

The Engine Business News

Leading Holistic Business Advisors & Specialists
Business Insights Quarter 2 - 05/25



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Structure. Clarity. A Solid Plan... and Someone to hold you to it.

In business, drifting is dangerous.

Without a clear structure, focused direction, and someone to challenge the status quo, even the most promising ventures can lose momentum. As seasoned business advisors, we've seen it time and again—brilliant people with great products or services, sailing without a rudder.

That's where we step in.

We're not here to hand over a templated plan and walk away. We partner with business owners to build real capability—the systems, thinking, and strategic foundations that fuel sustainable growth. Then, we stick around. Because accountability isn't a one-time fix—it's a discipline. And it's one we help embed deeply into the culture of the businesses we work with.

Often, the missing link isn't effort—it's alignment. Teams are working hard but pulling in different directions, overwhelmed by competing priorities and unsure where to focus. Through structure and strategic clarity, we realign teams around a common goal. We create space for leadership to lead and ensure every activity feeds into a bigger vision with measurable outcomes.

And then we do the most powerful thing of all—we follow up. Regular check-ins, performance tracking, and honest conversations keep the wheels turning and the team accountable. It's the difference between hoping for results and consistently achieving them.

This newsletter is here to bring you insights, tools, and real stories from the trenches—where clarity meets action, and plans become results.

Stay with us. This is where momentum begins.

Did you know you could be eligible as a business owner for funding up to \$5000 for our services? Inquire at businessadvice@theengine.biz to find out more.

The importance of signed terms and a robust debtor management process

Sector challenges: long payment cycles, disputed variations, and tightening economic conditions

The situation

A long-standing construction client approached us facing serious cash flow issues due to unpaid invoices across three significant projects. While they were strong operationally, their debtor management process was inconsistent, and they often began work without signed terms of engagement in place.

The challenge

Recovering outstanding debt is always challenging, but doing so without a signed agreement makes it even more complex. Our client had over \$300,000 owing across three debtors. Without clear terms outlining scope, payment schedules, and dispute resolution, the business was exposed to unnecessary risk.

Our approach

We were brought in to support recovery and establish a stronger debtor management process.

Our steps included:

- Document review and reconstruction
- We helped the client gather communications, quotes, and other documentation to support their claims, in the absence of signed terms.
- Legal escalation
- Two of the debtors were issued with statutory demands after extended delays. While this led to payment, it incurred legal costs and strained the relationships beyond repair.
- High-risk recovery effort
- The third debtor owed over \$130,000. With no signed agreement and a Project Management Company muddying the waters, the process of recovering this debt was uncertain.

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The outcome

- Recovered: **over \$300,000**
- Cost: **more than \$20,000 in professional fees and lost time and impacted our clients cashflow**
- Lesson: **the importance of prevention over cure**

While the result was ultimately positive in terms of cash recovered, the journey was stressful, drawn-out, and expensive — and could have been avoided.

Key takeaways

- Signed terms of engagement should be mandatory
- They create clarity, reduce the risk of disputes, and protect your right to be paid.
- A proactive debtor management process saves time and money
- Having systems in place to track, follow up, and escalate overdue accounts is essential.
- Relying on goodwill is not a strategy
- Without signed terms, you're vulnerable — and recovery is always more expensive and uncertain.
- In today's economy, cash flow is critical
- With many businesses under pressure, securing payments on time is fundamental to staying afloat.

Conclusion

This case highlights how essential it is to have both signed terms of engagement and a robust debtor management process in place. In today's economic climate, businesses cannot afford to leave payments to chance. Prevention is always better than cure — and in this case, a proactive approach would have saved our client time, money, and unnecessary stress.





Do you want a high-stress job or a business you love?

Running a business can be one of the most rewarding things you ever do—but it can also become a relentless source of stress if you're not regularly stepping back to assess what's working... and what isn't. As business owners, we often get caught up in the day-to-day. You're putting out fires, managing staff, trying to stay ahead of the numbers—and before you know it, you're so deep in the weeds that you can't see the bigger picture. That's where having an experienced, holistic business advisor can make all the difference.



The Value of an External Perspective

Even the best business minds have blindspots. It's not a matter of intelligence or intent—it's simply human nature. We get used to the way things are and don't always notice when something is no longer serving us. **An external advisor brings a fresh set of eyes, unencumbered by internal politics or bias.**

At The Engine, our Business Warrant of Fitness is designed to do exactly that: give business owners a 360° view of how their business is performing across the key pillars of success. From financial performance to operations, leadership, marketing, and compliance, it's an honest and thorough audit—because you deserve clarity, not confusion.

Is your business an asset or a liability?

Here's a sobering question: *is your business serving you, or are you serving your business?*

Far too many business owners have created what is essentially a high-stress job for themselves. They feel like the business can't run without them, the weight of every decision rests on their shoulders, and work is bleeding into every area of their life. That's not freedom—that's a trap. An experienced advisor helps you break free by identifying the systems, structures, and strategies that can turn your business into a true asset—something that works for you, builds value over time, and supports your life goals.

Why a holistic approach matters

A piecemeal approach to improvement is like plugging one leak in a sinking boat while ignoring the others. A holistic advisor looks at the business as an ecosystem—how your people, processes, finances, and mindset all interact. That's what makes our Business Warrant of Fitness so powerful: it's not a surface-level check, it's a deep dive with actionable recommendations. When business owners complete the Warrant of Fitness, they often tell us, "I wish I had done this years ago." Why? Because it not only uncovers risks and inefficiencies—it reignites their passion and gives them a clear roadmap for moving forward with confidence.

The bottom line

You started your business for a reason—freedom, passion, impact. Don't let it become the very thing that holds you back. Whether you're feeling stuck, stretched thin, or simply know there's more potential in your business that you haven't tapped yet, it's time for a fresh perspective. It's time for a Business Warrant of Fitness.

Let's help you create a business that feels less like a job... and more like the asset you always envisioned.

👉 **Learn more about the Business**

Warrant of Fitness here:

<https://theengine.biz/business-warrant-of-fitness-audit>

Case Study: Can you afford to lose your business?



Cyber attacks cost Kiwis an estimated \$1.6 billion in 2024



By Cameron Smith

Online Business Editor · NZ Herald · 14 May, 2025 05:03 AM · 3 mins to read

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As reported in the NZ Herald on 14 May 2025:-

- The National Cyber Security Centre estimates Kiwis lost \$1.6 billion to online threats in 2024.
- More than half of Kiwis experienced an online threat in the last six months of 2024.
- The average amount lost per attack was \$1260.

New Zealanders suffered \$1.6 billion in financial losses from online threats in 2024, according to research from the National Cyber Security Centre. The centre's (NCSC) annual survey found 54% of adult New Zealanders had experienced an online threat in the last six months of the year, with 830,000 suffering some financial loss. The average amount lost per attack was \$1260.

Full article [here](#).

The Engine as part of our Business Warrant of Fitness identified a lack of formal cybersecurity protocols, increasing vulnerability to phishing and ransomware attacks with a client. We recommended establishing a resilient cybersecurity framework to safeguard operations and client data

The Engine's Cybersecurity Intervention

1. Comprehensive Risk Assessment

We initiated a thorough evaluation of the client's existing systems, identifying critical vulnerabilities.

2. Implementation of a Layered Security Strategy

To address these vulnerabilities, we developed and executed a multi-faceted security plan

3. Establishment of a Cybersecurity Governance Framework

We assisted the client in developing a governance structure to maintain and evolve their cybersecurity posture.

Outcomes

Post-implementation, the client reported significant improvements:

- **Zero security breaches:** No incidents reported in the six months following the intervention
- **Enhanced employee vigilance:** Staff demonstrated increased awareness and responsiveness to potential threats
- **Improved client confidence:** Clients expressed greater trust in the company's commitment to data security

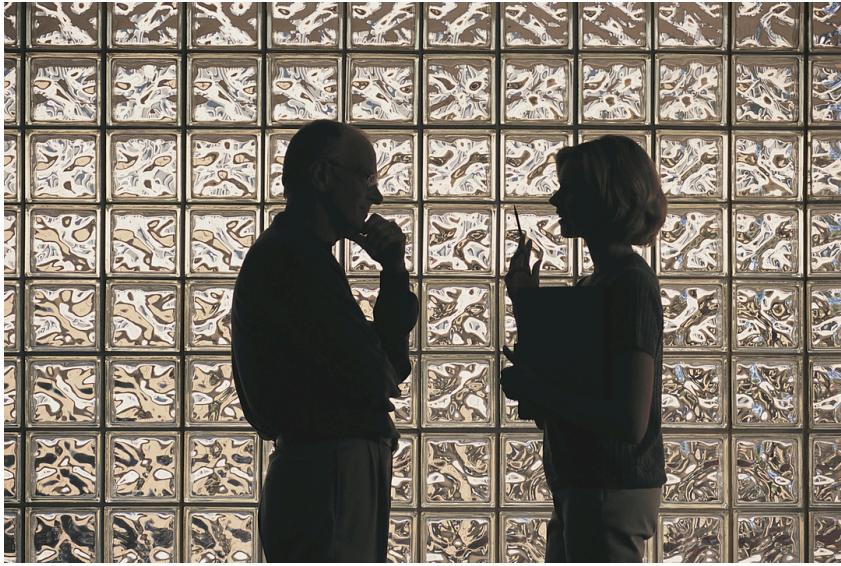
Conclusion

The Engine's structured approach to cybersecurity empowers SMEs to proactively defend against cyber threats. By addressing system vulnerabilities, educating personnel, and establishing robust governance, businesses can significantly reduce their risk exposure.

For SMEs seeking to enhance their cybersecurity posture, The Engine offers tailored solutions to navigate the complex digital landscape confidently.

Catherine Cooke

Courageous conversations - the key to avoiding legal disputes



Why we Avoid Them

It's human nature to avoid discomfort. Fear of conflict, rejection, or upsetting the other person can stop us from raising concerns. In the workplace, we might worry about damaging relationships, appearing harsh, or making things worse. But here's the reality: when difficult issues go unspoken, they don't go away—they fester.

The Cost of Silence

Here are just a few outcomes we see too often when courageous conversations don't happen:

- Misunderstandings become entrenched and harder to resolve.
- Staff performance issues go unaddressed, affecting team morale.
- Contract breaches slip by, weakening your legal position.
- Poor communication creates a culture of confusion and avoidance.
- Legal conflict arises, costing time, money, and energy to resolve.

In business, legal disputes often start long before lawyers are involved—usually with a conversation that didn't happen. Avoiding hard conversations might feel easier in the moment, but silence rarely solves anything. In fact, what we avoid addressing often grows into resentment, confusion, or costly conflict. The good news? Most issues and legal issues in business can be prevented by having the right conversation at the right time—courageously.

What are courageous conversations?

Courageous conversations are the ones that feel uncomfortable but necessary. They involve addressing misaligned expectations, breaches of contract, underperformance, workplace behaviour, or unclear responsibilities—before these issues escalate. They're not aggressive. They're not confrontational. They're about clarity, respect, and accountability. And when done well, they don't just resolve issues—they strengthen trust.

When to have a courageous conversation

You should consider initiating a courageous conversation when:

- An agreement or policy is being breached.
- Someone's behaviour or performance is impacting others.
- You notice misalignment between expectations and delivery.
- You sense tension but no one is talking about it.
- There's a chance to clarify something before it spirals.



The Engine Limited has navigated many HR issues and we ensure we mitigate the risk of the business, with a focus on avoiding conflict, and ideally an outcome that allows parties to move on with their lives. **Reach out to The Engine Limited for a confidential chat.**

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***Business advisory, consulting, education
& governance for growth-focused business owners***

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