



ROD DRURY

Rod is a founder and CEO of online accounting software company Xero. He has extensive experience in software development, and since founding Glazier Systems in 1995 he has developed a reputation for technology entrepreneurship. Working from home in the Hawke's Bay allows him to pursue his love for adventure sports whilst demonstrating the ability to work in the technology sector from any location.

1. In the context of your professional background, what does 'talent' mean to you?

For me, talent are people who can get things done. Talent is great people you can share an idea with – often they'll improve the idea, and certainly improve the execution of it. They can go out and make things happen.

2. Are you aware of any talent gaps that exist or might arise within the next ten years?

Xero's interesting because we are a new type of company that hasn't existed in New Zealand before. Software engineering skills exist in Wellington. Now that we're selling products globally, it's other skills like global marketing we lack. With fast changing technology and markets, there are a lot of companies that haven't done this stuff before, connecting how you sell with the social media world.

3. How do successful organisations attract, keep and grow talent?

Find people who have the raw talent and understand frameworks and give them time to work things out and experiment.

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Part of telling our story is not just for our customers and investors, it's for future staff. A big part of our acquisition is not just of customers, but of talent. When we're creating PR opportunities overseas, it is equally about attracting good talent.

4. Think about talent hubs around the world, what is cool and why?

For software, it's San Francisco and Silicon Valley – in our world that's the centre of it all. It's where all the funding is and the big companies all have a presence there. What's cool though is that with the rise of the internet, location matters less now. So you can tap

in and be part of a conversation, and track events that happen in an industry. So when I go up to Silicon Valley now and people are talking about an event, we've heard of it, seen it in our RSS feeds, and been following it. Even though people may live in San Francisco and are 30 miles from the Valley, compared to the 6000 or 8000 miles that we are from it, they weren't right there. So they weren't in the restaurant where that happened, or they weren't at that meeting, and they see it the same as we do even though we're a lot further away. But you do miss the serendipitous 'bump-intos' that so often drive opportunity.

5. Can you assess New Zealand's performance in attracting talent on a global scale?

I find it hard to answer that because I think we certainly have some talent and when that talent succeeds we feel very proud about it, but my suspicion is that we're such a tiny percentage of what's going on in the world, we're not that relevant. It's a small population, we're not in the conversation.

6. What does New Zealand need to do in order to attract, keep and grow talent?

The problem with New Zealand is that we're domestically focused. We have a fantasy that we're like a chic European country, when we're much more like Fiji. That's how the world sees us.

We don't use our advantages. We don't seem to have a real strategy to exploit the massive change that's going on at the moment. If New Zealand was run like a company – and it's one of the few countries that's small enough to do it – we'd have a multifaceted strategy that leveraged our competitive advantage, and dealt with some of the disadvantages, then we could really move the deal.

Maybe even being off the grid or off the radar of some of the really big companies, for Xero, has actually been to our advantage. We arrived in the US fully dressed and these people are like: 'Wow, where did these guys come from? They've done so much. I didn't see them down in Mountain View.' So the trade-offs are different.

I think it's obvious that what we need is a foundation strategy to step-change our connectivity with the rest of the world. A new fibre cable and a market initiative where, say, for \$5 a month every New Zealander has virtual all you can eat international broadband so we can have personal multi-party video. That benefits everybody – education, health, business – because you're just there.

There are big opportunities open right now. After the Boston marathon bombings, it came into the limelight that everything is surveilled – all your emails, all your phone calls. Americans are saying, this violates what we hold as important. It's at one end of the spectrum – everything gets recorded, which is a very uncomfortable thing. At

the other end of the spectrum, you've got Kim Dotcom creating quite a bit of New Zealand profile for data privacy. I think there's a middle ground where New Zealand could position itself as a digitally moderate state where there's a rule of law. In that spectrum, we're a place that I think would resonate with a lot of people. You could say, let's create

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2000 new internet visas for enraged Americans who want to make a bit of a protest – come down here. They can do their work from here, they'd pay tax here, and we'd get all the benefits of their networks and experience, so we could definitely exploit this global issue of privacy and the rule of law. We could take a real leadership position globally.

Regarding building businesses, often New Zealand business owners grow to a successful level with almost no capital, all funded off their mortgage. It's a really hard run, and when somebody comes up and waves a cheque book and you get \$5 to 20 million, you can go and relax. And then Sam Morgan sold Trade Me for \$750 million, and because

we're all competitive now selling your tech business for \$100 million isn't enough anymore. We want to go bigger. So in the beginning it wasn't just Xero trying to become the biggest company in the world, it was about beating Sam. It's a sport.

7. Any final thoughts for young people?

One thing is fish where the fish are. Think about what are the big trends, and the big trends may not be what you first think they are. You hear that 70% of the jobs that will exist in the next ten years don't even exist yet. So where are the big growth trends?

If I was trying to maximise what I was doing with hindsight, I'd be thinking about where to put my energy, and there's no real hurry – the journey is the reward. I think that your twenties are about building the base level of skills and your platform, learning how to be professional, learning how to work. Your thirties are where you really start to make some money and use those networks and all of that sort of stuff, and then your forties are when you can really have a lot of fun, because you've got some resources – you can make some bets, so then your fifties you can be cruising around doing interesting things. When people get to 22, 23 and think 'Right, I'm going to start my own business,' I think, 'You think you've got skills, but you've got almost no experience' I'm still learning and having fun at 47, so don't be in too much of a hurry. Build that solid base and then when you go for it, it'll be much bigger.

Interviewed by Charlotte Greenfield at Nikau Cafe in Wellington, on 10 July 2013. Photograph provided by the Xero.