



Call to 'do the haka'

Kiwi innovators need to burn more jet fuel and go global, says expert.

By Maria Slade

NEW ZEALAND technology entrepreneurs need to “do the haka”, says visiting entrepreneurship expert Ken Morse.

Backed by Business New Zealand and New Zealand Trade and Enterprise, Morse will give seminars in Auckland and Christchurch on global sales strategies for ambitious Kiwi companies.

New Zealand innovators hide their light under a bushel because of their traditional reserve, he says. “Kiwis need to beat their chests a little more.”

Morse is described as a “serial entrepreneur”. The managing director of the MIT Entrepreneurship Centre in Cambridge, Massachusetts, has co-founded six high-tech companies — five have had successful public offerings or mergers; one was a disaster.

He believes Kiwi entrepreneurs

have moved beyond the “boat, bach and BMW” philosophy. “They want to build global businesses. The question is how.”

It means selling and it doesn't take long before the New Zealand market is exhausted. “To achieve success they have to go global — and that means burning jet fuel.”

It also means targeting a specific industry.

“You have to select a few, high-value vertical markets.” He cites Commtest Instruments, the



MORSE

Canterbury-based maker of vibration analysis instruments that are now essential in the wind-farm industry.

Morse is on Barack Obama's National Advisory Council on Innovation and Entrepreneurship. To maintain its standard of living, the United States has found that within two decades it needs to double the number of companies launched each year that become billion-dollar corporations.

At present that number is 20

and the country is aiming for 40. Almost all billion-dollar companies are started by experienced people over 40 who come from a sales background, he said.

The US approach had some lessons for New Zealand.

“New Zealand probably has to start one company a year that will become a \$500 million or \$1 billion [company] within 20 years.”

Morse is famed for his “elevator pitches” — concise presentations that can be delivered during the span of an elevator ride. Seminar attendees will take part in an elevator-pitch competition.

Mike Smith, chief executive of Australasian business software company Oxygen, took part in one of Morse's seminars five years ago and is now an elevator-pitch judge. “It's about having thought through your proposition and getting that crystal clear in your head,” Smith said.

Morse's seminars build confidence and clarify priorities — for example, revenue comes from sales and sales come from a strong product.

“He helps on that front-end stuff and I think that's the value that these people get.”

What's on

- **Global Sales Strategies for Ambitious Kiwi Entrepreneurs: University of Auckland Business School, May 2 and 3; Russley Golf Club Function Centre, Christchurch, May 5 and 6. www.entrepreneurshipnewzealand.com**

- **Silicon Valley Business School and Lowndes Associates seminars: Seven Secrets of Silicon Valley, Auckland, May 16; Assembling the Nuts and Bolts of Enterprise — Silicon Valley Style, May 17. www.business-intelligence.co.nz**



FIRE UP: Tech leaders are being told to cast their traditional reserve aside and "beat their chests a little more".

DAILY POST

Unlock secrets of Silicon Valley

HIGH-TECH KIWI firms aiming to make it big in the United States don't understand the basic rules, says Silicon Valley Business School founder David Smith.

For example, you need to register your company in Delaware. And investors get preferred stock, meaning if your company is sold they get more of the proceeds than you.

Smith will give two

seminars in conjunction with law firm Lowndes Associates about unlocking the secrets of Silicon Valley.

Overseas enterprises entering the US and looking for funding do not appreciate the "cookie-cutter" style of doing business there.

Investors syndicate their deals and require a standard platform for structuring their investments. Also, federal

regulations on the sale of investments are tough. Recruiting a broker is illegal unless they are licensed.

And start-ups need to understand the concept of preferred stock versus common stock — investors get the former and the founding entrepreneurs the latter. So even if they own half the company, they don't get half of any sale proceeds.