

NEW ZEALAND'S E-MAG FOR ENTREPRENEURS AND BUSINESS OWNERS

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Hiring a Digital Marketing Manager?

**To Make the Phone Ring,
Put a Value on your Own Time**

**Startup Watch:
Anteater**

**FIVE CRITICAL
SUCCESS
FACTORS FOR
SELLING
YOUR BUSINESS**

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your business one day?

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THINK YOU MIGHT WANT TO SELL YOUR BUSINESS ONE DAY?

Here are 5 critical success factors you should be building into your planning right now

BY Laura Humphreys

Businesses do not typically sell by accident. The owners that end up selling their business for a significant amount of money have usually been preparing for that day for some time. You don't have to be thinking about selling your business anytime soon to start planning now for the day when you might want to. If you consider the following five things, you will be in good shape when the big day finally arrives.

1

SET YOUR END GOAL.

Think about how much you might want to sell it for and by when, and work backwards. **Here's a tool** to help you work this out.

2

NAME YOUR BUYER.

It's important to have a good idea about who might want to buy your business in your early planning. Imagine spending ten years building a business you intend to sell, only to realise you have created something nobody wants to buy. If you build a business with a buyer in mind, you have a much better chance of building something they really want.

A potential buyer could be a larger player in your industry looking to grow through acquisition. This growth might be regional – they want a presence in your city or town, and it's easier to buy you than start from scratch.

It might be strategic – you have a smart product or service they could add to their existing infrastructure to create additional revenue streams. An example of this might be a large accounting firm buying a small bookkeeping firm to add value to their client base.

Your service or product could become a 'nuisance' to a competitor, and they buy your company to prevent it competing, or to regain lost revenues.

It could be a management buy-out when senior employees raise funds to buy you out. It could be a competitor of a similar size wanting to grow and willing to invest to gain rapid growth through acquisition.

I've sold businesses to two types of buyer. A multinational bought my advertising agency, and a local competitor bought my pet care company. My father's photocopier business sold to his senior management team. A good friend has built three recruitment agencies. The first sold to one of the original partners, who bought out the other partners. The second sold to a multinational looking for regional representation in her city. The third is in its early days of growth, and I'll watch with interest who buys it (I have no doubt it will sell because I know the founders expect this and will build with this in mind).

Another type of buyer could be a private equity group or even an individual who sees great potential in what you've built. So who might want to buy your business? What are you building that could add enormous value to someone's offering? Now is the time to start thinking about these things.

This is an essential message every business owner should remember: no one will outright buy a business that's dependent on its owner.

3

REMOVE THE DEPENDENCE ON YOU.

To make your business attractive to your future buyer, it cannot be dependent on you. This is an essential message every business owner should remember: no one will outright buy a business that's dependent on its owner.

If the buyer takes you out of the picture and no business remains, they will either insist you stay in the business, or they will walk away. So whatever your strategy is, whatever your end goal, whatever that picture is, it needs to not have you in it. I did that at my agency by making sure the clients loved the business but weren't dependent on me. In the last few years, I hired two senior guys and put them in charge of our biggest clients, so my buyer could see the clients were not reliant on me.

4

START BUILDING A TEAM AS SOON AS YOU CAN.

I couldn't afford to bring in those big guns until later in my business growth. I started by hiring people I could afford, with a couple of youngsters straight from college. I trained them to do things exactly the way I wanted. I call it 'training your clones'. I kept building my team that way until we could afford to hire more senior people. And then we had to make sure we had a really strong culture to manage senior people.

5

SECURE FUTURE EARNINGS.

Getting all our key clients on fixed-term contracts was another critical strategy that worked.

They all had two or three-year contracts, so when the buyer looked at my business, they saw a high level of spend committed for the next three years.

This was an important lesson I learned from my businessman father. One of the best secrets to success he shared with me was, 'you've got to have a back end.' To explain, he gave the example of his own business.

While the sale or lease of each copier was worth a lot of money (especially in the 1970s when these huge machines were a relatively new addition to business productivity), the real value came from the additional contract that went with each machine.

This locked the customer into buying all their ink, toner and paper for the life of the device, as well as regular paid servicing – which meant that, for every machine sold, my father had income guaranteed for the next ten years, enabling him to predict his future income with complete accuracy.

You can see why this made my father's business attractive for a buyer. They could see a guaranteed return on their investment. It made sense to me when I started my own business, and I hope it does to you too. It will get you a higher price when you come to sell.

A business with committed future revenue that is not dependent on its owner to deliver that revenue is a business worth investing in. I hope these five things have given you something to consider as you build your valuable and saleable business. Good luck! •

Laura Humphreys is a business mentor and award winning author, passionate about helping ambitious business owners grow.

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L: Laura Humphreys



TO MAKE THE PHONE RING, PUT A VALUE ON YOUR OWN TIME

BY Debbie Mayo-Smith

Your phone is not ringing as much as before; companies are taking longer to reach a buying decision and referrals are slowing. Combine this with poor time management and what do you have? Disaster. So what can you do to maintain sales and income? One option is to understand the value of your time and organise your day to earn more. Here are eight concepts to help you do that.

1 Money Hours.

Organise your day around the 'money' hours. These are the hours that you can and should be talking with your prospects and customers. Going out on appointments. Calling on the telephone. Finding new clients and seeking opportunities with existing ones. The money hours are too valuable to waste on non-revenue generating activities. Confine these activities to before or after your money hours. This requires discipline, doesn't it? How much easier is it to do a bit of paperwork rather than picking up the phone?

2 Best time to call.

When calling, persistence pays. Sometimes up to six calls are required. The best time to call to get real people willing to do business is between 3.30pm and 4.45pm. The best time to get a 'live' conversation is between 3.30pm and 5.30pm. Friday is the best. Monday is the worst.

The best results are obtained within 24 hours when returning incoming phone calls. And leave a good message.

3 Prospecting hours.

Dedicate a certain percentage of your money hours to prospecting for new business. Vary the time of day when you contact individuals to increase the probability of reaching them. As this is an activity most people hate, put it in your schedule. Then do it. Pick up the phone and – as all telemarketers are told – call with a smile on your face.

4 Follow-up.

Do what you say you'll do. Ensure you document your follow-up immediately. If you set it aside for later, you'll either forget to do it, or you won't remember all the details. Set a date and time reminder for it to pop up in your calendar and remind you to do the follow-up.

Use these prompting functions to help you to maintain your follow-ups when faced with a continuum of 'not yet's'. Persistence pays off, yet very few people persevere when they don't get an immediate 'yes'. It also helps for those longer-term 'call me back in six months' follow-ups.

To make it easy, standardise your most frequently used follow-up pieces for easy production and distribution.

A little extra advice: with so much email clutter and spam filtering, you may consider posting the marketing or proposal material in addition to emailing. Emailing allows recipients to share and forward it. However, many large corporations and government departments strip attachments or limit mailbox sizes, so the recipient may never see your email or attachments. Posting a print version ensures they do.

5 Keep improving.

Make sure you schedule non-money hours for professional development such as sales skills, people skills or improving industry and/or product knowledge.

6 Know your statistics.

Sales don't appear magically out of thin air. The 'yes' you got today from a customer was generated by an activity that occurred in the past. One of the biggest problems for small business owners and the self-employed is being too busy and allowing marketing and business development to slip off the radar.

In other words, not following point 1; using the money hours correctly. If your sales funnel is four months, and you were busy in February, neglecting to create activity, June will be unusually quiet.

Here are other statistics you should be keeping track of: how many phone calls or emails to make contact with an individual? How many contacts to a qualified lead? Qualified leads to proposals? Proposals or contracts to customers? Calls per hour? Follow-up attempts before dropping?

Sales don't appear magically out of thin air. The 'yes' you got today from a customer was generated by an activity that occurred in the past

7 Productive downtime.

Always, always have something to read for flight delays, waiting rooms, standing in lines. Use your time driving to listen to educational or business podcasts. With headphones, you can also use the time to make call backs.

8 Just one more.

If you can discipline yourself to make just one extra contact a day with someone new, you'll have about 250 extra contacts in a year. •

Debbie Mayo-Smith is an internationally renowned motivational speaker, and the author of 16 best-selling books about business success.

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HIRING A DIGITAL MARKETING MANAGER?

BY Thomas Emmerson

If 2017 involves you venturing into hiring your first digital marketing employee, then you might want to keep reading. Here are ten tips for getting a great new hire:

Firstly, congratulations on getting to the stage that your business needs to grow its digital presence. But what do you need to look for?

A digital marketing manager's role is quite hands on, and a mix of experience and qualifications are essential. Even if the role is mostly to manage agencies, then a good understanding of the benefits and processes is essential to keep the agencies in line. Here are a few key traits you should look out for and some common pitfalls that you should avoid.

Look for an interest or experience in SEO, as this will be a good chunk of their responsibility. If they don't know the SERPs from their meta data, then chances are they'll be Googling 'how to increase SEO rankings' more than actually working on your website.

A digital marketing manager's role is quite hands on, and a mix of experience and qualifications are essential



Look for some experience in AdWords. If they've completed Google's AdWords certifications in search and display, then give them brownie points.

Extra certification such as HubSpot's Inbound Marketing Certification Course should be viewed positively. It's free and shows they're interested in generating leads through marketing.

Excellent copywriting skills are also important. They may be responsible for writing blog posts, social media posts and web page content (this is why an understanding of SEO is key), so make sure they have a decent level of English.

Coding not essential. But it is really, really handy. Being able to look at the source code of a web page or landing page to see why it's not behaving properly will help fix things faster.

Software and systems. These will be necessary for getting the most out of your digital marketing. They should have used Mailchimp at some stage, and if their LinkedIn profile is a bit sparse, question their social media abilities. They should have published a post or two at least.

Don't be fooled by 'a passion for Instagram' or '1,000 followers on Twitter'. Developing a strategy for a

A passion for data and optimisation is the most important thing. The great thing about digital is that everything is measurable and repeatable, so your new hire should be driven to understand why something worked, then strive to get even better performance the next time around. Data is king.

business on social media is different from tweeting your latest salad recipe or a video of your dog playing the piano.

Digital marketing management salaries range from \$30,000 for a junior role to over \$150,000, so make sure you have the right budget to attract real talent in your region/city.

A passion for data and optimisation is the most important thing. The great thing about digital is that everything is measurable and repeatable, so your new hire should be driven to understand why something worked, then strive to get even better performance the next time around. Data is king.

Digital marketing management is very measurable, so ensure the job role has measurables. Give specific, but realistic KPIs – and a budget. It can take some serious investment to optimise your

website, or integrate your existing systems with new digital management programmes so let the digital marketer come up with the plan and give them the freedom to implement it.

Be realistic. Digital marketing can provide excellent results for most businesses, but it rarely happens overnight. The three month probation period can be a great opportunity to look at results and see what's been achieved. •

Thomas Emmerson has worked in marketing for Aston Martin and Honda Europe, and now manages digital marketing with his company Vanguard 86.

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STARTUP WATCH

NEW ZEALAND IS A HOTBED OF ENTREPRENEURIAL GOODNESS
EACH WEEK WE PROFILE A STARTUP WE'RE WATCHING ACROSS A RANGE OF INDUSTRIES

Anteater

FOUNDERS: Bex De Prospo and Peter Randrup

HQ: Christchurch



Tell us about your business.

Anteater is a sustainable food business which is working to mainstream high-quality edible insect products as a viable alternative to traditional factory-farmed protein. Due to the major environmental and health benefits of eating insects, we believe that they will play a major role in the future of protein production. We are currently wholesaling fresh New Zealand insect products (ants, locusts, huhu grubs) to top restaurants and special events around the country.

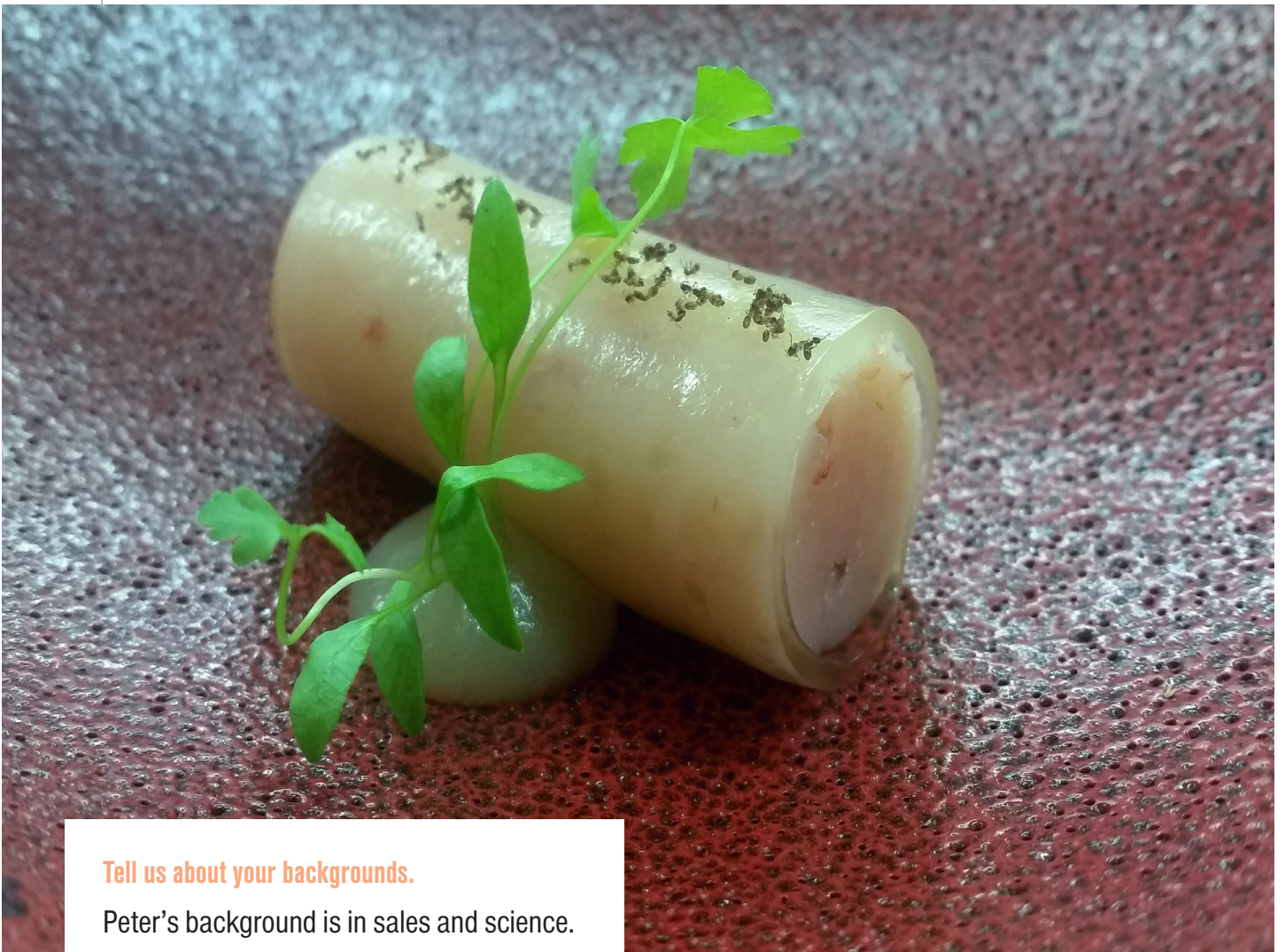
Who and where are your target customers?

High-end restaurants and chefs are our core market, and their end customers tend to be experiential diners and sustainability-focused consumers. We work with restaurants and special events in major centres throughout New Zealand.

Who, how and when did you first come up with the idea for your business?

Anteater was formed in May of 2016 at Startup Weekend Christchurch when co-founder Peter, a long-term environmental vegetarian, pitched the idea of edible insects. He had heard about this market gaining traction overseas and thought it was time to consider bringing the industry to New Zealand.

Peter Randrup and Bex De Prospo with Corn Esquites and Cricket Powder Tortillas, served by restaurant Mexico



Tell us about your backgrounds.

Peter's background is in sales and science. He has spent the last four years managing a small aquaculture business and last year undertook study in Insect Biology. He holds a Bachelor's of Science, majoring in Marine Biology from Victoria University.

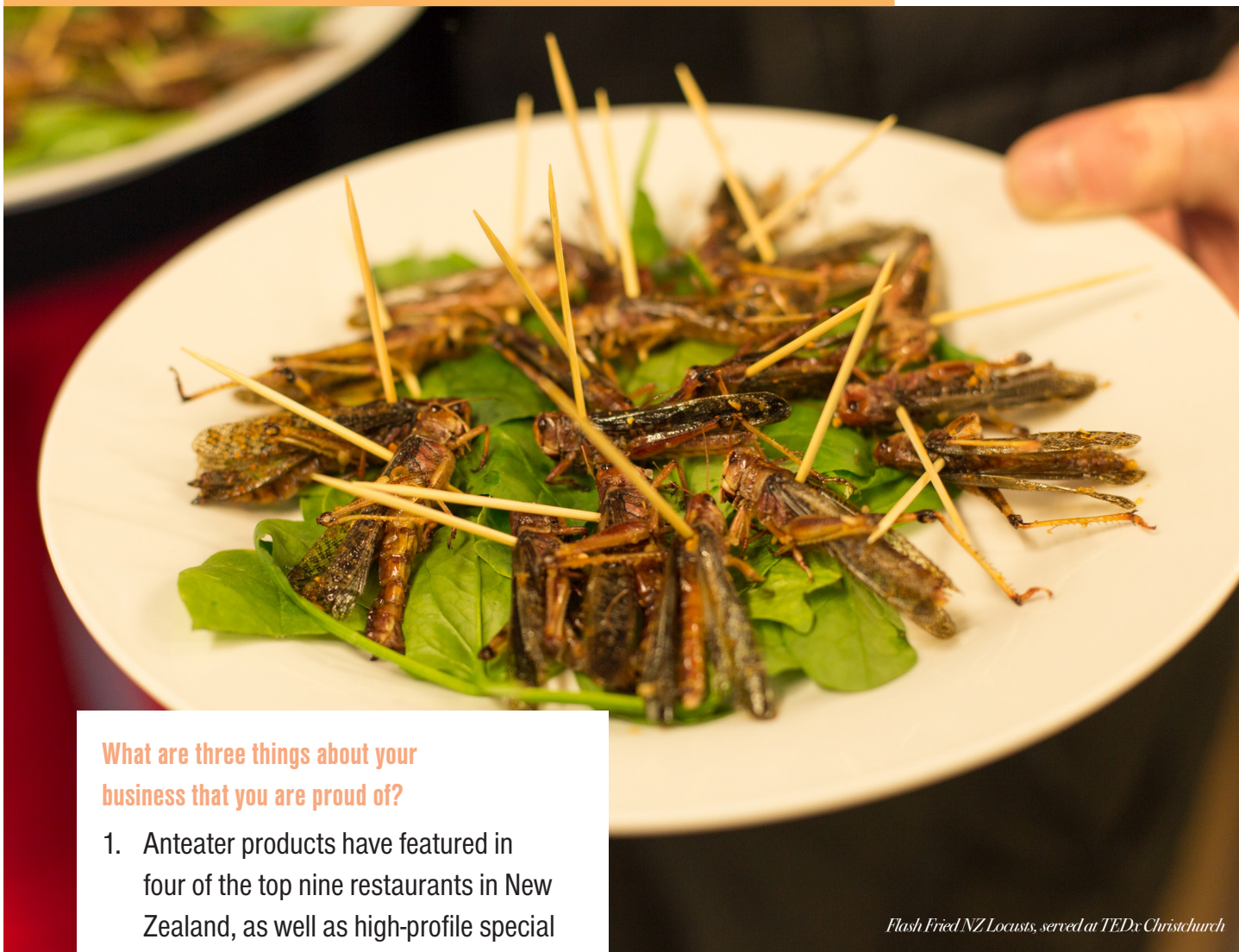
Bex's background is in logistics and operations for large-scale events. She has spent the last ten years working as a venue manager and technical manager for large live events teams. She holds an MA (Hons) in English from St Andrews University and an MSc in Sound Design from the University of Edinburgh and last year she completed a Graduate Diploma in Innovation and Entrepreneurship at Ara Institute of Canterbury.

Prawn Boudin with Pear and Lemongrass Ants, served by Pescatore

What are your three biggest unique selling points?

1. Our core competitors in New Zealand are selling dried, processed and imported edible insect products on a retail basis; we deal almost exclusively with fresh, whole products.
2. We are differentiated by the fact that we wholesale specifically to restaurants and special events.
3. We focus on core product offerings which can be farmed or wild harvested in New Zealand.

STARTUP WATCH



Flash Fried NZ Locusts, served at TEDx Christchurch

What are three things about your business that you are proud of?

1. Anteater products have featured in four of the top nine restaurants in New Zealand, as well as high-profile special events such as TEDx Christchurch and Te Papa's Bug Lab exhibition.
2. We have gained national news media coverage including TV3's Story, RNZ's Checkpoint and a range of print features in news publications all over New Zealand.
3. In October 2016 Anteater won the grand prize in the University of Canterbury's entré \$85k Challenge competition.

What is the biggest entrepreneur lesson you would like to share with other Kiwis thinking of starting their own business?

There are so very many... probably the biggest is the absolute, critical importance of having the right co-founding team. Find co-founders who share the same core values, but have different skill sets. •



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QUICK FIX

Prepare for Tomorrow Today

For many of us, the morning is our most productive time of the day, with the two hours after lunch being the least productive. That's why those sensible people in southern European countries take a siesta – we are naturally programmed to rest during the early afternoon!

Spending the first hour of the day deciding where to start your day is a waste of your most productive time and if you enjoy a coffee, read the sports news, catch the gossip and clear the junk email you are in the inefficient majority. You should do this in the early

afternoon while you are 'sleep working.'

Planning tomorrow is best done at the end of today. So, ten minutes before you leave the office, or sitting in your car for ten minutes when you get home before you go inside, take a sheet of paper or your latest i-gadget and write down the important things you will start your day with tomorrow.

When tomorrow comes, have the discipline to begin your day with the first thing on your plan. Knowing that tomorrow is planned, you will be more able to switch off from work today, and enjoy the evening more too. •

“There is time.
Even if we are
busy, we have
time for what
matters.”

Laura Vanderkam, Ted Talk

WATCH IT HERE: *'How to Gain Control of your Free Time.'*

