Tribal Fishing: Going Global through an Innovation Business Cluster

Te Matau a Maui
2nd Annual Māori Fisheries Conference
Kanohi ki te kanohi
Napier
Dr Manuka Henare
Mira Szászy Research Centre
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Global Strategy for Aotearoa New Zealand Seafood Sector-Future proofing for the 21st Century

Proposal For Aotearoa Fisheries Limited, Sealords Group Ltd & Te Ohu Kai Moana: Treaty Waitangi Fisheries Commission
Last year I discussed 1,000+ years history of Māori business

We found evidence of whānau, hapū & kainga involvement in fishing

Social Innovation (most difficult of all innovation)
- Two sets of innovation - social & economic (cf Peter Drucker)
- Evidence of long history of innovation by ancestral Māori

Drucker says:

Innovation is the specific instrument of entrepreneurship. It is the act that endows resources with a new capacity to create wealth
Together with Dr Charlotte Severne (NIWA) sought help of 50 MBA students and Prof David Hughes, North Carolina.

Consider a strategic challenge - Tribal fisheries going global – being global leaders.

Five study groups worked for a month – take into account four Māori well-beings:
- Economic, cultural, environment, spiritual

Concluded the following:
- Possible to become Global leaders in 15 years
- Possible for an annual return on managed assets of 15% -18%
- Engari – need to aggregate Māori fisheries assets
- OR, stay as we are – be happy with annual returns of 4% - 6%
- Engari - Who carries the burden of the foregone benefits i.e. the opportunity costs?
A response

**An innovation cluster**

is a “geographic concentration of interconnected companies, suppliers, service providers or groups in a particular sector or industry”,

James Robbins of Business Cluster Development (USA) when speaking to the New Zealand Venture Capital Association (NZVC) Annual Conference in November 2005
In the context of our intended discussion:

- The Innovation Fisheries Cluster (IFC) is a North Island Māori concentration of interconnected companies, suppliers, service groups involved in the fishing sector.
- The proposed cluster would likely be centred in Auckland.
Tribal Fishing: Going Global through an Innovation Business Cluster

- A Māori driven Innovation Fisheries Cluster to be part of an economic development strategy developed by the New Zealand fishing industry, the NZ Government, NZ’s leading Business School and Science Faculty and NIWA
  - Is an intended outcome of the FRST funded University of Auckland Business School/NIWA ‘Innovation in the Seafood Sector Research Project.

- *Māori Economic Development Te Ōhanga Whanaketanga Māori*, 2003, NZIER.
Māori focus on a fisheries technology cluster for economic, cultural & spiritual development opportunity

Strategy aimed at focusing on a North Island fisheries industry cluster

University of Auckland and labs together with NIWA labs and form the IP basis for innovation

Incubating companies within the fisheries cluster is a key implementation tool

(cf. James Robbins 2005)
The rationale for establishing a Māori driven Innovation Fisheries Cluster (IFC)

Seize opportunities within the seafood sector

- Capture growing market
- Lead the development of the sector
- Diversify the economy
- Leverage local (unique) assets
- Build investment base

(cf. James Robbins 2005)
Identify the keys to technology commercialisation

Four basic factors needed:

- Institutional assets – IP developing around UOA and NIWA research labs?
- Networks – Incubators and others?
- Talent – Founders & technical talent
- Capital – Does early stage financing exist?

(cf. James Robbins 2005)
1. Leverage Institutional Assets

Identify unique assets – Innovation is Key

Corporations

CRI labs, government agencies

University of Auckland, other universities

Deep IP, not necessarily technology transfer

R&D labs

HQs

(cf. James Robbins 2005)
2. Networks

Networking among fisheries entrepreneurs
- Entrepreneur organizations
- Incubators – The IceHouse

Research activity – UOA & other universities, NIWA & industry
- Startups
- Spin-outs – corporate, UOA
- Emerging ideas – Business School, Science Faculty, industry experts

(cf. James Robbins 2005)
3. Talent in the fishery’s community
   - Skilled workforce
   - Management talent
     - Founders
     - Other key management team members
   - Educational resources – SITO, company, UOA
   - (cf. James Robbins 2005)
4. Capital

Investment activity
- Early Stage Venture Firms
- Private Investors
- Debt and creative finance options

Creating Investment Networks
- (cf. James Robbins 2005)
Technology Innovation

According to James Robbins, Cluster Business Development (USA) -

Bring these factors together and understand that the process needs all the pieces:
- Universities and Research Labs
- Networks
- Talent
- Capital

Then, venture investments follow!
The University of Auckland: a research-led, international university, recognised for excellence in teaching, learning and research. Ranked 46th equal university in the world by the Times Educational Supplement in 2005: our aim is to rise still further internationally.

The UoA Business School: the oldest, (102 years), largest and the top-ranked business school in New Zealand for its research performance. It has three international accreditations: these are held by the top 1% of business schools in the world.

There are approximately 400 Māori students enrolled in the Business School in any one year

The Business School is the only university offering an Executive Masters Programme in Māori Business Enterprise, the Huanga Māori Masters Programme

- 3 Campuses - Hineāmaru Campus, Kawakawa, Bay of Islands; Tamaki Campus, Auckland; Te Papa Tipu Innovation Park Campus, (Scion), Rotorua
- Some 70 mature Māori students currently in the programme – Central North Island to Te Reinga
- 299 graduates in 14 years – 22 MBA, 20 Masters of Management, 157 PostGradDiplomas in Maori Business
- PhD Programme focussed on Maori Business & economics
To be recognised as one of Asia-Pacific’s foremost research-led business schools, known for excellence and innovation in research, learning and partnership with enterprise, and for contributions to enhancing New Zealand’s competitiveness and capacity to create and wealth and prosperity.

To educate individuals who will contribute to the enlightened management and leadership of private and public sector organisations, and the development of sound economic and public policy in a globally-competitive world.”

Plus...

We are committed to being innovative and to partnering with the business community to help us deliver on our Mission

And...

We aspire to be the premier business school associated with the fishing sector in Aotearoa New Zealand and the Asia-Pacific region.
Proud Partners of the University of Auckland Business School

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The Fishing Sector and the Business School

- **Research**

  Aotearoa Fisheries, Sealords Ltd, TOKM and related companies are beneficiaries of the $1.4 million FRST “Innovation in the Seafood Sector Research Project” run by the Business School and NIWA

  A Seafood Innovation Cluster is now being planned by the Business School, in a partnership with NIWA and Aotearoa Fisheries, Sealords Ltd & TOKM

- **Learning**

  The Executive & Corporate Programmes team in the Graduate School of Enterprise is working with the SITO to develop tailored leadership programmes for the seafood industry.
Aotearoa Fisheries Limited: “Our vision is to be the key investment vehicle of choice for Iwi in the fishing industry, to maximise the value of Maori fisheries assets and to ensure that we are a strong seafood business delivering growth in shareholder wealth to Iwi.”

Both organisations are committed to wealth-generation in Aotearoa New Zealand.

Both organisations are making an important contribution to the future commercial success of the New Zealand fishing industry.

Both organisations are committed to economic success and achievement for Māori.

Both organisations have a commitment to sustainability and longevity.

What then of tribal fishing companies?