



BUSINESS SCHOOL
Te Kura Pakihi

Rebuilding Aotearoa New Zealand

July 2020

New Zealand is emerging from the storm that is COVID-19. A common analogy heard during lockdown was that “we were all in the same boat”. Were we? We might have been in the same sea, during the same storm, but some boats stayed afloat, while others emerged just a little battered. Some sunk, others had sick people, and some lost people who they were unable to mourn and farewell as they usually would.

Regardless of how we fared personally, we are now all facing a changed country; sectors and industries are struggling, and unemployment is increasing.

What can we do? What should we do? We asked experts from Otago Business School. Here’s what they had to say:

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otago.ac.nz/business

* PBRF Quality Evaluation 2018.

Reigniting the Māori business economy



Dr Diane Ruwhiu

Department of Management

Rebuilding Aotearoa New Zealand's economy post-COVID19 will require a bold and resilient response.

Given the proven power of the Māori economy, reigniting the engine of Māori economic activity will be a critical component of reinvigorating the economy at large.

The past decade has seen evidence of a fast-growing and lucrative economic landscape driven by the commercial successes of our iwi, hapū and Māori businesses more generally. Within and beyond our traditional land-based activities, we were seeing Māori driven productivity, employment, innovation and investment. The projections for growth were phenomenal and all framed within the unique value proposition that Te Ao Māori, the Māori world, brings to economic thinking.

Such a perspective prioritises an understanding of growth and development beyond the economic to include the wellbeing of our people, our communities and our natural environment. This perspective was made even more relevant during the COVID-19 experience as iwi and hapū across the nation provided support packages to kaumatua and whānau in need, illustrating the broader reach and organisation of our Māori economy.

Now is the time, in the bicultural spirit of our nation to reimagine a people-centred and values-based way of thinking about economic development. Now is the time to draw from our traditional wisdoms and our contemporary experiences, to work together to best achieve our social and economic (re)development goals and meet the needs and aspirations of all our people.

This is not the time for rigid, rule-based management



Dr Brian Spisak Department of Management

During times of crisis and uncertainty, leaders tend to become rigid and rule based. This, however, is not what an organisation needs. Instead, leaders need to facilitate communication and co-operation. Crisis situations, like responding to COVID-19, are far too complex and dynamic for any one leader or core of leaders to manage everything in a command and control fashion. The hierarchy needs to flatten.

Thus, above all else, leaders must cultivate trust. They can do this by enabling front-line managers and employees - allowing them to make critical decision rather than applying layers of authorisation. Leaders must co-ordinate these decentralised efforts and share best practices - thus the focus on communication. This form of communication requires leaders to step back and see the big picture; this can only be done if they don't micro-manage.

Finally, above all else, leaders need to develop a response that is truly people focused. There's more to it than a well-crafted email about how proud and impressed they are with everyone's response. As society moves into the next stage of COVID-19 response, leaders will need to back up that rhetoric with supportive, long-term action. That sort of action is not about narrowly focusing on short-term budgets and what we can't do; that's what managers do, not leaders. Instead, it's about investing in opportunities with long-term stakeholder returns - paying salaries, avoiding layoffs, finding better ways of working, increasing flexibility, discovering growth where others retract. That's what leaders do.

At the end of the day, staying mission-focused is staying 100% people-focused no matter how scary the short-term is. To accomplish this mission, leaders need to be less rigid, hierarchical, and rule-based and more trusting, decentralised, and big-thinking.

<https://www.newsroom.co.nz/2020/04/08/119558/reputations-won-and-lost>

New funding model needed to enable remote GP consultations to continue



Professor Robin Gauld

Pro-Vice-Chancellor and Dean, Otago Business School
Co-Director, Centre for Health Systems and Technology

As with many other areas of the economy, business and society, COVID-19 shifted how healthcare is delivered in New Zealand. Overnight, general practitioners moved to a fully online and telephone delivery model. They still saw patients, but many GPs were only seeing one or two patients a day in person. Prior to lockdown, a busy GP might have seen 30 or so patients a day. What changed and what does it mean for the business model and patients?

GPs, along with other healthcare providers such as public hospital specialists, adopted a new model which has been talked about for many years and trialed elsewhere but was seemingly impossible to implement in New Zealand. As patients well know, this now involves talking with patients initially by phone or video. Many basic consultations are being dealt with this way. For patients, it has brought a new level of convenience in no longer needing to travel to a GP office and sit waiting for appointments. With GPs reliant on over the counter payments, the business model has not supported this way of working.

What's needed is a new method for funding GPs to continue working in remote ways that are convenient for patients. What's also needed is technology to support such work. We drastically need an investment in app-based and behind-the-scenes organisation of services that support a patient-view of the health care system. This will include everything from booking appointments, through to monitoring time delays in the system, and enabling easy to use high-quality video consultations. We also need our hospital specialists included in the conversation and change process. It's everyone's job in the health care system and our technology sector to get on board with this.

<https://www.nzdoctor.co.nz/article/news/budget-2020-lost-opportunity-reshape-primary-care-robin-gauld>

<https://www.nzdoctor.co.nz/article/undoctored/air-nz-could-provide-some-answers-nzs-ailing-health-it-systems>

<https://www.newstalkzb.co.nz/on-air/early-edition/audio/robin-gauld-hopes-for-extra-funding-from-budget-to-reshape-health-system/>

<https://www.stuff.co.nz/national/health/121485132/coronavirus-telehealth-technology-advancements-put-patient-in-drivers-seat>

Information technology needed now more than ever



Professor Holger Regenbrecht

Department of Information Science

Now more than ever before, economic, social, and environmental sustainability depends on information and communication technology. We need new ways of thinking, a willingness to innovate, to think outside the box, and we need general education and participation.

Let me give you three examples: (1) Teaching and learning will be mainly digital. We have experienced the lockdown videoconferencing downsides but also the new effectiveness and benefits. Let's go one step further: from 2D Zoom to 3D embodied interaction using virtual reality over the internet. Our voxel-based immersive mixed reality system is one stepping-stone for this.

(2) Tourists won't flood our shores in the same order as during the last decades. Instead, they might stay home, dream of our beautiful country, and use our mobile telepresence technologies to experience Aotearoa—and, by the way, reduce carbon emissions by not flying (or only once in a long while).

(3) Dispersed Māori communities want to reconnect with their whanau, friends, marae, tikanga, taonga, etc. We develop and integrate mixed reality technology to make that happen in partnership with our Ātea Ngai Tahu friends.

COVID-19's silver linings will be mainly digital, and we are at the forefront of it.

Flexible approach to working from home needed



Dr Paula O'Kane

Work Futures Otago, Department of Management

The Work Futures Otago team surveyed nearly 2500 people to understand their experiences in relation to working from home during lockdown. Our initial results reaffirm previous research that encourages organisations need to think carefully about their day-to-day work organisation and how they can create an individual mutually beneficial arrangement that works for everyone (not just parents or those with other responsibilities).

Our research ultimately suggests that a flexible approach to working from home can improve productivity and support work-life balance, and that New Zealanders are optimistic that this will happen. Our worry is that organisations will return to the status quo without learning from the resilience and commitment shown by their employees when working during lockdown. The high levels of mutual trust and support shown during lockdown, and needed to make working from home a long-term reality, may be rescinded. This ultimately will result in a drop in organisational commitment and possibly employee motivation to perform.

<https://blogs.otago.ac.nz/futureofwork/news-team-blogs/>

<https://www.rnz.co.nz/national/programmes/thepanel/audio/2018748395/working-from-home-the-new-normal-post-lockdown>

<https://www.newstalkzb.co.nz/on-air/mike-hosking-breakfast/audio/paula-okane-study-reveals-employees-are-more-than-happy-working-from-home/>

<https://www.odt.co.nz/news/dunedin/many-keen-continue-working-home>

<https://www.newstalkzb.co.nz/on-air/mike-hosking-breakfast/audio/paula-okane-study-reveals-employees-are-more-than-happy-working-from-home/>

<https://www.scoop.co.nz/stories/AK2004/S00661/employment-after-lockdown-expert-reaction.htm>

Now is the chance to invigorate domestic tourism



Dr Julia Albrecht

Department of Tourism

Although domestic tourism and travel expenses had eclipsed international tourist spending pre-COVID-19, domestic tourism has been treated as the “poor cousin” by decision-makers, businesses, and in tourism marketing.

Now, tourism businesses have to focus their products and marketing on the domestic market, and soon on the Australian market as well. This will be comparatively straightforward for many of the generic businesses like accommodation and transport providers who need to make sure that they adapt their products to suit the respective alert level guidelines they will be operating under.

Many coach tour operators, tour guiding businesses, adventure activities and others who generally cater to international markets may find it harder to adapt. Some key attractions, likely in cultural tourism and wildlife tourism, will be supported under the NZ\$400 Million Tourism Recovery Fund, but not all. These others will have to tweak both product and marketing to appeal to New Zealanders and Australians. Revisiting product pricing may be part of this as many New Zealanders perceive domestic travel as prohibitively expensive.

The current focus on domestic tourism shifts the industry's attention to New Zealand families and New Zealand-based short breaks. In an industry that has for decades pursued the international tourist dollar, rather than focusing on domestic, this is a seismic shift, albeit one that, if implemented well, could benefit New Zealanders and New Zealand tourism for a long time.

<https://www.odt.co.nz/news/dunedin/all-areas-urged-put-their-best-foot-forward>

<https://www.stuff.co.nz/national/health/coronavirus/121473245/coronavirus-move-to-alert-level-2-receives-mixed-reactions-from-experts>

<https://www.scoop.co.nz/stories/SC2005/S00012/tourism-in-a-trans-tasman-bubble-expert-reaction.htm>

<https://www.odt.co.nz/business/reconfigured-domestic-tourism-critical-recovery>

Stimulating the economy vital, but at what cost?



Professor Paul Hansen

Department of Economics

The lesson learnt from the (first) Great Depression of the 1930s, popularised by British economist John Maynard Keynes, is that a government's role in such a crisis is to spend much more than it taxes. Large fiscal deficits and rapidly rising public debt are inevitable – and in the sense of responding to the crisis, to be celebrated.

In its Budget delivered on 14 May 2020, the Government went all in with its \$50 billion “COVID-19 Response and Recovery Fund”. (If you are trying to get your head around how big \$50 billion is, let me point out that it takes 32 years to count \$1 billion at a rate of \$1 per second.)

So far, only \$30 billion has been allocated for specific policies, leaving a \$20 billion war chest for other, as-yet-unspecified, uses. I think that is a pretty good idea, given how uncertain things are: it makes sense to keep our options open, so long as the money is spent wisely.

Performing the analysis to decide what is good quality spending takes time. Economic evaluations, done properly, take longer than the half-dozen or so weeks that the Treasury and ministerial staff had to figure out how to spend the money when the COVID-19 crisis struck.

Yes, stimulating the economy by ramping up ‘aggregate demand’ – to replace the depressed spending by New Zealand's private sector and overseas consumers – is fundamental to the Government's role reacting to the economic crisis. But that doesn't mean spending for spending's sake.

And now for the bad news: someone is going to have to repay the \$200 billion net government debt that is forecast by 2023. (Again, to put this debt in context, \$200 billion works out at every man, woman and child in NZ owing about \$40,000 each.)

Who will have to repay the debt, when, and how? Us current taxpayers or our children (and perhaps grandchildren)? Higher income taxes in the future? A capital gains or wealth tax perhaps? What cuts to government spending might be justified? An increase in the superannuation age? A return to student fees and interest on student loans?

This is an election year: future budgets can address these delicate but unavoidable questions.

<https://www.odt.co.nz/regions/tackling-economic-devastation>

<https://www.stuff.co.nz/national/health/coronavirus/120799098/future-shock-what-will-new-zealand-look-like-a-year-after-coronavirus>

Creative destruction and resilience



Professor Nathan Berg

DCC Chair in Entrepreneurship

It seems too easy – and insensitive to boot – for academics to herald future productivity gains and greater long-run standards of living as a silver lining in the post-COVID-19 economy. Most of us aren't the ones facing the stress of making payroll, negotiating debt work-outs, or applying for wage and credit programmes to deal with this economic emergency. With trepidation, I'll `go' there. Feel the fear, and do it anyway.

The post-COVID-19 economy presents very different consequences and opportunities for different kinds of businesses. Some are doing extraordinarily well, responding to greater demand for their products like Dunedin EdTech company, Education Perfect. Some are adapting by selling new things in new ways, like dunedinstore.nz, agmatch.co.nz, mainstreetmarket.co.nz. Dunedin egg producers launched online stores. Signal-ICT is offering \$5k SHIFT scholarships. Others, however, have business models that worked three months ago but are broken now.

Our views about what's valuable and worth spending money on have changed. We face profound uncertainty about how the economy and our preferences will turn out to have changed over the next three years. There is indeed a silver lining in the opportunity to make new kinds of value-added in response to new kinds of perceived value.

Given this uncertainty and the opportunity it portends, one thing we all could use more of is good information. Some are reticent to talk about those businesses that are thriving, out of respect and concern for those that aren't.

We should resolutely celebrate the success stories. Share information about what's working and how. We need their examples and insight in the spotlight.

The tertiary sector faces the challenge of uncertain future demand, too. Rapid shifts in demand shine a bright light on business systems that may need to be redesigned for agility and resilience. What we teach applies also to us.

Otago's entrepreneurship programmes train people to develop and grow their entrepreneurial behaviours. Accordingly, the imperatives we face are somewhat clear: be agile, adapt flexibly, fail fast when things don't work out as we'd hoped, and boldly undertake the creation of new value-added of many different kinds (including financial, ecological, social, artistic and more).

<https://www.odt.co.nz/opinion/what-do-those-holding-skin-their-teeth-want>
<https://www.scoop.co.nz/stories/AK2004/S00534/mayor-launches-dunedin-business-directory-initiative.htm>
<https://www.stuff.co.nz/business/farming/119231917/rolling-out-the-red-carpet-for-crossbred-wool>
<https://www.odt.co.nz/rural-life/rural-life-other/wool-co-op%E2%80%99s-gear-catches-retailer%E2%80%99s-eye>
<https://signal.ac.nz/shift/shift-industry-projects/article/pOGHuOg/breaking-news-shift-scholarships-up-to-5000-for-july-2020>
https://www.nzherald.co.nz/the-country/news/article.cfm?c_id=16&objectid=12328514

A global prototype: Building a 21st Century (post-COVID) tourism system



Professor James Higham

Department of Tourism

We have an opportunity for disruption.

The Parliamentary Commissioner for the Environment's report released in December last year – long before anyone could have foreseen this crisis – called for us to move away from high-growth, volume-based 20th Century tourism. It noted that tourism has eroded the very attributes that make Aotearoa such a nice place to live and to visit. It has also placed enormous strain on popular locations that would only get worse if we continued business as usual.

We are now having to restart the tourism system after a total shut down and that offers a very rare opportunity to ask some important questions. What is the tourism we want in the future? Do we want to return to the 'old normal'? Do we want to return to the relentless pursuit of growth or are there preferred alternatives?

Two schools of thought have emerged. One recognises the need to recover as quickly as possible, to focus on people - saving jobs, restoring traveller confidence, and returning to growth in tourism. The alternative school of thought would have it that while recovery is important, an opportunity exists to lead the world in terms of rebuilding tourism for the future. Twentieth century tourism has been based on travelling long distances, quickly for short durations. This form of tourism was dependent upon high carbon transport and was relatively low in value and high in local and global impacts. We could rebuild the sort of tourism that we've been talking about for a long time. It should be climate safe, so we must begin to decarbonise our tourism markets. It also needs to be more sustainable. We need to protect our environment, our cultures, our communities, and our resources. It also needs to be resilient; this will not be the last bio shock that we face.

We have an opportunity for disruption. Crises in the past have accelerated changes that often happen far too slowly. Historians argue that the 20th Century actually began in 1914, when the first World War swept away the old Victorian ways that had continued into the new century. We need to ensure that in future we can reflect that the 21st Century of sustainable tourism began in 2020, and may not have happened at all, without the COVID-19 crisis.

<https://www.youtube.com/watch?v=jxepcGAzWio>

<https://www.odt.co.nz/news/dunedin/all-areas-urged-put-their-best-foot-forward>

<https://theconversation.com/why-a-trans-tasman-travel-bubble-makes-a-lot-of-sense-for-australia-and-new-zealand-137878>

https://www.nzherald.co.nz/nz/news/article.cfm?c_id=1&objectid=12329060

Broadening our conceptualisation of value and innovation paramount



Associate Professor Sara Walton

Director Master of Sustainable Business

Resilience is the ability to bend and not break. COVID-19 has been testing the resilience of many businesses globally. Some have not been able to bend back into shape resulting in uncertain times. It would seem that emerging through this experience is the slow defining of a new shape. There is considerable research on the development of more sustainable and resilient business models which we should be drawing on as part of this process.

First, we know that broadening our conceptualisation of value and innovation are paramount. We need to think about how we are creating environmental value through green innovations and creating social value through social innovation. How we treat people and the environment in the future will matter and will drive business innovation. Not only will it drive innovation but it will also build resilience.

Developing circular economies is one way to build new business models that develop environmental value through industrial ecosystems that create new models for value chains post COVID. We will need businesses to work together to close the loop and manage resources in technical and natural systems to eliminate waste collectively. This will not only reduce environmental impacts but also create skilled jobs and a competitive advantage for our products and services in a resilient and sustainable way. Thus, future proofing for the next normal.

<https://www.rnz.co.nz/national/programmes/sunday/audio/2018747740/3mm-sara-walton-on-the-next-normal>

<https://www.odt.co.nz/opinion/lockdown-valuable-lesson-trust-managers>

<https://www.odt.co.nz/news/dunedin/dunedin-workers-start-heading-back-office>

<https://www.newshub.co.nz/home/new-zealand/2020/05/coronavirus-new-alert-level-2-rules-likely-to-be-different-than-previous-business-expert.html>

<https://www.scoop.co.nz/stories/AK2004/S00661/employment-after-lockdown-expert-reaction.htm>

Rebuilding the economy – be bold, think local and build resilience



Associate Professor Sara Walton, and Dr Diane Ruwhiu, Department of Management Professor Lisa Ellis, Philosophy, Politics and Economics Programme Director

There are always silver linings. Through this COVID-19 crisis, one key silver lining was that amidst the frenzy of lockdown preparations many saw opportunities to stop and speak to their neighbours. Another key silver lining is a visceral sense that something has to change.

Aotearoa New Zealand can and should take a leading role in the response to this turning point. We have demonstrated foresight and resilience in our responses to the Christchurch terror attacks and COVID-19. Now, as we cross from the emergency response to the longer term economic planning challenges, we can continue to demonstrate the resilience and vitality of our human-centric approach.

Here are 3 key options for the Government to consider for a reinvigorated economy that will have wider benefit for Aotearoa New Zealand.

1. The first is in low carbon building projects. Low carbon projects enable us to build a competitive advantage as a nation and develop a key skill base to enhance productivity in our people. The turning point in the world is now to prepare for the effects of climate change – some of which will present us with greater health risks.
2. Second, we need to develop resilient local food systems, as not only do people need shelter but access to (good) food. Unless we are pro-active in planning for resilient local food production, climate change will compromise our ability to actually produce the food due to environmental factors such as water shortages, temperature rises, more frequent and violent storms, etc.
3. Third, we need to achieve the above two points by embracing the bi-cultural spirit of our nation and utilising a people centred and values-based way of thinking about economy and economic action. Imagine considering a notion of economy that 'fits' with a view of the world where people, place and well-being are the drivers of economic action.

If we make the right choices now then we prepare ourselves for the new future that we will see emerging globally. Business-as-usual after COVID-19 is not an option. Aotearoa needs to be bold, think local and build resilience in developing our economy to meet the needs of all of our people.

<https://www.odt.co.nz/opinion/recovery-chance-real-change>

A chance for travel agents to regain trust and viability



Professor Neil Carr

Department of Tourism

Travel agents have been struggling for years to compete with online offerings, but they now have an opportunity.

Their actions during the past three months to help people get back home and to get refunds will have left a lasting positive impression in the minds of their clients. In much the same way, negative experiences suffered by those who booked travel/holidays online will leave a lasting impression.

Yet as we move past the pandemic the drivers that saw people shifting to using online services - that is convenience and cost - will re-emerge. Travel agents cannot compete with those drivers, but they can always give the human face and engage with their clients in ways that automated systems cannot. Travel agencies have always been a consumer service industry. The pandemic has the potential to remind them that by going the extra yard to help clients they can continue to be effective and meaningful in a way that enables them to be viable when set against algorithm-driven online booking systems.

The window of opportunity to take advantage of the renewed trust in agents and distrust of online systems will be relatively short before cost and convenience become the dominant drivers again. If agents are to make the most of this opportunity, they must do everything they can to demonstrate the trust in them is not misplaced.

To ensure this becomes a trend rather than a blip, the agents need to truly be the human face that online systems lack. This human face is the advantage of travel agents and in many instances, it has arguably been overlooked in the past as the industry has sought to cut costs to compete with the prices offered online.

<https://www.stuff.co.nz/travel/back-your-backyard/300006414/new-zealands-immediate-focus-should-be-on-domestic-tourism-before-we-look-at-a-transtasman-bubble>

<https://www.stuff.co.nz/travel/destinations/pacific-islands/300012688/why-new-zealand-should-make-a-transpacific-travel-bubble-a-priority>

Data, data, data – the technology enabler or the troublemaker?



Associate Professor Jeremiah Deng

Department of Information Science

In a post-COVID-19 era, one could see a society where physical interactions are much reduced, and online or virtual operations become the new normal.

For businesses, this would suddenly increase their reliance on technology on a scale not seen since the inception of the internet. At the same time, they would have unprecedented opportunities to acquire and make sense out of data using machine learning and artificial intelligence tools.

For healthcare, especially for the elderly and other vulnerable groups, live streams of data collected by sensors and cameras may become necessary, but the analysis of such real-time data remains challenging. Research on online anomaly detection and activity classification in smart homes may provide some useful solutions.

On the other hand, while extended tracing of people's location and movement information may enable more effective pandemic control, this approach is already raising controversies and genuine concerns. Apart from having the right legislation and regulation put in place, perhaps a more challenging issue would be to find technical solutions that ensure that data, now-ubiquitously collected, can be maintained and utilised securely, privacy-preserving, and for legitimate purposes only.



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