

## Mission Insights

### Episode 01: Sealord

#### Transcript

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# MISSION ZERO

#### Doug Paulin / Sealord

My final guest today is Sealord CEO Doug Paulin.

Sealord has been working with KPMG on their new Te Hono value realization framework. The tool has been uniquely tailored to help primary industry producers and exporters tackle the key issues that are increasingly relevant to the future successes of organizations in the sector as a whole, especially through the transition from volume to value.

One of the action plans coming out of the Value Realization Framework was for Sealord to develop a carbon reduction plan. During their first year, they were able to reduce overall emissions by 4.6% and secure funding for further implementation.

Thanks for joining me, Doug.

*No problem. Thanks, Jodie.*

So earlier in this episode, I was talking with Ali Bosjwick about the meaning of climate action for businesses in our region. And in the case of Sealord, emission reduction is fully embedded into your value strategy. So can you explain more about the framework and what it means for you as a business, your customers, your employees, your Board?

*I think the first thing to realize is the framework itself is just a tool, and that tool is only going to be as good as the thinking and the imagination that you put into it. But in saying that what we needed, when we looked at 'where is value going to come from in the future?', was a framework that could allow us to think about it.*

*It's really difficult to think about value in the future from a blank sheet of paper. So finding the Te Hono framework gave us the ability to then think about the future and give us some areas we could look at in some detail without getting fully immersed.*

*We were then able to talk to a number of the stakeholders across the business, get some real alignment in terms of where we thought that value was, and one of the things that came up - actually across the board - whether it was the Board, whether it was customers, or whether*

*it was people in the organization, was needing to take action around the climate and those things that were occurring to our business as a result of climate change. And then out of that came the carbon emissions program.*

**So what started then your journey to look into the value realization framework? Were the things you had already been thinking about, where you kind of on a journey and went “Ah, this is an opportunity you want to try”? How did all that get started?**

*We are certainly on a journey because one of the things in seafood and in fishing in particular is you can't get any more volume. If you're in a business where you're able to just make more volume because demand goes up, then it may be less of a concern for you. But for a quotified system like the fishing industry, really the only opportunity for growth is around value.*

*So we've been tasked by the Board for a number of years to try and find a way where we get more value out of the things that we are producing from the limited amount of fish to which we were catching.*

*And then we found this framework and that's enabled us to look at it in detail where we thought we could get better bang for buck than what we were doing ourselves.*

**This started about the value realization framework. It's taking you about two years that you've been working on, is that right?**

*That's right.*

**Are there any key things that have stood out in that process? That like light bulb moments where you were like “Woah, wish we'd known that before” or “we've got to stop and kind of recalibrate”?**

*I think I look back and I'd say two things. One, we didn't start early enough. And I think it's one of those things where you think, I've always got time because climate change in particular is something happening over many, many years and people find it difficult to think about because the time scales are 2050, 2060... wherever you look, they are quite long time scales. But what I've found in looking at this is – even though those things are quite long time scale – the things we need to do in order to be ready for where the world will be actually are in the now, and I wished we'd have started earlier would be one of my learnings out of this process.*

*And the other one is it's very difficult to do everything on your own. And once you start to partner with other organizations outside of your own business, you'll get different thinking.*

*You'll get tools and ways of thinking which you won't come up with on your own. So I think we should have probably thought outside the square a bit sooner on that.*

**Do you see a lot of collaboration starting to develop? And has that been a big part of being able to, kind of, take a more holistic approach as to think wider than your own business? And do you feel like you can get the capability that you need to help you achieve your goals?**

*I think collaboration across the whole of New Zealand is okay because there are a number of companies in different industries that are on the same journey and you can get advice and you can get thoughts from them.*

*Then if I boil it down to a smaller subset, being the fish industry, probably a little bit less because everyone's sort of in a different place within our industry. So we look for assistance from other companies in terms of what's worked for them, what hasn't worked for them, and then we try and go to experts in that particular subject matter to get advice from them in terms of are we on the right track? Sometimes that meant an answer that leads us to continue doing what we're doing. And sometimes it's meant we've actually stopped doing what we're doing*

**Fantastic. Because one thing that we've talked about before is that there's a lot of near term profitability that's under a significant pressure, and not just in fishing, but across a lot of businesses and sectors in New Zealand. How does that conversation evolve for your Board when you think of near term, long term and, kind of, trade-offs and opportunities. What do you see, what do you hear? How do you make some of those decisions?**

*I think one of the positives of using the Te Hono Framework is you end up talking to your Board about those sorts of areas. So you do get a level of understanding around where are they prepared to commit and where are they not. And for Sealord, we got an idea of what were the Board prepared to invest in initiatives where it took profitability away in the near term, but gave you value in the long term and they gave us a pretty strong indication of what that would look like.*

*What's going to be interesting is when COVID-19 came along, profitability has taken a hit and therefore we committed to some programmes where it's probably fair to say we're going to spend more in percentage of our profit than what the Board might have been thinking. But once you're in, you're in.*

*So we've got those conversations to come. But I fully expect our Board to continue to be very supportive and, realistically, they won't be around when these projects come to fruition.*

*So it is important that you get that real commitment at the start because it'll be easy for them to say no now, because it won't actually be them that will be in the hot water in the future, so to speak. So I've got a very supportive Board and I'm very lucky for that. So I expect them to continue to reinforce those programs.*

**Fantastic. And do you find that support, as well, from within the organization and through your customer base? Is it easy to communicate what you're doing? I guess that's part of it too.**

*Well, Sealord's always had quite a strong sustainability component to what we do. It's typically been focused on the fisheries themselves, which is obviously critically important to our business. But as we've gone through the years, our people have actually brought up various different initiatives that were important to them, that fit under that same bucket. And what we've done now is we've actually coordinated everything and we've got champions across the organization for a raft of different areas around waste, plastic reduction, water reduction and of course, carbon, which is a huge one for us as a fossil fuel burning company. And that's really got some alignment across the organization and some level of excitement, particularly in the areas which people like.*

**Yeah. So what would be then your piece of advice? If there's another company that's kind of toying with? Is this the value realization framework, the right way for us to go? What would be something that they should consider and one way that they could prepare?**

*Well, I think there's benefits for everyone. So one of the things I've had asked of me as I've had companies talk to me is, well, "does it matter how big you are?" And I would say not really, because no matter the size of your organization, you're looking for value and you're looking for value in the future, and sustainable value. So I'd say it doesn't really matter how big you are, you should just get involved.*

*The other thing I would say is there are a lot of different people you can talk to pretty much for free and get some level of guidance around "Where should I look what should I do? Who should I talk to?", and I would encourage people to reach out to organizations that are here, that are in this and really just ask them, pick their brains, because most of us will pick the phone up no matter what our role is, and we'll talk about it, and you might as well do that because it doesn't cost you anything.*

**Absolutely. It's a great place to start there. And like you said, a couple of things to take away is to connect with people, because they're the ones that are going to inspire and lead and make the difference. And the other bit is no better time than now or earlier to have gotten started. So thank you for joining me, and we look forward to seeing how things continue to evolve.**

*No problem. Thanks, Jodie.*

**Thank you.**