the first time since records began, state spending accounts for more than half the economy – an unsustainable 52% of GDP according to 2009 OECD figures. So, whoever is elected will have to introduce a comprehensive package of measures that not only address the deficit but are also designed to improve performance. Cause unemployment to rise, and the weak recovery will falter, tipping the country back into recession.

Taxation and public spending dominate the debate with the armed forces, care for the elderly, pensions, the health system and immigration following. A coherent strategy must include measures to strengthen productivity and restore competitive edge and confidence. Without radical change the nation is likely to slip into a steep decline from which there is no escape. Inward investment will dry up, the most productive people will flee overseas, wealth will be similarly relocated and international lenders will demand high rates of interest in return for propping up the national finances.

So who are the players? In the red corner is the current Labour PM Gordon Brown, who won only qualified praise for rescuing the UK banking system via the \$NZ1800 billion bailout, and he also presided over 'The Rotten Parliament', following the MPs' expenses scandal.

Mr Brown is positioning himself as 'an ordinary man from an ordinary background', trying to portray David Cameron, leader of the Conservative party, and a man who bears a number of striking similarities to our own Mr Key (comparative youth, a background in business and a disarming manner) as a privileged toff with a natural bias towards the wealthy.

Nick Clegg is the impossibly youthful looking leader of the Liberal Democrats. Manifestos used to be weighty, worthy, plodding documents. Nowadays, they are impressive, glossy magazines pandering to short attention spans.

This approach not only provides a smokescreen to avoid spooking voters with the grim reality of spending cuts but also allows plenty of wiggle room for fine-tuning, fancy footwork and, in the event of a hung parliament, which is a possibility, horse trading.

The vagueness of all parties' policies over cuts has not impressed business. Labour has made the bold promise of halving the deficit over the next parliamentary term, but has not spelt this out in detail. It is not alone. As the parties argue over relatively small sums, all have a \$NZ65 billion hole in their pledges according to *Financial Times'* calculations.

The scale of this gap amounts to a quarter of spending on the NHS. The hardest cut,

of course, will be deciding where to apply the knife and how: in full amputations or into salami slices almost everywhere.

Meantime, the parties will bombard the electorate's emotions with rhetoric: Labour stirring fears of neo-Thatcherism should the Conservatives win, the Tories trying to inspire hope through regime change and the Lib Dems pedalling a fine line between the two, sensing that they may play the role of kingmaker.

The wobbles may occur, even in campaigns that appear to be entirely predictable, which incidentally this isn't. GDP figures for the first quarter are due to be published a few days before the election and could tip it either way: they could show that the economy is still in recession or doing better than expected. In a close contest dominated by the economy, this could be a pivotal moment.

Miles Templeton, Director-General of the IoD (UK) believes that people, especially those in business, are disenchanted with Labour and are waiting to be enchanted by Mr Cameron. The latter faces an uphill task, requiring a record swing in over 100 marginal seats.

However, he will be hoping that May 6 is some enchanted evening when he will meet many strangers across a crowded booth. And, in the desire to deny Labour a record fourth term, whether they choose to vote Tory or Lib Dem, many will be hoping that there is something prescient in the name of this year's Grand National Winner: Don't Push It.

Whatever the outcome, pundits believe that the current economic sickness will take a generation to cure.



On Becoming a Director

With the IoD's *Fresh Thinking: First Boards* initiative to encourage better governance within the SME market well under way, *boardroom* talks with Giselle McLachlan, a barrister and experienced executive manager with a background in corporate law and the insurance sector, about her personal pathway to becoming a company director.

Giselle runs her own management consulting business, was General Counsel and Head of Corporate Services for IAG and was a partner in legal firm Phillips Fox. She is a Commissioner on the Earthquake Commission, an independent director with the Institute of Financial Advisers Inc and chairman of the Silver Ribbon Foundation, a charity dealing with gynaecological cancer.

Q. What gave you the initial spark to think about becoming a director?

When I switched directions from a law firm partner to a corporate leadership role, I came into contact with a board and enjoyed the strategic conversations and issues addressed around the table as much as the day to day management issues. I particularly enjoyed the challenges – being stretched and pulled into many directions to ensure the board had all the information it needed. This was enough to spark an ambition within me. I was given a chance to re-evaluate when IAG NZ restructured in 2006 – I leapt at the opportunity to choose a new path, even though I'd loved my role and my teams there.

Q. When in your career path did it happen and at what age?

My first directorships were when I decided to leave an executive role at 42 years of age, as I was looking for broader challenges.

Q. How do you rate the satisfaction level of being a board member?

Really, really rewarding. It's good to operate at a level where you're dealing with strategy risk issues, particularly reputational risk. It brings a nice variety to be in a governing role along with other roles which are more hands-on. It is a huge responsibility but a privilege.

Q. When do you think is a good time to be thinking of possible directorships?

When people have the energy and self-determination – and financial independence. This is important, because it will mean a significant period of earning less, particularly in the first five years. It's also important to be realistic about when your CV has the essential ingredients for directorships. I liken a good CV to a strong scaffold - having built a solid base

in your career with a mix of experiences to contribute confidently and usefully – rather than having climbed a narrow corporate or professional ladder. It also helps to be able to climb in different directions across the spectrum.

Q. Was the IoD process helpful?

I found the IoD pathway to directorships structured and supportive. It was one of the routes I took towards getting appointed. The initial 12 months' membership requirement is useful – to settle in and commit to the director roles, and do some initial training. I'd already done the one week residential course and so was well on the way. I also did some "Essentials" course training – which gave me confidence that I had all the skills needed. The process towards provisional accreditation was good too – clear, with base requirements and a formal interview (good practice for appointment interviews!) See page 19

Q. Have you had experiences with other processes?

Yes, I can compare it with the CCMAU and Ministry of Women's Affairs pathways

– both about ensuring you provide excellent and up to date information for their registration data. But the IoD's accreditation process is unique. It will be interesting to see how the updated process is used.

Q. Is there a 'perfect' director development pathway?

No. Each person is different. This is particularly so when it comes to networks and CVs. But I think the key is to be flexible and persistent – to keep on applying and networking in order to get there. Taking a little more time can be healthy and more effective in the long term. Also, it seems to be fairly common to do some voluntary governance roles along the way, to demonstrate commitment and to gain experience and credibility.

Q. Did you encounter an 'old boys' network' mindset along the way?

No, the people were dynamic and impressive.

Q. Where did you get most help and encouragement?

From professional colleagues who knew

my capabilities, and a determination to make a difference on boards of companies – they really encouraged me to persevere with seeking director appointments.

Q. What advice would you give to others?

Be organised and focused in seeking appointments – definitely use the IoD processes and the others such as CCMAU and Women's Affairs. Network with others and make sure your CV is engaging and relevant. An experienced female director suggested that I work on a five year career plan, to take a long term view on my goals and to recognise that it would take time for me to build a new career, new qualifications and a new reputation. This was great advice. I am three years into the five year plan now and am definitely on track at this stage. I am really enjoying the diversity of roles and of experiences.

For tips on interviewing see page 19 and for more information on the IoD recruitment process please contact Ian Niven, Sally Jarvis or Kelly McGregor on 04 499 0076 or email boardservices@iod.org.nz

Congratulations

The Institute of Directors wishes to congratulate two of its members who have been elected as Companions of the Royal Society of New Zealand. Christchurch-based businesswoman **Sue Suckling** and company director **Rick Christie** from Wellington both had the honour bestowed on them last month. Both are former Crown Research Institute chairmen.

The title of Companion of the Royal Society of New Zealand recognises outstanding leadership in science, and contributions to the promotion and advancement of science and technology in New Zealand. The President of the Royal Society of New Zealand, Dr Garth Carnaby, said the election of Sue and Rick as Companions was formal acknowledgement of the significant impact they have had on science and technology in New Zealand.

Sue Suckling is a former chairperson of NIWA and Rick Christie was chairman of AgResearch and they are both Fellows of the IoD.

Fresh Thinking: First Boards

Visit our new website aimed strategically at SMEs. Find out more about governance and how we can help you reach your goals. www.firstboards.iod.org.nz

Leadership in Troubled Times

Even in the best companies, things do not always go well. Crises develop; the death or sudden departure of the CEO; discovery of a serious fraud; a downturn in the market, putting pressure on bank borrowings; a product safety issue exploding onto the public domain causing reputational harm. Well-run companies usually know how to deal with such issues and where that leadership should come from. Crises define leaders.

A good leader will have to possess the timeless leadership qualities as well as those unique to the time. During the week of the Lehman Brothers collapse Barack Obama declined to abandon his campaign and join the stampede to Washington because he said that at any one time the president will have more than one issue to deal with and you cannot be in all places at once. That, he claimed, was a measure of leadership and he was right. It was a defining moment of the contest. Cometh the hour, cometh the man?

But who provides what and when? Is it the CEO, chairman, or in the US the combined chairman/CEO. "Where's Henry (van der Heyden)?" was the question Fran O'Sullivan raised in the NZ Herald when Fonterra was first beset by the San Lu issue. And why was TVNZ chairman Sir John Anderson called upon to pour oil on troubled waters when the media were all over the Veitch affair? Weren't both jobs essentially the CEOs' responsibility? Fonterra CEO Andrew Ferrier was valiantly fronting up but some clearly felt that this was a governance issue that also needed the involvement of the chairman. With TVNZ, because questions were raised over managements' performance, the calming hand of Sir John was required on the tiller.

The function of the chairman is one of the most fully studied aspects of corporate governance. It has been said that chairmen must have leadership skills, the patience of Job and the sixth sense that leaders possess in order to steer a board to effective decisions. It is a rare set of skills – not hard to indentify, but difficult to find.

Shareholders in the normal course of events have little control over the actions of the board they have appointed or acquiesced to. The safeguard on which they are relying is that the board keeps their interests in mind and monitors management to that effect. This is structurally weakened if the chairman of the board is also responsible as chief executive for the management of the business, a situation which has been the norm in corporate America and which is common in closely-held companies, for example in many SMEs.

Separation of the two roles builds in a check and balance. The chairman is responsible for ensuring that the board is mindful of shareholders' interests whilst acting in the best interests of the company as a separate legal corporeal entity. In fact, a principal role for chairmen is external shareholder management, as evidenced

by the fact that they chair shareholders meetings. In general the CEO fronts the media whilst the chairman is reserved for shareholder issues. Inevitably, in some organisations this distinction becomes blurred, as was the case with TVNZ.

A chairman's skills are those of a conductor, someone who can lead the setting of the agenda, run meetings effectively enabling discussion and dissent, moving towards consensus and communicating with colleagues and management, especially the CEO. Taking an adversarial approach to decision-making by pitching different points of view against each other is a good way to understand several sides of the same issue. President Clinton was reportedly adept at this kind of openly contentious decision-making and was well on his way to being an extremely well-regarded president until the Lewinsky scandal hit. The successful leader, be it the chairman or president, also needs to have a strong ability to resist temptation. In other words, they need to actively demonstrate the positive values that should form the company's culture. They, along with the board are the custodians of the company's reputation, hence the call for Henry in the contaminated milk scandal.



But these skills should not be applied to daily management of the company which is the chief executive's domain. The power of the chairman added to the power of the chief executive presents a formidable combination. No company is likely to run effectively and efficiently unless there is a good working relationship between the chair and the chief executive and unless each respects the other's abilities and personal qualities.

There are those who lead from the front by force of personality and there are those that fit the classical description: "he that governs sits quietly at the stern and scarce is seen to stir". A particular kind of chairman will suit a particular

board at a particular time. The chairman always needs to be a superb relationship manager, seen by stakeholders of all hues as a moderating influence and heard as the voice of well-informed reason. In difficult economic times where uncertainty and fear prevail, the two most important senses a chairman needs to instil are realism and confidence. The IoD believes that every chairman should use every endeavour to ensure that this responsibility is discharged in the best interests of the company.

*Dr Nicki Crauford, CEO,
Institute of Directors*

Obituary

The Institute of Directors offers its condolences to the family of **Mervyn Charles Probine**, CB, who died recently in Auckland. Mervyn worked as a physicist at the then DSIR, becoming Assistant Director General in 1977. He was a commissioner at the State Services Commission and became Commission Chairman in 1981. A string of Government appointments followed during the nineties, and on his retirement he became a director and chairman of several private and public entities. Mervyn was chairman of the Legislative Advisory committee, a senior fellow at Massey University and a Distinguished Fellow of the IoD.

Putting ICT in its Place

If you read only one of my columns, *read this one.*

In this column, my final I am completing a circle, of sorts, returning to the start and my original intention – to debunk certain IT mythology and position company directors to ask the right questions when facing ICT decisions. No one can know everything, but asking the right questions goes a long way.

The recent eruption of Iceland's Mount Unpronounceable is a great example of just how best laid plans unravel. Outside the hallowed halls of university research departments, which for a moment factored into their plans the potential chaos of an inconvenient volcanic ash cloud, the mountain's activity record should have put it on the radar of everyone now affected.

And so it is with ICT, which these days is the thread running through the fabric of everyday life. However, while catastrophic one-offs, like fires and molten lava, are fascinating (and should be considered in business continuity planning), it is often the simple things that derail business as usual.

All our companies rely on ICT hardware, software, support staff and people who use the stuff to do their jobs. Operational interruptions do from time-to-time arise from natural disasters, but are much more likely to come from a simple component failure, the support guy on leave, last night's bad change or an expired software licence.

Our job as company directors is to ask the right questions about continuous business operations:

- Are we too reliant on a single provider?
- How old is the hardware? Is it maintained?

- How up-to-date is the software? Is the software licensed?
- Who covers us when the IT guy isn't around?

Our job is to also ensure that the company is performing optimally, so as directors we should know:

- Are there any processing bottlenecks?
- Are we dependent on any individuals? How can we mitigate that?
- Are computer systems making us operate in a silly way?
- Who is driving the company, the ICT department, or the company management?

When changes are afoot (acquisitions, expansion, new lines of business) that dreaded word comes in to play – projects. Directors must be aware of company-changing projects, progress made, financial status and the overall forecasts regarding completion:

- Has the scope changed?
- Are we on time? Are we on budget?
- Have outstanding or expected problem areas been identified? How are we planning to overcome these?
- Will the outcome provide what the company wants to achieve?

ICT in a business nowadays is much less about wires, plugs, computers and gadgets, and much more about outcomes



Glossary

Technicians: Usually 'change junkies' who want to continually develop and alter what was created last week. Next week's stuff is always better than last week's.

Sales people: These are the same purple-suited, green-shoed, gold-bangled guys that you already employ in your sales team.

Programmers: All a bit nutty and dogged in their approach to getting a machine to do what they want it to do.

Project managers: Organised Nazis normally, who bring order to chaos created by programmers, technicians and sales people.

IT managers: Very important people who 'once did' something technical. Tend to be luddites. They like to tell you why you can't do what you want to do rather than finding out how to do it.

CIO: No, not 'Career Is Over' as often stated by IT managers. These are the new breed of business people that understand how to exploit ICT without being trapped by sales staff from suppliers, or held back by IT managers wanting to preserve the status quo.

Industry elders: Old blokes like me.



Life can be taxing at times

The Taxation (International Taxation, Life Insurance, and Remedial Matters) Bill comes into effect on the 1st July 2010. As a result, life insurance premiums will be increased to take the impact of the new tax rules.

The Government has decided to change the way life insurance is taxed as the current rules are out of date – they were last amended in 1990. This has seen people who save through life insurance products over-taxed on their investment income, relative to people investing directly through other means offering the benefits of the new PIE (Portfolio Investment Entity) rules.

Currently, standard tax rules apply for life insurance policies that also include a savings component. As these policies collect savings, the interest portion is taxed. The profits from term insurance, which provide a payment on the death of the policyholder, are under-taxed. This is because they do not have a savings component.

In summary, life business is currently taxed using two bases:

1. Life office (insurer) base – which is subject to tax on investment income less expenses plus underwriting income.
2. Policyholder base – which is income accruing to policyholders determined by applying a prescribed formula.

The new tax rules will ensure that all life insurance premiums are taxed, regardless if they have a savings component or not. It also aligns tax rules with the same way that other businesses are taxed on their profits, thus creating a level playing field for businesses in New Zealand.

What does this mean?

It has been well documented that the cost of buying life insurance could be raised by up to 25% after the 1st July 2010, though this will vary depending on each insurer.

From 1 July, life business will be taxed using two bases, which are different from the current bases:

1. Shareholder base – representing income derived for the benefit of the shareholders of the life insurer.
2. Policyholder base – representing income derived for the benefit of policyholders.

There is relief for those policy holders with existing life insurance cover, or take out life insurance cover before the 1st July, as the legislation has allowed 'grand parenting'. Grand parenting is a term used to describe transitional provisions in the tax legislation, that have the effect of applying the old tax rules to the grand-parented policy, in most instances for up to five years. Those clients that have guaranteed 'level' premium life insurance will also have this grand parented for the period of the guaranteed premium term. 'Level' means that this does not increase by inflation but remains the same.

What are my options?

As there is a time limit imposed by the Government, there are options available to take advantage of and be able to save on future premium increases:

1. If you have existing life insurance, there is the option to do nothing in which case your current annually-stepped premiums will increase by the new tax implications after five years – in most instances. (Normal age-related increases will still take place each year.)
2. In the event you do not have life insurance, there is now the opportunity to lock in the lower rates for up to five years or longer, if you take it for a longer guaranteed term.
3. If you have existing life insurance there is the opportunity to review and upgrade your annually-stepped premium insurance now and lock in those rates for up to five years.
4. In the event you have an annually-stepped premium policy, there is the option to convert this type of policy into a level premium that locks in today's premium for a fixed term up to a maximum of age 80. In most instances this can be done without the need for medical evidence.

This change in taxation only affects life insurance. All other insurance products are unaffected. As the deadline for this tax change is 1 July 2010 we recommend you review your insurances soon to maximise the benefits from this legislative change.

Simon Fisher is Principal, Marsh

New Zealand Agribusiness Sector *Under Threat*

New Zealand agriculture has as little as five years before underdeveloped agricultural regions such as South America, Western China and Central Asia's large scale intensive farming practices erode New Zealand's cost advantage in producing bulk commodities, according to the inaugural KPMG *Agribusiness Agenda* report released last month.

The report observes that as the world's population continues to expand, these historically marginal agricultural regions are opening up to large scale intensive farming. These regions have the benefit of lower cost land and labour and normally have less complex regulatory regimes. Also they are traditionally closer to key markets, enabling them to deliver food to the customer at a significantly lower cost than a competing new farmer or grower in New Zealand could achieve.

This gives New Zealand companies a short buffer, maybe as little as five years, before low cost regions are producing bulk commodity products in significant volumes and undercutting New Zealand's pricing in our traditional commodity markets. Because of this, now is the time to start revising industry structures, practices and products to ensure the industry is established on a path up the value chain and well in advance of base commodity products coming in large volumes from new suppliers into international markets.

To adopt a more efficient producer model, New Zealand needs to invest heavily in science, technology and infrastructure to gain a competitive advantage in producing the quality food products customers in premium markets are demanding. The farming sector of the future will have the ability to deliver food solutions all year around through adoption of advanced global sourcing and logistics methodologies.

Companies need to be constantly talking with customers to understand their future

needs and requirements around product presentation, sustainability and traceability to deliver these in advance of competitors and lock in price premiums.

Sustainability is a priority for agribusinesses. The adoption of global best practices creates a significant business opportunity for the industry where first mover advantage is still there for the taking in many premium, niche product sectors. Failure to adapt to sustainable practices will, in our view, leave the industry facing a future competing in low price, commodity markets with producers from countries that have increasingly got a significant low cost advantage over our producers.

Government policy also needs to be prioritised toward better investment, management and use of water resources. Water is New Zealand's liquid gold. Development of a policy framework that provides certainty over the access, quality and cost of water to agribusiness is important if the industry is to have the confidence to make long term investments in improving productivity and increasing its contribution to the New Zealand economy.

We believe there is a need for national co-ordination of water management strategy. This would ensure its value as a key contributor to New Zealand's economic future is handled in a consistent manner. It would also be in the best interests of the New Zealand economy and not delayed or blocked by local political issues, while ensuring that the risk of unintended environmental issues is appropriately managed.

Investing in connected rural communities will also be essential to placing New Zealand at the forefront of the global agribusiness stage. Only 1.6% of the new money the government initially proposed to invest into broadband and fibre networks that were targeted towards the 13.8% of the population that live in rural communities, and yet this group grows, processes and exports 66% of New Zealand's merchandise exports.

Traceability is another area in which there has been under-investment compared with other peers. Many of our key export markets for meat have already implemented identification schemes or are in the process of implementing such schemes. International developments around animal traceability suggest that New Zealand will be out on a limb if a national animal identification scheme is not implemented in the short-to-medium term.

Success in our new markets depends on how intimately our exporters are able to understand their new customers and that will only come from doing the hard work to build the personal relationships on the back of the Government's free trade agreements and negotiations. Volatility will continue to be a challenge and investment in new research and development via co-ordinated science strategies is vital.

Ross Buckley is Agribusiness Chairman and Ian Proudfoot is Lead Agribusiness Partner, KPMG

Annual General Meeting

Around 80 members attended the Institute of Directors' AGM last month to hear President Kerry McDonald and CEO Nicki Crauford report on the year's progress, while guest speaker Hon Pansy Wong, Minister of Women's Affairs, spoke on the momentum of change.

"Change is in the wind as more Kiwi companies start to realise the benefits of gender diversity," she began. A change that was sparked last May when the IoD, the Ministry of Women's Affairs and Business New Zealand together produced the Women on Boards initiative – looking at the contribution women can bring to the diversity of skills, experience and perspective that all boards need. She said the question for us in New Zealand is how to fast-track the process of boosting gender diversity in the boardroom to gain competitive advantages without resorting to legislation.

"Government can lead by example and I'm interested in the quality of governance in the companies that government owns and have been working to increase the pool of talented women available to government.

Competition is tough and appointees get there on merit, not just on gender. The reality is that there are experienced women directors out there; you just have to ask for them", she said.

Pansy Wong added that women are not always prominent in the networks that many organisations use to make board appointments, so companies need to start thinking outside the usual pathways to find qualified women. According to recruitment agencies she had spoken to, many have access to women who are board-ready, and that having more women both on boards and at senior executive levels, ensures that everyone will benefit.

Kerry McDonald reiterated that the IoD believes all appointments should be merit-based.



Nicki Crauford, Hon Pansy Wong



Landa van den Berg, Philip Gaunt



Bruce Holland, Alison Renfrew, Mele Wendt



Don Baskerville, Jackie Lloyd, Suzanne Snively

Not-for-Profit Board Vacancies

Organisations with current board vacancies:

Auckland Bowls Inc (ABI) – seeking independent board member (2 year term), applications close 15 May 2010

The New Zealand Drug Foundation – seeking trustees for the board of the New Zealand Drug Foundation, applications close 30 June 2010.

NFP boards can advertise governance vacancies to IoD members for a small fee (\$250+GST). These opportunities are published in the secure members' area of the website, listed in *boardroom* and promoted through branch emails. For more information and to download a template for your advertisement please refer to the Board Services pages at www.iod.org.nz or email boardservices@iod.org.nz

Recently Accredited Directors

The Institute of Directors congratulates the following members who were awarded accreditation or provisional accreditation in April 2010

Abernethy, Melanie, P; **Carroll**, Lynda Margaret, P; **Crauford**, Nicola (Nicki) Lane, A; **Farron**, Robert William Henry, P; **Hammond**, Desmond (Des) Ronald, A; **Hoskins**, Terence (Terry) John, P; **Jacobi**, Stephen Robert, P; **Kearns**, Paula, P; **Lockie**, James Roderick, P; **Towers**, Dale Jeffery, P; **Watson**, Robert (Keith) Hamilton, A; **Wood**, Denis Michael, A;

A useful warning to directors but no cause for alarm

Media coverage of the Luvit Foods decision in which the Court of Appeal ordered a director to refund investors for shares allotted illegally, even though the woman was not on the board at the time the money was raised, may have alarmed some directors unnecessarily.

Yes, it's a useful reminder of the importance of carrying out due diligence on a company before accepting a directorship. But the judgment will probably have a fairly narrow application and does not break new ground. Instead, it merely applies current legal principles to a particular and infrequently occurring set of facts.

Luvit Foods International Limited (Luvit Foods) was incorporated in 1999 with James Chean as sole director. He held an investor presentation in 2000 where a business proposal for the company was outlined. No prospectus was registered. The investors bought parcels of shares on various dates during 2000 and 2001. On 15 October 2001, after the share offers and allotments had been made, Ai Nee Chean, James Chean's wife, formally became a director of Luvit Foods.

Luvit Foods went into liquidation in June 2007, prior to which Mr Chean was adjudicated as a bankrupt on his own petition.

Luvit in the courts

In the first case in the Luvit Foods saga, the High Court found that Luvit Foods, Tennet International Limited (a related company) and James Chean were liable to repay \$1.68 million of investor subscriptions for breaches of the Securities Act 1978 and losses caused under the Fair Trading Act 1986.

The investors then brought a subsequent case for summary judgment against Ms Chean (who was not a party to the previous proceedings) alleging liability under the Securities Act to repay a portion of the subscriptions, and knowing receipt of trust funds and breach of trust.

Associate Judge Faire entered summary judgment for \$150,000 claimed in relation to the Securities Act and \$573,195 for knowing receipt.

Ms Chean appealed this decision.

The issue before the Court of Appeal that is relevant for our purposes was whether there was an arguable case that Ms Chean was not liable to repay subscriptions under section 37(6) of the Securities Act:

- because she was not a director at the time of the share allotments, or
- via application of the proviso to section 37(6), in that the default in the repayment of the subscription money was not due to any misconduct or negligence on her part.

'Director' is defined broadly in the Securities Act and could include someone

The New Zealand Herald
Tuesday, March 23, 2010 • B
businessherald.co.nz

BUSINESSHERALD

Case sounds warning for directors

New appointments can be liable for previous actions

by Kaly Gregor

An appeal judgment ruled the High Court was right to order the directors of a frozen food venture to repay its seven investors after the directors lost their money. They had also failed to register a prospectus, a requirement under the Securities Act when a company raises money from the public.

The directors of Luvit Foods International, James and Ai Nee Chean, were ordered by High Court Associate Judge John Faire to repay more than \$2.8 million. The Cheans appealed against the decision and lost.

Under the Securities Act Luvit and its directors were found personally responsible to their investors.

This was later also appealed as Ai Nee Chean was not a director at the time her husband had raised the funds. But she became a director within a period of two to five months and was therefore found by the courts to be liable.

The case has highlighted the risks directors face when taking up directorships on companies that have recently issued unit trusts or shares to members of the public.

If a company does not register a prospectus or does not state the minimum amount it is raising in a prospectus, directors can be liable to repay investors even if they were not on the board at the time the money was initially raised.

If a company does not raise all the money it intended to it has to repay investors or be in breach of the Securities Act.

The rules apply to both private and publicly listed companies.

Minter Ellison Rudd Watts partner Lloyd Havanagh said business had become more risky for directors since the global financial crisis had hit.

"The liabilities to directors have increased due to the economic downturn. The challenges for directors have become more demanding. Businesses are under so much pressure for directors to make the right decisions. It's definitely a difficult time to be trading in New Zealand," Havanagh said.

Cathy Quinn, also of Minter Ellison, said directors needed to conduct due diligence on a company before accepting a position.

"She also said an indemnity policy was highly recommended.

"This would not cancel out liability but would provide some financial protection against how much a director would be forced to pay out.

Quinn said it was essential for directors to ensure a company had complied with the Securities Act.

"It is difficult for investors to prove negligence.

"It is sensible for a director to do their homework and seek independent legal advice.

"If you are planning to accept a directorship at the time of capital raising, be careful as you could still incur personal liability," Quinn said.

IN THE HOT SEAT

- There are more than 400,000 registered companies in NZ.
- Each company is required to have at least one director.

- The Institute of Directors says all directors have the same responsibilities.
- The institute has 5000 members.

Minter Ellison Rudd Watts partner



who is not in office as a director but carries out the role of one. Ms Chean played a part in preparing accounts, had signing authority and was otherwise involved in the business. The investors therefore argued that she had been a director since Luvit Foods was incorporated even though she did not formally take office until she signed the consent in October 2001.

The Court found that section 37(6) applied to Ms Chean because, whether or not she was a director at the time the allotment was made, she was clearly a director when the obligation to repay subscriptions arose, this being specified as either two months after the subscription receipt date or five months after the date of the prospectus, depending on the nature of the issue.

The Court left open whether this section applies to directors who were in office when an unlawful allotment was made but not in office when the repayment obligation arose.

Ms Chean's argument that the default in repayment of the subscription money was not due to any misconduct or negligence on her part (trying to use the proviso) was also unsuccessful as there was no evidence supporting this assertion.

The Court of Appeal upheld the summary judgment entered by Associate Judge Faire

in regard to the \$150,000 repayment. However, the \$573,195 judgment in relation to knowing receipt was set aside and that matter was directed to proceed to trial.

What directors can take from this decision

There is always value in being reminded of the risks which can befall directors and of the need to ensure that a company's affairs are conducted at all times in full compliance with all relevant laws.

In particular, persons taking up directorships during or shortly after the company issues securities need to remember that personal liability to repay subscriptions attaches to directors in office at the time of the repayment obligation set out in section 37(6) and not at the allotment date.

However, the decision is no cause for alarm and turns on its (relatively uncommon) facts – Ms Chean's close involvement in the business throughout, and knowledge of, the capital raising process. This case simply demonstrates what can happen when a company acts in breach of the law, and to new directors who do not do their homework before taking office.

Chris Dann is a Principal and Shalindri Silva is a Solicitor at Chapman Tripp

Board Services

Director Recruitment Service

DRS specialises in finding non-executive directors and chairmen for companies and organisations of all types and sizes from the IoD's independent and specialised database of candidates, using a broad, robust and cost-effective process.

Not-for-Profit board vacancies

NFPs and charitable organisations can advertise board vacancies in *boardroom* and in the members' area of the IoD website for a small administration fee. Members can check information on what skills are being sought for particular opportunities as well as contact details and close-off dates, by using their personalised login.

BetterBoards

BetterBoards is an easy to use online system which has been developed to help boards identify opportunities for improved performance. The system comprises four comprehensive sets of questions designed to identify opportunities in the following areas: the board as a whole, the chairman, individual directors and the chief executive.

Remuneration advice

The IoD provides independent analysis and advice to help organisations set remuneration policy. In conjunction with Strategic Pay Ltd, the IoD conducts an annual survey of directors' fees, and utilises this data with a wide range of other information to recommend fee levels.

Board Advisory Services

Within the context of its best practice principles, the IoD works with organisations that need advice, support and expert knowledge on a range of governance issues. Practical, professional and specific advice can be provided.

For further information please email boardservices@iod.org.nz or phone 04 499 0076

Canterbury

John Judge gave his analysis of New Zealand financial and business conditions from a banking viewpoint to an audience of 110 at the AGM in March. He outlined the effect of the bursting credit market bubble with money priced higher and getting worse, falling asset prices and less leverage for probably the next 10 years.

Otago Southland

Around 30 members met at the SBS Bank in Invercargill in March to hear bank chairman Mr Acton Smith speak about his organisation's journey to becoming a registered bank. He outlined the governance structures in place within the bank and made a comparison of external supervision of compliance programmes pre and post obtaining registration.

Leading US Angel Investor, Mr Bill Payne, addressed the April meeting

with war stories from his years of angel investing. Bill said that it is extremely important for such investors to be well diversified owing to the high risk of each individual investment. He said that boards of start-up companies are often disorganised prior to the angel investment being made and that entrepreneurs are sometimes nervous of the influence a board or chairman may have.

Waikato

Dr Kerry McDonald was guest speaker at the AGM in March. He discussed the imperative role that boards play in contributing to the success of New Zealand business, specifically throughout today's turbulent economic times. And later in March, Deloitte's Associate Director Andrew Boyd, and Partner Graham Naylor, offered invaluable insight into board effectiveness, talent management, succession planning and overall

governance changes within New Zealand as a result of the recession.

In April, John Whitehead, Secretary to the New Zealand Treasury, spoke to 40 guests who gained valuable insight into Treasury's plans to improve New Zealand's economic performance through economic growth, macroeconomic stability and state sector performance.

Bay of Plenty

Andrew Coker, CEO of Priority One – the Western Bay of Plenty's economic development agency – spoke on his vision for the region. From skills for industry to infrastructure development, Andrew and his team have developed a collaborative model that balances the governance realities of their local councils with the expectations of Western Bay's commercial sector to deliver tangible value.

Branching out

- 1 | Gary Leech, Allan Williams (Canterbury)
- 2 | Andrew Ott, John Judge, Nicky Wagner, David Halstead (Canterbury)
- 3 | Sean Woodward, Christine McKenzie, Robin Campbell, David Shaw (O S)
- 4 | Warwick Cambridge, Pat Heslin (O S)
- 5 | Mary Cox, Brigetta Hewett, Rob Hewett (O S)
- 6 | Sophie Barker and Ross Grey (O S)
- 7 | Andrew Boyd, Margaret Devlin, Graham Naylor (Waikato)
- 8 | Curtis Edgecombe, Hayden Dillon, Erica Amon, John Whitehead, Gabriel Makhlouf, Erin King (Waikato)

Putting ICT in its Place *continued from page 10*

from applications. In the same way a really fast fibre network is useless without content to flash up and down, computers and their related gobbledegook are useless unless the work they do makes your company faster, more reliable, and provides information that supports good decision-making.

Just as importantly though, computer applications are of no use to anyone if they don't provide what a company requires – on time, reliably and consistently. If they don't drive efficient and practical workflows then why bother?

There is much about ICT that can appear confusing, but that's only because many people in this industry actually make it that way. ICT is no different to the rest of life and as time passes we all notice that

it appears to speed up. The difference between ICT and real life is that ICT does actually speed up!

So here's a thought: Why do something today if you can do it tomorrow cheaper and faster? In mulling this advice, it's worth noting the traits of the main players working in ICT. Knowing whom you're dealing with is half the battle.

I trust these columns have helped to put you in the picture. Good luck with your future ICT decisions. Look me up if you need a hand to see through the fog, or just fancy a beer and a chat with an old virtualiser.

Roger Cockayne is Executive Director, Revera

Company Directors' Course, March, Wellington



Front Row: Androula Dometakis, Don Robinson, Ann Prendergast, Toni Millar, Lorraine Stefani, Graeme Jarvis

2nd Row: Murray Douglas, Jane Farley, John Spurway, Steve Couper, Bruce Peden

3rd Row: Hugh Cowan, Rod De Spong, Steven Saunders, Ben Palmer

Back Row: Derek Baxter, Peter Thomas, Peter Grove, Adrian Gault

New Members

Alexander, Kate, Dargaville; **Anderson**, Ree, Auckland; **Asghar**, Muhammad, Wellington; **Baldwin**, Gray, Putaruru; **Barnicoat**, Wallis, Wanganui; **Blomfield**, Esther, Auckland; **Bonica**, Andrew, Wellington; **Bordignon**, Bruno, Wellington; **Bosworth**, Peter, Christchurch; **Bourne**, Raewyn, Rotorua; **Buchanan**, Conall, Paeroa; **Burghout**, Pieter, Porirua; **Burrett**, Will, Auckland; **Chaplin**, Gareth, Wellington; **Clark**, Kaye, Hamilton; **Clarke**, Colin, New Plymouth; **Coffey**, Shaun, Upper Hutt; **Conlan**, Kathy, Christchurch; **Doherty**, Joe, Rotorua; **Dometakis**, Androula, Wellington; **Dorfman**, Eric, Wellington; **Doughty**, James, Auckland; **Douglas**, Murray, Whangarei; **Erenstrom**, Karen, Lower Hutt; **Feary**, Sarcha, Christchurch; **Ferguson**, Stewart, Christchurch; **Finch**, Robert, Christchurch; **Fleming**, Chris, Timaru; **Floyd**, Callum, Auckland; **Govan**, Bert, Christchurch; **Greenwood**, Nigel, Christchurch; **Haddleton**, Giles, Auckland; **Harman**, Brent, Auckland; **Hockley**, Steve, Wellington; **Hughes**, David, Christchurch; **Hutchinson**, John, Napier; **Jordan**, Arthur, Mt Maunganui; **Jordan**, Paul, Carterton; **Kelland**, Tania, Taumarunui; **Kennerley**, Brent, Wellington; **Kershaw**, Conor, North Shore City; **La Salle**, Ralph, Christchurch; **Landon-Lane**, Peter, Auckland; **Lynch**, Gerry, Auckland; **Maan**, Prem, Auckland; **McKernan**, Stephen, Auckland; **Mickleton**, Jo, Nelson; **Millar**, Toni, Auckland; **Morris**, Tracey, Whangarei; **Morrison**, Andrew, Wellington; **Murray**, Richard, Auckland; **Nettleton**, Ben, Dunedin; **Nettleton**, Rose, Dunedin; **Ogilvie**, Brent, Auckland; **Ormsby**, David, Christchurch; **Reid**, Robyn, Nelson; **Roberts**, Chris, Wellington; **Rohrbeck**, Carl, Hamilton; **Ross**, Chris, Wellington; **Sanders**, Jeffrey, Lower Hutt; **Schischka**, David, Auckland; **Shadbolt**, Mark, Akaroa; **Sherry**, Karen, North Shore City; **Sibery**, Graham, Auckland; **Smith**, Jason, Invercargill; **Thompson**, Roger, Auckland; **Tompkins**, Peggy, Dunedin; **Tuckey**, Andrew, Auckland; **Van Der Jagt**, Richard, Tauranga; **von Dadelszen**, Sarah, Waipukurau; **Vryenhoek**, Nicola, Queenstown; **White**, Earl, Auckland; **Widdowson**, Ian, Auckland; **Winsborough**, Dave, Wellington

Membership Benefits and Facilities

Benefits of membership include a complimentary copy of *Principles of Best Practice* and generous rates on D & O insurance, reduced rates on accommodation both nationally and internationally and access to business facilities in six main centres in New Zealand and the IoD (UK) in London. Detailed information is available in the members' only section of the website www.iod.org.nz

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Yvonne Tunley	- Office Administrator

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Accredited Directors

The following members have been awarded accreditation or provisional accreditation having demonstrated to IoD's Accreditation Board that they understand the role and responsibilities of a director in New Zealand and have sufficient and relevant practical experience. Requirements for accreditation, including guidelines for practical experience, can be found online at www.iod.org.nz

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Interviewing candidates for a directorship

Is interviewing candidates for a director role different from interviewing candidates for an executive role? Yes and no. The role of a director is different from that of an employee in areas such as legal duties, accountability and personal liability. The starting point for any interview, however, is much the same – but here are some specific things to look for:

- 1. Has the candidate prepared well and how much does he/she know about the company, its products, services and culture?**
Look for insight, not just general knowledge. A good answer would show the candidate has insight into what drives success in the organisation. Candidates should also ask about the nature of induction and ongoing programmes for upskilling.
- 2. Why is the candidate interested in the role? What can they bring to the board table that will be able to help the organisation to be successful?**
Candidates need to show they identify with the organisation. Experienced people often think their CV speaks for itself, but the key to being successful in a new directorship is how well they apply that knowledge, and acquire new knowledge.
- 3. What is the candidate's time availability for this directorship?**
Directors often have a portfolio of directorships. If the director is to serve the organisation well, he/she must be able to dedicate appropriate time to the role.
- 4. What ethical and cultural values would the candidate bring to the board and its decision-making?**
The candidate should be able to describe occasions when they have demonstrated strong ethical values in difficult circumstances.
- 5. Does the candidate try to 'sell' himself or herself to you?**
A candidate for any director role should present well and keenly engage in the interview. As in any other role, attitude is all-important and predictive of the level of engagement in a directorship.
- 6. Does the candidate ask probing questions about the operation and culture of the board?**
The candidate should be keenly interested in the style of the chair, the robustness of debate, tolerance of dissenting views and avoidance of 'groupthink'.
- 7. Has the candidate ever taken an individual stand on an issue at the board table? If so, how was that received and what was the outcome?**
Independence of mind is a key characteristic of a good director. At the same time, the candidate should be able to show a readiness to listen and change his or her own views if necessary.
- 8. Does the candidate know the importance of strategy in the role of the board?**
The candidate should be able to describe the role of the board in strategy and vision, providing examples of how he or she has contributed as a director to the choice of strategic direction for an organisation.
- 9. Can the candidate provide examples of how their actions as a director have made a significant difference to a decision or course of action?**
Given that directors need do much more than just turn up to meetings, the candidate should be able to describe actual achievements that show ability to add value.
- 10. Would the candidate be a good fit with the culture and dynamics of the board?**
This is the 'million dollar question' when all others have been answered. But remember – culture and dynamics are not static and new blood should be brought in to encourage change.

For any organisation, there will be many other questions to ask. If you need help in this area, contact the IoD's Board Services team by emailing boardservices@iod.org.nz or telephoning 04 499 0076.

Branch Events

MAY

4 May, Wellington Function

Committee-led luncheon
12.00 pm at IoD National Office
Speaker: Mr Jim Donovan, director
Topic: Good Strategy: Making Tough Choices and Meaning it

6 May, Auckland Function

7.30 am at the Northern Club
Speaker: Dr Murray Horn, Chairman, Advisory Board for the new National Health Board
Topic: Meeting the Challenge in the Health and Disability Sector

10 May, Canterbury Function

SME Special Interest Group
5.30 pm at the Copthorne Commodore Hotel
Speakers: Dr Nicki Crauford, CEO, IoD and Mr Andrew Plimmer, CEO, Motim Technologies Ltd

12 May, Hamilton Function

7.00 am at The Ferrybank Reception and Conference Centre
Speaker: Professor Roy Crawford, Vice Chancellor, University of Waikato

12 May, Wellington Function

7.15 am at The Wellington Club
Speaker: Professor Bob Buckle, Pro Vice-Chancellor, Victoria University
Topic: Reflections on the Process, Principles and Prescriptions of the Tax Working Group

20 May, Wellington Function

6.15 pm at the Wellington Club
Speaker: Ms Joan Withers, director
Topic: The Reality of Life as a Director - the Good, the Bad and the Ugly

20 May, Dunedin Function

5.00 pm at The Dunedin Club
Speakers include Dr Nicki Crauford, CEO, Institute of Directors

24 May, Canterbury Function

5.45 pm at The George
Speaker: Mr Rick Christie, company director
Topic: Mergers and Acquisitions - Facts and Fantasies

27 May, Rotorua Function

5.00 pm at The Heritage Rotorua
Speaker: Sir Wira Gardiner, Chair, Ngati Awa Group Holdings Ltd
Topic: Reconciling Western Best Practice Model and Tikanga and Ahuatanga Maori in Governance

JUNE

1 June, Wellington Function

5.30 pm at IoD National Office
Panel discussion, First Boards: Grown Focus

1 June, Nelson Function

5.00 pm at Trailways Hotel Nelson
Facilitator: Dr Brian Rhoades, independent director
Topic: Working with a Board in a Small Company

15 June, Tauranga Function

12.30 pm at The Sebel, Trinity Wharf
Speaker: Ms Patsy Reedy, director
Topic: Women on Boards

24 June, Auckland Function

7.30 am at the Northern Club
Speaker: Mr Bill Payne, US Angel Investor
Topic: Startup Boards

30 June, Dunedin Function

Sir Peter Blake Trust Leadership Week event
5.00 pm at Larnach Castle
Speakers: Mr Hamish Saxton, CEO, Tourism Dunedin and Mrs Margaret Barker, Director, Larnach Castle Ltd
Topic: Leadership in the Tourism Industry in Dunedin

JULY

7 July, Hamilton Function

7.00 am at The Ferrybank Reception and Conference Centre
Speaker: Ms Jo Brosnahan, Chairman, Leadership New Zealand

29 July, East Coast Function

Venue to be confirmed
Speaker: Sir George Fistonich, Villa Maria Wines

Courses

Governance Essentials

- 6 May Christchurch
Limited spaces available
- 16 Jun Auckland
Course full, waitlist operating
- 13 Jul Wellington
- 17 Aug Dunedin
- 2 Sep Nelson
- 10-12 Sep Queenstown
By invitation only

Not-for-Profit Governance Essentials

- 12 May Wellington
Limited spaces available
- 30 Jun Nelson
- 26 Aug Auckland
- 28 Sep Christchurch

Company Directors' Course (CDC)

- 9-14 May Auckland
Course full, waitlist operating
- 13-18 Jun Wellington
Course full, waitlist operating
- 11-16 Jul Tauranga
- 8-13 Aug Auckland

Chairing the Board

- 25-26 May Queenstown
- 21-22 Jul Auckland

Experienced Directors' Workshop

- 23-24 Jun Wellington
Limited spaces available

Company Chairman's Workshop

- 10-12 Sep Millbrook Resort, Queenstown
- 12-17 Sep Queenstown
- 21-22 Sep Auckland

Finance Essentials

- 25 May Hamilton
This is an additional course
- 2 Jun Christchurch
- 18 Aug Dunedin

Strategy Essentials

- 3 Jun Christchurch
- 19 Aug Dunedin

Effective Audit Committees

- 18 May Auckland
- 4 Aug Wellington

Registrations for all courses can be made online at www.iod.org.nz

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