

## GROW WELLINGTON REPORT

NB: The following report is for WRS Committee information only. The purpose for this report is an update on existing activities and programmes. In many cases information is limited by commercial sensitivity. It is not meant as an introduction to the programmes, it assumes that the introduction has already been received by WRS members.

### 1. DEVELOPING CENTRES OF EXCELLENCE

#### Introduction

Centres of Excellence programmes are based on the combination of world class technology, targeted education, commercialisation and a globally relevant business supported by smaller businesses. The programmes are long term ( 20 years ) with a vision of establishing sustainable world class industries in the region.

The three Centres of Excellence identified for support are

1. Health
2. Clean Tech
3. Digital

Each programme has projects that are being implemented to enhance the Centre of Excellence development and growth.

#### 1.1 HEALTH

##### Introduction

The Health Centre of Excellence is based on the high quality education and Research that exists in the region. The HERC Centre is now housing both research and education institutes. The next step is to introduce businesses and commercialisation expertise plus global connections.

The HERC Centre has been established at the Wellington CCDHB site, it is planned to connect to other expertise such as Gillies McIndoe.

##### Activities

A manager to lead the CoE was recruited in May and is carrying out a full review of the activities and strategic approach. This review will soon be completed and will be discussed with the Grow Wellington Board in July.

#### 1.2 CLEAN TECH

##### Introduction

The Clean Tech Centre of Excellence is based on the opportunity to leverage existing science and technology to create Clean Tech products and businesses. The first phase is the establishment of a Clean Tech centre in Kapiti which will house start ups and then expand into a full technology park.

Also specific projects are being supported on the basis that they can demonstrate the capability in the region and lead to Wellington being seen as the “Clean Tech development region”

## **Activities**

### Clean Tech Centre

The following are signed up residents at the Centre:

- Spectionz Limited
- Greenkeeper Technologies Ltd
- Astara Technologies Ltd
- E2 Network
- Critchlow Ltd
- Zero Emission Vehicles Limited
- Splice Group
- Landzone Ltd

Kapiti Coast District Council is also on site and WelTec Connect is signed up as a Centre sponsor. Nature Coast will take up residence in July to enable them to provide local support for the residents and to provide the incubation services for the residents.

This will enable Grow Wellington to focus on regional growth of the Clean Tech Sector.

### Regional Project

Work has continued supporting Clean Tech organisations combine their technologies to develop products that have world class potential. A number of projects have been tested and the leading ones will be supported aggressively over the next 12 months

## **1.3 DIGITAL**

### **Introduction**

The Digital Centre of Excellence is based on the opportunity to establish a major industry based on the existing single major business in the region. The need is to develop research and education plus help establish more mid size businesses so that the industry is sustainable.

The projects that are being developed are

- a. International Connectivity, to ensure the smaller businesses are connected to the major international players
- b. BizDojo, to provide an environment for small companies to learn and develop, this is similar to the Clean Tech Centre approach however with a focus on digital technology companies.
- c. Digital Education, to provide a flow of high quality local talent that can support an expanding industry
- d. Investment, Because of the commercial sensitivity, the participants have requested that Grow Wellington does not at this stage provide any information regarding this project.

## Activities

### a International Connectivity

#### *AnimFX*

- AnimFX is an annual event which provides word class connections. Work is continuing to support AnimFX 2011 as well as follow up from the 2010 event

### b BizDojo

- Grow Wellington had identified the need for a communal work space to enable small start up companies to be supported. BizDojo is the solution and is a privately run operation. Grow Wellington is supporting the BizDojo which creates the objective without risk exposure
- BizDojo will be formally opened in July 2011, it will be based in Wellington City

### c Digital Education

- Grow Wellington has worked with Victoria University and Ministry of Science and Innovation to create a post graduate course for Visual effects.
- This course will be launched in 2012.

### d Investment

- There has been significant work carried out to support the development of a major investment fund. This work is commercially sensitive and it is hoped there will be more details available before the end of 2011

## 2 BUSINESS GROWTH

### Introduction

Business Growth is focussed on providing support for businesses directly. The support is not generally from Grow Wellington personnel, our role is to connect businesses with the most appropriate support from the region.

Business Growth is delivered at a local level with new Business Growth managers in Wellington City, Hutt Valley, Porirua, Kapiti and Wairarapa.

Business Growth support is given at different levels depending on the life stage of the business.

1. Activate is a 4- 6 week intensive course for early stage businesses
2. Innovate is support for R & D development for established businesses. Financial support is given to businesses by central govt. 50% from govt/ 50% from the business
3. Bright Ideas is a 'competition' that has been introduced in 2010 to assist innovative new ideas become a business reality
4. Internships is a programme to place students in businesses to provide learning for the students and enable the business to carry out innovative projects
5. Business Support is direct connections with business to support them to develop their export capabilities and fill any gaps
6. Incubation is intense support over a 2 -3 year period to take early stage businesses through to being established export businesses. Creative HQ is the regions business incubator, it is 100% owned by Grow Wellington

2.1 Activate

14 companies will graduate from the current Activate course from an intake of 16. The course is being reviewed to ensure ongoing mentorship is available for very early stage companies.

2.2 Innovate

*Tech NZ*

Grow Wellington is the "agent" for Ministry of Science and Innovation and arranges Tech NZ grants to support R & D. The target for FY2011 is \$1million in grants, this was achieved in May.

This is a very strong indication that there are a significant number of projects and technology companies planning for future growth.

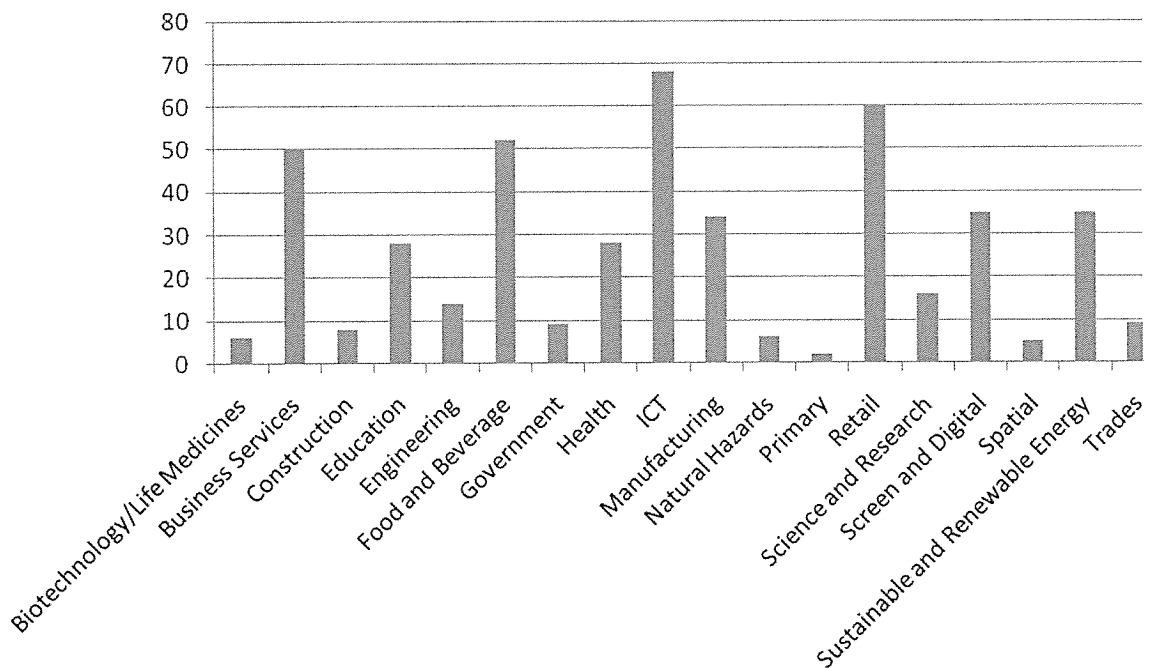
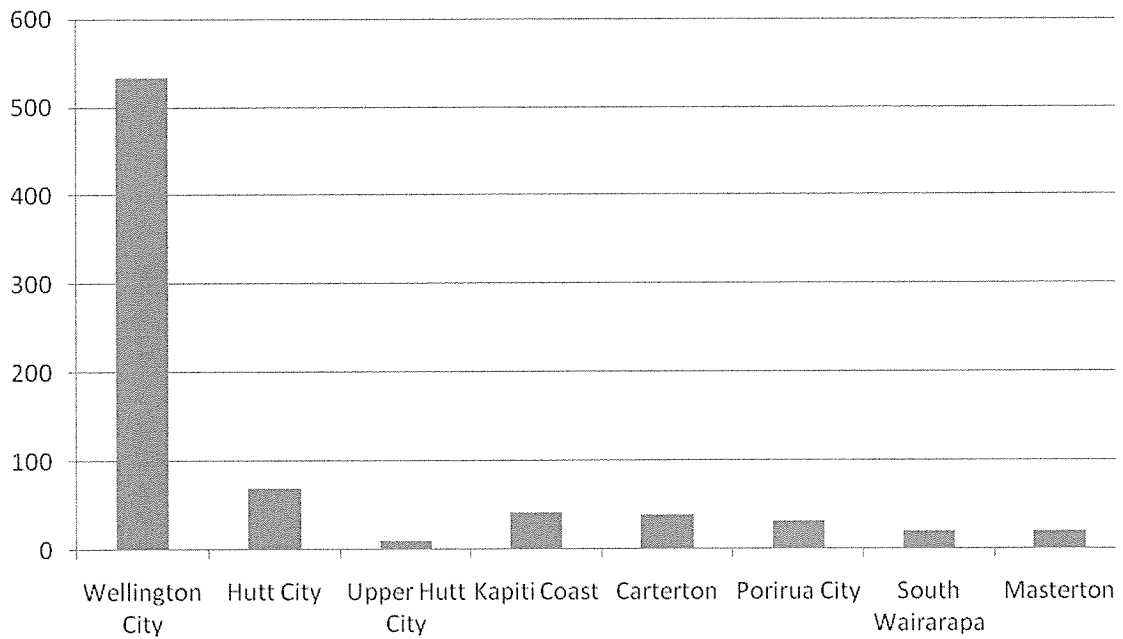
2.3 Bright Ideas Challenge

The Bright Ideas Challenge for 2011 has not yet closed. To date there have been 550 entries and it is expected the number will be less than 2010 however the quality will be higher.

Outcomes from Bright Ideas 2010:

- 1 idea won \$25,000.
- 3 companies have been accepted into Creative HQ. 2 were already in CHQ. 2 more pending.
- 2 ideas have been pitched to the international KEA network as part of a pilot.
- 4 companies were invited to meet with KEA World Class New Zealanders including Sir Stephen Tindall, Sir Peter Maire and others.
- 1 idea has received an introduction to a key international investor.
- 1 company signed a licensing agreement with a CRI that will be worth millions of dollars.
- 1 idea has pitched to the Wellington Angel HQ network.
- 1 idea has received private investment of \$500,000.
- 16 qualified for Escalator 1:1 investment support (\$2,000 + GST per idea).
- 21 people pitched their ideas to the Wellington innovation and investment community.
- 15 ideas to date have qualified for TechNZ funding.
- 7 ideas were offered international Tech NZ Global Expert searches (\$1,995 +GST per idea).
- Six Ideas were offered national Tech NZ Global Expert searches (\$495 +GST per idea).
- 17 Ideas received Tech NZ Market Place Scans (international competitive analyses) (\$495 +GST per idea).
- 30 Ideas were offered direct financial support (valued at around \$200,000+GST). This included legal support, IP support, marketing, advertising and branding support, research and development services.
- 15 people were offered Activate Scholarships.
- 80 Ideas received follow-up support from the Business Growth Managers.
- 150 business plans were received. All received feedback and support.
- 100 members of the Wellington innovation and investment community gave their time to the entrants to help them develop their ideas.

- 280 people attended the “topic” workshops.
- 270 people were invited to attend Escalator Workshops.
- 300 Ideas went through to the business plan stage. These people were invited to ten different workshops to develop various aspects of their business plans, where they met various members of the Wellington innovation and investment community, and Wellington entrepreneurs.
- 36 companies and organisations signed up to run the challenge internally.
- 1,200 ideas received feedback phone calls or meetings to take their business idea to the next level. This included helping them identify areas they could work on, introductions and connections, invitations to attend workshops etc.



#### 2.4 Internships

Grow Wellington has actively developed the internship programme to connect University students with businesses. This project has proved successful as a pilot and helps businesses develop their approach to innovation and growth. The need for a more intensive programme has now been identified and opportunities to leverage from the successful pilot will be explored.

#### 2.5 Business Support

The new team has now been in place for four months and we are achieving 200 meetings per month with export oriented businesses and businesses that support export. Grow Wellington will track export growth however engagement is too new for us to be able to report on usefully at this stage. The business growth managers are receiving good feedback from the businesses they are working with.

#### 2.6 Incubate (Creative HQ)

Creative HQ won the "Supporting Gold" category at the Wellington Gold Awards. There are currently 25 residents being supported.

### 3 INVESTMENT

#### **Introduction**

Investment is a key factor in supporting high growth export oriented businesses.

Grow Wellington supports and connects the investment community at two levels, both focussed on early stage support.

1. Angel HQ is a club of early stage investors that invest in local high growth potential businesses.
2. Escalator is a central govt programme that enables businesses to understand what is required to raise money and also to provide support for businesses that require capital

#### **Activities**

##### 3.1 Angel HQ

Angel HQ is now a separate organisation with an independent Board, this is seen as a success as Grow Wellington has supported the development of an investment club and now connects the club to opportunities without requiring direct support.

##### 3.2 Escalator

Central Government will discontinue this programme in July 2011. A review is underway to determine how Grow Wellington can manage the gap in investment opportunities that this decision will create.

## 4. SUPPORTING PRIORITY SECTORS

### Definition

“Priority sectors” are those which have critical mass, both current and potential, and can be built on to achieve export growth. Grow Wellington has identified sectors based on our ability to address the gaps preventing them from achieving greater export success. These are the film, food and beverage, primary, manufacturing and education sectors.

#### 4.1 Film Wellington

##### *Introduction*

Film Wellington provides sector support in two ways

1. Allocating film permits and providing support in order to make the region “film friendly”
2. Engaging with international producers to promote Wellington as Film destination

##### Activities

Monthly indicators

The number of permits issued for film projects - 45

The number of locations arranged for the film permits above - 55  
Overall enquiries from people wanting advice, connections, information or other assistance - 125 (NB: some of these enquiries will apply for a permit and will be included in the number of film permits above)

##### Success Story

Wellington was well represented in the finalists at the 2010 Qantas Film and Television awards – Wellington winners included: KHF Media Ltd - Reservoir Hill for Best Children's/Youth Programme; Costa Botes, (Lone Pine Film) Lost In Wonderland for Best Popular Documentary OR Documentary Series; Rhian Sheehan, THE CULT for Best Original Music in General Television; and Tim Prebble was nominated as part of all three finalist teams for Best Sound in a Feature Film

#### 4.2 Food & Beverage

##### *Introduction*

The Food Strategy is focussed on developing the region as a food exporter. The strategy will be implemented in stages over the next 3 – 5 years.

1. Develop Visa Wellington On a Plate as a tool for suppliers to prove their capability. This is also a tourism opportunity so is being implemented in partnership with PWT
2. Enhance the image of Wellington through the Le Cordon Bleu project
3. Support Develop the Food manufacturing capability in the region
4. Active promotion of suppliers internationally

## **Activities**

### Visa Wellington On a Plate 2011

VWOAP will be run in August 2011 with an expanded programme compared to 2010.

A Manufacturing and Production Advisory Group has since been set up and have held their first meeting.

This is the next phase of Grow Wellington's objective in developing and leveraging WoAP.

### Le Cordon Bleu

The Le Cordon Bleu School has been confirmed in Wellington City. Construction is underway and it is expected to open in 2012.

## 4.3 Education Wellington

### *Introduction*

The Education Sector is supported through two programmes

1. Promoting the region as a destination for international students - primary, secondary and tertiary
2. Supporting the development of Education products that will be able to be exported

### Activities

#### *Education Students*

Time was spent meeting with representatives from a range of institutions and organisations in order to determine the direction for activities in target markets for 2011. In particular this relates to Vietnam and China.

#### *Vietnam*

In 2011 Education Wellington continues to leverage off Education New Zealand events in Hanoi and Ho Chi Minh. Top performing agents are being used to help us break into regions outside of the two main centres. In-market activities were carried out in March.

The Wellington approach has been proven. Wellington now gets 25% Vietnamese students that come to NZ. This compares with less than 15% for other countries

#### *China*

A number of high quality agents from a second or third tier city in China will be identified and Education Wellington will work to support these agents through in-market visits and activities, this will follow the approach that has been proven in Vietnam. The identification of this city will be based on the area of greatest opportunity.



The focus will be on building relationships with agents and institutions in the selected city, promoting opportunities for agent-driven and partner-mediated student recruitment.

In-market activity will be supported by inbound agent visits and onshore events, including an increased online focus.

#### Education Products

Grow Wellington is entering a new phase within this area and engaging with new partners, hence at this stage further details are commercially sensitive. Overall the current status remains positive.

#### d Primary & Manufacturing

##### *Introduction*

The Primary Sector activities are focussed on supporting the development of the irrigation project in Wairarapa and supporting the Forestry industry to identify the best opportunities to maximise value from the impending "wall of wood"

The Manufacturing sector programme is labelled Optimised manufacturing. The intent is to help businesses become more innovative by introducing graduate trainees into their businesses. Grow Wellington employs the graduates and is responsible for developing them and connecting them. The businesses cover the costs.

##### Primary

##### *Irrigation*

This project is now being led by GWRC and Grow Wellington will support connections with business as appropriate.

The GWRC investment means that a defined project plan is currently being developed and the appropriate technical resource is being sought.

##### Manufacturing

Optimising Manufacturing is an innovative graduate scheme aimed at boosting the capability of the Wellington region's manufacturing sector. Run by Grow Wellington, the programme places recent university graduates into manufacturing companies to gain industry experience. The participating companies gain a fresh set of eyes, an increase in innovative thinking and ultimately, an increase in profits.

The total of participating businesses in the Optimising Manufacturing programme is now 15 and all companies have expressed a high level of satisfaction with the programme.