

Reframing Value

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We once heard a contractor ask a client whether they should build to a higher environmental standard. The response from the client: “not if it is going to cost us more”.

Building a facility that is greener, warmer, and healthier wasn't top priority. It came down to the money and what was considered 'good enough'.

The client said all the right 'green' things, had fancy strategies and dedicated sustainability teams but when push came to shove - price came first.

Projects need to be delivered on time and on budget - we all know that. And money doesn't grow on trees. But it is possible to deliver on time and on budget with additional outcomes, but additional outcomes must be valued. It can't just be lip service by leadership and fancy frameworks, it needs to be valued throughout the organisation.

There is tremendous data, evidence, and rationale as to why we should use our purchasing power to make a difference. Whether that be boosting the Māori and Pasifika economy through supporting Māori and Pasifika businesses, creating employment opportunities for those furthest from the labour market or reducing our carbon footprint. There's plenty of wicked problems that our spending can help to solve, in addition to simply delivering on time and on budget.

Reframing value

Value is so much more than just the bottom line. Social value, environmental value, cultural value are important values that we care about, but not enough of us prioritise. They're difficult to quantify and so are often written off as 'nice to haves' rather than non-negotiables.

If it was a non-negotiable, Aotearoa would certainly feel the added value.

Let's take social value as an example. Social value could be providing employment opportunities to disengaged rangatahi (young individuals) on a project. This not only helps them kickstart their career paths but also has wider implications. It can potentially reduce reliance on the welfare system and contribute to the overall productivity of New Zealand. The ripple effects of this social value extend to their whānau (family), peers, and the broader community. It's essential to acknowledge that the impact of providing opportunities to just one rangatahi holds significant social value, even if it cannot be easily measured in monetary terms.

It takes a mindset shift and a bit of boldness but once teams, leaders and organisations reframe value and what this means for the organisation then value for money takes on a new meaning, one that goes beyond immediate cost considerations.



Thinking about total life costs

Taking a circular and total life cost perspective allows us to proactively tackle and even prevent future issues. By considering the entire life cycle of products and services and mitigating the potential environmental and social harm, we can promote sustainability and long-term value creation.

In the public sector for example, organisations should be thinking holistically about the whole of life costs of projects and striving to deliver as much added value as possible. After all, public funds come from taxpayers, and it makes sense that every dollar spent generates maximum value for society.

It is common for different sectors and agencies to work in silos, assuming that social outcomes are solely the responsibility of organisations or teams focused on social work. However, by focusing on creating social outcomes, government agencies and local councils can alleviate the burden on other agencies, such as the Ministry of Social Development and Ministry of Health, by addressing some of our societal challenges at their roots rather than just the 'ambulance at the bottom of the cliff' stuff.

Team culture that prioritises additional outcomes

No matter how impressive an organisation's policies, frameworks, dedicated teams, or speeches from leadership may be, as the saying goes "culture will eat strategy for breakfast". Organisational culture has the power to override even the most well-crafted strategies. Without an organisational culture that genuinely values equity, concepts like equity become mere "nice to haves."

What we need are organisational cultures that embrace and prioritise social and environmental outcomes. However, transforming culture is not a quick nor easy task, especially in professions with rigid structures, heavy workloads, and limited exposure to firsthand experiences of inequality.

Changing culture requires dedicated effort and a deep commitment to reevaluating what is truly valued within the organisation. It involves challenging existing mindsets, dismantling biases, and actively fostering an inclusive and equitable environment. This process takes time, patience, and a willingness to question the status quo.

Unwavering leadership that holds the quality bar high

Leaders play a critical role in shaping organisational culture and driving the pursuit of equity. They must uphold a high-quality standard and unwaveringly champion it. They should emphasise the importance of additional outcomes beyond traditional metrics and provide permission for boundaries to be pushed. They should question and challenge the absence of targets for social and environmental outcomes, ensuring that these aspects are not treated as mere lip service when purse strings get tight.

It is essential for leaders to lead by example and demonstrate a genuine commitment to these outcomes. They should integrate social and environmental considerations into decision-making processes, resource allocation, and overall strategy. By doing so, leaders send a powerful message that these outcomes are not negotiable and that they are valued as integral components of organisational success.

Kia mana te kupu

Kia mana te kupu translates to 'give mana to your word'. Think about the value that truly matters to the organisation. If the organisation talks about valuing social, environmental and cultural outcomes - walk the talk.

Summary

Strong leadership, strategic planning, effective teams, and a supportive culture are essential for organisations to create meaningful, long-term outcomes. Reframing value beyond the bottom line, considering total life costs, and fostering a culture of social responsibility leads to sustainable success.

About us

Puna Awarau is a Māori consultancy firm working at the forefront of Indigenous procurement in Aotearoa. With unrivaled expertise in supplier diversity, we are your specialist support. Generating Māori (and Pasifika) socio-economic outcomes within organisations and major projects.

We work with government agencies, local body authorities, Iwi, Māori land trusts, private enterprises and charitable trusts that want to better understand what social value they can create through their spending.

We understand the power of procurement in creating change and believe a more equitable Aotearoa is possible. We offer independent expert advice and support to organisations working towards broader outcomes through social procurement, progressive procurement and/or supplier diversity.

- We are 100% Māori owned
- We are 100% wāhine owned

Puna Awarau founders have whakapapa links to Ngaati Te Ata Waiohua, Te Rarawa, Te Waiariki, Ngāti Tūtae, Ngāi Tuupoto, Ngāti Reinga, Te Hikutu, Te Aupouri, Ngāti Kahu.

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