

## Frontier Firms & Key Policy Direction – Potential To Achieve Increase in Reported Productivity

A suggested key focus in pursuing our considerable interest and direct relevance of the scope of what is the improvement possible in our overall sustainable economic performance and thence productivity, is the very significant opportunity to quite markedly increase a range of associated reported levels. Doing so has a particular attraction across the whole community because of the wide-ranging associated direct and flow-on positive effects. This has direct relevance to the operation and performance of Frontier Firms. Such firms, however defined, are critically important to us because of the pervasive effect they have on the related activities and associated resulting increased performance levels. Given the size and significance of these it confirms the relevance of appreciating the potential and how well firms contribute to our overall key performance metrics, and also the extent to which firms are operating in a manner that assists in identifying and capturing the substantial sustainable potential that exists, thus in doing so achieving higher productivity levels.

The increases identifiable are driven by improvements possible in what is our overall sustainable economic performance, in particular through higher price-returns, with frontier firms playing a key part. The increases are from the sale of our high-value, high-quality, internationally acknowledged products. Within the related total factor productivity increase, there are a range of contributors and also associated inputs such as the specific application of relevant technology developments. This is as one of a number of important elements that are able to make important complementary contributions. We need to ensure that as far as possible all these overall increased returns occur.

In the case of New Zealand firms, those with an export focus are critically important because it is the export sector that is likely our most significant and the source of the highest sustainable increases. Frontier firms through the role they play are both central to the related core range of export focused operations and activities, and also then the initiatives and actions that need to happen to trigger the capture of those increases. It is critically important that then the nature, extent and related dynamics of current and future levels of return, with the opportunities that exist to increase the price-returns, is better understood. This is in order to have a shared view on the opportunity and actions that are required. Capturing the higher price related returns involves understanding the various relevant steps that need be taken and the cumulative increases possible, from the various lead product-lines. To achieve these levels does require the very focused management of each of the components of what are necessary more comprehensive or deeper sets of value-chains.

The increases are substantial, and in many cases currently contrast with the levels reflected in much of the present reporting. This is primarily because a more forward-looking relevant stance is applied in exploring what can be achieved. The aggregate amounts of increase are of the order of 3 times plus that of prior economic performance target levels. This is extensive, equating to a considerable number of \$bns with increases across all key performance metrics, with associated higher resultant levels in related next level parameters, this is such as: disposable incomes, productive employment and so forth. The increases have a decisive positive effect. It is then essential to acknowledge the important related benefits that can and ideally flow through to the wider community. This importantly includes the increased ability to pursue a range of social improvement aspirations and

make a key contribution to such things as effectively addressing environmental challenges, as well as the direct economic benefit.

The application of the necessary deeper value-chains encompasses all of the actions or steps involved from the point of production through to final sale. Examination shows that each of these components is almost always highly interrelated and interdependent so that actions taken at one step, in seeking an increased contribution, is very often directly affected by what actions occur within many if not all of the other components. Part of the necessary comprehensive value-chain and its required management is the tight control of all distribution steps, as there is the risk of significantly compromising the returns possible by not doing so. The ability of the frontier or other firms to exert full control over all value-chain elements does vary. Some of the requirements are outside a firm's direct ability to dictate, reliant on the coordinated actions of others.

### **Recognising Potential for Significant Improvement in Core Performance Metrics**

The full extent of the increases has wide significance. As a consequence of the direct benefits from the increases, as well as advantages to the frontier firms and those who rely upon them, this does notably support major improvement in our overall key performance metrics, with also significant improvement in core indicators including importantly at a community level. It does require in order to properly portray the extent, correctly incorporating the prospective increases within key national performance metrics, these are such as: assessing levels of economic performance, fiscal condition, productive employment, productivity and so forth, also importantly core contributions to improving living standards. Key impacts at community level include as well as increases in local GDP, elements such as higher disposable incomes, increased productive employment, with the ability to support higher wage levels and advancing a range of other important core elements of our wider interest in improvements in living standards, incorporated into the associated LSF, living standards framework.

The successful capture of the full extent of the increases, relies on a greater focus on the specific positioning and assertive management of all the related activities in the export of the high-quality, high-value products, all applying more comprehensive value-chains. The product lines are largely those currently drawn from or associated with what is our lead bio-economy or primary sector. Frontier firms and others directly involved play a key and what is arguably the most important role, in pursuing the acquisition of the increases, but within a wider market – product alignment context. Given the extent of the increases and associated benefits this does justify further focused dialogue and carefully conceived and coordinated programs of action.

Within this context, it is important to be aware that current levels of increases that are possible are in various present commentaries quite materially understated, and this will be having a diversionary and depressing effect. The understatement occurs largely because sectoral commentary, as currently presented, often appears based upon applying a continuation of existing incremental trends and also reflecting presumptions of the effect of broader current market events, rather than what are the levels possible. Various estimates of potential, especially within sub-sectors, do vary

and it is important that what are the related underlying assumptions are more clearly understood and that the different levels are seen as representing various perspectives. It does mean that when factoring in those assumptions, they are not in conflict. All provide invaluable insights and need to be incorporated into our wider understanding and pursuit of the potential that exists.

In pursuing these increases it does place additional onus on ensuring our level of understanding of the role, activities and performance of what are, or are ideally frontier firms. Some of the suggested influences such as factors that occur in respect of small-advanced economies, are likely to be less relevant than what comes from more specifically focused analysis of the opportunities that exist for New Zealand and the most appropriate responses. It also requires exploring the related necessary dynamics including identification of the steps to be taken by the firms, that will result in returning the maximum increases possible. The increases are in sustainable improved price returns rather than quantitative expansion. To be able to achieve the levels envisaged does require a shared view on key considerations, such as what are the nature and extent of those increases, the basis of capturing these, the relevant responses and by whom etc?

In the New Zealand context, because of the quite extensive necessary interactions that occur across the whole of the related value-chains, together with the combined interdependencies especially in responding most effectively, it does require in many cases a combined effort of some kind. This is with frontier and other firms' participation and input, underpinned by the existence of broad-based sub-sectoral concept leadership. It does mean frontier firms' specifically and pro-activity contributing in being part of leading the ongoing focused management of what are necessary deeper value-chains. Importantly in doing so it is the foundation upon which other firms who are involved, to varying degrees in the particular value-chain, are to a considerable extent reliant. This is as well as a determining factor in the overall performance of the related sub-sector and then the positive effect it has on the community as a whole. Responding does need to be supported, seen and captured, within a more strategic sustainable development context and wider-scope export strategy.

The required responses include those that need to be a part, where the necessary actions may be outside of the frontier or other firms' control and requires other contributions. The insights on the nature and scope, plus agreement on related actions, represent an important sustainable development context. This does highlight the value of a collective view of the direct and relative performance, related success factors, also what might be constraints, then the most effective set of responses, and by whom?

There are a range of directly applicable initiatives and responses including some of the content of various reports commissioned that are related to a required export focused set of improvements and can contribute to capturing the overall potential. However, incorporating various recommendations needs to be closely coordinated in order to ensure such input has the full effect possible. There are earlier relevant initiatives and identified opportunities to be utilised, and the call for increased use of our combined overseas footprint is directly relevant, with a necessary emphasis on opportunity identification.

The wider underpinning community interest is in as well as the need to fully utilise the combined extensive array of expertise, insights, and current commitment and goodwill that exists within sectors, making full use of that combined overall capability, including that within and from frontier firms. In maximising the value of all the possible contribution, it does mean mainstreaming and specifically supporting essential initiatives and input such as particular sector initiated and supported: Action Plans, Sustainable Development Agendas, progressing and integrating ITP's, industry transformation plans etc, plus specific environmental focused programs such as He Waka Eke Noa. Wider and more detailed consultation and input into policy development is relevant.

### **Driving Maximisation of Sustainable Returns**

Obtaining maximum sustainable price returns from what are our very high-quality, internationally acknowledged products, in particular sourced from our bio-economy, does require a focus on all facets of sustainable exporting and the stance taken to both identify and try to optimise those returns. Relevant analysis shows the increases are large, being significantly above the current margins being reported, which emphasises the importance of collectively further exploring the extent of the increases possible. Pursuing the latter does offer the prospect of materially improving reported performance of the firms involved.

The core focus on exporting and achieving the related increases is the focused management of what the value-chains. It does need to be appreciated there are a number of components of the value-chains in each case, of the order of 9 or more. This is in excess of those that are most often currently presumed, with these all interacting and highly interdependent. It does mean all components and interaction need to be examined carefully and initiatives pursued with a full understanding of the effect and requisite reliance on other components of the value-chain.

The necessary value-chains include key elements such as in addition to initial production, processing and so forth, necessary direct market – product alignment. This is with specific placement of the products into the particular market segments that result in achieving the highest return. This is where frontier firms would be expected to play a key role. By tracing various examples of export products in various high-sustainable growth sub-sectors, through all of the steps or components in the related comprehensive value-chain, it does reaffirm that each component can and does need to play an important part in determining the overall revenue returns that is received. Similarly, it confirms the need to tightly control each step in particular in distribution chains and in the arrangements around ultimate sale.

As a further value-chain component example, it is necessary to not only continue to focus on access, which is relevant if this determines the ability and viability to export into a location, where the specific market segment is seen to represent the source of the highest potential return. However, there are also other value-chain components, all of which have an impact, including needing to address previously identified issues such as non-tariff barriers of which there are a considerable number. Such barriers have been identified and represent an aspect that can be largely out of the

frontier and other firms' ability to address, thus needing to be pursued as part of a wider focused initiative.

There is a suggestion that the overall opportunity of increasing value is known, but if that were the case, we have not as a country effectively responded to this. To do so there are a number of considerations that are relevant and affect such a view. The extent of the increases possible and means of achieving these, plus the opportunity, has probably not been sufficiently clear. The wide-ranging and magnitude of the impact identified makes it even more of an imperative to address the opportunities identified. This is with relatively recent additional developments further extending the level of increase beyond those earlier presumed etc. For various reasons a collective appreciation is required and there are related information collection and dissemination issues, none difficult to resolve.

### **Performance of Frontier Firms and Their Impact**

Frontier firms when involved in exporting, play a key role both being central to our strategically important overall export related activities and also what needs to be the necessary identification of potential with essential focused management of the comprehensive value-chains. The performance of frontier and other firms that operate in this sphere is doubly relevant because as well as the direct benefits to them, they also then specifically influence the relative success of a range of related firms and producers who are part of the associated applicable sub-sector value-chain/s.

Performance levels and returns generated can be seen as directly related to the approach and strategy taken. From closer examination of firms including frontier firms, in lead export roles, this does show current returns and related performance, using the sustainable returns possible as the benchmark, to be quite variable. This means it is relevant to have a clearer view as to why that is the case, what are the relevant responses, what might be the constraints holding back obtaining greater returns and so forth? It is important to acknowledge there are some extremely significant and invaluable insights and lessons from the best performers, with there being considerable value in the learning experience from this source, there being little constraining doing so.

What flows through from the referenced analysis is the success of the firms involved are more a factor of just how focused, ambitious, forward-looking, informed on market segments, they are, plus the strength of relationships they have built with the ultimate high-return consumer. This is while the extent to which they are where possible, or in concert, fully managing respective value-chains. This broad overall strategy focus is arguably the most significant factor in increasing reported levels of return and productivity, through the increased price returns. This is rather than elements such as scale of operation or existence of domestic competition. Some of the country's best frontier firm and export performers can be small to medium and in some cases do not operate in the domestic market or at a scale locally that is not relevant to their success in their offshore activities.

There is a collective interest in better understanding the circumstances where for any of those frontier and other especially lead firms who are not maximising acquisition of the full sustainable potential, why this is? Some of the factors may again be outside the firm's control and thus require broader action by other parties. Where some form of support may be considered it does justify contemplating one-off assistance to address this, where relevant and/or is felt necessary, as the performance improvement can have a substantial and flow-down impact with the increases being in the wider public interest. Also, firms that have the capacity, plus the ability to capture the benefits that exist and therefore can be presumed to be considering exporting, if they are not what is holding them back from doing so?

It becomes vitally important to note that within the wider grouping of frontier and in particular export-lead focused firms, there are some extremely important and powerful precedents plus invaluable experience to draw upon and there is support to do so.

### **Attraction of Wide Range of Nature & Extent of Benefits**

From a policy perspective we do need to recognise there are wide-ranging benefits from acquiring the sustainable increases identified, being a major incentive when more fully understood, with the potential for these benefits to be able to accrue across the whole community. With the latter importantly able to support improvements in many elements of wider living standards. The increases importantly also result in related significant benefits, this is such as: increased local GDP, improved levels of disposable incomes, higher productive employment, ability to support increased wage levels, as well as assisting what are other improvements in related social conditions and so forth.

As an indication of these levels, estimates include an increase over previous economic performance targets of 3 times plus, productive employment estimates in our key sector are at least 6 times more than that currently included in policy summaries etc. The increases do also provide the ability to make relevant and important key contributions as part of achieving social and environmental goals. With the environment they enable consideration of such options as a reduction that is possible in the level of the use of key finite natural resource inputs, while maintaining and increasing incomes and so forth. Approached properly and with care the overall goals can usefully be fully complementary, thus not seen as conflicting, which is a quite obvious major attraction.

We do need to address, properly identify and then track the related benefits including the wider living standards related contributions, because these are of considerable importance. It does underpin meeting various related core policy aspirations and we need to know what progress is being made toward related intent. It does in the current context provide the means of necessarily bolstering key support initiatives such as the sustainable development agendas and their components. The major positive effect on key performance metrics is important now as an undoubtedly core contributor to a desired aspirational future, with the opportunity to step beyond what might be seen as a rebound.

The insights at sub-sectoral level do need to be shared with regional development groups in order for their development agendas to reference and embrace the associated increases, including the contribution of frontier firms and trigger further overall performance improvement. In incorporating the insights it thus helps ensure developmental options are fully identified. Assessing the latter does need to be part of the ongoing evaluation of those agendas. Effective inclusion of sustainable development options, needs to ultimately be within a wider context of the optimum use of our valuable finite natural resources with a specific focus on optimal sustainable land use, requiring particular consideration at a local level.

In adopting a necessary more tightly focused and targeted approach, it does, when in the manner envisaged, importantly support further and enhanced effective policy and in most successfully addressing all related interests and opportunities. This is including helping for example to integrate efforts in areas encompassing responding appropriately to climate change and obtaining the benefit from doing so. It is also essential that the overall direction is underpinned by applicable policy and management support approaches, mechanisms and tools, including what is the intended sub-sectoral sustainable development agendas and are necessarily focused, likely automated support tools etc.

### **Key Role of Shared Information & Insights**

Shared information is key, as the related knowledge is necessary and enables the insights on the potential that is possible and nature and scale of responses, to be better appreciated, understood and reacted to. It does then also improve related decision making at all levels. It also highlights what is a vital incentive, importantly also providing comfort and motivation to all those involved especially current and prospective frontier and other firms, investors, with assurances and confidence to the base producer. Also, importantly using key data in order to achieve clarity, consistency and properly sharing key insights in doing so, is another reason for wider involvement in formulation and application of the development agendas.

It becomes essential to accurately incorporate the related figures into supportable fully communicated projections with these shared more extensively. This is at two important levels. First, in order to have accurate assessments to be merged into macro-level indicators, needed to convey a more informed, necessarily correct picture and outlook. Second, to properly inform wider consideration of effective sector and sub-sector dynamics including the management of overall value-chains and the role and contribution of frontier firms. It is important that what is achievable is properly explained, informed and supported by expert sub-sectoral commentary and insights. Doing so assists a need for overall accuracy, sound and reliable analysis, flowing through to related quality decision-making, and also important, what would be improved overall confidence levels etc.



## **Unique & Key Contribution of Maori**

In examining the experiences of firms owned by Maori, as part of the wider review, there are insights and contributions this provides, there are important and directly relevant invaluable insights and lessons.

Application of an associated sustainable development approach and the knowledge and experience available from that, have a particularly positive impact when utilised in further assisting what can be achieved by Maori development groups and including extending overall productivity and benefits. This is with the analysis and insights needing to be more extensively shared, leading to properly embedding the opportunities in relevant supporting sustainable development agendas.

The very significant complementary insight, arguably the most important key contribution, is in the greater appreciation of the direct relevance and major broad-scope benefits to the wider community, from application of a unique Maori-inspired demonstrable living standards [LSF] model.

Examination of interactions points to needing to have a more cohesive and encompassing collective approach from Government agencies in respect of helping identify and support what are an important range of Maori-identified sustainable initiatives including nurturing associated firms, as well as the pivotal LSF related insight contribution. That includes recognition of what are the array of benefits possible across the whole community from encompassing application of a full scope living standards improvement strategy.

## **Export, Innovation & Related Policy**

With the necessary focus on sustainable development export contribution, it is important to note there are a quite extensive and what are a key range of related innovations that are directly relevant. This applies to existing and what we may be regarded as those needing to be pursued by frontier firms. There is the potential for each innovation to make an important contribution toward achieving optimum levels of return. It does become essential to factor in ensuring the innovations are fully and effectively applied. This is within each of the elements and collective contribution throughout what are necessary deeper value-chains.

In doing so it does require addressing the positive impact of the use of technology as a key factor, including in particular by and in improving reported productivity. A significant current related issue for us is, research of a arrange of projects progressed through various channels, shows that we are not fully deploying or taking forward all relevant NZ - inspired innovation developments, having a profound effect. This represents a quite major constraint but valuable opportunity, and we need to appreciate why this is the situation and correct it? It is a particularly important consideration in



some high-potential growth sub-sectors, whereby doing so it can help source a quite dramatic improvement, including increasing sustainable returns by the order of 3 times and more.

There are what include a wider scope, including previously approved examples of related innovations that can and should be contributing. They cover from the concept of generic trade databases, to help inform potential demand, understanding and alignment, plus innovations such as those proposed by potential-customer survey respondents, including preparation of a New Zealand Gourmet Foods / Products Inventory etc, to assist targeted promotion and sales. The insights and feedback through an earlier inward investment study are directly applicable.

Taking full advantage of these innovations and applying them fully does require a greater and more complete understanding of the opportunity and the contribution to the increased overall returns that is possible. In the case of technological advancements, usefully maintaining such as some form of NZ-wide generic innovations record would help ensure there is the profile and focused evaluation undertaken of the relevance and extent of deployment. The latter is in part in order to also be able to track the outcomes and the value of developmental inputs including those in particular funded or part-funded by Government.

### **Broader Theme of Volume to Value**

It is relevant to note in respect of the full potential there have been various references to the attraction of moving from 'volume to value', in particular in exporting, which would be through actions by what we would expect include frontier firms. But this is a very generic notion in the form presently expressed and needs to be more specifically understood, defined and the various related value-maximisation initiatives clearly articulated, embraced and progressed, which is in the form set out here. This is not just attempting to add value through further processing at what is just one step in a related value-chain.

There is the notion expressed of adding 'value to volume', but that is likely to be misplaced as doing possible one-off additional processing at some point of an existing product-line or value-chain, will not necessarily in itself return a significant nor the highest returns. That is without addressing the other value-chain related considerations and dependencies. It does require a rethink of the full extent of the sustainable increases possible and then how these are to be most effectively captured.

### **Necessary Inter-Firm Collaboration**

Because of the high-interdependence for NZ firms including frontier firms, within specific high-growth sub-sectors and production and sale of related key product-lines, including when working to identify then capture the increased returns that are possible, it is vital in almost all cases because of the interdependencies, for firms involved to be collaborating in some way, for what is resulting

mutual benefit. There are some initial initiatives in this regard, but these do need to be taken further. In maximising aggregated returns and the benefits, importantly also this provides the optimum returns to the producer.

There is an expressed belief by some that collaboration is either not possible or challenging, but experiences show, particularly recently, any perceived constraint is likely to be overstated. There are specific precedents, that also reinforces the relevance. Plus, one of the obvious key attractions being when the participants realise, helped by the additional information provided, what is the full extent of the increase in returns possible, this creates an extremely attractive incentive. It does also mean capturing the benefits in collaborating in areas such as promotion, and through channels to identify market opportunities, in doing so also using key overseas events, branding etc. An important element is researching possible demand if any market was aware that particular products could be supplied rather than assuming market demand is clearly visible.

### **Innovation Policy & Possible Support**

When further developing related innovation policy, within the context of exploring the contributors to achieving the higher returns, there are examples where there would seem to be obvious candidates for support of the related innovations. This is in the various stages of the development and deployment cycle. This is particularly when the extent of the sustainable increases upon deployment is calculated, with the latter deserving greater emphasis. A key challenge is however, often in successful application not only development. Sound innovation policy does not require trying to pick where to direct or restrict support.

With the better understanding of the substantial increases possible, it becomes very much clearer to see the projected returns that justify support and will attract investment. In examining in more detail this may show that significant direct support is not required or is at a lower level or in a different form than initially assumed. It does, when the potential is understood also change the investment landscape significantly, with investment contributions becoming very much more attractive, so the full potential scope needs to be better understood.

There has been the relevant observation made that encapsulates an extremely important directly relevant theme, that is in addition to our value-development endeavours, more effort needs to go into value-capture.

In considering any advocacy of a possible greater role of multinationals, that has been mooted, it is not clear what might be the nature of the contribution to increasing returns and productivity, they could make. They would want the returns from any innovation introduced and scale does not appear a key determinant. The question is what would attract them, other than extended-profits, plus how would this work and what are the arrangements that would lead to local suppliers maximising their respective returns. Other than where the multinational constitutes a major potential customer.

## **Key Sub-sectors, Related Dynamics & Relevance of Regulation**

In the case of high-sustainable-growth sub-sectors, the specific dynamics and conditions in which frontier and other firms operate, with the respective opportunities, there are some key common wider sectoral considerations, as well as sub-sector specifics, with these needing to be more clearly understood. The dairy sector is critically important, as our largest, possibly the source of the biggest sustainable increases, it does mean there are very much more important factors to consider than amendment of any regulation.

Regulation under some circumstances does obviously have a role, a number export related, which is relevant to this and other sub-sectors. This can be in helping to ensure the key factor of quality and assured provenance and so forth, is maintained and extended. But legislative provisions are not of primary relevance by contrast to wider agreement on opportunity and improvements in sub-sectoral sustainable operating dynamics, that provide the most significant positive overall outcome. Any development or amendment to regulation does logically have to be addressed in that wider strategic context. Helping establish and support the required related policy foundation within which the relevance of regulation can be properly considered, is in part a role of the intended sub-sectoral sustainable development agendas.

The main driver in maximisation of sustainable increases, in all sub-sectors including dairy, is the optimum set of commercially-focused-sustainable understood arrangements that result in the highest sustainable returns. The related and necessary combined focus, as with the other high-growth sub-sectors, does also need to be on the considerations addressed in and through the application of the broader-scope development agendas, that have been formulated within the sub-sector. This is as an essential means by which all of what are the stakeholders, can bring together both the understanding of the very substantial potential, the related responses and by whom, with the necessary integration and balancing of related policy considerations and objectives and the appropriate optimum responses.

## **Nature of Key Government Support**

In examining the place and role of the related specialist Government agencies, they have a particular and important place and contribution to make. The input and intended impact need to be very clear, fully integrated and so forth. From the wider sustainable growth perspective, it is really important to be specific on what core Government agency is responsible for an ideally overall effective and inclusive, shared export-strategy including sources of potential, likely optimum responses, various actions and inputs and by whom etc.

Such a strategy needs to include a focus and be the basis of successful coordination of policy toward and in the effective interaction with and within specific sub-sectors. As a core component, a full appreciation of the necessary cluster of firms, operating in the export sphere, the dynamics and their interdependence and performance of frontier and other firms and so forth is key. It is then essential to identify the range of sources of expert insights and input that should be being fully utilised in respect of assisting to advance increased returns, in each sub-sector. This is part of pursuing the more clearly identified and shared sub-sectoral opportunities, understanding and supporting relevant responses, with the need to have a resourced, knowledgeable agency with an encompassing, unambiguous mandate which includes wider coordination of relevant responses.

Progressing is necessarily essential to be assisted by utilising specific support mechanisms such as that provided by applying the sustainable development agendas and effective employment of ITP's. Identifying necessary Government -sponsored strategy leadership creates a structural consideration as to relative responsibility, positioning and effective consultation and engagement. While this may take time to consider, agreement on the content of the supporting strategy can however proceed.

A number if not a majority of frontier and associated firms would indicate that there can be considerable overheads in dealing with multiple what are related agencies and the associated processes. There is significant advantage in a more consistent and coordinated set of contacts and responses.

In terms of assisting in maximising export returns, the apparent previous focus on supporting largely individual firms, with some recent progression, needs to be seen and effectively progressed within a wider sub-sectoral dynamic. This is especially as the firms in the high-potential sustainable growth sub-sectors are in many cases dependent upon broader sub-sectoral opportunity, interaction, activity and interdependences, with ideally encouraging some form of collaboration and collective interaction. This means a greater focus on sub-sectoral potential and what are their common interest groupings.

### **Assessment of Government Agency Input**

The assessment of the overall performance of any of the agencies contributing, does need to be seen within the wider strategic context and necessary coordination and collaboration of effort. The reported performance of a respective client may be a broad indication of likely overall success from the assistance being contributed.

It is relevant however to be attempting to monitor, initially by the delivery agency, the more particular impact of the contribution made, and to the extent possible the value that is seen to be added. Where support is being provided this then needs to incorporate assessment of the nature and extent of the specific impact this assistance is believed to be having on wider client success, including the relative returns achieved, of the entity being directly supported.