

Kiwi technology entrepreneurs upbeat about opportunities in recession

4:00AM Monday Oct 20, 2008

By [Jacqueline Smith](#)

Headlines declaring doom and gloom have not put New Zealand technology entrepreneurs off their goals.

Greg Shanahan, managing director of the Technology Investment Network, said many of New Zealand's technology companies were working in markets resilient to the economic climate.

He said recessionary times provided technology companies the opportunity to claim clients, particularly those making software to improve efficiency.

"Right now there is a buzzword 'time to value', which is basically how long it takes a business to return the value on the time they have spent," he said.

Exporters would find the sliding New Zealand dollar "a godsend" and a drop in the cost of raw materials for manufacturing would help strengthen their bottom line.

"I would expect many of our tech business to continue positive growth in the future," he said.

Ian McCrae, chief executive of Orion Health which supplies software to the health market, said the company had only one customer delay their payment since the credit crunch.

"It's a sector that's not really affected too much by economic cycles," McCrae said.

He said technology companies needed to ensure their organisations were in good shape moving into a period of slow growth.

Bill Farmer, chief executive of technology company Mako Networks, said his business is "seriously in a growth phase" as the building blocks it laid over the past five to six years were starting to bear fruit.

Mako Networks would benefit from the low dollar and from global businesses tightening their belts, Farmer said.

"When their budgets are constrained, major overseas companies will look to other options and this gives New Zealand companies a leg-up."

Richard Poole, founder and owner of website grownups.co.nz, saw plenty of opportunity for online business and his three-year plan had not changed.

"Overall it's a case of saying for the foreseeable future, people are going to be a lot more careful with their spending and seeking out the best deal possible."

Poole said the slowing economy worked in favour of online business as it made online advertising a more attractive option.

Poole recently entered a partnership with Yellow Pages and is looking at other joint ventures with online businesses.

Rich Henry, who started his online business getfrank.co.nz out of a grant from the Nescafe big break competition for young entrepreneurs, said the economic downturn was a learning opportunity for young business people like himself.

"This will be the first grind I'll be put through, so I'm sadistically looking forward to it.

"As a young entrepreneur this will provide some very interesting and character building times. I'm also a firm believer that the best innovation comes from when we're placed under pressure," he said.

Advertisement

Advertisement