

Dear guests – and welcome. Thank you for giving up your time to join us today. The plans we are presenting today have been close to two years in the making.

Over the next hour we will share with you where we are now, our aims, objectives and priorities over the next three years. We will also cover off our financial situation and our governance structure. The reason why your board feels this is important is we are all stakeholders in FloorNZ and the ATI, and its effective operation from Board through its executive and staff to the people and organisations it serves is critical. And yes, we will be asking for money today – so being financially transparent with funders goes hand in hand with that territory.

Before I get underway I would first like to introduce FloorNZ directors and thank them for their contribution in time and expertise in particular paying tribute to Derek and Wayne who had the foresight to retain the training school and look at relaunching FloorNZ, and to Kari who has been working tirelessly with our community to make today happen plus Jeff, Phil, Emma and Kevin who keep the flooring school running like a well-oiled machine.

First up I will give you the overview before handing over to Kari who will cover our plans in more detail. We'll take questions from the floor at the conclusion and then break for afternoon tea and a chance to chat about our plans.

First off, I would like to share our purpose – why we are here? We have spent a lot of time getting real clarity on purpose – this ensures that everything we do, all the ideas we explore and our plans come back to our purpose.

Our aim is to build a stronger flooring community through education, fostering collaboration, undertaking industry advocacy and providing added value services to our members.

Our community is comprised of retailers, installation professionals, manufacturers and distributors. Regardless of our business' size or scale we all face the same issues:

- A lack of installers
- Challenges in attracting and keeping apprentices
- Training and retaining quality sales people
- Getting product knowledge and installation specs across retailers and installers and externally facing
- A more demanding customer, a more open environment for both rants and raves and a compliance curve that gets steeper every year.

And there are the obvious frustrations which I won't list, many of which have very much a ground hog day flavour to them.

And in one sense it has been the focus of the Board management to identify proactive solutions to the issues and frustrations which can be best dealt with at industry level – so let's have a look at these in turn.

Our first pillar is Education:

Our focus is twofold:

1. Our installation community and
2. Our retail community

Let's look at our installation community.

Our view is that without a high quality professional installation community we will face a grim future. No matter how great our products, how great our showrooms look, or how effective our salespeople are – without quality and professional installation we are “stuffed”.

If we could describe an ideal state today, our installation technicians should be able to face a future with a professional qualification - no student loan - the ability to earn decent money through hard work and high standards, the opportunity to either own their own business, or enjoy the security of paid employment, or if they want to go overseas find high paid work easily.

To make this happen we will be doing three things:

1. introducing a professional qualification
2. expanding the breadth of our training offering and
3. extending how we reach our installation trainees.

For our retail community we will continue to develop and promote training programs to lift the standards of expertise

Kari will flesh out our plans and priorities in more detail

Fostering collaboration

The great thing about this business is that it is largely un–corporate. Most of our businesses are privately owned, with the owners actively engaged, and those under corporate ownership deeply understand the importance of the owner operator, and many of us have been here for a long time. So, I think notions of collaboration come more naturally to us than other industries.

Fostering collaboration takes a number of forms for example:

1. The work Kari and Jeff have done with suppliers with a view to agreeing common standards and the goodwill from suppliers to take part.
2. Our supplier family generously giving materials to the flooring school
3. At the FloorNZ Board meeting competitors park their guns at the door

Collaboration clearly crosses over into education and training. We need to work on effective ways, new products, and new product features, such as soft carpet backings find their way into installer and sales training.

There are two key strands to fostering collaboration – these are important to ensure it isn’t just a feel–good notion with no substance:

1. We need to keep an active focus working on things which affect:

- a) our collective wellbeing and
- b) are best solved at the highest level of scale available to us i.e. at industry level.

2) Within our structure we have established three advisory groups which will be active in developing and supporting FloorNZ management in its idea generation, planning and execution:

- Installation
- Retail
- Supplier

These structures will help build stakeholder engagement, and also help tackle issues and solve problems which span those sectors.

The third pillar is undertaking industry advocacy

This is fairly self-evident, and involves primarily lobbying with government and its agencies e.g. MBIE to get installation on the skills shortage list. It also involves liaison with connected industries where ours needs a voice.

The fourth pillar is providing added value services to members. This pillar is extremely invaluable. Most if not all of us here belong to some form of association which provides benefits which we couldn't access on our own – whether that's through a lack of time or money or skill to acquire. In my other role we call it the "power of the group". The low hanging fruit is buying benefits such as fuel cards, insurances etc. but what we really need to focus on is the soft stuff - which in reality is the hard stuff. It's in teasing out of members in our community those local gold nuggets – or "best practice", boxing them up and sharing them with the wider community.

There is tremendous scope here and let me touch on a couple:

- Some retailers and contractors are very effective in recruiting apprentices. They get the recipe and are successful with it. So, let's get that recipe in a box, and work out how to share it with those in our community who may be a bit reluctant to take on apprentices.
- We regularly hear about both the apprentice drop-out rate, or "switching ships". Again, let's understand the reasons on the one hand, and look at tools and methods to reduce this churn.

Why are these things important?

The fact is that there will be no silver bullet to doubling or trebling the volume of apprentices signing onto our member's book in the foreseeable future. We have no external generous benefactor with loads of money who will deliver hundreds of willing apprentices to our doorsteps overnight, and even if that were the case, our community would struggle to house them because we haven't got our induction pipeline wide enough.

So, we need to work on the things we can influence and control with a focus on quality, and in a very measured and deliberate manner widen the sales pipeline across attraction, recruitment, training and development, and retention and when any of us say we need to fix this – also ask the question "what can I do to fix this?" as we are in this together.

Before I hand over to Kari let me briefly cover off governance, our finances and communication. In any successful member-based organisation you'll find these three boxes are linked and ticked off.

We have four board meetings a year. Each one has an underlying purpose across our annual planning and on-going performance review. Each sector is represented, namely retail, manufacturing and distribution and installation, and it would be good to see gender balance on the Board.

Our finances are in reasonable shape and we currently break-even, we have dual signatories on payments, and prepare monthly accounts. The plans we are presenting today include a number of one off projects for which we need your help! They require funding and I understand Kari has

softened up a number of you already on this. When we looked at this our desire was to set them up as loans, but technical reasons killed that idea – so they will be donations.

Communication within our community is key to stakeholder engagement. We need to be relentless and disciplined in this area across all our stakeholders. We have some challenges here, particularly with our installation technicians as we don't have databases. There are a number of you in the room who may be able to help us build this! Kari will outline our communication plan spanning information sharing, updates, and marketing along with our communication systems and methods in more detail. Both our addresses and slides will be posted on our website to ensure unfiltered visibility to our whole community.

In closing I simply want to come back to our purpose:

Our aim is to build a stronger flooring community through education, fostering collaboration, undertaking industry advocacy and providing added value services to our members.

I will hand over to Kari who will outline our plans under these four pillars, with a priority focus on education and professional qualifications.

Don Barry
Chairman FloorNZ and ATI