

11

WHALE WATCH KAIKOURA – NEW ZEALAND

Chellie Spiller and Sanjay Bhowmick¹

Kaikoura is a small township on the east coast of the ancient land, Te Waipounamu (Greenstone Island), which most New Zealanders call the South Island. Kaikoura is wedged between the Seaward Kaikoura Ranges (rising to a height of 2,885 metres) and the Pacific Ocean, which within 500 metres of the shore drops 1,300 metres to the ocean floor into the vast depths of the Kaikoura Canyon. Snow-covered often for nine months of the year, the Kaikoura Mountains provide the backdrop for what has become one of nature's most powerful signatures – the graceful flick of a tail of the sperm whale that goes “fluke-up, fluke-down”.

The warmer waters from the north meet cooler flows from the south, creating a nutrient-rich up-welling that supports many forms of marine life, from krill to the sperm whale's food delight, the giant squid, which spawn and thrive in the Kaikoura waters.² In a 25-square kilometre area off Kaikoura, tourists are now virtually guaranteed to see whales all year round.³ From a total of 79 species of whale and dolphin in the world, over 15 have been identified off the Kaikoura coast. Although sperm whales are the main attraction, the right, humpback, minke, blue, fin, sei, killer, beaked and pilot whales are regularly sighted. Also frequently seen are New Zealand's small native, Hector's dolphins.⁴ For the whales the attraction is the wealth of food.

“Two years to film the trilogy, millions of years to build the sets”: these advertising slogans appeared at the centre of action during the Oscar season in the *Los Angeles* and *New York Times*.⁵ New Zealand film director Peter Jackson and actress Keisha Castle-Hughes had promoted New Zealand to the world through their remarkable achievements. Jackson's blockbuster *Lord of the Rings* had scooped eleven Oscars and Castle-Hughes was making headlines as the youngest ever Oscar nominee for her lead role in *Whale Rider*. The stunning landscapes of the *Lord of the Rings* and the riveting cultural story of *Whale Rider* had done wonders for marketing New Zealand. Whales and New Zealand's sensational scenery were making waves around the world.

138 Chellie Spiller and Sanjay Bhowmick

The Kaikoura Mountains are the scenic backdrop for one of New Zealand's most remarkable business tales – Whale Watch Kaikoura (WWK). WWK had been on the growth curve of an entrepreneurial success story and was now preparing to commit to another major step – building a \$120 million virtual reality whale centre and 250-bedroom world-class hotel.⁶ However, it was facing concerns from a number of stakeholders, including environmentalists, about the impact of tourist numbers on marine life, “green” tourists’ concern that Kaikoura would turn into another overcrowded destination, and tribal members were anxious that outside investment could shift control to external money-bags. From the start, WWK was an entrepreneurial initiative with a difference; it had been generated by the community. Today, Wally Stone, a highly regarded entrepreneurial director and strategist and chairman of WWK, carried the responsibility for the community as much as he did for WWK’s investors. Needing to respond to these stakeholder concerns, Stone and the WWK board were now required to come up with answers that would demonstrate a sustainable way forward, showing how WWK’s sustainable development journey would progress beyond a successful entrepreneurial startup stage. That was also what the community looked for.

Living on the edge

In the 1980s, Kaikoura was a sleepy fishing village of about 2,000 inhabitants and a couple of motels. Kaikoura’s only attractions were its “kai koura”, or “meal of lobster”, a little known seal colony and rusting relics from the whale-hunting era. The township suffered widespread unemployment and the community’s high dependence on state welfare. Kaikoura’s farm incomes had plummeted, social fabric was severely frayed, and local Māori, the Kati Kuri, a tribe who are members of the larger tribe Ngāi Tahu, were especially hard hit by economic restructuring.⁷ “In 1988, we used to say that people came here because they got lost,” said Stone.⁸ The town’s already high unemployment rates had been growing steadily as a result of government reforms, and was estimated at 90 per cent among the Māori community, with total employment dropping 15 per cent between 1986 and 1991,⁹ a disproportionate number of people earning less than \$15,000 per annum, with many less than \$10,000, in 1996.¹⁰ Limited local incentives saw a high rate of migration of Kaikoura’s youth.

Seeds of transformation

It happened without “smart” money or outsiders. It happened using the resources and people who live on the town’s doorstep. The initiative centred on descendants of the whales that were exploited from the 1830s for their blubber and bone to power the lamps and stiffen the corsets of European and American women. These whales were survivors of those ancestors that had also been driven to the edge of existence. Some whaling continued until this century, but long before then the town had become reliant on farming for its economic base.¹¹

Securing a loan to buy the first whale-watching vessel was difficult. Mainstream banks had turned away the small group who had envisioned the business dream. Banks would not even let them open a cheque account.¹² Undeterred, a group of local Kati Kuri, led by the late Bill Solomon and his sisters Miriana and Aroha, who recognised the special nature of what Kaikoura had to offer, raised \$35,000 from personal savings. Four families mortgaged their houses in 1987 to launch, equip and market the first boat, a rigid hull inflatable to take ten people. They proceeded in the belief that they might break the cycle of poverty and unemployment and create a better future for their children.¹³

A retired Christchurch banker, Des Snelling, who had offered his services, recalled those dreams as “to sea with one boat, a few brochures and a lot of hope . . . As an ordinary commercial venture, it had nothing. It was what seemed to be a hare-brained idea.” For Snelling, the turning point was when the Māori gave the banks personal guarantees by putting their homes on the line. “For poor people, that was a courageous thing to do.”¹⁴ Their entrepreneurship, though linked to opportunity pursuit, was not the agenda of one individual but the collective effort of a community and braided with spiritual significance. Their purpose was defined by what they sought together for the well-being of the people and the environment.

The group’s financial commitment enabled them to secure a \$100,000 Māori venture-capital agency loan and a \$5,000 business development grant through the Marlborough Development Board. A number of staff in the first two years worked without their salaries along with volunteer workers who helped out.¹⁵ A marketing lecturer with Christchurch Polytechnic brought his students on a whale watch field trip, which resulted in a marketing plan being delivered in May 1989, the same year that WWK purchased a second vessel.¹⁶

Sustainability at the heart of the business

A motivation for WWK was to create an economic base that provided for an independent future where local Māori could be in control of their own destiny.¹⁷ The WWK story draws on the legend of the Ngāi Tahu ancestor, Paikea, arriving in New Zealand on the back of a whale. The WWK experience offered a glimpse of what the marine environment was like before tens of thousands of whales were slaughtered worldwide. “The whales are integral to our culture,” said Stone. “We are talking about our lineage, about myths and legends and how they connect.”¹⁸ A special report by the International Fund for Animal Welfare investigating the socioeconomic benefits of whale watching revealed that whale-watching images attracted environmentally conscious, high-spending tourists, making such images ideal in marketing campaigns. “Our country’s careful management of the natural resource is seen as a model example of how to sensibly utilise the resource,” said Stone. Whales, and whale watching, he observed, can make a significant contribution when it comes to endorsing or giving effect to Tourism New Zealand’s worldwide 100 percent pure NZ international marketing campaign.¹⁹

Because of the rejuvenation WWK brought to the town’s economy, the Kati

140 Chellie Spiller and Sanjay Bhowmick

Kuri were held in higher esteem and played a more positive role in local affairs. At the level of the tribal group, as at the level of the wider community, the venture exceeded all expectations, and the company made a conscious decision to contribute to the community, believing firmly that a successful company in a small town has to help make the town successful. Even though WWK were the “largest sponsor in the area by miles”, they did not actively promote their contributions to enhance brand value and public perception. They stressed that they did “those things because they believed in them”. They believed it undermined the mana (honour) of others to use their contributions as a marketing tool. Shareholder profits²⁰ were used to take young people off welfare payments and give them skills and a future, and in the eyes of some tribal members, one of the greatest achievements of the business was that some of the profits contributed to an alcohol and drug rehabilitation programme.²¹ Both Māori institutional shareholders in WWK approached the social challenge of creating employment and building social capital through highlighting the goal of cultural sustainability, by explicitly recognising that some assets have cultural significance for Māori and were not subject to the same earnings or investment criteria as other investments.²²

Green globe co-evolution: business, society, culture and the environment

Adopting a far-reaching solution was the way in which the township embraced Green Globe 21 (GG21). The Kaikoura District Council and local tourism operators, including WWK, collaborated to develop and measure performance indicators for Kaikoura. In July 2001 the Kaikoura District Council developed an environmental and social sustainability policy. In 2002 the region became the first community in New Zealand to be recognised as GG21 benchmarked. This global benchmarking and certification system for sustainable travel and tourism was based on Agenda 21 principles for sustainable development. The GG21 process used straightforward accreditation criteria based on continuous environmental improvement and was developed for entire destinations as well as individual companies.²³

Kaikoura was chosen to be one of three international pilot studies under the GG21 project. Kaikoura District Council received numerous awards for their resource and waste-management practices. The community’s vision for Kaikoura was “that of a sustainable future”, with “tourism providing an economic benefit and local amenities, but not at the expense of the natural or social environment”.²⁴ A strict and comprehensive range of natural and social environmental commitments was undertaken in order to be a GG21 benchmarked community. These commitments included monitoring greenhouse gases, energy management, air quality, freshwater resources, waste minimisation, social and cultural impact, land-use management and ecosystem conservation. The council committed to undertake responsible energy management to minimise pollution, encourage the protection of ecosystems, to encourage the use of environmentally friendly products and educate the wider community on sustainable issues (see Exhibit 11.1).²⁵

The benefits of Kaikoura's GG21 involvement were significant. Due to their success with GG21, Kaikoura, too small to get publicity otherwise, was reported in the media across New Zealand and internationally. Even government departments, other councils, university researchers and state bureaux such as the Japanese Travel Bureau travelled to Kaikoura to examine and report on their GG21 approach. Other benefits have been economic, including reduced costs, such as less waste, to residents and businesses as efficiencies were improved.²⁶

In November 2004, Kaikoura became the first local authority in the world, and the second community in the world, to achieve Green Globe certification, and have maintained their certified status since. Community clubs, societies and committed individuals in Kaikoura rallied together to maintain its status as the first local authority area in the world to be Green Globe certified.²⁷

Also, if success is measurable in international recognition, then WWK had done remarkably well. In 1995 it won the British Airways Tourism for Tomorrow Award in both the Global and Pacific region categories. In 1997, it received the Pacific Asia Travel Association Gold Award in the heritage and culture category. In Berlin in March 1997, WWK was awarded a Green Globe Achievement Award with Distinction. This award recognised outstanding progress towards the "implementation of environmental programmes which demonstrate excellence". In 2009 they scooped up two major awards: the Supreme Award at the 2009 Responsible Tourism Awards in London and a few months later the Community Benefit Award at the Tourism for Tomorrow Awards, hosted by the World Tourism and Travel Council (WTTC) in Beijing China. WWK remained modest in claiming any single-handed transformation of the town, and said they had only been a catalyst in developing confidence within the local community. They stressed that they and the community together were strategic investors and "players" in the future of the town.

Values-based systems

New Zealand is an OECD country dominated by Western institutions of commerce and a Western philosophy in entrepreneurship. Reflecting this wider commercial system, WWK was a private company owned by Ngāi Tahu Holdings Ltd and the Kaikoura Charitable Trust, and its activities were governed by the Companies Act 1993.

However, although Māori organisations seek to create profitable, economically sustainable enterprises, they differ from the conventional business norm by viewing profit and economic well-being as a means to serve broader social, cultural, environmental and spiritual well-being goals. Thus, traditional Māori protocols for the conduct of trade that meet the needs of the individual and the collective have endured despite the enormous impact of colonisation from the 1800s. At the heart of Māori business are Māori values (see Table 11.1) and this values-based ethos was reflected in Stone's observation that "any potential conflict is resolved by adherence to clear principles and values". He noted that when difficulties arise

142 Chellie Spiller and Sanjay Bhowmick

they would always go back to their values to gain clarity and a way forward. Stone also believed that their phenomenal success had enabled them to be more Māori focused:

As a business we have a unique ownership structure and philosophy and we are able to give effect to these values and culture because we are successful

TABLE 11.1 Introduction to Māori values

The Treaty of Waitangi partnership, a covenant between the Crown and Māori, seeks to ensure that Māori remain able to protect their cultural practices and participate fully in New Zealand society, as Māori. This can only occur if Māori remain able to exercise *tino rangatiratanga* (self-determination) in relation to their values and cultural practices. The Treaty of Waitangi principles are *Kotahitanga* (Partnership), *Kaitiakitanga* (Protection) and *Urunga-Tu* (Participation).

Māori place a high value on *whakapapa* (genealogy), where all people and life forms descend from a common source. This forms the base for kinship with the natural world as all things are considered to have a *wairua* (spiritual dimension), a *mauri* (life force) and all things have a relationship with each other. The life force of *taonga* (natural resources) are protected by *kaitiaki* (guardians). The rules governing the management framework are called *tikanga*, and it is through *kawa* (protocol) that the rules, life force and spirit are pulled together.

Māori feel a strong sense of guardianship of natural and physical resources and protection of *taonga* (treasures) and access to these by all tribe members.

Whanaunatanga focuses on engendering a sense of belonging. When operating in a framework of *whanaunagatanga* individuals expect to be supported by the collective group who in turn expect the support and help of its individuals.

Utu, or reciprocity, in Māori thinking is when an individual or group will reciprocate anything they receive, whether good or bad, because the challenge of such an act represents *mana*, or the potency and authority of a person. The thing received is not inactive, even if it is an act and not tangible as such, and contains something of the person who gave it. This thing is attached to a chain of users and itself possesses a “soul” or *wairua*. To give is to give a part of oneself, and to accept is to accept a part of the other. Everyone and every act then become linked and bound by *mana*. To keep taking without giving back is to deplete the other and the *wairua* of things.

Taonga Tuku Iho is knowledge passed down from the ancestors – Māori place a high value on this knowledge.

Unlike the European enlightenment which brought forth “I think therefore I am”, the Māori view is “I belong therefore I am”.

Whānau (family), unlike the liberal Western system that places supremacy on the individual, are the units of Māori society. An economy based on *whānau* capacity embraces the capacity to share, guardianship, empower, plan ahead and growth.

Source: Mead, H. M. (2003). *Tikanga Māori: Living by Māori Values*. Wellington: Huia Publishers, pp. 28, 42. Henare, M. (2001). *Tapu, Mana, Mauri, Hau, Wairua: A Māori Philosophy of Vitalism and Cosmos. Indigenous Traditions and Ecology: The Interbeing of Cosmology and Community*. J. A. Grim. Harvard, Harvard University Press. Douglas, M. (1990) *The Exchange of Gifts and the Obligation to Reciprocate*. Kent, Biddles. New Zealand Institute of Economic Research. (2003). *Māori Economic Development*. Wellington, pp. 3, 44. Durie, M. (2003). *Launching Māori Futures*. Wellington: Huia Publishers, p. 24.

– we are empowered to make decisions. Success enables the company to reflect its values and this is empowering . . . We can do what we want – when we want to – the things we want to do reflect who we are. We are a company owned by Māori and proud of it. We are not owing to anyone and have control over ourselves spiritually, and economically.²⁸

In 2011, the value of the Māori economy was estimated at \$38 billion and consisted of increasing numbers of Māori entrepreneurial firms, tertiary institutions, with health and other service providers also making significant economic contributions. New Zealand had always scored high on entrepreneurial intention measures according to the Global Entrepreneurship Monitor studies. Māori were identified as having the world's seventh most entrepreneurial mindset, exceeding the United States, Ireland, Canada and Australia. Furthermore, Māori women had a more entrepreneurial mindset than other New Zealanders.

Growing the business

To expand operations, the Kati Kuri went with an investment proposition to Ngāi Tahu, the larger tribal group they belonged to. The board of the Ngāi Tahu Holding Corporation agreed with the proposition and bought a shareholding in the expanding company and by 2002 held a 43 per cent stake in WWK. The company's capital came from the Kati Kuri founding families and Ngāi Tahu Holding Corporation who also had their directors on its board. Income and tribal finance entirely funded WWK. In 1997 WWK turnover was said to have been NZ\$3 million a year, with assets worth NZ\$2.5 million and shareholders' funds of NZ\$2 million. One commentator even speculated that by 2002 the whale-watching industry in Kaikoura had directly generated \$25 million of revenue a year and one-third of the town's full-time jobs. WWK became the single largest employer in Kaikoura, employing up to 70 mainly Māori people in peak season and supporting many extended Māori families.

A remarkable transformation had occurred in just over 15 years. Kaikoura had become a boom town. High unemployment had shrunk and the divisive racial tensions that marked a struggle for survival and identity had eased under a renewed sense of joint purpose and togetherness. In 1987, the 3,400 visitors through Kaikoura's Visitor Information Centre had increased to 191,443 by 1995. In 1998 academic research put actual numbers visiting Kaikoura at 873,000 and today, according to Lincoln University research, visitor numbers were estimated to be around 1 million annually, and growing. In 1998, overnight visitors were mainly international and stayed 1.8 days with a daily average spend of \$45.73 per overnight visitor. While employment continued to decrease in the railway, communication and agricultural sectors, it rose 25 per cent in the service and hospitality sectors between 1991 and 1996. That growth was attributed to increased tourist numbers and specifically to WWK that was conceived of in 1987 and fully operational in 1989. In 2002 unemployment in Kaikoura was down to just "six people" and there

144 Chellie Spiller and Sanjay Bhowmick

had been a “quantum shift” in personal income with a new majority group earning \$30,000–\$40,000 a year, and significant increases in numbers of people earning more. These days, a queue often winds its way from the doors and down the steps of the renovated railway station booking office, now called the “Whaleway Station”.

Over time, visiting Kaikoura became cheaper and easier, with international flights direct to the city of Christchurch just a two-and-a-half hour drive away and brave investment decisions like a 55-employee New World supermarket store planned. The “World of Whales” virtual reality centre showcasing the whales in the Kaikoura canyon would use the same technology developed for the New Zealand America’s Cup regatta virtual spectator graphics.²⁹ The visitor centre complex hoped to boast a 250-bed world-class hotel with exclusive accommodation lodges, a winery and an 18-hole golf course.³⁰

Growth and sustainability

“One of the magical things about Kaikoura is it’s still a small village,” said Stone. “Because of the sense of space and quality of experience, people go away and rave about it, and more people come. But we can’t destroy what we have.”³¹ While tourist numbers brought economic returns by contributing 30 per cent of the district’s employment, and although negative impacts had not manifested widely, considerable pressure was nevertheless being placed on the infrastructure, and natural and social environment.

The potential of overcrowding was a significant risk, threatening the qualities that attracted people to the town. The delightful charm of a small coastal village, combined with the breathtaking landscape and unique marine life, could lose its socially and environmentally harmonious appeal. In 1997 Kaikoura had a tourist density of approximately 250 visitors per resident, compared to Rotorua, one of New Zealand’s busiest tourism destinations, who had a tourist density of 45 per resident.³² Some locals were concerned that the needs of the visitor would subsume their own. They were worried that different kinds of social ills would replace those experienced in Kaikoura’s “dark days”. Furthermore, an impact study in 1998 had already observed inappropriate human behaviour towards seals and recommended that the approved viewing distance of 5 metres be extended to 20 metres.³³ Adverse human behaviour and over-utilisation were threats. In 2002 the first rahui was established. This traditional Māori sustainable management technique closed a portion of the sea to the collection of any marine life within that area. Another rahui would be placed on a different section later, moving around the coast and thus allowing the sea to rejuvenate.³⁴

Stone, of Ngāi Tahu descent, unemployed and living on the streets, was destined to help fulfil the vision of tribal elder Bill Solomon, who first recognised the special nature of what Kaikoura had. When Stone was elected as chairman of the national tourism marketing board, Tourism New Zealand, the appointment was hailed as “recognising him as one of the country’s most outstanding entrepreneurial businessmen”. The mayor of Christchurch observed that “the very

innovative techniques that equipped Stone to survive on the wrong side of the tracks are those that make him brilliant on the other”. The mayor was referring to a time in Stone’s youth when he was an unemployed Māori street kid with a string of convictions, marginalised from mainstream New Zealand.

However, on this day Stone was immersed in a dilemma. Breathing in the pure ocean air on the top of the Kaikoura peninsula, he looked out to the ancient ground where Kati Kuri ancestors had built their pa (fortified village) to keep unwelcome visitors out of Kaikoura. Once the WWK land there was zoned “tourism”, as he expected, work could begin on building a \$120 million virtual reality whale centre and 250-room world-class hotel. Stone reflected on his present problem: how to attract and accommodate more visitors than ever before to generate greater economic returns while continuing to create and preserve environmental, social and cultural wealth?

One solution for managing the pressure from tourism was to restrict growth. This could be beneficial if they could encourage tourists to book well in advance. Surely, Stone observed, the ultimate in sustainability is a waiting list.³⁵ This would also enable local tourism operators to plan better on their existing capacity with higher occupancy levels.³⁶ WWK had made a conscious decision not to increase their vessel size beyond 20 metres – never bigger than a whale – to keep “the magic” of the journey, and also limited vessel capacity to fewer than 50 people. Although restricting supply did not automatically lead to increasing yield, WWK endeavoured to increase value through ensuring quality of experience through these self-imposed restrictions. “The bottom line,” Stone said, “is people should have no regrets about the money they have spent.”³⁷

WWK undertook a two-year consultation process with “every group within the community we could find”.³⁸ In its development vision to the Kaikoura community, WWK recommended a rate-neutral cost, i.e. that its project would ensure that its success did not send residents’ and retailers’ property rates sky high. At public meetings, concerns were expressed that outside investment might engender external control much less committed to local development than local owners. For instance, there were concerns about housing shortage. However, since farmland had been subdivided to make way for 600 sections to be sold over the next few years at reasonable rates, those concerns subsided.³⁹ Nevertheless, while some wondered how much development Kaikoura could absorb without impacting the natural and social environment, most of the town’s retailers and the Kaikoura District Council⁴⁰ supported the project, and the development proposal outcome provoked no objections to the council.

While many in the town, especially businesses servicing tourism, welcomed the development, other stakeholders had expressed concerns to WWK’s board. Some members of the community were worried that outside investment might shift control into the hands of those much less committed to Kaikoura than locals. Others were anxious and wondered if the town’s social and natural environment could cope with much larger numbers, and if their own needs would be subsumed by those of tourists. Some tourists, hearing of the proposal, expressed concern that the small

146 Chellie Spiller and Sanjay Bhowmick

town would become just another tourism “factory” and wondered whether that would spoil the destination. It was important to “green” tourists in particular that not only did they get value for money, but that they could feel good about participating on a tour with a company that demonstrated commitment to strong social, environmental and cultural values. A number of environmentalists were worried about the impacts of tourism and human behaviour on the marine ecosystem. The board had acknowledged that the company and the community had come a long way already down the sustainability path. However, they wanted reassurance that Stone had a plan to successfully navigate the way forward before approving the new development.

Stone reflected on WWK’s mission: “To maintain a global reputation for delivering a unique marine and cultural experience in one of the world’s last unspoiled, natural wildernesses” and their philosophy to “only undertake activities that are culturally acceptable, economically viable and environmentally sensitive.” He saw WWK objectives “set in the long term rather than short term” and he said they want to live there for another 950 years. He believed his people were “agents of change rather than victims of change” and that assets and profits are “like oxygen, necessary for life, but not the purpose of life”. Even a pure profit motive would be difficult to translate into action for WWK, which, to be in business in the first place, depended on the fine balance of natural cycles that attracts the magnificent whales. Entrepreneurial growth opportunity, for WWK, came with great responsibility.

Stone wanted the company to be an even greater international success, but were growth and sustainability compatible? Stone pondered the Māori proverb that “we walk into the future backwards, because the only thing that is certain is the past”. An important starting point for Māori when solving problems is the past. Stone sat underneath an old cabbage tree once used by the ancestors as trail markers and reflected on the path of the past for inspiration.

Back to the future

In terms of ideal leadership, Stone was adamant that “a leader must be visionary, a long-term planner and possess entrepreneurship”.⁴¹ He believed we “need to create an environment to encourage those that are actually committed to this country, committed to its lifestyle, its value system and are long-term players for New Zealand, and not there purely for the balance sheet”. Stone suggested rewarding entrepreneurs and risk takers and celebrating their success, but also ensuring that their success is the country’s success, so they should stop underselling the country and underpricing products and services. “The more we value New Zealand the more valuable it becomes. Take tourism – while each day the world gets more complicated and more polluted, the more desirable we become.”⁴²

Stone would know. He – like Kaikoura, like the whales, like his people – had been to the edge and looked over. Now they flourished. He saw the virtual reality whale centre and the 250-bedroom, world-class hotel, as critical for the future.

Whale Watch Kaikoura – New Zealand **147**

However, he also knew that a sustainable future required stakeholder support. He decided to begin his paper to the board with key questions to demonstrate a sustainable way forward for WWK.

- 1 What are the core principles that underpin WWK's quadruple bottom line?
- 2 What are the sustainability practices being currently applied at WWK and what will be done to address stakeholder concerns about the virtual reality whale centre and the world-class hotel developments?
- 3 What performance measurement criteria will WWK use to demonstrate its quadruple bottom line?
- 4 How do you reconcile the Māori belief that you "walk into the future backwards, because the only thing that is certain is the past" with the Schumpeterian concept of "creative destruction" in entrepreneurship theory?
- 5 How does the quadruple bottom line revise Venkataraman's (1997) widely accepted definition of entrepreneurship as involving the nexus of lucrative opportunities and enterprising individuals?
- 6 How do you see individual entrepreneurial motivation in the context of Māori entrepreneurship through the story of WWK?
- 7 What are your recommendations on the listing of WWK on the stock exchange? Why? How?
- 8 Can you generalise your recommendations and ideas for any business by drawing lessons in entrepreneurial innovation from them, and outline an idea for sustainable entrepreneurship?

While many challenges lay ahead, Stone thought that living and doing business on the edge was a great place to be, and that sustainability would come from inclusive entrepreneurship.

EXHIBIT 11.1 WWK conservation policy

Whale Watch is committed to providing a quality whale-watching experience while carefully managing the use of a rare natural resource. We are visitors to the world of the whales and respect it as such at all times. As a Māori-owned company, Whale Watch cherishes the twin values of hospitality to visitors and reverence for the natural world. It is a philosophy that embraces people, the land, the sea and all living things as one. Perhaps this is why so many of our visitors tell us our tours provide them with a spiritual experience.

Since arriving in the Kaikoura area in AD850, Ngāi Tahu have formed a sustainable relationship with Kaikoura's entire ecosystem, including the marine ecosystem that maintains the whales in their natural environment. Nothing within that sustainable philosophy will allow Ngāi Tahu to harm this ecosystem that keeps the whales close to Kaikoura. For dozens of generations over many centuries this view of life has been fundamental to our ancestors. There must

148 Chellie Spiller and Sanjay Bhowmick

always be enough – more than enough – to sustain life in its entire spiritual and physical sense. Thus, for Ngāi Tahu and Whale Watch, the word ‘sustainable’ has both a physical and spiritual meaning. It goes to the heart and soul of being Māori. It is a core principle of the whale-watching experience we share with our visitors. Ngāi Tahu have lived with whales for over a thousand years. We intend to live with them for another thousand years.

All Whale Watch vessels are specially designed for whale watching. Our modern catamarans are powered by inboard diesel engines and equipped with Hamilton propulsion units that minimise underwater noise. All on-board toilets are self-contained and never allowed to pollute the sea. Detailed records are kept for each trip, covering personalised identification of every whale seen, its location and any unusual whale behaviour. This information is part of the on-going contribution to scientific research by Whale Watch. Some sperm whales that visit Kaikoura regularly appear to recognise and trust the Whale Watch boats and do not mind being approached. New whales, though, prefer the boats to keep further away. Whale Watch skippers recognise individual whales and adjust operations to suit each whale.

Whale Watch is proud of their many awards that recognise their commitment to the preservation of the environment. Whale Watch Chairman Wally Stone says, “Whale Watch isn’t about to do anything which will adversely affect the whales that provide year-round income, or drive them from the coast. We have the most to lose, so we won’t be doing anything to jeopardise the whales in our waters.”

Whale Watch is a staunch ally of the marine conservation movement. Wally Stone points to the support that Whale Watch gives to the ongoing international fight to protect whales from a renewal of commercial killing and the resumption of trade in whale products. Japan and Norway continue to vigorously lobby members of the International Whaling Commission to reintroduce commercial whaling. Both nations still take hundreds of whales each year for “scientific purposes” when, in fact, the whale meat ends up in fish markets. Wally Stone says the Whale Watch “experience” sends a powerful message to those who wish to slaughter whales. “We see our business as reinforcing the anti-industrial whaling message. This in turn reinforces whale preservation, the Southern Oceans Whale Sanctuary and the whale protection stances adopted by many members of the International Whaling Commission.” It remains a sad fact that the very same whales seen aboard Whale Watch tours may be killed by commercial whalers once outside New Zealand waters.

Source: www.whalewatch.co.nz

Notes

- 1 Adapted from the original case by Chellie Spiller and Ljiljana Erakovic “Flourishing on the Edge: Case Study of Whale Watch Kaikoura, an Indigenous Sustainable Business”, which first appeared in Wilson, M. (2005). *Best Case Scenarios*. Auckland, The University of Auckland Business School. Reprinted with kind permission of GSE Press, Auckland, New Zealand. All information in this case is from published sources. Special thanks are due to Wally Stone, Chairman, Whale Watch Kaikoura and Ian Challenger, Environmental Development Officer, Kaikoura District Council for their valuable time in assisting with fact-checking and providing useful insights for the original version of the case study.
- 2 Whale Watch Kaikoura. (1997). *Bigger than Moby Dick*. Retrieved 10 April 2004 from www.whalewatch.co.nz
- 3 Ibid. Whale Watch operates every day except Christmas Day. While humans prefer the warmer summer months for viewing whales, whales feed in the canyon all year round.
- 4 Ibid.
- 5 Dye, S. (2004). Middle-earth puts NZ on top. *The New Zealand Herald*, 3 March.
- 6 The dilemma presented in the case is not an actual dilemma. Its purpose is to facilitate understanding of how sustainability can be applied to assist business success.
- 7 Whale Watch Kaikoura. (1995). *History of Whale Watch*. Retrieved 10 April 2004 from www.whalewatch.co.nz
- 8 Whale Watch Kaikoura. (1997), op. cit.
- 9 McNicol, J., Shone, M. and Horn, C. (2003). *Benchmarking the Performance of the Tourism Community in Kaikoura*. Landcare Research New Zealand Limited and the Tourism Recreation Research and Education Centre, Christchurch: Lincoln University, p. 79; see also Kaikoura District Council. (2004). *Green Globe: Kaikoura’s Path to a Sustainable Future: Kaikoura*. p. 5.
- 10 Kaikoura District Council (2009). Long Term Council Community Plan 2009–2019. *Kaikoura Today*, available at: www.kaikoura.govt.nz/council_documents/ltccp/, accessed 1 October 2011.
- 11 Whale Watch Kaikoura. (1997). op.cit.
- 12 Ibid.
- 13 Ibid.
- 14 Ibid.
- 15 Ibid. Also, Wally Stone, personal communication.
- 16 Federation of Māori Authorities and Te Puni Kiri (2003). *Te Hei Whakatinana i te Tūrua Pō: Business Success and Māori Organisational Governance Management Study*.
- 17 Whale Watch Kaikoura. (1997). op. cit.
- 18 Ibid.
- 19 Whale Watch Kaikoura. (10 December 2003). *The World of Whales: Tourism Background*. Retrieved April 2004 from www.arl.co.nz/whalewatch
- 20 As a private company any profits are distributed back to the shareholders, the Kati Kuri founding families and Ngāi Tahu Holdings Corporation, to use as they see fit (confirmed by Wally Stone, personal communication).
- 21 Whale Watch Kaikoura. (1997). op. cit.
- 22 Te Runanga o Ngāi Tahu. (2002). *Ngāi Tahu 2025*. Christchurch. It is useful to note that Te Runanga O Ngāi Tahu released a document *Ngāi Tahu 2025*, which is a “tribal map” explaining their social, cultural, environmental and financial policies and investments.
- 23 McNicol, J., Shone, M. and Horn, C. (2003). op. cit.
- 24 Green Globe 21. (2004). *Kaikoura District Council Case Study*. (Online). Retrieved April 2004 from www.greenglobe21.com
- 25 Ibid.
- 26 Kaikoura District Council. (2004). op. cit., p.17
- 27 Kaikoura District Council. (2009). op. cit.

150 Chellie Spiller and Sanjay Bhowmick

- 28 Federation of Māori Authorities and Te Puni Kōkiri (2003). op. cit.
- 29 Whale Watch Kaikoura. (2004). Whale Watch Kaikoura goes to new depths. Retrieved April 2004 from www.arl.co.nz/whalewatch
- 30 Devereux, M. (2004) op. cit. (additional information confirmed by Wally Stone, personal communication).
- 31 Oram, R. (1 July 2002). op. cit.
- 32 Kaikoura District Council. (2005). Tourism Strategy for the Kaikoura District: Kaikoura., p. 16
- 33 Simmons, D. and Fairweather, J. (1998). Towards a Tourism Plan for Kaikoura. Christchurch: Tourism Recreation Research and Education Centre, Lincoln University, p. 22. The viewing distance is set at 10 metres.
- 34 Kaikoura District Council. (2005). op. cit., p. 42 and Kaikoura District Council. (2004), op. cit., p. 7.
- 35 Wally Stone, personal communication.
- 36 Oram, R. (1 July 2002). op. cit.
- 37 Wally Stone, personal communication.
- 38 Thomas Kahu in Devereux, M. (2004). op. cit.
- 39 Affordable homes, however, remain a challenge for the community going forward (emphasised by Wally Stone, personal communication).
- 40 Kaikoura District Council is the local authority covering an area of 2,048 square kilometres from Keikerengu in the north, to the Hunderlee Hills in the south. The districts' population makes Kaikoura the smallest territorial local authority on mainland New Zealand.
- 41 Te Puni Kōkiri (2005). op. cit.
- 42 UnlimitedNet. (1 December 2003). Five years on. *UnlimitedNet*. Retrieved April 2004 from www.idg.net.nz/unlimited.nsf

Bibliography

- BERL (2011). *The Māori Economy Science and Economy*, report prepared for the Māori Economic Taskforce, Wellington.
- Devereux, M. (2004). Kaikoura enjoys hard-won boom. *New Zealand Herald*, 27 March.
- Dye, S. (2004). Middle-earth puts NZ on top. *New Zealand Herald*, 3 March.
- Federation of Māori Authorities and Te Puni Kōkiri (2003). Te Hei Whakatinana i te Tūrua Pō: Business Success and Māori Organisational Governance Management Study.
- Frederick, H. and Chittock, G. (2006). *The Global Entrepreneurship Monitor: Aotearoa New Zealand*. Unitec New Zealand's Centre for Innovation and Entrepreneurship Research Report Series, Vol. 4, No. 1. Auckland: Unitec New Zealand.
- Green Globe 21. (2004). Kaikoura District Council Case Study. (Online). Retrieved April 2004 from www.greenglobe21.com
- Kaikoura District Council. (2004). Green Globe: Kaikoura's Path to a Sustainable Future: Kaikoura.
- Kaikoura District Council. (2005). Tourism Strategy for the Kaikoura District: Kaikoura.
- Kaikoura District Council. (2009). Long Term Council Community Plan 2009–2019, *Kaikoura Today*, available at www.kaikoura.govt.nz/council_documents/ltccp/ accessed 1 October 2011.
- McNicol, J., Shone, M. and Horn, C. (2002). Green Globe 21 Kaikoura Community Benchmarking Pilot Study. Landcare Research New Zealand Limited and the Tourism Recreation Research and Education Centre, Christchurch: Lincoln University.
- McNicol, J., Shone, M. and Horn, C. (2003). Benchmarking the performance of the tourism community in Kaikoura. Landcare Research New Zealand Limited and the Tourism Recreation Research and Education Centre, Christchurch: Lincoln University.

Whale Watch Kaikoura – New Zealand 151

- Oram, R. (1 July 2002). Wicked brew. UnlimitedNet. (Online). Retrieved April 2004 from www.unlimited.co.nz/unlimited.nsf/UNID/421B2A9FEC773FE0CC256BDF001683C8
- Simmons, D. and Fairweather, J. (1998). Towards a Tourism Plan for Kaikoura. Christchurch: Tourism Recreation Research and Education Centre, Lincoln University.
- Spiller, C., Erakovic, L., Henare, M. and Pio, E. (2010). Relational well-being and wealth: Māori business and an ethic of care. *Journal of Business Ethics*, 98, 153–169.
- Te Runanga o Ngāi Tahu. (2002). Ngāi Tahu 2025. Christchurch. UnlimitedNet. (1 December 2003). Five years on. UnlimitedNet. Retrieved April 2004 from www.idg.net.nz/unlimited.nsf/0/AC0F8EABB5C3B64DCC256DE1007366EB
- Venkataraman, S. (1997). The Distinctive Domain of Entrepreneurship Research: An Editor's Perspective. In J. A. Katz (ed.), *Advances in Entrepreneurship, Firm Emergence, and Growth* (Vol. 3, pp. 119–138). Greenwich, CT, US; London: JAI Press.
- Whale Watch Kaikoura. (1995). History of Whale Watch, retrieved 10 April 2004 from www.whalewatch.co.nz
- Whale Watch Kaikoura. (1997). Bigger than Moby Dick, retrieved 10 April 2004 from www.whalewatch.co.nz
- Whale Watch Kaikoura. (10 December 2003). The World of Whales: Tourism Background, retrieved April 2004 from www.arl.co.nz/whalewatch
- Whale Watch Kaikoura. (2004). Whale Watch Kaikoura goes to new depths, retrieved April 2004 from www.arl.co.nz/whalewatch