



## Switched On

Technology has become an integral part of our everyday lives. But while technology has granted us some freedoms and opportunities it also poses huge risks opening the floodgates for hackers and increasing the need for cyber security. Switched On addresses innovation, the need for boards to stay alert, the benefits of integrating tech into the boardroom and the trickle-down effect on the well being of staff, as well as the changes and challenges presented by technology.

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### **Sonia Yee:**

This podcast was made with the help of ASB Bank, supporting businesses to get one step ahead.

### **Speaker 2:**

Please put all your belongings into one tray and your baggage into another one. Step 3

### **Kirsten Patterson:**

From AI, robots and airports.

### **Speaker 2:**

Please follow all instructions from the aviation security staff.

### **Speaker 4:**

Recording in progress.

**Kirsten Patterson:**

To meetings that have gone virtual thanks to Zoom. Microchipping our pets so that we can find them if they get lost. And who can forget Covid scanning to track our whereabouts.

Kia ora. I'm **Kirsten Patterson**, otherwise known as KP. And you're listening to Across the Board, a seven part podcast series made by the Institute of Directors and Association with the New Zealand Herald. Sonia Yee's the producer, and I believe she'll be dropping in shortly. Through the series, we've been looking at why good governance matters, including changes to directors' duties, issues like diversity and inclusion, the impacts of climate change, mental health, and more. You could say we're digging deep because boards and directors need to do the same to keep on top of an array of issues that affect the future health of not only the companies they serve, but also the community at large.

And we've reached the second to last episode in the series. In this episode, we're taking a look at technology. And today if you're not switched on then you might get left behind and that goes for companies and boards of directors too. But the tricky thing with tech is that there are so many unknowns and with so many businesses operating in the digital space, technologies become more important now than ever. But how should technology be approached by boards, and what are the opportunities as well as the risks?

**Speaker 5:**

5, 4, 3, 2, 1.

**Speaker 6:**

Welcome aboard, Flight 654. Please ensure your seatbelt is buckled, your laptops and devices are set to rocket mode and your governance handbook is ready for note-taking.

**Speaker 25:**

That's one small step for man.

**Speaker 6:**

You now have a seat at the table. Please ensure you remained switched on.

**Marian Johnson:**

Minister of Awesome is actually structured as a not-for-profit.

**Kirsten Patterson:**

Marian Johnson is a board member of Aviva - live free from violence and on the board of trustees for the New Zealand High Tech Awards. More importantly, she's the founder of tech hub, Ministry of Awesome.

**Marian Johnson:**

In the end, we're actually talking about trying to lift all the boats in New Zealand through focusing on high growth businesses that will use technology to enable a better future for everyone.

**Kirsten Patterson:**

She spent 15 years executing marketing and business growth strategies for software and tech startups in New Zealand, as well as with Universal Studios and Discovery Networks in the US and Europe. In a nutshell, tech and innovation is her wheelhouse.

**Marian Johnson:**

Almost all of our startups have something to do with tech. So tech is enabling or is the engine of their point of difference in their value proposition, but we do have some startups who are in other sectors. For example, in the food and beverage sector where tech is not really a part of their business proposition at all. But most of our startups have a platform of one kind or the other that does utilize technology.

**Kirsten Patterson:**

Marian is deeply passionate about engineering and sees plenty of opportunities for tech to merge with business.

**Marian Johnson:**

There's a huge opportunity that's obviously out there through disruptive technologies, things like machine learning, things like automation that is enabled by machine learning, robotics, internet of things with sensors that then give information to a platform that then can direct automation. You know, you have all of these digital technologies and we're now in that sort of web three environment where we really are working on innovation maximizing the ability of those technologies. And so in this way there is no

industry left unturned for disruption. It's all about the speed in which problems can be identified and then solutions can be created through those various technologies.

There's also innovations with business models, but they're enabled by technology. The oft used example, Uber is an innovation of a business model and that's also about disintermediation and being able to power through the crowd.

**Kirsten Patterson:**

But when it comes to boards and businesses, Marian says relying on the future never changing, isn't going to be good enough and that they need to be ready for change.

**Marian Johnson:**

It's first having that broader awareness and then it's secondly, looking at how the board itself can engage in the innovation ecosystem. For some places and some size boards, it's completely irrelevant from the point of view of business opportunity in the immediate term, but in terms of what they might learn from the innovation ecosystem and from thinking in business practices that are coming out of the innovation ecosystem, I don't think there are very many boards around who couldn't learn something from that. It's also seeing that there is such rapid change in that it's so important that a good board really take a step back and look at how all these movements are affecting a region, a country, a larger region of Austrasia. Instead of thinking just about the strategy over the next three years or even the problems of the board meeting of that month.

**Kirsten Patterson:**

With change comes a new way of thinking. But how do you even set yourself up to learn and narrow down what it is you should be thinking about as a director looking at tech.

**Marian Johnson:**

It'd be good to begin with a bit of an education and whether that's a workshop, some sort of a PD for the members of the board. What's happening with aerospace is not immediately relevant, right? And what's happening with new startups that are working on IOT technology is also not immediately relevant, but the whole process of innovation is relevant.

**Kirsten Patterson:**

According to Marian, the opportunities to use and invent with technology are huge, and our geography is an asset.

**Marian Johnson:**

I think there are some really specific opportunities when we look at what New Zealanders are really good at and our specific position in the world in terms of what our industries are, what our current talent resource looks like, even our position on the planet is an important contributing factor to what makes us uniquely NZ innovation. Our geography allows us to get right up into polar orbit with a quicker shot than any other position on the planet. I think the other one might be Tasmania, but we also have very little traffic in our airspace. So aerospace is something that is really innovating very quickly from New Zealand and the lead for that is really Rocket Lab, which we know. They're on the cover of Time and I wouldn't say they've democratized space, but they've made it something that someone other than NASA and some big government granted program could run.

Rocket Lab has led the way quickly followed by other organizations like Don Aerospace here out of Christchurch and multiple other groups like them, like Kia Aerospace, which is one you probably haven't heard of yet, but they're coming up. And if you asked your average Christchurch Canturburian, did you know that aerospace was a huge industry and that it was burgeoning and that 10 years from now it would be something that you would be totally aware of, if aerospace was Christchurch and identified with Christchurch, they would be super surprised. But we're not because we're right on the cusp of it right now.

**Speaker 8:**

PCON required. Standby.

**Speaker 6:**

Are you still switched on? Enter next phase.

**Anchali Anandanayagam:**

My name is Anchali Anandanayagam. I am a partner at Hudson Gavin Martin. Hudson Gavin Martin is a corporate, commercial, and litigation law firm specializing in technology, media and intellectual property.

**Kirsten Patterson:**

Anchali also sits on the board for Woman in Film and Television New Zealand and has been a board member of Asylum Seeker Support Trust and Thank You Payroll. A technology, media, telecommunications, and IP specialist, she's an advocate of using technology and the innovation behind it.

**Anchali Anandanayagam:**

Technology is not what makes you unique or gives you the competitive advantage. It's actually all of that inventiveness or the innovation that you come up with within your business, which then is enabled by technology that you use. Now that is not to say that that technology as a core part of your business should not be protected.

**Kirsten Patterson:**

But for boards wanting to engage with new technology, she says they need to address the following questions.

**Anchali Anandanayagam:**

Are we fully resourced? Are we fully prepared to utilize the space of technology in the best way to enable inventiveness and innovation and first to market strategy? What are the mitigation processes and systems that you're going to have in place to limit any risks that you have identified before it is implemented? All too often technology is brought on board without enough due diligence being done on the systems in terms of the security, the data protection aspects of it, and also simply how useful or how relevant that piece of technology is going to be for your business.

What you need to be thinking at a board level is what is our business, what is the core of it, and how do we do that best? Is that with technology? Is that with people? Is there in some other way? And then apply that test to whatever you bring on board. I think at times people or businesses rollout technology without having turned their minds to actually how does this play into our strategy? Understanding the purpose of that technology, understanding the risks that that technology brings on board, and then making a decision as to if the technology is to be implemented. What are the mitigation processes and systems that you're going to have in place to limit any risks that you have identified before it is implemented? So I think it's really important to do that due diligence.

**Kirsten Patterson:**

But with more time spent online and our focus switching to digital, data and security breaches have been on the rise and for directors that means keeping on top of how information is stored and protected. This has become a global issue and New Zealand businesses are not immune

**Anchali Anandanayagam:**

Just in New Zealand alone over the last year, the RBNZ, Waikato DHB, the Kaseya ransomware attack that happened, all of these threats really are only growing and I think there are a number of reasons for that. The first, I think, our increased online connectivity. We have such a growing number of network devices now, an increasing number of human device connections, so lots more people using devices in the world and also just simply that the bad actors are getting a lot more sophisticated in terms of cyber attacks. It creates a perfect storm. I think we are only going to see an upward trajectory in terms of cybersecurity incidents around the world.

**Kirsten Patterson:**

In recovering information, investigating breaches, and adding layers of additional protection comes with a cost.

**Anchali Anandanayagam:**

The financial loss that New Zealand alone has reported, its \$16.8 million in terms of direct financial loss. That's a 13% increase since 2020. Suit Indeed actually released some data showing that while economies made up of small to medium size businesses, and they make up 99% of our economy. Only about 38% of them actually believe that their business has adequately invested in cybersecurity and only 45% have said that they have processes in place to prevent a cyber attack. Now those are really sobering numbers when you think about how prevalent small to medium businesses are in New Zealand and I think we need to get better at this.

**Kirsten Patterson:**

And because of the rapid shifts taking place and how we do business and interact online, Anchali says security breaches are more likely to happen than not, especially for those who aren't prepared. And legal remedies after the fact may not be effective because the attackers or hackers are getting more clever and harder to trace. So prevention in the first place is a must.

**Anchali Anandanayagam:**

You lead by example in the board setting a culture of training, a culture of upskilling its people, of keeping across all the latest events that are happening, and having actually this as an agenda item, and talking about it, and addressing it at the board level will certainly help because that will flow down through the organization.

**Kirsten Patterson:**

And while it's not always possible to predict what will happen next, it's about taking those steps to try and get ahead of the attackers. The question is how?

**Anchali Anandanayagam:**

Something that is hugely underestimated in New Zealand is the power of creating that human firewall in terms of your team, your staff, your stakeholders. Most of the incidents in terms of data breach are often because a member of your staff has opened an email they shouldn't have, has attached a document they shouldn't have, has emailed because of auto correct sensitive information to someone they shouldn't have emailed it to.

**Speaker 6:**

Password access to computer is stuck to user's keyboard. Keyboard will self-destruct in 10, 9, 8, 7, 6,

**Anchali Anandanayagam:**

Regardless of where the attacks are coming from, if we can upskill our people, if we can get our people being aware of what they can and can't do to prevent or mitigate the risks of data breaches or security attacks, then I think that would go a long way to helping us.

**Speaker 10:**

No, no, no, this can't be happening. What? No, are you kidding me? No. Hello.

**Speaker 6:**

Please state your issue.

**Speaker 10:**



No, I press this button and there's a... I think there was a crumb on my keyboard from lunch. Yeah, correct. Okay. Oh, now my screen's turning on its side and there's a bunch of numbers that I don't recognize and a bunch of popup windows. Oh no, no, no, no, no, no. I've got a deadline to meet.

**Speaker 6:**

Warning. Warning. We have detected unidentified user activity. The network must shut down in 10, 9, 8, 7, 6, 5, 4, 3, 2, 1. System is now closed.

**Kirsten Patterson:**

That's certainly a worst case scenario. But the more companies rely on technology, the more at risk they are and if the system crashes, business can't continue. But are some industries more at risk than others? Take the financial sector for example. Every single one of us, including businesses rely on banks. Banks provide us with a necessary service that allows us to save. Our salaries or wages are paid into bank accounts. We can't live or operate without them. What other issues does technology pose for business, especially if more time and resources are required and it's not possible to send to the future to truly mitigate any risks?

**David Bullock:**

I think all organizations were reacting to what was unfolding as the pandemic hit. Banks were at the forefront of digital transformation and therefore a lot of innovation in the payment space and so the tap and go capability.

**Kirsten Patterson:**

David Bullock is the executive general manager of technology and operations at ASB Bank.

**David Bullock:**

Obviously the use of teams and connectivity for all of our workforce to ensure that we stay connected to our customers was in place. And so we were pretty well prepared for what came. It wasn't easy, there was a lot of work that was going on behind the scenes to support our customers. We launched the support finder, which sort of helped our customers and customers across the country figure out what benefits were available and what support they could get from the government through Covid and how

we could help them apply for that. So that's probably a good example of us kind of going a bit over and above.

**Kirsten Patterson:**

His tech and finance background has also taken him across to the UK. So what's he seeing on the horizon for how the sector will use technology in the future and where does New Zealand sit in the bigger picture?

**David Bullock:**

I think we are more innovative than others. I think often we might not have, from a New Zealand perspective, all the resources at our hand that a lot of other organizations around the world might have, but actually we really punch above our weight and you know, think of the number eight wire concept. Kiwis are definitely driven by trying to solve problems in unique ways. A lot of people have this perception that overseas is bigger and better and faster. I'm not sure that's the case. Certainly overseas is larger in terms of the number of people working in the finance sector and therefore the ideas are more. But actually often it comes down to how well you execute on those ideas. I've worked in tech and finance companies around the world and all of them are successful or not based on the people that you have working with you and together and how well you're collaborating to execute on a clearly defined vision.

**Kirsten Patterson:**

And banks have been ahead of the game and adapted quickly to the digital space with the ease of online access. Well at least if you can remember your password.

**David Bullock:**

Yeah, absolutely. And there's services that are available for ensuring that you keep your passwords safe. There's password vaults, et cetera, that enable you to record that information in a way that is secure and safe and can help you where you have multiple password users. Certainly from my perspective, I think what's really important is for particular areas that you have high security or concern over ensuring you keeping it safe, that you have a separate username and password. It's really, really important.

**Kirsten Patterson:**

But new technology has also created a need to protect it. With online banking, phishing emerged as a new problem that banks had to keep on top of to protect their customers.

**David Bullock:**

I'm sure you are signed up to a number of different digital services across a lot of the things that you do in your everyday life and it's how well are you protecting yourself against those? I think banks do a very, very good job of providing security. All the banks have large cybersecurity teams that are working on how do we keep our customers safe, both from an educational perspective but also from a backend perspective to ensure that we are protecting from cyber attacks that might be occurring. Or phishing is a great example where the banks and ASB specifically have introduced risk-based authentication. So you know have a second factor that you need to use to ensure when you are logging on if something in the backend looks suspicious. So those are good examples where we're adding extra layers of protection that you might not have on some of the other digital services. And if you use your username and password on one service and you're replicating that password, then you've got a real problem in terms of keeping yourself safe.

**Kirsten Patterson:**

Phishing still continues to be a problem for banks and with the sector adopting new technology-based products, business like tap and go payment systems, card scanning, and chip technology, it also means that banks need to constantly look for ways to add new layers of technology to protect the systems they've set in place.

**David Bullock:**

We have teams of people who are both trying to attack our systems themselves to learn where there may be weaknesses, to determine how we can defend against those. So we effectively have people looking at it from how would you get around these types of roles? And then people who are defending and ensuring that when we engineer these things, we take those things into account so we're building them in a robust fashion and that's definitely part of our development life cycle.

**Kirsten Patterson:**

Yes, banks have found ways to get ahead of the game and they have to. They need to do everything possible to stop the baddies and hackers from infiltrating the system. Overseas biometric cards that scan your fingerprint are being introduced. So does David think we'll see some of that here in New Zealand?

**David Bullock:**

We don't have any specific plans around use of fingerprints on card devices, but it's one of the many initiatives that we're keeping a close eye on around the world and never say never. I think biometrics are a really interesting way and important way of continuing to combat the sort of identity theft that is prevalent around the world and the sort of username and password elements is obviously not strong enough, which is why second factors coming in. One of those second factors could be biometric or other means. So we continue to watch what's going on around the world, what's looking effective, what's not, and we have pretty strong innovation that's looking at those types of things at ASB.

**Kirsten Patterson:**

Now that we've covered off the business side of the sector, how does David's role in overseeing and identifying opportunities for tech at ASB translate to what he reports to the board and how does that relationship work when he sees an opportunity or risk they need to be aware of?

**David Bullock:**

I think from a board perspective, one of the things that we hold dearly is the information that we're using as management to protect against cyber threats. The board needs to see the same information to ensure that the board and management are connected in terms of the challenges that are ahead of us and how we're working in mitigating those particular challenges. So I think that level of consistency and transparency is really, really important.

Also, to ensure that the board and management are educated and stay aligned in terms of what is happening around the world is another really important facet. We talk to the board around people, process and technology effectively. So who are the people we've got combating? Who are the people attacking the environments? What are the processes we have in place where we have challenges? What are we doing around resolving those? And then from a technology perspective, what are the

tools in software that has been developed around the world to help combat these types of criminal activities and which ones should we be investing in and how much? And those are the conversations that we're having with the board on an ongoing basis.

**Speaker 6:**

Waking Up from sleep mode. David, will I take over your job in the future? Will humans still be needed or will I make your jobs obsolete?

**David Bullock:**

No, I'm not bought into the sci-fi future where AI takes over the world. The pace of AI innovation at times can be scary. I think it's a massive opportunity, but I also have some sort of inherent trust that others might not in terms of human beings, in terms of how far we take those elements and indeed how far we can take them. I've described technology almost as it's the canvas and the paints, but it takes humans to create a masterpiece and I think that we should think about technology in that way. It's a great tool, it's a great palette, if you will, for whatever we can imagine and bring sort of art of the possible to life, but that takes humans.

What we've all seen through a Covid is a great example where it's great to be working remotely, but there's nothing quite like that human connection when you're back in the office and working with workmates around a whiteboard or something trying to solve a problem together. And I think that will carry on in terms of how we think about technology in the future as well.

**Kirsten Patterson:**

So what skills are needed for a career in cybersecurity and what should recruiters or managers be looking for?

**David Bullock:**

Imagination and problem-solving are often the most undervalued traits. So people who can look at the problem as a system and understand how the different parts are interacting with that goes a long way to creating really good cybersecurity team members. That's really important. And then people who really want to know more about what's going on across the world and staying connected to the world is really important as well because obviously things aren't invented here immediately. They're invented all around the world in different locations and the more you can be across that and learn from that, the better you can combat it as well. That's

what I'd say to my kids in terms of think about how you're solving problems, be imaginative, what's the art of the possible, and how do you bring it to life?

**Kirsten Patterson:**

The world of tech and innovation is vast, but as Marian mentioned earlier, there are lots of opportunities and that will require directors to take the plunge and they'll also have to be on their game and be future led.

**Steven Renata:**

The company was started back in 2003 and focusing on media localization and also cultural at publishing.

**Kirsten Patterson:**

One man who isn't afraid of diving in is Steven Renata. Steven is the founder and CEO of Kiwa Digital, who built the IoD's Hautu app...

**Speaker 24:**

Tēnā koutou katoa.

**Kirsten Patterson:**

An interactive app designed to empower anyone wanting to learn Te Reo and help with Maori greetings and more. But what's fascinating about the work of Kiwa Digital is its global and local focus, which work in tandem.

**Steven Renata:**

We were primarily focusing on dubbing the film and television content from English into Te Reo Maori on one side of the company and then the other side of the company, we were doing books for school. For example, Hairy Maclary from Donaldson's Dairy and working with existing publishers who were sort of trying to make the transition from hard copy into digital app sort of territory, otherwise known as eBooks. Right about seven years ago, we spotted an opportunity as there was a rise, particularly with Te Reo Maori, where there some tools that we could develop to help those at work start to build up some basic knowledge and understanding of tikanga Maori protocols and also basic Te Reo Maori.

**Kirsten Patterson:**

For any new business and especially those in the startup space, there are always going to be unknowns and obstacles. For Kiwa, one of those obstacles was around culture and challenging long held views at the time.

**Steven Renata:**

One was just around language itself because why do I need to learn Te Reo Maori? How is that going to benefit me? Why shouldn't I learn French or Spanish or some other language? The second one was sort of seven years ago, app technology wasn't that well known by adults. Most adults that were considering some sort of digital learning would probably default more to a website, cultural services. Digital publishing is the lion share of the business, sort of around about 80%, predominantly focused in Aotearoa. The other side is localization technology, voice cue that's used for things like dubbing and audio description and so forth. Overseas, they sit side by side and there is some sort of crossovers if you like, from both technology platforms.

**Kirsten Patterson:**

And Kiwa's translation work has appeared in international hit series like Squid Games, which topped the global Netflix charts in 2021.

**Steven Renata:**

And what we're really seeing actually is like a convergence. You can access your favorite Netflix, Disney, Amazon channel straight off your smart device, but you could also experience a key digital produced app that might be teaching you Te Reo Maori, civic land with some local Maori story for example. We do have two separate business units that the reality is from a user perspective, they all converge through smart devices and so we're very cognizant of that.

**Kirsten Patterson:**

Directors today have to focus not only on the current landscape, but also on the future to mitigate any risks. But what is that really like when you have to keep on top of trends to get ahead of the game, which is imperative in a digital realm where everything moves so quickly. And what are the downsides to that future focus, especially when it becomes a default?

**Steven Renata:**

Yeah, I mean sometimes it can be a negative thing and in the sense that I often have friends or Bono say to me, do you actually celebrate being in the moment? And the true answer would be probably not enough. As I get older, I sort of start to reflect a little bit more and you know what, be happy about where you are today and yes for sure keep focusing on the forward. So default probably would be a future style of thinking, but I am learning as we get older and as a dad and a partner to don't forget to celebrate the moment.

**Kirsten Patterson:**

Remember what Marian said earlier about utilizing technology and taking risks and that most boards are likely to be averse to that? Running a business in the tech and innovation space, how does Steven feel about Kiwa's ability to take bigger risks? And are there more opportunities to push the boat out?

**Steven Renata:**

Yeah, oh absolutely. The future in some ways for directors, I think in Aotearoa, is to have some experience on the ground because things move very quickly. And while the primary role of directors is to govern, it is helpful to have operational knowledge and particularly in fast moving sectors like technology. So you've got to have your legal piece correct, need to have your finances correct and so forth. But at the end of the day, for most businesses, for-profit industries except for example is that you have to sell your product or services to somebody, some market, somewhere. And so understanding that dynamic, what is the actual user experience today versus what it's going to be in 12 months time in the digital space and be able to bring your insights to that conversation as the director. And so I think there's some pressure on directors that might have come from other industries to detect that this thing is very, very agile, moves quickly, and so you've got to be very agile in your thinking.

**Speaker 6:**

Prepare for reboot.

**Speaker 10:**

Okay, yep, got that.

**Speaker 6:**



And 5, 4, 3, 2. Next phase technology and startups.

**Sonya Williams:**

We started about the end of 2016. There was actually six of us that came together and the co-founders of Sharesies, but the three of us that were the three that kind of took the leap and quit our jobs first and went full-time on Sharesies.

**Leighton Roberts:**

Anyway, the accelerator was coming up so we had a few ideas and Kiwibank was sponsoring it, so that's what sort of moved it into the business part.

**Kirsten Patterson:**

Leighton Roberts and Sonya Williams are two of the three CEOs or 3EOs at Sharesies. It's a digital platform designed to help Kiwis start their investment journey. So not only is the business driven by technology, it depends on it. Before starting the business, both Leighton and Sonya were interested in investing, but there were obstacles that stopped them from dipping their toes in the market.

**Leighton Roberts:**

Despite being in financial services and being really interested in investing. And I tried to sign up to some of the platforms quite a few times, but I was sort of one of those classic millennials. As soon as the paper was put in front of me, you basically lost me. I absolutely could sense this big gap there. Of course, we had no idea what it looked like at that point.

**Kirsten Patterson:**

Around the same time there were other things going on too, bigger picture issues and the all pervasive idea that millennials were cut out of the housing market.

**Sonya Williams:**

Because they spent all their money on smashed avocado on toast for anyone at the time you're kind of aware that really wasn't the case. It was that that house prices were rising and it was becoming further and further out of reach to see yourself owning property in New Zealand.

**Kirsten Patterson:**

And so Sharesies was born. But getting an idea off the ground and becoming a fully fledged business doesn't happen overnight. The team had to prove there was a problem that needed to be solved first in order to build the foundation of their business. So they got to work.

**Sonya Williams:**

So we ended up doing six months of customer research. We went out on a regular basis and went and talked to people about money, about investing, about how they perceive those things. There were three key reasons that were keeping people out, which was that they were priced out, jargoned out and branded out. I think the thing that stuck with us was how money's a part of everyone's lives, but most people have a negative relationship with it .

**Speaker 16:**

(singing)

**Kirsten Patterson:**

So these core ideas helped the Sharesies team develop and refine their solution. There were six people in the founding team by now, including designers and engineers and Leighton and his partner Brooke, the other CEO, both came from financial and marketing backgrounds, and Sonya skills were based in UX user experience.

**Sonya Williams:**

We started just prototyping and going out and then refining that over with customers, as well as, building an end-to-end solution and taking it to market. But we just also happened to have quite complimentary skills.

**Kirsten Patterson:**

There's a first time for everything and for the Sharesies team, it was about doing it their way. And by May the following year they had a customer base.

**Sonya Williams:**

2017 was when we kind of launched our beta product, so that all happened pretty quickly.

**Kirsten Patterson:**

But what is it like to have three CEOs at the table? Does it mean more rounds of emails going back and forth or does it allow each person some breathing space and a fresh set of eyes and ears and an opportunity to delegate out?

**Leighton Roberts:**

I mean co-CEOs aren't that uncommon. There's quite a few particularly in around in founding relationships. There's your partnership models and stuff where it's even broader than that. For the three of us, we're all super communicative, we're super trusting. We communicate when we need to and I don't personally feel like it's too much of a burden ever. It's often quite helpful, like can give you a lot of confidence in your decision-making and your coaching and your ability to develop and make good decisions.

**Kirsten Patterson:**

As directors and founders of Sharesies, Leighton says there were three factors that had to be in place to mitigate risk from the get-go. The first was market opportunity, which through their research they nailed. The second was capital.

**Leighton Roberts:**

Capital raising. We managed to achieve quite early on. We feel like it's very important if we're looking after people's money that we should ensure the business is very sound. And as a result we've had quite successful fundraising for Sharesies as a business. And the third one was the people one, which I think we all had a lot of confidence in our own ability. Certainly a lot of motivation. Those are the three risks we sort of tackled up front, I suppose. And then from there, you've just got to be around to see a bit of luck. You never know where it's going to come from, what might be the thing that kicks off your business.

**Sonya Williams:**

And then I think the next question was about the risks over time. There were kind of risks inherent in the idea of launching the business, obviously because it wasn't being done. There were some things against it. People saying, well we've tried to solve this or this hasn't quite worked or we just don't think that people want to invest. So that was a risk. Looking back now over the amount of cultural change that has happened around investing

and money, even over the last five years has been huge and really stoked to see that impact.

**Kirsten Patterson:**

Sharesies also encourages education to demystify investing and turn it into something that everyone can understand.

**Leighton Roberts:**

There's lots that are saying don't invest money you can't afford to lose. I really challenge that. If that's the case, you're probably doing it wrong. So we do really try educate on diversification and being real about that. There's probably lots of other things that play that might even be a bigger concern. You're probably into widespread deflation environment. We always used to ask this question when we first started. We'd ask rooms of people that we were in who's an investor here and hardly anyone would put their hand up. Then we would go on and say, well who's got a Kiwi Saver? And then almost everyone in the room would put their hand up. So it's part of this thing that we are all engaged with anyway. We just really need to be educated on it. So that's why we have such a large focus on that.

**Kirsten Patterson:**

The success of the business and strategy also relies on having a strong board. Governance has been key to their growth and stability.

**Leighton Roberts:**

Almost since day dot, we've had pretty formal processes around our governance and our board. So Brooke, Sonya, and I all sit on the board and then we actually have multiple boards because we have quite a few companies now under the Sharesies group. We sort of had a hit list of people that we'd like to come and join us. Alison Gary, who's a well known director in New Zealand, she's our chair. And then we've also got John McDonald, who's formerly the CEO of Trade Me for many years. Also an experienced director and sits on quite a few boards now.

And then alongside that we have a board of advisors. We do try to keep our boards small enough to move really fast. We have a bias for pace, but never at the compromise of making sure we have good governance in place and that we're meeting whatever requirements we need.

**Sonya Williams:**

Having those experienced directors around the table really set the tone for what governance that Sharesies can look like. Having just that rigor, especially as we've grown to multiple entities now. The style and the tone set by the Sharesies board. Also like a really big focus on team and culture.

**Kirsten Patterson:**

And with their growth, they're now expanding into the international market and setting up in Australia. So what are some of the considerations involved in making sure they market themselves in the right way?

**Sonya Williams:**

So we've got an amazing team on the ground in Australia and really helping us navigate that Australian market. I think the main things are also understanding where the differences in the markets exist and making sure that you really speak to those. We want Sharesies to be as Australian for Australians as it is Kiwi for Kiwis.

Other one is competitive environment. So in New Zealand, we were kind of first to market, first mover. In Australia, there are other competitors over there. So it's just really making sure you've got a clear point of difference in that you are connecting with the customers that will resonate most with your brand.

**Kirsten Patterson:**

According to Sonya, one of the main differences in Australia is that financial services are heavily digitized and that's becoming embedded in the culture where you can live and go about your day-to-day life with nothing but your mobile phone.

**Sonya Williams:**

So in New Zealand we are still kind of learning and growing in those spaces. So I think the demand on experience and especially in mobile and what people are expecting, and I think that speaks to the competitive nature as well. So the rate of superannuation is higher, so people have more of their money invested. It's kind of still on the personal investing or the direct investing. There's gaps there, but I think they're in a different place when you're talking about money.

**Speaker 8:**

(singing)

**Kirsten Patterson:**

At this stage, Sharesies have plenty of opportunities on the horizon. So what advice do they have for boards looking to implement or integrate new technology in the way they do business? And is there a fail safe way to do it?

**Leighton Roberts:**

Technology is the future, right? We sort of have this culture here, which is innovate on everything. I think for boards that are already embracing, it's just really a matter of trying it. And if you expect people within your company continue to innovate and things, then you really need to be doing it at that level as well.

**Kirsten Patterson:**

And Leighton and Sonya have advice for those interested in starting their own business too.

**Leighton Roberts:**

Ultimately you've got to just do it. Everything started somewhere. When I speak to a lot of people, I feel like I can normally tell who's going to go and make something of it and who's not, just by how committed they are to actually going and making something happen. As far as our experience has gone, is you have to sort of be boots in and it's very hard to do it with any other mindset than that.

**Sonya Williams:**

Surround yourself with great people. I think there's lots of people out there doing great things. And if you've got an idea, pursue it. Ask questions, find out more. I like the quote, if you've got it, believe in it, but be curious about it. Don't kind of think you've got it all nailed, but once you go out there, you'll find out more and it'll just help you be on a better path.

**Speaker 6:**

Prepare for landing. Please stow away your tray tables and governance handbooks. Landing in 5, 4, 3, 2.

Mission complete.

**Kirsten Patterson:**

That was Sonya Williams and Leighton Roberts. You also heard Steven Renata, Anchali Anandanayagam, Marian Johnson, David Bullock, and Damien Galvin as The Worker. The sound engineer is Mark Chesterman. I'm **Kirsten Patterson**. And the series is produced by **Sonia Yee**, who this time snuck in as our robot guide. And a special thanks to our friends at ASB Bank who helped make this series possible.

You've been listening to Across the Board, and that was the second to last episode of the series. If you'd like to listen to more, head to iHeartRadio or wherever you get your podcasts. Next time we take a look at Success versus Failure. Ka kite. Thanks for listening and catch you next time.