

2017 Deloitte Fast 50

One Goal at a Time

Profitable growth

Profiling Success

Meet some of our leading lights

Growth Funding

Kiwi entrepreneurs still take
most of the risk themselves



Produced by

Fairfax Media

New Zealand's booming education sector

Anuja Nadkarni

New Zealand education businesses are competing with the world's best for students from around the world.

➔ Education providers have become some of the fastest growing businesses in the country.

Deloitte private partner Bill Hale says while education has not been a consistent player on the Deloitte Fast 50 list previously, this year it has a strong presence.

The key to picking up traction quickly is for businesses to have a customer niche, Hale says.

"Those businesses that are too broad and try to have something for everyone struggle to get as much growth because they can't get their brand recognised for one thing."

Nurtured at Home is one such education sector disrupter that experienced growth of 480 per cent in the three years it has been in business as it provided an alternative to mass childcare.

The education service brings early childhood teachers into students' homes providing quality home based early childhood care and education for all preschool children.

Founder Petra Navanua says rapidly growing businesses should keep reflecting on their journey and remain malleable to sustain their success.

"What worked well when you were first starting, may not be as effective as you grow, so you need to be responsive and adaptable to this," Navanua says.

"People interested in entering the early childhood sector really need to have a sound understanding of education and be in it for the children and families.

"If you have this as your reason for entering the market, then you will be more likely to succeed. We are already seeing consolidation within the sector and I see this continuing over the near future."

New Zealand's education system is also attracting international attention making it the fourth largest export.

All eight of the country's universities are in

the world's top three per cent.

Executive director of Universities New Zealand Chris Whelan says for most tertiary educators, the most lucrative business is brought in by international students.

According to Education New Zealand last year the country's international education was worth about \$4.47 billion in 2016, up four per cent from the previous year.

Acting chief executive of Education New Zealand John Goulter says this has been driven by domestic systems in many developing countries not responding fast enough to the fast expanding need for higher education.

Goulter says New Zealand is known to excel

in areas which combined creativity and innovation with technology especially in design, agriculture and cyber security and all fields of engineering.

Although, one of its challenges remains that awareness is still low, he says.

"International education is a competitive industry. New Zealand faces significant competition for students from the United States, United Kingdom, Canada and Australia, among other countries. New Zealand providers need to be competitive to survive and grow," Goulter says.

Whelan says without international students some of the country's biggest tertiary



LEFT: Crimson Education's chief executive Jamie Beaton says New Zealand punched above its weight in the global competitive education market.



RIGHT: Petra Navanua says with rapid growth, it is important to continually reflect your business' journey.

“NZ punches above its weight in the global competitive education market.”

education providers would have to close down. Each international student contributes about \$32,100 per year to the economy.

The fastest growing Kiwi education company is Crimson Education, having seen growth of over 1000 per cent since it started in 2013.

Crimson Education matches thousands of students with about mentors around the world to help them study at their university of choice.

Last year 93 per cent of Crimson's students got into their top eight universities.

Crimson's chief executive Jamie Beaton says New Zealand punches above its weight in the global competitive education market.

He says around the world there has been a growing trend of students looking to other countries for various phases of their education and New Zealand was on the lists of many.

Within the local education sector, a trend that has been picking up is that students are looking for best-fit programmes rather than opting going into traditional engineering, accounting or medicine degrees, mirroring the changing workforce and new jobs being created through rise of new technologies.

Beaton says businesses that harness technology will be prepared for the future.

Crimson is investing in Artificial Intelligence and psychometrics technology to further develop its services.

“Digital applications themselves aren't going to educate the world themselves, you can force a student to watch a video but not to learn.

“It's the intersection between online and offline which is where the magic happens,” Beaton says. 



The cost of materials is rising, putting pressure on construction firms.

Construction rides economic wave.

Susan Edmunds

New Zealand's construction firms are riding a growth wave that may continue for years yet.

➔ New Zealand's construction firms are riding a growth wave that may continue for years yet.

Eight of the companies on this year's Deloitte Fast 50 are in the construction industry.

Deloitte partner Doug Wilson said that was driven by New Zealand's strong economy.

“The economy has been performing pretty well – we've been out-performing a lot of international trends. It's driven growth in business.”

That business growth had led to more commercial construction work as companies looked to consolidate their sites, move to new premises or shift to new locations.

“That drives a lot of activity. If you travel to most, if not all, the main centres, they have quite a lot of cranes kicking around.”

When businesses were doing better, that also boosted the fortunes of “mums and dads”, he said, who might feel more secure in their jobs, and with more disposable income. That encouraged them to decide to move on to bigger and better houses, or prompted first-home buyers to take their first steps into the property market.

“Then there are immigrants coming in,” he said. “That's been the thrust of the residential construction boom. The last four to five years

has seen unprecedented growth in the residential space.”

There was also significant infrastructure work flowing through, he said, as local and central governments caught up from the global financial crisis.

This year's national construction pipeline, a forecast by the Ministry of Business, Innovation and Employment (MBIE), predicted the construction boom would last longer than expected, remaining above \$30 billion for at least the next five years.

The workload was now expected to grow another 23 per cent by 2020, peaking at \$42b, \$5b higher than previously forecast and three years further out.

Zane Beckett, founder of ZB Homes, which operates in Waikato and Bay of Plenty, said both areas had been “out of control”, largely driven by immigration.

He said some of the heat had dropped away more recently but there was still strong demand.

Julian Oxborough, founder of Tower Cranes, said demand was still “full on” in his sector. “We're struggling to keep up with what's going on up and down the country, it's absolutely flat out.”

The company had grown from a team of three to 110 over the past three years, he said. It had grown from three cranes to 27. “There's no sign of a let up – 100 per cent of the tower cranes are booked out for another 12 months, minimum.”

Even Carus Group, which is not directly linked to the construction industry but instead provides painting services, said the market was “really going crazy”. “People have all of a sudden realised they want to get painting done.”



Commercial work has a lag time that means the boom will last longer for many firms.

But Wilson said there were hurdles ahead for the industry. Cost inflation for labour and materials was a problem for some businesses. “Getting people to build the required number of houses is hard.”

Many firms had to buy land at a high price, which made it hard for buyers to commit to purchasing. Bank pressure also made it hard for some to get loans.

But he said commercial companies in particular would have some years left where they could expect strong activity.

“The good thing with commercial construction is there is such a long lead time, you get a lag even if there is a slowdown in other areas. You could probably still expect another two-to-three years of forward work for a large construction firms that specialise in commercial buildings.”

Wilson expected a similar showing from construction firms on the Fast 50 list next year but said it could drop away by 2019. **50**



Naomi Ballantyne’s insurance company Partners Life placed fourth on the masters of growth index, proving innovation is possible in traditional industries.



Protempo general manager Mark Priscott says, “the world is full of opportunity if you are not afraid to chase it.”

One goal at a time Madison Reidy

Profitable growth is not without its challenges.
Those who have mastered it give away their secrets.

➤ Keeping up multi-million-dollar revenue growth for five years is something a rarity worth celebrating.

For most of this year’s Deloitte Fast 50 companies, it’s their first time on the index. Only one company this year is appearing on the list for the fourth time.

This year, Deloitte introduced a masters of growth award to highlight recurring winners

who made \$5 million in sales in 2013 and have kept growing since.

The winners’ secrets to sustaining rapid growth ring true across industries, from technology to bagels.

International electronics distributor Protempo general manager Mark Priscott says sensibility has led to its ridiculous success.

Protempo’s 608 per cent revenue growth over

the past five years has seen it sign contracts with Microsoft, Google and Amazon.

The company won this year’s Auckland and upper North Island masters of growth award. It placed second on the national masters of growth list.

Priscott says in the business’s early days, Protempo would have grabbed every opportunity laid in front of it. Now, it accepts only two out of 10 deals put on the table.

“You cannot do everything. You have to be sensible about what you are trying to achieve,” he said.

“Have big goals, but just focus on one, maybe two, at a time.”

Originally starting in 2004 as a daily deals website, Priscott says Protempo’s ability to adapt to market trends is its cause for celebration.

The now-international distributor of last-season technology has 18 staff across four countries. This year it will open

a refurbishing warehouse in the United States.

Accounting software company Xero took out the top master of growth title with a 657 per cent rise in revenue over five years.

Deloitte partner Mike Horne says New Zealanders have a tendency to think only technology companies could show “remarkable” growth year-after-year, but that is a “cop out”.

“If you have got the right people, the right culture and a desire to drive then you can do it in traditional sectors.”

Abe’s Real Bagels proved avoiding a plateau was possible in the cluttered food and beverage sector.

The bagel and bagel crisp maker’s revenue grew 176 per cent in five years.

Its chief executive Wade Gillooly reiterated focus as the key factor to its success.

He says the 20-year-old business has remained a bagel-maker at its core.

“We have not tried to do too many things. A lot of companies try to do too much, too soon,” Gillooly says.

He says Abe’s had collaborated with other market-leading food brands, such as Sanitarium’s spread Marmite and Kraft’s equivalent Vegemite, to keep customers interested in its product.

Insurance company Partners Life, founded by Naomi Ballantyne, placed fourth on the national masters of growth list, further proving Horne’s point that innovation is not industry-specific.

Its chief financial officer Sean Kam says it



Abe’s Real Bagels chief executive Wade Gillooly says the company has seen success for 20 years because it never strays too far from what it’s good at - making bagels.

“We have not tried to do too many things. A lot of companies try to do too much”
Wade Gillooly

made \$23m of sales in its first year in 2011. In the past three years it turned over another \$40m.

Kam says the company has been “so successful for so long” because of Ballantyne’s leadership and its cheap, unique insurance policies.

Horne says companies that brought a new product to traditional sectors, like insurance, have a good chance at success. **50**

FAST 50 MASTERS OF GROWTH

What does the average
2017 Master of Growth
look like?

\$71.1M*
AVERAGE
REVENUE

260%
5 YEAR AVERAGE
GROWTH



11
YEARS OLD

331%
ENTRY THRESHOLD
FOR TOP 5

COMPANIES IN THIS AWARD
HAD TO BE IN OPERATION FOR
AT LEAST FIVE YEARS, TURNING
OVER **5 MILLION DOLLARS** OR
MORE IN THE FIRST YEAR
RECORDED

*Not including EBOS Group revenue

2017 Deloitte Master of Growth index

Rank	Company	Region	Revenue growth	Description	Website
1	Xero	Wellington	657%	Kiwi tech pioneers of cloud-based accounting software	xero.com
2	Protempo	Auckland	608%	Global distributor of consumer electronics products	protempo.com
3	Invenco Group	Auckland	386%	Global provider of revolutionary self-service payment technology	invenco.com
4	Partners Life	Auckland	347%	Fresh innovative offering for the protection of New Zealand families and businesses	Partnerslife.co.nz
5	Verhoeven Group	Hamilton	332%	Collective of companies focused on the on the lifestyle sector importing a range of products	
6	EBOS Group	Christchurch	318%	Wholesaler and distributor of healthcare, medical and pharmaceutical products	ebosgroup.com
7	New Zealand Sotheby's International Realty	Dunedin	287%	Recognised as the world's largest and most prestigious luxury real estate brand	nzsothebysrealty.com
8	Wellington Hospitality Group	Wellington	272%	Fast growing, independently owned hospitality company in New Zealand	whg.co.nz
9	Simply Energy	Wellington	268%	Kiwi-owned innovator that simplifies the process of buying, selling and consuming energy	simplyenergy.co.nz
10	Arrow ECS New Zealand	Auckland	216%	Leading distributor providing specialised, technical service distribution to IT products	ecs-anz.arrow.com
11	Go Healthy New Zealand	Wellington	195%	Leading New Zealand Natural Health products brand	gohealthy.co.nz
12	Abe's Real Bagels	Auckland	176%	Specialises in the baking and selling of bagel products	abesbagels.co.nz
13	Hipgroup	Auckland	170%	At the forefront of redefining the way Aucklanders eat	hipgroup.co.nz
14	Agoge	Hamilton	160%	Recruitment company servicing the transport & logistics industries	agoge.nz
15	Key Skills Recruitment	Wellington	150%	A trade and industrial recruitment agency	keyskills.co.nz
16	Euro Corportation	Auckland	147%	Leading construction and rural product solutions business	eurocorp.co.nz
17	Compac Group	Auckland	144%	Providing integrated post-harvest solutions	compacsort.com
18	InterGroup	Auckland	140%	Delivering effective and efficient industrial and infrastructure services	intergroup.co.nz
19	ClearPoint	Auckland	134%	Software development experts creating innovative digital solutions	clearpoint.co.nz
20	Tomoana Warehousing	Wellington	96%	Logistics company providing transport and warehousing solutions	tomoanawarehousing.co.nz

Do-gooders doing good

Madison Reidy

Start-up companies on the horizon of success want to do more than draw a profit.

➡ Up-and-coming companies not only have a plan to conquer global markets but an overwhelming desire to do good.

Deloitte partner Andrew Boivin has judged start-up success stories for Deloitte's Fast 50 rising star award for the past three years.

He says this year's competition was stiffer than ever.

Picking a winner came down to deciding which company could and would succeed internationally.

"That global aspect ... is critical for a New Zealand business."

The national rising star winner Parrot Analytics has already "gone global," Boivin says.

The content measurement company is already dealing with the biggest organisations in the world, he says.

Parrot Analytics measures the popularity of television shows online, telling producers, pay television platforms and networks how many people in the world are watching or talking about a show.

Its data helps television series subscription service Lightbox decide what shows to buy to air here. Its international clients include BBC Worldwide, Fox Networks and Brazil's Globo TV.

The rating measurement, that collects more than a billion data points a day, is a world first.

It measures an online audience's involvement with a television show, and it ranks each online action, so a video stream of an episode counts for more points than a Facebook like.

Parrot's marketing director Samuel Stadler puts the company's early success down to a "relentless focus on results."

Boivin says rising star companies always have an ambitious entrepreneur at their helm, executing a big idea.

He says most of this year's companies awarded a "one to watch" title want to achieve a greater good.

Social enterprise Eat My Lunch, organic cotton tampon maker Organic Initiative and mineral extractor Avertana, were among such companies, he says.

Boivin says Avertana, a company that extracts minerals and chemicals from industrial waste, will have a positive environmental impact.

It uses a sustainable chemical process to create four different products that are used to whiten paint and fridges, make water safe to drink and fertilise potatoes and passionfruit.

Avertana chief executive Sean Molloy says he and his two co-founders made a plan to



Parrot Analytics marketing director Samuel Stadler put the company's global success down to a "relentless focus on results".

“ We set a societal good as the destination then mapped out the path to doing that. ” Sean Molloy

do social good in 2012 before they even had a business idea.

Molloy says the three of them wanted to find a way for society to live comfortably without costing the environment.

They found an under-utilised material in the waste that comes from making iron,

and found multi-billion-dollar industries that needed to use those materials.

Molloy said its business was "completely industry-agnostic".

"We set a societal good as the destination then mapped out the path to doing that." 



Queenstown company Wherewolf founders Wulf Solter and Ben Calder.

Regions booming and why

Chris Hutching

New and traditional firms are embracing technology to break down regional barriers.

➡ Tourism and property underpin the Central Otago economy but innovative technologies are providing sustainable business beyond boom and bust cycles.

“The agricultural sectoral sector in Central Otago is dwarfed by the tourism juggernaut but we’re trying to build resilience against cycles so it’s great to see Fast 50 companies exporting from the regions,” Deloitte partner in Queenstown, Dan Hellyer says.

MaxRaft is a local business which has developed insulated concrete foundations, and an example of a company which exported its technology, he says.

“They’re based in Queenstown and developed the technology for the hot summers and cold winters.

“It’s the third time they’ve been in the Deloitte Fast 50 which is no mean feat,” Hellyer says.

“One of our rising starts is Wherewolf, built around solving problems for the tourism sector.”

Wherewolf provides operators with software to manage guests arrivals to departures, details about guests, and follow ups to help with online tourism ranking.

“Both of these companies have been able to take that technology and sell it nationally and internationally as a concept.”

Hellyer says such companies are good for the local economy.

“We’re not immune to global events out of our control so they’re important.”

The Queenstown and Wanaka region continues to attract large numbers of tourists, providing confidence for local businesses to invest even though the market has been tough for group bookings lately, he says.

Queenstown’s usual attractions continued to

be popular including lake cruises and visits to Walter Peak and other stations.

Skyline Enterprises is investing \$60 million in a new gondola and associated amenities, and the airport continues to manage increasing visitor numbers.

New infrastructure included a near-complete bridge over the Kawarau River on the road to relatively new residential developments such as Jack’s Point, and more recently, Hanley’s Farm.

The amenities and geography of Queenstown make it popular with wealthy international entrepreneurs. Often Deloitte partners are able to help them with their investment plans, Hellyer says.

“They recognise the global brand even if they might not have done business with us before.”

These wealthier imports are enthusiastic about the landscape, political stability of New Zealand, and ease of access via the international airport, Hellyer says.

Further north a South Island Rising Star winner, Nelson-based fruit drinks company Chia, founded by Chloe Van Dyke exports to 24 supermarkets in Hong Kong, adding to outlets in Singapore and Malaysia which also sell her products.

When it comes to measuring the economic input of regions, there is plenty of comparative information from the Ministry of Business Innovation and Employment.

The raw figures don’t tell the full story. For example, Taranaki leads the way in GDP per capita at \$71,297 largely because of the petrochemical industry. But on other measures such as wages it is more in line with smaller centres than the main cities.

Deloitte partner based in Wellington, Andrew Gibbs, says the North Island west



Nelson-based fruit drinks company Chia, founded by Chloe Van Dyke is a South Island Rising Star winner.

coast area is mainly comprised of inter-generational farming businesses as well as the petrochemical sector.

In Hawkes Bay and Wairarapa the horticultural sector leads the way with the resurgence in apple production and more recently, avocados, complementing existing viticulture.

Havelock is also home to high tech manufacturer of ergonomic school furniture company, Furnware, “which is going from strength to strength and flies below the radar”, Gibbs says.

The Wellington region has seen the departure of major corporate head offices for the likes of Fonterra replaced with new emerging companies.

“The Fast 50 companies and the ones that make up the Wellington index include many technology companies or traditional businesses embracing new technology to engage with clients clients and customers.”

Technology firms in the Fast 50 entries from Wellington this year include Modica Group, API Talent, The Last Pickle, Spotlight Reporting, Rabid Technologies, and Redshield Security, with more traditional companies including CMOS property services.

“Raw Material is an example of a company that has revitalised the way it works by hooking up with coffee farmers and coffee makers using technology to shorten the supply chain and provide the ultimate coffee

“We’re not immune to global events out of our control so they’re important”

Dan Hellyer

experience in Wellington.

“I think that overall the Wellington business head count has increased with the smaller innovative companies despite the departure of bigger corporates.

“We still have bigger players like Xero, TradeMe and Auto Parts, and government procurement always plays a role.

“It’s good to see a younger more agile population coming to Wellington for the lifestyle,” Gibbs said. 50



The Kiwi information technology businesses that are growing fastest are rooted in the weightless economy.

Innovation ‘business as usual’

Tom Pullar-Strecker

Finding staff still the biggest worry for tech firms

Cloud computing is continuing to open up growth opportunities for Kiwi information technology companies while at the same time allowing companies that rely on IT to cut their costs.

Deloitte partner Ian Fay says attracting talented staff continues to be a challenge for companies in the sector and they hope they will not be too affected by efforts to cut immigration.

Shortages exist not just for technical staff such as programmers, but also for people with the sales and marketing skills to help companies capitalise on their growth potential.

The assumption is that any immigration changes will impact less-skilled staff and “in reality the sector is not overly concerned”, Fay says.

“The message to government has got to be that in order for the tech sector to grow we have got to ensure we are able to attract international talent, but complementing that with skills development.”

Unsurprisingly, the IT businesses that are growing fastest are rooted in the weightless economy, selling business software and entertainment services rather than hardware.

One of the new hopes is that New Zealand could become a major development base for augmented and virtual reality, Fay says.

A report published by the New Zealand Virtual Reality and Augmented Association in October found its 110 members already employed 1100 staff, which it “conservatively” estimated would at least double within the next two years.

NZTech chief executive Graeme Muller says New Zealand has some “globally dominant market positions” in technologies such as holographic capture, games development, 360-degree filming and augmented reality.

It also has researchers “operating at the peak of the industry” at Victoria University and at Christchurch’s HIT Lab NZ, he says.

Here too though “a skills shortage for employee acquisition is a major concern”, Muller says.

Fay forecasts more opportunities ahead for businesses providing cloud computing services



Datacom New Zealand chief executive Greg Davidson says fear of disruptors is driving digital transformation.

that can help companies exploit the potential of machine learning and artificial intelligence.

A common theme among technology businesses featuring in the Fast 50 is that they tend to regard innovation “as being business as usual”, he says.

Gartner forecast in July that the total New Zealand IT market would grow 2.7 per cent to \$11.8 billion this year and by 2.3 per cent next year.

But beneath those pedestrian figures, big changes are happening under the bonnet as more Kiwi firms ditch their own server rooms and application software.

Instead, more are taking advantage of cloud computing platforms being offered by Amazon Web Services, Microsoft and Google, and cloud software such as Google Apps, Microsoft Office 365, Salesforce.com and Xero.

It is a sign of these times that the 12th fastest-



NZ is making a name for itself in augmented and virtual reality says NZTech boss Graeme Muller.

growing technology company in the Deloitte Fast 50, Wellington firm API Talent, is a company set up specifically to help businesses make that switch.

Greg Davidson, who heads the New Zealand business of Datacom, which last year became the first Kiwi IT firm to grow its sales to more than \$1 billion, says “cloud transformation” is a huge part of any IT outsourcing dialogue.

But the most important conversation that businesses are having is about digital transformation more generally, he says.

For government that has meant closing in on the target it set in 2012 of ensuring 70 percent of common transactions with government agencies are done online by the end of this year.

In agriculture it could mean taking advantage of the “internet of things”.

“If there was one thing that is driving it, it is

probably fear of disruption, Davidson says.

“The number of industries that have been impacted by change has every business leader asking: ‘What’s my digital transformation agenda? What is the impact on my sector going to be of global players who can leverage digital platforms?’”

The fact “artificial intelligence” has become a buzz-term again demonstrates the long-term nature of many of the trends in the sector, he says.

“Organisations will be transforming themselves for a long period of time.”

“Hybrid cloud” is the new norm, he says.

“Most customers have something from software-as-a-service, something in the public cloud and something in their existing infrastructure, and managing that and helping them put the right workloads in the right place is a big part of what we do.” **50**

Growth funding: Education needed

Susan Edmunds

➡ New Zealand is being described as an international outlier for the way entrepreneurs are often expected to take almost all the financial risk of their start-ups.

The Deloitte Fast 50 celebrates some of the country's fastest-growing businesses. But commentators say many are held back by a lack of capital.

Ben Fath, a lecturer in the graduate school of management at the Auckland Business School, says New Zealand firms have learnt to be frugal, engaging in growth models that do not necessarily require a lot of money.

But he says, in some cases, such as those where a business has a "winner takes all" idea, they need access to a significant sum early on, especially if they want to compete globally. "Those companies struggle quite severely to get the funding required," Fath said.

"There's a mismatch between the size of the capital markets and the capital required. We always talk about a lack of risk capital in the market."

Many businesses try to get around the problem by raising smaller amounts of money early, in exchange for equity in the business.

"They don't retain enough equity to stay in the country," he says.



"Some raise money overseas but they are then the outsider. Investors like to see a company they understand and being a New Zealand company can be a disadvantage."

Simon Chapman, a partner at Deloitte Private, says many firms still needed to get "investment-ready" with good business infrastructure, including the systems and processes to allow them to accept external investors' money.

"They need to have the right safeguards in place to manage that money and apply it in a way that works towards maximising the value of the business."

Options used to raise money include angel investment, venture capital, a public listing, peer-to-peer lending or equity crowdfunding.

Simeon Burnett, chief executive of equity crowdfunding platform Snowball Effect, says most early-stage companies could access local angel groups or individual investors.

More mature businesses wanting \$10 million or more could turn to private equity players.

“New Zealand is an outlier in that there is no government guarantee scheme for growth firms' loans.”

Ben Fath

But he says there is a gap between those two groups and the solutions are "relatively fragmented".

"The second challenge is making sure your business is ready to raise capital – getting support from people in market who can help guide your decision about when to go to market is critical," he says.

"There are a small number of venture capital players such as Movac, GD1 or Punakaiki Fund. However, for businesses who are mature to have demonstrated traction, and are seeking growth capital, the options are far more limited than those who fit into the angel or private equity space."

Burnett says his platform, which allows the public to invest in companies that are still in the growth phase, focused on businesses that would be classified as "venture capital stage"

"The companies that tend to do the best with an offer to the public are those who have proven that they have a product or service that the market wants, but need additional capital to scale. We like to work with companies seeking at least \$1m, and that have at least a couple of years of revenue under their belt, as opposed to being very early stage. We find that investors respond best to these."

Fath and Chapman says banks are still a major source of funds for many small firms.

Fath says it is notable that, most of the time, businesspeople had to be prepared to put their own assets on the line in return for capital.

He says New Zealand is an outlier in the OECD because it does not have a loan

guarantee scheme for businesses loans from banks.

"Financing through bank loans is extremely expensive, we have one of the highest interest rates in the OECD for small firms and one of the lowest default rates.

"The owners have to secure the business loan with their personal assets... I'm not suggesting that if someone starts up a hairdressing shop that the Government should guarantee their loan, but if it's a start-up with genuine ideas, with growth potential, we don't do as much as other OECD countries do targeting them to get finance to."

He says there is no shortage of support for firms once they start getting attention.

"The Government starts to pick it up once you're exporting to China but a lot goes on before that ... there's not that much support on the invisible side of growing the company."

Chapman says more education is needed for companies in what investment would look like and for investors to encourage them to look away from property to other investment opportunities and to give them the skills to understand the businesses.

But he says New Zealand companies are at an advantage because the small size of the economy means they had to go overseas early.

"Over recent years we've had a number of high-profit high-growth businesses attracting international funding. That has given New Zealand credibility for other investors. Xero has helped credentialise New Zealand as a place for tech investment."

2017 Deloitte Fast 50 national winners

Rank	Company	Region	Revenue growth	Description	Website	Number of appearances on Fast 50 index
1	ZB Homes	Hamilton	1583%	Residential home building pioneers in the Waikato and Bay of Plenty	bop.zbhomes.co.nz	2
2	Moola.co.nz	Christchurch	1013%	New Zealand's leading digital lender	moola.co.nz	2
3	Crimson Education	Auckland	1005%	Support students aiming to enter the world's top universities	crimsoneducation.org	1
4	Pushpay	Auckland	914%	Mobile commerce tools to facilitate fast, secure and easy non point of sale payments	pushpay.com	2
5	Carus Group	Christchurch	718%	Ethically and environmentally friendly painting	carus.co.nz	1
6	The Career Academy	Auckland	678%	New Zealand's leading private online education provider	careeracademy.co.nz	2
7	StretchSense	Auckland	554%	Wearable applications that capture and analyse movement data	stretchsense.com	1
8	Turbo Staff	Christchurch	534%	Construction recruitment company	turbostaff.co.nz	1
9	Nurtured at Home	Hamilton	480%	Quality home-based early childhood care and education for preschool children	nurturedathome.co.nz	1
10	Blue River Dairy LP	Dunedin	445%	Infant nutrition business	blueriverdairy.co.nz	1
11	Tower Cranes NZ	Auckland	435%	Comprehensive crane solutions	towercranesnz.com	1
12	API Talent	Wellington	408%	Born-in-the-cloud advanced AWS consulting partner	apitalent.co.nz	1
13	New Y Trading	Auckland	391%	For New Zealand companies and manufacturers looking to export to China	Qexpress.co.nz	2
14	Tecno EBS	Christchurch	381%	Private network services for the set-up, management and billing of energy and utilities	tenco-ebs.co.nz	2
15	Timely	Dunedin	379%	Appointment scheduling and business management software	gettimely.com	1
16	Inde	Christchurch	377%	Cloud-first provider of enterprise technology solutions	inde.nz	1
17	90 Seconds	Auckland	357%	World's leading cloud video production service	90seconds.tv	3
18	Roam Creative	Auckland	354%	Digital product studio filled with strategists, developers and designers	roamltd.com	1
19	Shuttlerock	Auckland	349%	Content technology platform for Facebook ads and websites	shuttlerock.com	1
20	Pacific Edge	Dunedin	324%	Cancer diagnostics company	pacifiedgedx.com	1
21	FaceMe	Auckland	317%	Global AI company supporting some of the world's largest enterprises	faceme.com	1
22	Snap Rentals	Auckland	315%	New Zealand's fastest growing car rental company	snaprentals.co.nz	3
23	New Zealand Health Manufacturing	Auckland	314%	Leading natural health products manufacturer	nzhm.co.nz	1
24	Spotlight Reporting	Wellington	300%	Cloud-based tools for accountants, advisors and businesses	spotlightreporting.com	2
25	Rabid Technologies	Wellington	300%	Innovative web and mobile applications	rabid.co.nz	1

2017 Deloitte Fast 50 national winners

Rank	Company	Region	Revenue growth	Description	Website	Number of appearances on Fast 50 index
26	Raw Materials	Wellington	287%	Specialty coffee company		1
27	Acquire Online	Auckland	272%	New Zealand's largest programmatic trading desk	acquireonline.co.nz	2
28	Protempo	Auckland	242%	Global distributor of consumer electronics products	protempo.com	4
29	Teknique	Auckland	234%	Helping companies design and manufacture products using their video platform	teknique.com	2
30	Ecoware	Auckland	232%	Design, develop and supply a full range of sustainable food packaging	ecoware.co.nz	2
31	Ultrafast Fibre	Hamilton	227%	Own and operate the fibre network in the North Island	ultrafastfibre.co.nz	1
32	Hustle & Bustle	Auckland	225%	Hybrid PR agency	hustleandbustle.co.nz	1
33	MAXRaft	Dunedin	224%	Supplier of insulated foundations	maxraft.co.nz	3
34	Delta Insurance New Zealand	Auckland	222%	Liability insurance underwriting agency	deltainsurance.co.nz	1
35	RedShield Security	Wellington	219%	Penetration testers and security technologists	redshield.co	1
36	Verhoeven Group	Hamilton	219%	Collective of companies with a focus is on the lifestyle sector		1
37	JFS	Dunedin	214%	Plastering and painting services in the Otago and the Queenstown-lakes district	jfs.co.nz	1
38	OneStaff	Auckland	213%	Bespoke recruitment agency	onestaff.co.nz	3
39	Virsa	Auckland	212%	NZ-based software developer and service provider with global reach	virsae.com	1
40	The Last Pickle	Wellington	212%	Deliver and improve Apache Cassandra based solutions	thelastpickle.com	2
41	Urban Homes	Hamilton	209%	Largest privately owned residential building company	urban.co.nz	1
42	Harcourts Preet & Co	Auckland	209%	Comprises 10 real estate offices in South, East & Central Auckland	betterinblue.co.nz	1
43	CMOS	Wellington	203%	Commercial cleaning company	cmos.co.nz	2
44	Civtec	Hamilton	199%	Waikato based civil works company	civtec.co.nz	1
45	Provincial Childcare	Auckland	198%	High quality, affordable, early childhood education	frimleyelc.co.nz	1
46	HireKING	Christchurch	190%	Supplies quality hire equipment	hireking.co.nz	1
47	Last Season	Hamilton	185%	Biggest names in surf, street & skate at massively discounted prices	lastseason.co.nz	1
48	Modica Group	Wellington	184%	Global intelligent messaging company	modicagroup.com	1
49	InterCivil	Auckland	182%	Civil construction company	intercivil.co.nz	1
50	Eighty4 Recruitment	Auckland	180%	Specialises in placing skilled professionals in the building industry	eighty4recruitment.com	1

Fast 50 profiles

Our finalists cover the length of the country.
Let's hit the road to hear some of their stories.

ZB HOMES

QUALITY KEY FOR ZB HOMES BOP

SUSAN EDMUNDS



➡ Quality builders and a high degree of service has been the key to success for construction firm ZB Homes Bay of Plenty.

The company has topped this year's Deloitte Fast 50 list of the country's fastest-growing businesses.

Managing director Rik Flowerday set up the business with his wife Fiona after moving to the Bay of Plenty from Australia's Gold Coast three years ago with three small children.

"I've always been passionate about property, I built my first speculative house when I was 21," Flowerday said.

He took a calculated risk in 2014 and bought land on The Lakes subdivision in Tauranga, he said.

But he never saw the housing market growing as fast as it had.

"I knew it was on the up but I don't think anyone saw it taking off the way it did.

"In 2014, a 500 square metre section in The Lakes was around \$180,000, the same section today would be \$300,000," he said.

Flowerday said the fast growth of the business meant the company's focus had switched from sales to systems operations.

"Our initial business plan was to do 15 builds a year, and in our first year we did over 50 contracts."

ZB Homes Bay of Plenty now has about 30

building projects on the go at any one time and offers design-and-build, house-and-land and investment services. This year, it will build around 70 houses in total.

Flowerday had to bring on a whole new team to keep up with growing demand and now employs 13 staff including a construction manager and supervisor in charge of hiring contract builders.

But a lack of land and builders throughout the country had made life tough and put pressure on the cost of building a house.

"It's not just land, all other house building costs have gone up as well. So house sizes are starting to come back a bit," Flowerday said.

"Sales have increased and volume has increased but we haven't let quality slip and

“We couldn't build the number of houses we do without some system managing it all.”

Fiona Flowerday



ZB Homes Bay of Plenty director Zane Beckett (left), operations manager Fiona Flowerday and managing director Rik Flowerday celebrate their Deloitte Fast 50 Index win.

that's what we've tried to have as a point of difference."

A personalised experience was also a priority for all clients, he said.

The company uses online scheduling tool and client interface Buildertrend that also has an app.

"Clients have it all on their phone and can see where their house is at, see pictures the builders upload, send and see messages from suppliers, the builders, and us.

"We couldn't build the number of houses we

do without some system managing it all."

One of the most exciting houses being built currently is a cliff-top dream home, Flowerday said.

"It's a 300sqm house that has 180 degree sea views. It's about 20 metres above sea level and the front door is about 70 metres from the shoreline.

"We get to build some really nice houses, from standard family homes in a subdivision to some 'wow' houses on a cliff-top. It's pretty cool." 

Baby formula for **SUCCESS**

Blue river Dairy general manager Robert Boekhout says Chinese investment gave the company a major leg up in the infant formula market. Amanda Cropp



➔ Southland's Blue River Dairy has struck the treble with its cow, goat and sheep milk baby formulas finding favour with Chinese parents.

The company recently obtained China Food and Drug Administration registration for all three of its brands as the agency moves to tighten controls on infant formula imports requiring manufacturers to meet strict new standards.

General manager Robert Boekhout says gaining the tick was hugely important.

"There's over 2000 brands in China at the moment. Come next year that will reduce to under 500, and therein lies an opportunity."

The Invercargill factory started out making sheep milk cheeses in 2003, and an on-site coffee bar serves sheep milk lattes for caffeine fiends keen to try a different drop of the white stuff.

Cheese making, which gives the company profile in the New Zealand market, will continue but Boekhout said they quickly realised it would not provide sufficient volume long term, and they could not compete price-wise with their European counterparts.

The company expanded into sheep milk ice cream, then into whole milk powder which it sold by the container load, predominantly into China.

"We commoditised sheep milk but in the last two and a half years we've gone through a process of unwinding that, so everything that comes out of here is retail, branded and value added."

“We commoditised sheep milk but in the last two and a half years we’ve gone through a process of unwinding that”
Robert Boekhout

Infant formula is the big earner now and led to the spectacular growth which saw the company take 10th place on the Deloitte Fast 50 in its first appearance on the list.

However, the initial attempt to sell sheep milk formula in China in 2014 hit a major snag when, like many other New Zealand manufacturers, Blue River was caught out by a sudden change in Chinese regulations.

"We had containers sitting in the warehouse ready to ship in the next week or two, so the timing was bang on wrong."

In 2015 the company's processing plant was sold to Chinese investor Yuanrong Chen and Boekhout says his 40 years experience in the formula market was key to their success in China.

"He understands the legislation, customs, distribution channels and marketing in China, and that's what New Zealand companies struggle with in a fragmented

Asia will be a major focus for sheep and goat milk powder formulas because many people there struggle with the digestion of cow's milk, says Blue river Dairy general manager Robert Boekhout.

market which is quite complex."

Adding goat and cows' milk infant formulas to the range was part of the diversification plan, allowing the factory to operate two shifts five days a week and almost double its staff.

Boekhout says cows' milk formula still makes up between 85 and 90 per cent of the market share in China and Blue River has exported a million cans of its Mualps range since its release in January, much of it air freighted

simply to keep up with demand.

Longer term Boekhout says they plan to expand exports to other countries such as Australia, and he believes a lot more dairy companies will consider diversifying out of "straight bovine" products.

"Asia in particular will be a focus in with our goat and sheep milk product because many people there struggle with the digestion of cow's milk." 



API TALENT

RIDING THE AMAZON WAVE

TOM PULLAR-STRECKER



Wellington-based API Talent has rocketed into the Deloitte Fast 50 by helping about 100 clients take advantage of the cloud computing facilities offered by Amazon Web Services.

AWS, the computing arm of retail giant Amazon, has taken the IT world by storm by offering effectively infinite computing power, services and storage on tap from its datacentres, the closest of which is in Sydney, competing – as it has done in retail – on scale, price and its range of services.

Founded almost four years ago and now employing 20 staff in Wellington and Auckland, API Talent has piggy-backed on AWS' success.

In some cases API Talent simply provides a helping hand to companies and government agencies that want to make the switch to the cloud, but which may not know exactly how to go about it.

"AWS has an incredibly low barrier to entry. You can sit down at a console, put a credit card in and minutes later you have got access to world-class security and infinite compute resources," chief executive Wyn Ackroyd says.

"For business leaders and developers, if you want to try something new all of a sudden you are not talking to Dell to spec-up a machine that then gets built and shipped through Customs."

But a lot of customers need help to get started, to "lift the lid on the dark box they are peering into," Ackroyd says.

API Talent's knowledge of the AWS ecosystem can also be of ongoing use to clients that need to know how to get the most out of AWS' growing range of services.

Those include APIs (application programming interfaces) that let businesses interconnect their own and others' software systems and exchange data in the cloud.

API Talent is one of only five "managed service providers" accredited by AWS in New Zealand and one of only two which he says earned their credentials here, rather than overseas.

Keeping its AWS knowledge current is one of the company's big investments.

In late November, for example, it will take 15 of its staff to AWS' Reinvent conference in Las Vegas to glean the latest from more than 1000 breakout sessions, hackathons, bootcamps, workshops.

"That is the opportunity we have got to stay ahead of the curve and meet product and service teams," Ackroyd says.

"As much as IT is ubiquitous, there is still that industrial wave that sweeps across. So being there, hearing the story, and being able to bring it back before everyone else helps."



Wyn Ackroyd, chief executive of API Talent, says all some businesses need is a helping hand

AWS competes with Microsoft Azure, Google Cloud Computing and in New Zealand to a small degree with a "public cloud" service offered by Wellington company Catalyst IT – a competitor about which Ackroyd says he has only heard good things.

API Talent's clients include BNZ, Xero, Wellington Water and NZQA, but they go down to new startups "that can take the benefits of the cloud from day one and deploy their code into production five minutes later".

Ackroyd had been consulting almost all his career, including for the likes of General

Motors and Citibank, before he and his business partner decided they could do better for customers.

All too often traditional vendors treated customers as if they were an inconvenience, he says.

"It is just breathtaking."

Big IT services businesses that were household names 10 or 20 years ago were shedding staff rapidly and were "history", Ackroyd believes.

"We can literally see the shift. It is quite phenomenal." 50

RISE OF ONLINE
education

Beaton wants to make the world a
smaller place and quality education
available to everyone Anuja Nadkarni



Education consultancy firm Crimson Education grew from a start-up into a multi-million dollar global company in just three years, but its innovative Kiwi identity remains at its core.

Crimson was founded in Auckland by Jamie Beaton in 2013 when he was 17 years old. The business matches thousands of students with about 500 contracted mentors around the globe to help them get into their university of choice.

The company shot to prominence last year when its worth was revealed to be more than \$220 million.

Having taken inspiration from the billionaire business magnate Elon Musk and his personal mentor, Tiger Management hedge fund founder Julian Robertson, Beaton says he has had to grow significantly as a leader and become more self aware as Crimson grew.

Beaton wants to make the world a smaller place and quality education available to everyone.

“The most important thing determining one’s pathway to life is their education trajectory, both formal and informal,” Beaton says.

“Education is the single most powerful way to change someone’s life.”

Beaton attributes much of Crimson’s success to its diverse team.

It has offices around the world including in Vietnam, Thailand, Russia and the United States.

Cultural values drew in different perspectives and underpinned high performance, Beaton says.

“The surest way to fail is to hire people that look like yourself and talk and think like yourself.

“Education is the single most powerful way to change someone’s life”

Jamie Beaton

“You need to have that challenging, rigorous discourse and healthy conflict within a company to really grow and innovate.”

Since starting in 2013, Crimson has swiftly moved into several international markets, matching students from India, Moscow and Ho Chi Minh City to Ivy Leagues and top universities.

Beaton says the countries were chosen where Crimson felt it could have the most significant impact.

The single biggest misconception that exists in education is that finances are a fundamental barrier to achievement in the world’s top universities, he says.

“When you apply for these schools they don’t care if you can afford them or not, they care about how good you are as a candidate. If your family is struggling financially these universities will take that into context.

“The difference between some of the other universities and the top league ones is that they have very deep resources to support people from a wide variety of backgrounds.”

He says, around the world there is a growing desire to get international qualifications and New Zealand’s education system has been attractive to international students at both tertiary and high school levels.

“We really punch above our weight. What we’re seeing is just the willingness from students to experiment and go to various countries for various phases of their education.”

Beaton views the future of education as a blended between people and technology.

The business is also embracing artificial intelligence and investing in facial recognition technology to enhance interaction with students.

“Digital applications themselves aren’t going to educate the world themselves.

“Technology can really enhance that interaction to be more efficient and data driven. Rather than our student speaking to someone locally, they can speak to a mentor at MIT in 20 minutes from anywhere in the world.”

Beaton says New Zealand’s education sector is attracting international students for both tertiary and high school education.



Carus general manger Harvey Fisher (right) chats with painter “Tommy” Tomlinson about the progress on the historic Mona Vale bridge in Christchurch.

CARUS

PAINTING COMPANY FIGHTS COWBOY IMAGE

AMANDA CROPP



➡ National painting and maintenance company Carus is out to banish the perception that painters are a messy bunch

General manager Harvey Fisher said their bid to get an Enviro-Mark rating will look at everything from how brushes are cleaned on site to paint disposal, and they have hired an environmental specialist to achieve that goal.

“Painters are regarded as messy people who have vans with paint dripping out the back and who’re going to dump paint water in the garden, which is completely a no, no.

“We’re trying to change that whole perception.”

But he believes the time will come when being environmentally responsible will become standard practice, just as health and safety plans are now a must.

Carus - Latin for ‘cherish’ - came fifth in what is its first appearance on the Deloitte’s Fast 50.

The Christchurch-based family company established in 2014 specialises in public sector projects and has expanded rapidly around the country setting up branches in Wellington, Whangarei and Auckland.

Prisons, courthouses, schools, hospitals, heritage and government buildings, commercial and industrial premises have all come in for attention from Carus’ team of about 50 painters, with outside contractors engaged as required.

Fisher’s father Richard, who has been involved in the painting business for more than 30 years, is a director and does a lot of the pricing and estimating work.

The company’s strategy is to use major projects to showcase its skills - a good example was the contract to repaint the high profile Old Government Buildings in Wellington.

“One of our bigger contracts is Bunnings

where we wash down all their buildings around the country, that’s been very helpful to get us into areas,” Fisher said.

The move into Auckland earlier this year was assisted by landing a repaint of Point Chevalier School.

“Once you get known in the area you can call on the schools around, and a lot of the principals talk to each other.”

Maintenance programmes with finance packages to spread payments over the lifetime of a paint job are also popular with educational institutions wanting to look pristine while running tight budgets.

“The company’s strategy is to use major projects to showcase its skills”

“Over the whole six or 12 years they have consistent budget planning and there is no increase in cost for that period of time.”

Finding good reliable painters is a challenge in an industry which has its fair share of cowboys,

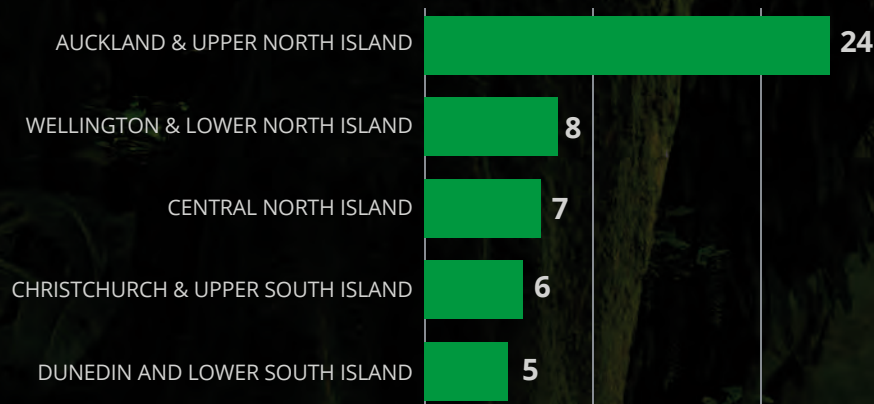
Sensitive work sites such as schools and prisons require close vetting of staff and Fisher said they also had a strict alcohol and drug testing policy.

Providing good working conditions had helped the company retain a core of skilled and trusted employees.

“If you have a good lead foreman, you can put two or three underneath them that are inexperienced and you don’t know yet.”

Fisher said they had also picked up staff from smaller painting companies, many of which had disappeared over the last three years because they were unable to cope with higher health and safety costs.

What regions do 2017 Fast 50 companies come from?



Fast facts about our 2017 Fast 50 companies

51%

Will need to raise capital in the next 12 months to sustain growth

58%

Have changed their strategy over the last three years to allow for growth

40%

Rate skills shortages as one of their biggest business challenges

What does the average 2017 Fast 50 company look like?

\$11.3M
AVERAGE REVENUE

407%
3 YEAR AVERAGE GROWTH

5
YEARS OLD

51
STAFF

430M
CONTRIBUTED TO ECONOMY

1,609
NEW JOBS CREATED

180%
2017 ENTRY THRESHOLD

What industries make up the 2017 Fast 50?



How much do 2017 Fast 50 companies expect to grow in the next financial year?

