



SUCCESSION PLANNING

Post-Harvest Kiwifruit Industry

Transition from Survival to Succession

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1. Executive Summary

The New Zealand Kiwifruit industry has a unique background and history; from 1928 when Hayward Wright developed the “Hayward” variety, to our first exports to England in 1952.

Rapid expansion in the 1970's, followed a crisis in the mid to late 1980's as a result of large crop volumes beyond market demand. In 1997, Zespri International Limited was formed as a global marketer of New Zealand Kiwifruit.

Since then the industry has gone from strength to strength. However, in November 2010 the industry was hit by the bacteria PSA which wiped out the gold cultivar Hort 16A and threatened the future of the kiwifruit industry. The industry faced major challenges to overcome PSA, but a united approach has seen PSA overcome and confidence return.

In the same manner that succession planning is discussed on orchard, succession planning in the post-harvest industry is an area that needs to be looked at further. Not only is the age demographic of orchard ownership increasing, but also in the post-harvest sector.

The rationale behind my report is to examine succession planning in the post-harvest sector. This report looks at the importance of succession planning in the post-harvest kiwifruit sector. As we go from “survival to succession” how we attract, retain and grow people becomes a critical success factor.

My aim is to look specifically at the Post-Harvest sector and examine succession planning, compare this against current literature and provide a list of recommendations that the sector can use to implement, or fine tune their current succession planning strategies.

In order to obtain data and information for the report, I interviewed senior managers from eight post-harvest facilities representing 95% of the kiwifruit packing and cool store capacity in New Zealand. I then undertook analysis of their responses to generate key themes around succession planning.

Several outcomes came from the interviews. First and foremost was around people and the importance of attracting, retaining and growing them. Second was that each organisation had some form of succession planning in place. This varied from informal and ad-hoc to formalised planning that is discussed regularly and executive level. Third was that many people are involved in succession planning from the CEO, Human Resources general manager and the individual team member.

I recommend that succession planning encompass the entire organisation, that some form of formal succession planning strategy and structure is in place and that organisations in the post-harvest sector need to be clear on “why” people should seek a career in their industry; specifically the millennials must be convinced of a career within the industry.

I am a fourth generation kiwifruit orchardist in the Bay of Plenty and have owned my own orchard since 2004. I also work in the post-harvest kiwifruit sector and have great confidence in the industry. However, I am aware of the issues the industry faces around attracting and retaining the best people available.

Cameron Hill

2. Acknowledgments

There are several people and organisations that I would like to thank for giving me their guidance, insight and valuable information to enable me to put this project together. Most importantly they provided me with their time.

These include;

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- Andrew Cocker, Priority One
- Mike Chapman, Horticulture New Zealand
- John Cook, Horticulture New Zealand, Director, Orchardist, Mentor
- Zespri International Limited; Blair Hamill and Chrissy Stokes
- Nikki Johnson, NZKGI
- Post-Harvest Entities that I interviewed:
 - Seeka, Kevin Halliday
 - Eastpack, Richard Fraser-McKenzie
 - Trevelyan's, Debbie Robinson
 - Apata, Stuart Western
 - DMS, Derek Masters
 - Hume Pack and Cool, Mark Hume
 - Mount Pack and Cool (MPAC), Jan Benes
 - Opotoki Pack and Cool (OPAC), Warren Short

3. Introduction

3.1 The Importance of Succession Planning

So what is succession planning and what does it mean in the context of the post-harvest kiwifruit industry?

Investopedia defines succession planning as:

A strategy for passing each key leadership role within a company to someone else in such a way that the company continues to operate after the incumbent leader is no longer in control. Succession planning ensures that businesses continue to run smoothly after the business's most important people move on to new opportunities, retire or pass away. (Investopedia, 2016)

Succession planning embraces concepts of people development, business continuity and leadership. In the same manner that succession planning is implemented on orchard, or on farm, it needs to be implemented in the post-harvest sector to ensure not only business continuity, but leadership development and personal growth and development.

The importance of succession planning is well documented in New Zealand. Our premier annual agri-business publication Agribusiness Agenda ranks “developing future leaders” in the top 10 of the key priority list (Proudfoot, 2016).

This along with “incentivising students into agri careers” and “articulating a collective industry vision” combine to the key theme “Building Careers People Aspire to Pursue” (Proudfoot, 2016).

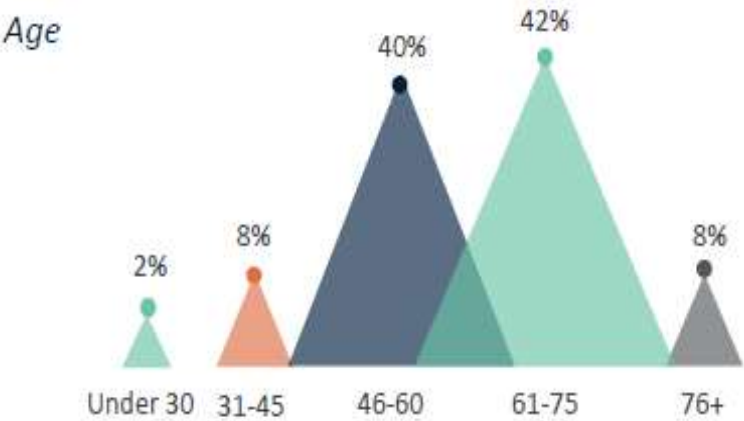
Through KPMG's and Ian Proudfoot's research it is clear that succession planning is important not only to attract, but also retain talented people within our industry in order to compete with other industries for the limited amount of skilled labour available. The primary industry needs to “clarify the why” (Sinek, 2015) of why people decide for a career in this industry.

3.2 Industry Demographic

The kiwifruit industry faces an aging demographic. This has implications for succession. A recent survey for the 2015 New Zealand Kiwifruit Growers Incorporation (NZKGI) Strategic Review identified that 50% of its “vendors” (Orchardists, Members, and Industry Bodies) are over the age of 60. Even more concerning is that 90% were aged 45 plus and only 2% under 30 years old (New Zealand Kiwifruit Growers Incorporated, 2015).

Refer to Figure 1 below for a breakdown of the age profile of NZKGI members.

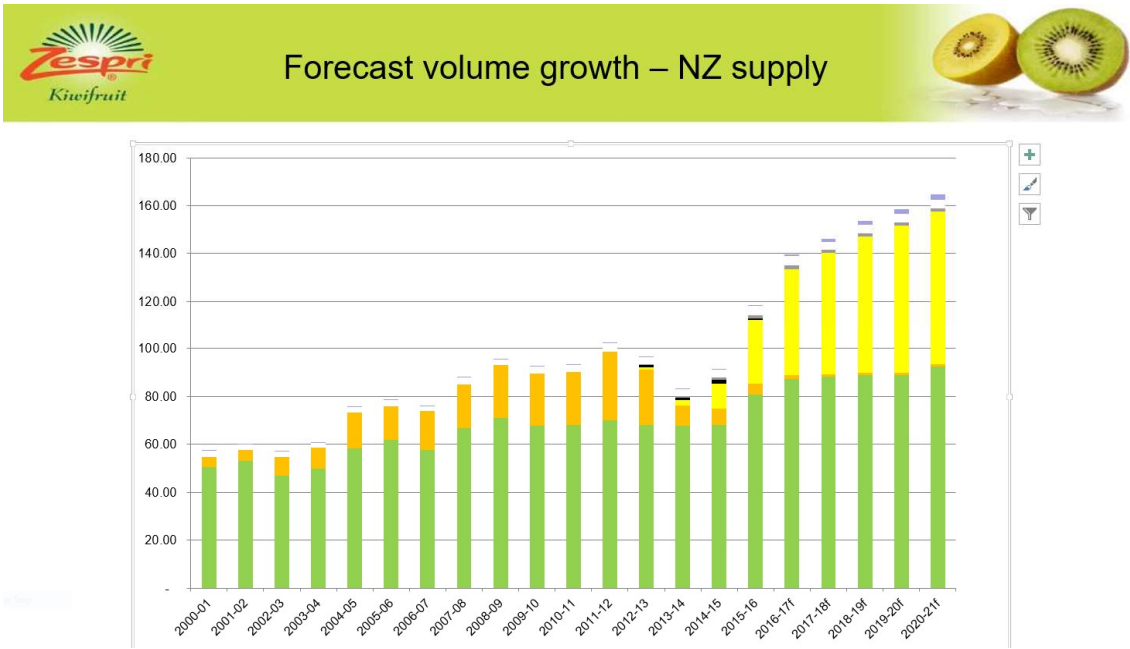
Figure 1 Age Profile of NZKGI Vendors



(New Zealand Kiwifruit Growers Incorporated, 2015)

An aging industry demographic combined with Zespri’s forecast volume growth over the next five years (Zespri, 2016) has succession implications. Refer below to Figure 2 Zespri Forecast Growth Volume

Figure 2 Zespri Forecast Growth Volume



(Zespri, 2016)

If the New Zealand Post-Harvest Kiwifruit sector is to thrive and effectively manage the increased volume in fruit supply and business expectations, their succession planning and people management policies must be structured and sound.

3.3 Aims and Objectives

My project has a number of aims and objectives relating to succession planning in the post-harvest sector.

First, I looked specifically at the post-harvest sector to answer the following questions;

- What does succession planning mean for the post-harvest kiwifruit sector?
- What succession planning strategies are in place?
- How does the industry attract, retain and grow people?
- Who is responsible for succession planning
- What key issues associated with succession planning are faced?

My next aim was then to look at literature to provide a theoretical context to succession planning and how this could be applied to the post-harvest sector. Is what is suggested in theory happening in practice?

Last, I want to provide a list of recommendations that the industry can use in order to improve and, or address succession planning in their own business.

3.4 Macro Industry Overview

i. The Primary Sector

The success of New Zealand's Primary Sector is critical to the success and prosperity of our economy as a whole. For the year ending June 2015, primary sector exports estimated to account for 77% of New Zealand's total merchandise exports. (Industries, 2015). Refer to Figure 3 Ministry of Primary Industries Strategic Context 2015.

With forecast exports expected to increase to \$41.3 billion in 2018/19, the primary sector will require an additional 50,000 workers in New Zealand by 2025.

Specifically, the Ministry of Primary Industries has identified shortages of skills in the following areas:

- Production
- Science
- Marketing
- Engineering
- Technical and Management

(Industries, 2015)

Figure 3 Ministry of Primary Industries Strategic Context 2015

STRATEGIC CONTEXT

The primary sector at a glance

For the year ending June 2015, the primary sector is estimated to account for approximately **77%** of New Zealand's total merchandise exports:

-  Dairy – \$14.2 billion
-  Meat and wool – \$8.76 billion
-  Forestry – \$4.63 billion
-  Horticulture – \$3.97 billion
-  Seafood – \$1.51 billion
-  Other primary sector exports and food – \$1.96 billion
-  Arable – \$198 million

Rising global demand for food presents a significant opportunity.



Exports are forecast to reach around **\$41.3 billion** in 2018/19 (up from \$38.3 billion in 2013/14), driven in large part by the emerging middle classes of Asia.



“An additional 50 000 workers will be required in New Zealand by 2025”

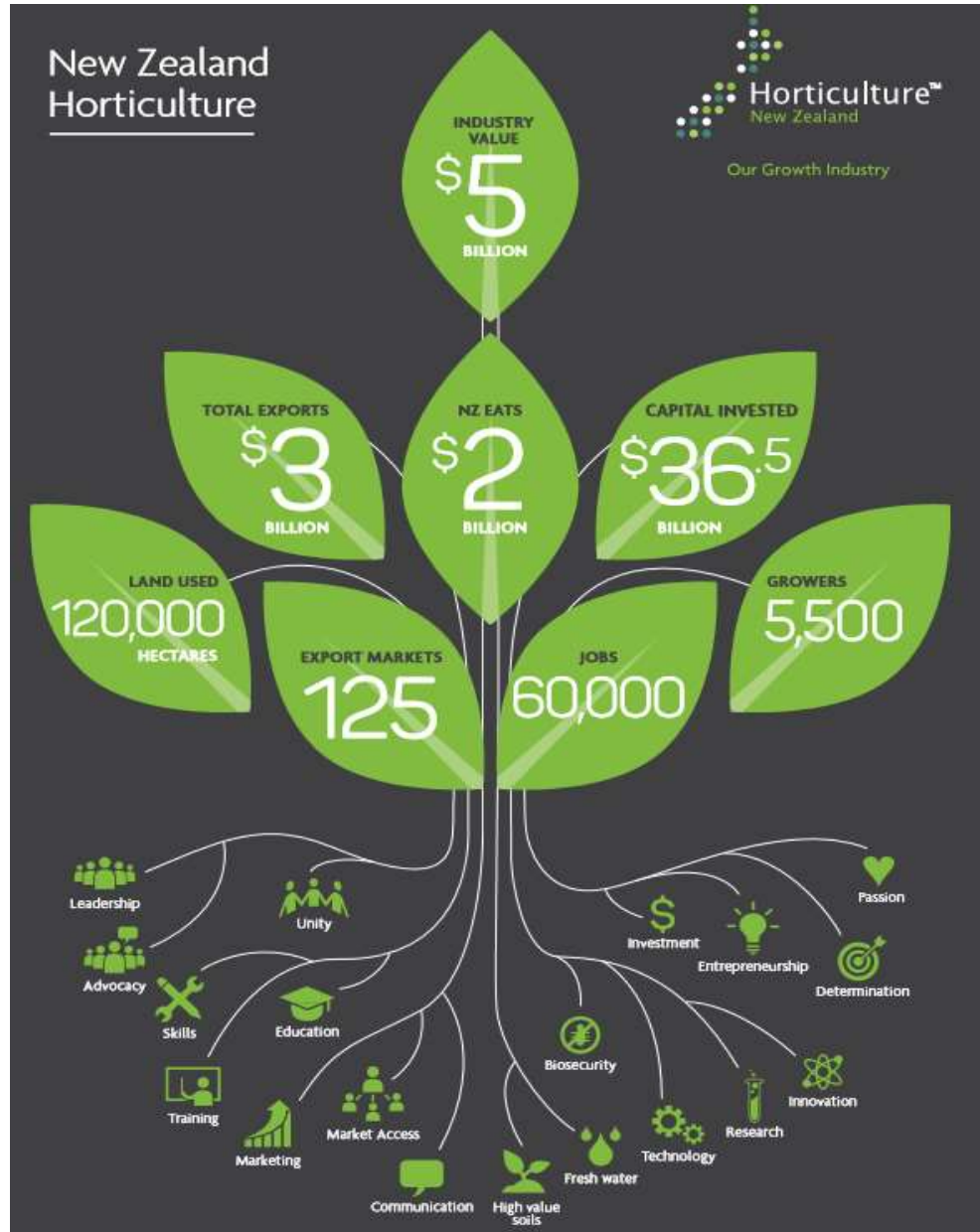
Skill shortage areas:

- production skills (whole farm systems, resource management, staff management);
- science skills to develop new products and processes;
- marketing skills into new markets;
- engineering skills to develop new processes;
- technical and management support.

ii. *New Zealand Horticulture Sector*

Within the Primary Sector, the Horticulture sector faces similar growth goals and challenges. In the 2016 Horticulture New Zealand Annual Report, total exports are \$3 billion with an industry value of \$5 billion and a target double this by 2025. (Horticulture New Zealand , 2016). Refer to Figure 4 Horticulture New Zealand Annual Report 2016.

Figure 4 Horticulture New Zealand Annual Report 2016



(Horticulture New Zealand , 2016)

3.5 Post-Harvest, Zespri and the Grower

It is important to understand the kiwifruit supply chain and where post-harvest fits in as there are three distinct and separate entities in the kiwifruit supply chain from orchard to market; Growers/Orchardists, Post-Harvest and Zespri.

Each has its own role within in the supply chain and each business is very reliant on the other two to perform their role efficiently and effectively.

Refer to Figure 5 Relationship between Grower, Post-Harvest and Zespri (Seeka Kiwifruit Industries, 2016) below for an overview of the relationship between each entity.

Figure 5 Relationship between Grower, Post-Harvest and Zespri



In this example, I have used Seeka Kiwifruit Industries Limited as the post-harvest entity. You can see that the grower supplies the kiwifruit to Seeka; they in turn supply kiwifruit to Zespri. In turn each post-harvest facility has an entity set up to manage the supply contact and payments from Zespri to the Grower.

I will briefly provide an overview to better explain the fit into the supply chain.

i. Grower

The grower is responsible for managing their orchard and growing their kiwifruit to the standards set by Zespri. In New Zealand, there are approximately 2500 registered growers with Zespri growing approximately 12,000 hectares of kiwifruit. Each grower has a supply contract with their post-harvest facility. The relationship between the grower and the post-harvest operator needs to be strong and preferably set up well in advance of harvest. Growers are not limited to just one post-harvest facility and in the case of some large orchardists, they will split their crop across two or more post-harvest operators.

ii. Post-Harvest

The post-harvest entity is responsible for grading, packing and storing the grower's kiwifruit. They then in turn "supply" orders to Zespri when instructed to do so. The post-harvest facility is responsible for managing the inventory of kiwifruit to ensure maximum return for the grower and minimum levels of fruit loss, at the same time they need to manage their facilities in order to meet Zespri's order requirements.

There are 14 post-harvest entities that operate in New Zealand. They range from small "family" run businesses to large grower co-operatives and publicly listed companies. Each have a varying degree of integration into the supply chain with some owning or leasing orchards and controlling the supply chain through to export of their product and in some instances marketing kiwifruit in overseas markets.

The majority of these businesses have a flat management structure with a small executive team and general managers reporting to a CEO and/or governance board. The industry has consolidated over time from a position of multiple small packhouse and Coolstore facilities that were family run and owned to the 14 supply entities we currently see today.

People are key to the post-harvest sector and effective succession planning and development critical. If the post-harvest sector does not have depth, experience and the right people, they cannot "delight" their customers; growers and Zespri.

iii. Zespri

Zespri International Limited (Zespri) was established in 1997 in a regulated move to turn the market around following the late 1980's/early 1990's when the industry faced crisis due to the rapid expansion and large crop volumes above market demand. Prior to the establishment of Zespri, the industry was deregulated and "multiple exporters were competing against each other, driving prices, and grower returns down further" (Zespri, 2016).

Zespri is the "world's largest marketer of kiwifruit, selling into more than 53 countries and managing 30 percent of the global volume" (Zespri, 2016). In the 2015/16 season, Zespri sold 131 million trays (Zespri, 2016) of kiwifruit.

Zespri works with growers and post-harvest operators to supply kiwifruit to wholesale markets and retail customers throughout the world.

4. Methodology

In order to address the aims and objectives set out, a methodical approach was taken to the research and information gathering.

I started with a literature review in order to read and gather as much information as possible on succession planning. My sources of literature came from both New Zealand and Overseas.

The New Zealand content centred our primary industries; providing context as to the importance of succession planning and also a macro view of our horticulture sector. Sources included the Ministry of Primary Industries Strategic Intentions documents, the KMPG Agribusiness Agenda and the Zespri Annual Review.

Given my role within the industry access to the right people was relatively easy. In total I interviewed eight post-harvest facilities which represented 95% of the kiwifruit packing and Coolstore capacity and a representative from Zespri to get their input at what they are doing at an industry level. My aim was to get a broad spectrum of post-harvest entities. They varied from small operations to large grower cooperatives and publicly listed companies. Their management structure and employee numbers also varied accordingly.

Refer to Table 1 Post Harvest Interview Detail on the following page for details of the people interviewed. In each case, the interviewee was either a senior manager or CEO. Each person had been in the kiwifruit industry for a minimum of 10 years.

The level of each person interviewed and their experience provides additional credibility to the information provided in each interview.

Table 1 Post Harvest Interview Detail

Post-Harvest Entity	Person Interviewed	Role	Est 2016 Volume (Million Trays)	Industry Share
Seeka Limited	Kevin Halliday	General Manager Post Harvest	32	24%
Eastpack	Richard Fraser McKenzie	General Manager Supply and Inventory	39	30%
Trevelyan's	Debbie Robinson	Supply Manager	15	11%
Apata	Stuart Western	CEO	13	10%
DMS	Derek Masters	General Manager Operations	12	9%
Hume Pack and Cool	Mark Hume	Founder/CEO	5	4%
Opotoki Pack and Cool (OPAC)	Warren Short	Supply Chain Manager	6	5%
Mount Pack and Cool (MPAC)	Jan Benes	CEO	10	8%
Zespri	Chrissy Stokes	Orchard Productivity Manager	N/A	N/A

The interviews were structured with a series of questions relating to succession planning (Refer Appendix A for the interview questions). Prior to arranging the interview, I spoke with each person in advance, explained my project and sent the list of questions in order for them to prepare their response. Each interview ran for 60 to 120 minutes, where I recorded notes. Immediately following the interview, I typed up an interview transcript.

I then used a process of “thematic analysis” (Clarke & Braun, 2006) to code the data collected. Refer to Figure 6 Phases of Thematic Analysis below for an outline of this process.

Figure 6 Phases of Thematic Analysis

Phase	Description of the process
1. Familiarizing yourself with your data:	Transcribing data (if necessary), reading and re-reading the data, noting down initial ideas.
2. Generating initial codes:	Coding interesting features of the data in a systematic fashion across the entire data set, collating data relevant to each code.
3. Searching for themes:	Collating codes into potential themes, gathering all data relevant to each potential theme.
4. Reviewing themes:	Checking if the themes work in relation to the coded extracts (Level 1) and the entire data set (Level 2), generating a thematic ‘map’ of the analysis.
5. Defining and naming themes:	Ongoing analysis to refine the specifics of each theme, and the overall story the analysis tells, generating clear definitions and names for each theme.
6. Producing the report:	The final opportunity for analysis. Selection of vivid, compelling extract examples, final analysis of selected extracts, relating back of the analysis to the research question and literature, producing a scholarly report of the analysis.

(Clarke & Braun, 2006)

Thematic analysis is a method for identifying themes from a set of qualitative data. In their article “Using thematic analysis in psychology” (Clarke & Braun, 2006) Clarke & Braun identify thematic analysis as the “foundational method for qualitative analysis”, it is “widely used” and has the “benefit of flexibility” (Clarke & Braun, 2006)

The results or themes from thematic analysis were then linked back to the reports aims and objectives.

5. Literature Review

To gain a “New Zealand” context on Succession Planning and its importance, I relied on information primarily from KPMG’s Agribusiness Agenda and associated publications. These provided details on the importance of this from a primary industries perspective.

In his Agribusiness Agenda publications, Ian Proudfoot clearly identifies the importance of succession planning, bringing young, well educated people into our primary sector, he makes three key points. First the “Impact of bringing well educated young people into the industry cannot be underestimated”, second that “Their perspectives are critical to designing products that will meet the needs of consumers” and finally that “Organisations need to be engaging in programmes geared to appropriately equip future employees to succeed” (Proudfoot, 2016).

Proudfoot then goes on to make clear that “Retaining people requires organisations to lift their game” (Proudfoot, 2016). In order to compete with the country’s leading employers businesses in the primary sector must be comparable and offer jobs at least equivalent to those we compete against. Organisations must be able to demonstrate where the “why” is clear and those that “let their people make a difference will gain a significant dividend in terms of commitment and loyalty” (Proudfoot, 2016).

To provide some theory and overseas context to which I could apply to the post-harvest sector, I looked specifically to the Harvard Business Review, McKinsey and Company and utilised the online resources of Simon Sinek. All of these sources provided credible, reliable, research backed information and articles that applied to succession planning.

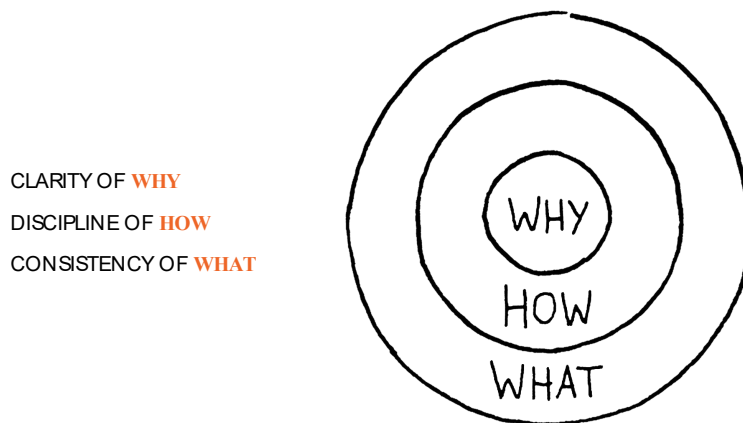
As Proudfoot (2016) identified, organisations must demonstrate the “why” in order to attract and retain not only the millennial generation, but all of those within the organisation.

Simon Sinek suggests that we “Start with Why” (2015)

“Imagine a world where people wake up every day inspired to go to work, feel safe while they are there, and return home at the end of the day feeling fulfilled by the work they do, feeling that they have contributed to something greater than themselves.”

Refer to Figure 7 Simon Sinek the "Why" below; clarification of “why” needs to be at the centre of thought. (Sinek, 2015)

Figure 7 Simon Sinek the "Why"



Organisations in the post-harvest sector need to clarify the “why” in order to retain, attract and grow the best people.

In his book “Good to Great” (Collins, 2001), Jim Collins and his research team set out to identify how a good company can become a great company. One of the key three pieces of research in the build-up phase is “First Who, then What” (Collins, 2001). One of the first steps in transforming a company from good to great was not to set the strategy, direction and vision, but to get the right people into the organisation:

If we get the right people on the bus, the right people in the right seats, and the wrong people off the bus, then we'll figure out how to take this someplace great.
(Collins, 2001, p. 41)

This concept applies to the post-harvest sector in the same way that it applied to the business that Collins and his team researched. In transforming from Good to Great, each organisation has to have the right people on board. This is evident from my research with all entities identifying that having the right people working for them is key to their succession and critical to the succession planning process.

Marshall Goldsmith (2009) suggests four tips for efficient succession planning. These are:

1. Change the name of the process from planning to development
2. Measure outcomes, not process
3. Keep it simple
4. Stay realistic

(Goldsmith, 2009)

One of the downfalls of succession planning is that too often it is only a plan and it is not implemented. If the plan cannot be implemented, it is no good to the organisation, or person trying to implement it. Goldsmith's tips are relevant and if applied takes the concept of a "plan" to something that is implemented and measured.

CEO succession can sometimes be overlooked. In the McKinsey Quarterly article "CEO Succession Starts With Developing your Leaders" (Bjornberg & Feser, 2015), Bjornberg & Feser discuss the succession plan for the CEO. Although selecting the CEO is the board's responsibility, the incumbent CEO has a critical role to play in developing potential candidates. "A forward looking, multi-year planning process that involves the incumbent CEO would increase the odds of success" (Bjornberg & Feser, 2015).

This has been demonstrated first hand in the kiwifruit sector where the succession planner of the current Zespri CEO, Lain Jager, was announced in a letter to shareholders and growers by the chairman, Peter McBride. Jager's plan was announced and it was made clear that Jager would be involved in the process for a period of 18 to 24 months.

The article goes on to confirm that CEO succession is an "on-going process, not just a one-off or a reactive event. It should be a multi-year structured process tied to leadership development" (Bjornberg & Feser, 2015). Zespri provide a good example of this.

The decision makers were also required to look to the future and take into account the future need of the business and how these needs would be reflected in the qualities of the potential candidate. Candidates know how, leadership skills and personal attributes are required to be lined up against the future direction of the business.

John Baldoni discusses some of the shortcomings of succession planning in his article “It’s a mistake to make succession a horse race” (Baldoni, 2013).

Rather than asking “Who’s next”, Baldoni says it is better to ask “Who’s best”

While succession planning needs focus on identifying candidates for senior positions, too often the focus is on the horse race — *who’s ahead* — rather than the organization — *who’s best prepared to lead*. In a horse race, the focus is on metrics: what an executive has accomplished. In the organizational perspective, the focus is more broad-based — how the executive has achieved what he or she has accomplished (Baldoni, 2013).

Baldoni has also identified three short comings to succession planning from a 2012 Institute for Executive Development study (Baldoni, 2013).

- Lack of coherent strategy for exec development
- Lack of formal process for developing successor candidates
- Lack of candidates ready to take the job

Each of these short comings needs to be taken into account; however, they were not so apparent in the post-harvest sector. This is discussed further in the following findings and recommendations section.

6. Discussion

Table 2 Key Themes Generated from Interviews summarises the key phrases and themes from the interview process.

Table 2 Key Themes Generated from Interviews

Interview Question	Key Phrases	Key Themes
What Does Succession Planning Mean for your Business?	Right people on the bus Business continuity “Growing the Bench” Customer doesn’t notice when a key role is replaced Staff empowerment to make decisions	People
How do you define Succession Planning?	“Why” people chose to work for us Two potential replacement options for each key role	People: Attract/Retain/Grow
What does it look like?	CEO and Board Responsibility Personal empowerment – you are responsible Exec and HR team are responsible	Responsibility
What Succession Planning Strategies do you have in place?	Leadership Development Internal awards and Programmes Cadetships Industry related scholarships Personal Development Plans	Responsibility Strategies People Development
How do you plan for succession development?	CEO and Exec Team Discussion Taking a risk – employ 10 people, 2 might work out Hire on attitude, teach skill	Issues Responsibility Strategies
How do you implement an effective succession plan?	Formally Discuss Culture	Responsibility Strategies

How do you measure the success of your succession plan?	One to Two key role replacement options Internal Promotion Low Turnover	Measurement Responsibility
What does your business look like in 5/10/15 years' time?	Technology Impact – change the type of people required Millennials/Screenagers/Gen-Y Lack of formal structure on succession planning Focus often only 2 to 3 years ahead Plan needs to be implemented	Issues

Appendix B contains a thematic map of interview themes that have been identified in the above table. I will discuss each of these.

6.1 Key Themes

i. People

First, what does succession planning mean for the post-harvest kiwifruit sector? The number one succession planning factor was people. The importance of good people came up in all interviews. More often than not people were employed on attitude rather than a specific skill relating to kiwifruit. Often the skill was in another area such as the meat sector, marketing, or other related primary industry. The meaning of what succession planning looked like varied from “growing the bench” to having one or two replacement options per key role.

The post-harvest industry sources people from a number of different areas; cadetships, school leavers, university graduates and from other industries. This provides a broad base and the varied skill set the industry requires.

ii. Succession Planning Strategies

Second, I identified a number of different succession planning strategies in place. Several entities operate a number of different internal programs that focussed on personal development to formal CEO succession planning at board level. A key comment was the succession planning has to start early; this was done in a number of ways from running cadet programs, taking on university graduates to on site apprenticeships. In terms of

succession planning for senior roles, these were discussed regularly throughout the year at senior management and board meetings.

Every entity that I interviewed had some form of succession planning strategy in place. This was pleasing to see. It was clear that each entity did their best to retain talent, or replace in order to retain the pool of talent. One organisation went so far as to provide examples of where they had employed someone on the basis that they had a certain skill set, but no current job for them.

iii. How to Attract, Retain and Grow

My third objective was to identify how the industry attracts, retains and grows people. With the estimation that the primary industries in requires an “additional 50,000 people by 2025” (Industries, 2015), this objective is very important as the kiwifruit sector will face stiff competition from others in the primary sector.

At an “industry” level, Zespri was working very hard to attract people too and promote the industry. This benefits the post-harvest sector. Zespri “engages” at many levels from working with local schools, undertaking various promotional activities and running scholarships, open to anyone within the kiwifruit sector.

Each post-harvest entity interviewed ran varying programs to attract, retain and grow its people. A key theme that emerged was that the industry sources people from a wide range of areas, with different skills and abilities. The challenge then was retaining key people and growing them. Each entity did this to differing degrees. The businesses that had formal development structures; for example personal development programs and plans, reported lower turnover as a result. In one example the post-harvest entity not only helped their employees to increase their skills for their job, but also assisted with personal development outside of their work roles.

In addition to this, entities that were vertically integrated through the supply chain and also operated in categories additional to kiwifruit were able to offer their employees a more varied role and opportunities. This helped with retaining key people.

iv. Who is Responsible?

While the ultimate responsibility for succession planning lies with the CEO and Board of Directors, the responsibility for executing the plan was with the human resources and executive management team. An interesting observation made was that three of the eight

entities interviewed made it clear that the individual had a key role to play in their succession and development. In these organisations, the individual had to assist in identifying and training their successor. One entity included this requirement as one of their performance related KPI's.

6.2 Issues Identified

Several issues were identified. The main one was creating "The Why" (Sinek, 2015). Post-harvest biggest obstacle appeared attracting enough of the right people. It was clear that the industry needs to clarify the why in order to grow. Second was the use of new technology and the influence this is having. The use of smart cameras, robots and computer scanning has dramatically changed the type of person the post-harvest sector is looking for to operate its business; high level technology requires a different skillset to operate. The days of manual jobs in pack houses have largely gone. Post-harvest now attracts a lot of graduates from university and has a requirement for more technicians and information systems people.

The third issue is that the senior "skilled" roles were often easier to attract/find than some of the middle/cool-store and inventory management type roles. There is a specific skill set around post-harvest that is missing; the impact of PSA saw a lot of people leave the industry that had skills around Coolstore and inventory management.

The fourth major issue is the cost of "carrying" people, the businesses run on very slim operating margins. Taking a gamble, or employing people to train up is sometimes seen as too costly.

Finally, it was acknowledged that implementing the 5-10-15 year vision was very important, however, it was sometimes overlooked from a succession planning point of view. The focus was often on the short to medium term of looking two to three years ahead. While this was not always the case, due to continual change in the industry, the focus was on 2 to 3 years ahead.

6.3 Comparison to Literature Review

The second part of my aims and objectives that I wanted to discover was a comparison from my literature review to what came through from my interviews. Some clear connections were made. First and most apparent was getting the right people on the bus. This concept was one of the key stages in Jim Collins book Good to Great and forms a really important part of succession planning and came across as important in all of my interviews.

Second was the important role that the CEO has in succession planning, as noted by Bjornberg and Feser “ a forward looking, multi-year planning process that involves the incumbent CEO would increase the odds of success” (Bjornberg & Feser, 2015). A great example of this is Zespri where their CEO succession has just been announced to the market.

Third, while Baldoni identified three short comings to succession planning from a 2012 Institute for Executive Development study (Baldoni, 2013);

- Lack of coherent strategy for exec development
- Lack of formal process for developing successor candidates
- Lack of candidates ready to take the job

I did not find evidence through my interviews to support the above. There was a strategy for the exec development; both formal and informal processes existed for the identification of successor candidates although at times it was hard to find candidates to take the job, there were people there. However, the sector could be doing more to attract new candidates.

7. Conclusions

There are a several conclusions that I would like to make that the industry can use in order to improve and address succession planning in their own business.

First, succession planning must encompasses the entire organisation, the CEO and Board may have “formal” responsibility, but this extends to senior managers, supervisors and also the individual.

No matter how large or small the business some form of planning needs to be in place. Not only discussed “formally” throughout the year, but each key role within the business should have a development plan in conjunction with individual development plans. Each entity must look to how it attracts, retains and grows it people.

The plan must be implemented and not just documented.

We need to “clarify the why” (Sinek, 2015). Millennials must be convinced of a career within the sector. We need to attract young, educated and skilled people.

Finally, technology will have a big impact. As our processes and businesses become more complex, the skills required to operate in this environment are different to those of five or ten years ago.

8. Recommendations, Next Steps and Implications of Findings

Where to from here? While each post-harvest organisation that I spoke with had some degree of succession planning in place, it is my opinion that succession planning needs to be more formally discussed and implemented.

My research provides evidence of effective succession planning tools and implementation strategy and the literature reviewed provides some very relevant tips and concepts to embrace.

It is clear that organisations in the sector need to actively attract retain and grow their people. In an ideal world, a skilled labour source, costs and completion from other industries would not be a problem. However, the reality is that they are all very relevant and barriers to effective succession planning.

Currently the New Zealand kiwifruit industry has the benefit of being in an upward growth cycle; we produce a healthy, safe and sustainable product all in one of the best parts of the world. The post-harvest sector needs to embrace succession planning in the format most suitable for their organisation, taking into account their size, structure and growth plans.

Next Steps
Formally discuss and implement a succession planning strategy
Actively attract, retain and grow people
Embrace succession planning relative to size, structure and growth plans

9. Project Review

Succession Planning is recognised as a key issue amongst the post-harvest industry. While the degree of which succession planning was discussed and implemented varied in each organisation, each facility had some degree of succession planning in place. This was very pleasing to see.

In reviewing the project, there are some relevant limitations to make note of.

First was the interview process. Ideally I would have been able to interview all of the post-harvest suppliers to Zespri. However, due to non-response, time constraints, or geographic limitations this was not possible. I did however reach across entities processing in excess of 90% of the industry's volume.

Second was to ensure that the person interviewed had accurately reflected on what happens in their organisation. I was mindful of this throughout the process as it is easy to fall into the trap of reporting how your organisation "should" perform, compared to how it "actually" performs. To overcome this, I aimed to give the interviewee plenty of time to prepare and also tried to make them feel comfortable as we met and went through the interview process.

Finally was the lack of finding any specific literature to review on succession planning in other New Zealand based industries, while I've cited overseas sources and examples, it would have been beneficial to provide a literature review based on some New Zealand examples to compare the New Zealand Kiwifruit industry too.

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11. Appendix

Appendix A: Post-Harvest Interview Questions

What does succession planning mean for your business?

How do you define succession planning?

What does it look like?

What succession planning strategies do you have in place?

How do you plan for succession development?

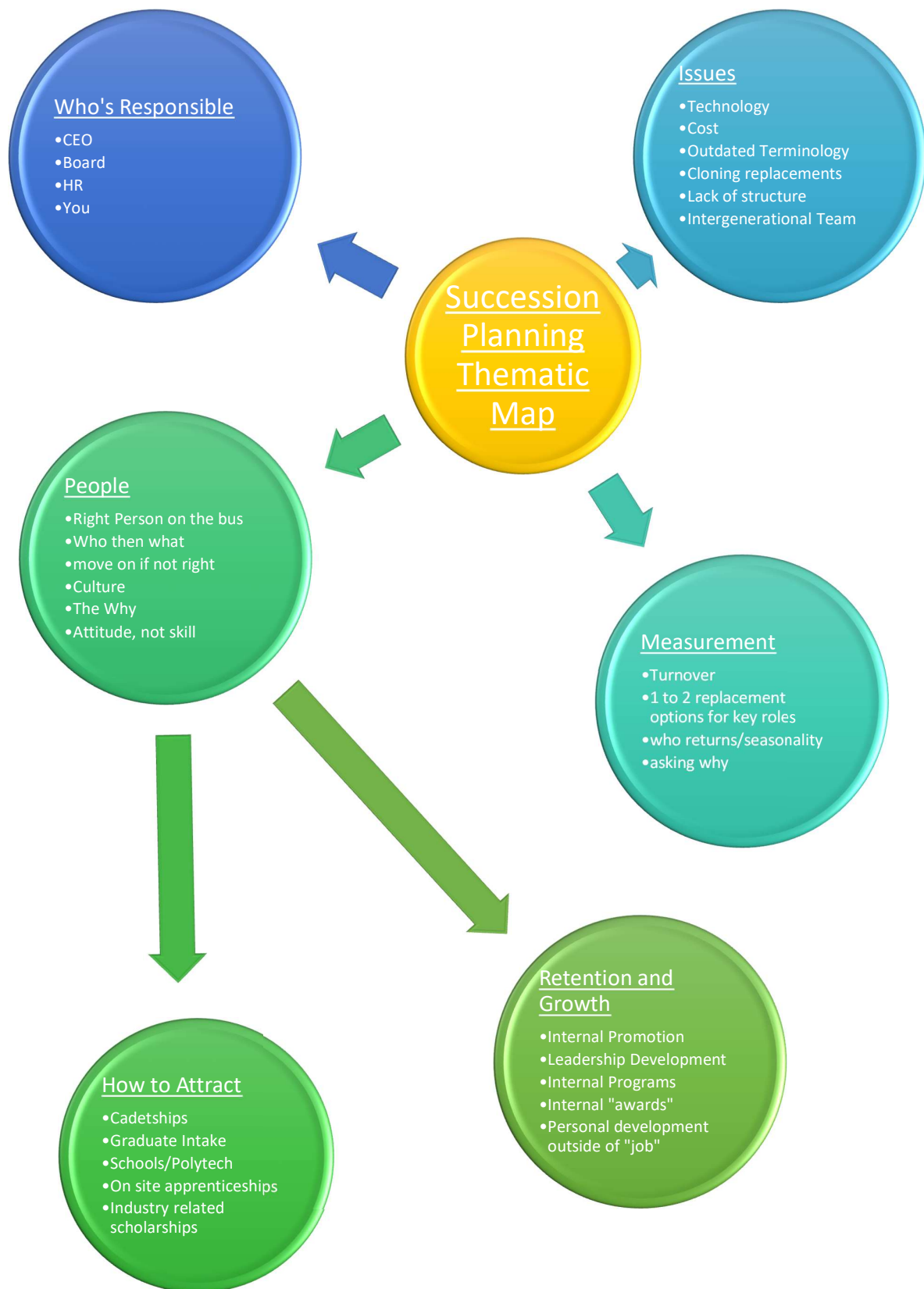
How do you implement an effective succession plan?

How do you measure the success of your succession plan?

What does your business look like in 5-10-15 years' time? What do you need to do now to ensure this happens?

How does your succession plan align with your suppliers (growers) and marketer (Zespri)?

Appendix B: Succession Planning Thematic Map



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