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**Catherine Cooke
Founder &
Leading Business Advisor**

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businessadvice@theengine.biz



**Click picture above
to watch video**



Christine Rankin

Business Advisor - Leadership Expert



Peter Cooke

Business Advisor - CX Expert



Catherine Cooke (nee Sherwood)

Founder and Leading Business Advisor

Step into The Engine Think Tank

**Best intentions without accountability =
ZERO OUTPUT**

We kick off this newsletter discussing why strategy without structure is costing businesses more than they realise.

Across the last quarter of last year, business commentary in the NZ Herald, RNZ and Stuff has centred on slowing consumer demand, rising enforcement activity, tighter margins and increased company liquidations. We've seen reporting on internal fraud losses, brand writedowns, governance failures and leadership disputes.

The common thread is not lack of intelligence. It is lack of disciplined execution and some just want to give up, burnout and feeling alone as they try to do it all. The weight is heavy, the reality is real.



Most business owners we meet are not short of ideas. They are short of structured support & accountability.

Many intend to:

- Improve margins
- Replace underperforming staff
- Introduce governance
- Diversify revenue streams
- Tighten internal controls
- Prepare for succession

The Engine Business News

Leading Holistic Business Advisors & Specialists
Business Insights Quarter 1 - 02/26



But intention without accountability produces zero output.

the illusion of progress

Planning days feel productive.

- Strategy documents look impressive.
- Spreadsheets give comfort.

Yet when no one is holding the owner accountable or supporting between meetings, drift sets in.

We regularly see businesses where:

- The same issue has been discussed for 12-18 months
- Cashflow pressure has been "monitored" but not addressed
- Governance exists in title only
- Succession planning is "on the list"
- Risk registers are created but never reviewed

The owner is intelligent.

The owner is capable.

The owner is overwhelmed.

And alone.

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why lone swimmers struggle

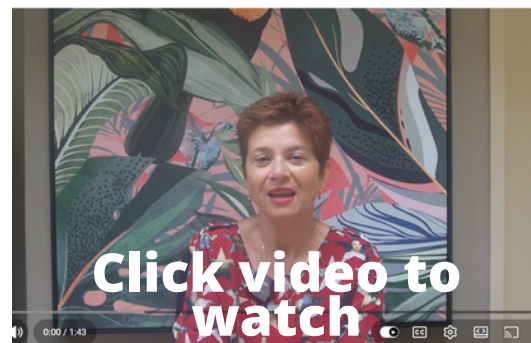
Running a business without structured external accountability and support creates blind spots.

You can't challenge your own assumptions objectively.

Your team cannot always challenge you.

Your accountant sees numbers, not behaviour.

This is where working 1-1 with The Engine changes outcomes.



👉 Contact us at businessadvice@theengine.biz

Think Tank Group Coaching* you may be eligible for
cofunded support

Let's replace intention with execution.



Internal fraud: the \$375,000 lesson in weak controls

The Engines reflections on the NZ Herald article:
Investigator reveals tactic that could have prevented Auckland company's \$375k fraud loss

As recently reported in the NZ Herald, an Auckland company suffered a \$375,000 internal fraud loss. The investigator noted that a relatively simple tactic - stronger separation of duties and independent oversight - could have prevented the loss.

The article highlights a familiar pattern. The fraud did not involve highly sophisticated external hacking. It involved internal access, authority concentration, and insufficient oversight.

In other words, it was preventable.
what the article tells us

There are several clear signals business owners should read carefully:

- Financial authority was concentrated in too few hands
- Verification processes were weak or absent
- Oversight mechanisms were either informal or reactive
- Directors were not sufficiently across operational controls

Internal fraud rarely begins with large sums. It begins with opportunity. When systems rely heavily on trust and habit rather than structure and verification, risk multiplies quietly.

Key governance signals for business owners

From a governance perspective, this article reinforces five critical disciplines:

1. Separation of duties – No one person should initiate, approve and reconcile transactions.
2. Independent review – Bank reconciliations and supplier changes require secondary oversight.
3. Board visibility – Directors must understand financial control processes, not just financial results.
4. Regular control testing – Systems should be stress-tested before failure exposes them.
5. Culture of verification – Accountability is not mistrust; it is responsible governance.

Many owner-led businesses grow revenue faster than they grow governance.

That gap becomes exposure.



Case Study: When growth outpaces structure

We recently engaged with a construction-related business experiencing rapid turnover growth. Revenue had doubled in three years.

However:

- One senior staff member controlled payment approvals
- Supplier onboarding lacked independent verification
- Monthly reconciliations were not independently reviewed

Engaging with The Engine for their Business Warrant of Fitness Audit identified the concentration risk immediately. Before any loss occurred, we recommended an action plan to implement:

- Dual authorisation payment thresholds
- Independent supplier verification protocols
- Monthly financial governance reporting
- Segregation between operations and finance

The owner's response was telling:

"I assumed because nothing had gone wrong, everything was fine."

Nothing had gone wrong **yet**. Engaging with The Engine early embeds governance discipline before crisis.

Through our Business Warrant of Fitness, we assess:

- Financial process robustness
- Role separation and authorisation structures
- Risk exposure within internal systems
- Governance maturity relative to business size

Our 1-1 coaching and governance advisory, ensures:

- Directors understand control frameworks
- Risk registers are active, not theoretical
- Accountability structures are implemented and reviewed

Fraud prevention is not reactive compliance. It is structured leadership.

👉 If you are unsure whether your internal systems would withstand scrutiny, undertake a Business Warrant of Fitness with us at The Engine.

👉 Structured advisory support may be eligible for co-funding of up to \$5,000.



Is it the cost of not understanding what you sign or the cost of not taking valuable advice? - Part 1 of 2

Contracts, tenders and the discipline of commercial clarity

Business owners regularly tell us:

"Legal reviews are expensive."

"We don't want to slow the deal down."

"It's standard wording."

"We've worked with them before."

We've heard this all before. Until something goes wrong.

The reality is simple.

- Contracts cost money to review.
- Misunderstood contracts can cost hundreds of thousands.

In a recent matter we supported, our client successfully tendered for a substantial project. The tender documentation was clear. It required one operational layer of service delivery. The pricing model, staffing allocation and product volumes were built accordingly.

They won the tender. However, when the formal contract was issued and signed, the scope had shifted.

The contract required two operational layers.

- It doubled service costs.
- It tripled product requirements.

The documentation package included multiple appendices, cross-referenced schedules and amended scope documents. The tender and the contract were not aligned.

The project commenced.

Halfway through, an internal audit identified margin erosion. The Project Manager had been delivering strictly to the signed contract. The Financial Controller and I went back to the original tender documentation.

The discrepancy became clear.

There were several commercial lessons in this situation:

- The tender and final contract were not reconciled line by line
- Multiple documents created ambiguity
 - Scope changes were embedded within technical appendices
 - Relationship strength between parties was insufficient to resolve quickly
 - Legal review was not undertaken prior to signing

When our client raised the issue, the response was firm: **"You signed the contract." "If you don't complete the work, other contractors will be engaged." "You will absorb any further losses."**

The tendering client stated they could not seek additional funding from their end client. From a strict contractual perspective, the position was understandable.

From a commercial relationship perspective, it was fragile.



Now let's talk about owning responsibility while protecting viability - Part 2 of 2

Importantly, our client owned their role in the error. They acknowledged that failure to reconcile tender and contract created exposure. There was no attempt to deny accountability.

However, they were equally convicted to address the misalignment between:

- The original tender scope
- The contract amendments
- The commercial intent
- The operational reality

Both parties could have entrenched positions.

That path would likely have resulted in:

- Protracted legal correspondence
- Significant legal fees
- Project delay
- Relationship breakdown
- Reputational damage

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Instead, both parties agreed to structured facilitation. As an independent facilitator, my role was not to apportion blame. It was to:

- Clarify documented intent
- Separate legal rights from commercial sustainability
- Rebuild respectful dialogue
- Assess financial impact transparently
- Create a solution that preserved future relationship

The outcome required compromise. Both parties relinquished profit. Neither party "won." Both parties protected their reputation. The relationship was reset on clearer foundations. Most importantly, a commercially fair outcome was reached without court proceedings.

what business owners should take from this

1. Never assume the contract reflects the tender. Reconcile line by line.
2. Be cautious where multiple schedules and appendices modify scope.
3. Understand that project managers will follow the signed contract, not the tender memory.
4. Relationship strength matters when anomalies surface.
5. Spending money upfront on contract review is cheaper than absorbing six-figure losses.

Contracts are not administrative formalities. They are commercial risk documents that are legally binding and should be reviewed by those who understand contract law.

Final reflection

Legal review costs money. Commercial ignorance costs more. In this case, a structured intervention preserved a relationship and reduced losses. But it could just as easily have resulted in years of litigation and six-figure legal bills.

If you can't afford to lose reputation or money, a legal review cost is small change. Reach out to The Engine - businessadvice@theengine.biz for robust business support.



Growth, governance and strategic leverage

Reflections on the NZ Herald article: [Crimson Education names Sir John Key as chairman, hints at IPO and acquisitions.](#)

The NZ Herald recently reported that Crimson Education appointed Sir John Key as Chairman, alongside signalling possible IPO ambitions and further acquisitions. Regardless of one’s political view, the commercial signal is clear.

Crimson is positioning for scale. The appointment of a high-profile Chair is not symbolic. It signals governance maturity, investor readiness, and strategic ambition.

What this tells us

Businesses preparing for capital events or accelerated growth recognise that:

- Governance credibility matters
- Experienced leadership attracts capital
- Independent oversight strengthens investor confidence
- Strategic growth requires structured execution

Crimson did not wait until IPO day to think about governance.

They are building the structure before the scale. key strategic signals for business owners

From our perspective, the article highlights three important lessons:

1. Growth requires experienced oversight – Ambition without governance discipline increases risk.
2. Strategic connections accelerate credibility – Leveraging experienced leadership builds market confidence.
3. Execution must match aspiration – Acquisition and IPO language must be backed by operational capability.

Too many businesses talk about “scale” without strengthening foundations.

Growth magnifies weaknesses as quickly as it magnifies strengths.

Case study: Leveraging experience for sustainable growth

We worked with a technology services business with strong revenue but limited governance structure. The founder was ambitious and considering acquisition.

Before any transaction occurred, we implemented:

- Formal board structure with independent oversight
- Three-year strategic plan with measurable milestones
- Capital readiness review
- Succession depth mapping
- Acquisition risk assessment framework

Within 18 months:

- EBITDA improved through structured execution
- External investors expressed interest
- Governance confidence increased valuation positioning

The founder later reflected:

“I thought growth was about revenue. It turned out to be about structure.”

How working with The Engine accelerates sustainable growth

Inside our 1-1 advisory or Think Tank Group Coaching programmes, growth conversations are disciplined.

We focus on:

- Strategy clarity
- Accountability to milestones
- Governance frameworks appropriate to ambition
- Succession depth
- Risk exposure before expansion

In particular our 6 month Succession Planning or 12 month Think Tank group coaching environments challenge owners to move from aspiration to structured execution.

Growth without accountability is noise.

Growth with governance is scalable.

👉 If your ambition includes expansion, acquisition or eventual exit, begin with structured advisory.

👉 Co-funded support of up to \$5,000 may be available for eligible businesses.

👉 Visit www.theengine.biz or contact businessadvice@theengine.biz to get the conversation started.

Advocacy - Our Director at The Engine continues to push boundaries



As reported by Radio NZ on 2 January 2026.

Nominated a hero by the NZ Herald last year, we opened the news on the 2nd day of the year to a headline ***'I want to sit down with her': Cancer patient demands meeting with Nicola Willis*** by Radio NZ and article on our Director of The Engine Catherine Cooke.

An Auckland woman who is self-funding treatment for her rare, aggressive breast cancer is fed up after years of asking the government to fund a "life-saving" medicine for more patients. Catherine Cooke, 54, was diagnosed with triple negative breast cancer (TNBC) in November 2024 after her yearly mammogram. Cooke sold her business to pay for Keytruda (also known as pembrolizumab), the only targeted treatment to fight TNBC, given to patients alongside chemotherapy.

Around 10 to 15 percent of breast cancer diagnoses are triple negative, and it is the most challenging type of breast cancer to treat - particularly at the advanced stages, according to Breast Cancer NZ.

But despite Keytruda being recommended by Medsafe for both early and advanced stage of TNBC over two years ago, it had only been funded for advanced patients - not for patients like Cooke with early-stage TNBC.

All up, Cooke said she expected to pay about \$100,000 for Keytruda, with one cycle every three weeks costing her \$3000. Read more [here](#).

When courage means showing up — unvarnished and unapologetic

Diagnosed in November 2024 with rare and aggressive triple-negative breast cancer, sold one of her & her husband's business — at a significant loss — to pay out of pocket for life-saving treatment. She has petitioned Parliament, collected more than 17,000 signatures and now demands a face-to-face meeting with the Finance Minister, arguing that early intervention not only saves lives but can save money in the long run.

She is asking, woman-to-woman, for genuine engagement, clarity and accountability.

This is not about politics. This is about turning up.

What this story really says

On its surface, it's about one person's fight for access to funded cancer treatment. But this advocacy is not Catherine's fight - she and her family have already paid a high price. This is a story about:

- Courage in the face of personal adversity
- Turning up even when it hurts
- Advocating for others, not just yourself
- Holding systems and leaders to account
- Demanding clarity instead of ambiguity

It reflects a profound truth in both life and business: the moments that define us are rarely comfortable.

Catherine did not retreat. She did not outsource her courage. She sold her business, offered her financial security on the line, and stood up, not just for herself, but for others in similar positions.

What it means for business leaders

There is a powerful parallel here for business owners and leaders: Turning up matters. Commitment matters. Accountability matters. Transparency matters. Actual hard conversations matter.

In business we often talk about resilience, strategy and execution. But true commercial resilience goes beyond KPI dashboards, growth forecasts and marketing campaigns. It shows itself in the hard moments:

- The conversations you avoid because they feel uncomfortable
- The decisions you delay because they feel risky
- The meetings you don't book because you fear pushback
- The strategic realities you dress up as intentions

Woman like Catherine are leaders who show up especially when it is hard and are the ones who make progress.

They don't hide behind words.

They engage in real dialogue.

They demand clarity instead of comfort.

And they understand that accountability, to themselves and to others drives execution.

my own experience

If you read broadly about survivors and warriors — from frontline responders to cancer patients to community leaders — the common theme is not luck. It is presence under pressure. They show up, not because it is easy, but because it is necessary.

✉ **Connect with Catherine here on LinkedIn to see her posts on Advocacy or reach out to her for a chat catherinec@theengine.biz**

DON'T DRIFT INTO 2026. LEAD INTO IT.

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DON'T DRIFT INTO 2026. LEAD INTO IT.

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WHEN THE STACK OF CARDS FALLS LIKE DOMINOS

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Don't Drift into 2026. Lead into It.

Dec 18, 2025 | Newsletter

2025 Year-End Wrap: Better Thinking, Better Businesses A Message to Our Business Owner Community As we close out the year, we want to pause and acknowledge something we don't often make time for in business - reflection. 2025 has been a year of challenge,...

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Strengthen. Scale. Succeed.

Oct 20, 2025 | Newsletter

Ready to spark a series of lightbulb moments to propel you forward? Doing business year after year can be lonely and you only know what you know. Up your game by investing in your personal development and building sustainable business growth. Join us on a journey with...

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When the stack of cards falls like dominoes

Oct 10, 2025 | Newsletter

When the stack of cards falls like dominoes Every business owner knows the feeling of the long hours, the endless juggling, the constant drive to keep everything upright. You're so deep in the trenches that you barely notice the cracks forming until the stack of...

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CHANGE STARTS WITH YOU

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Change Starts with You

Sep 22, 2025 | Newsletter

Change starts with YOU: Why business owners must commit to True Transformation Every business owner we meet has, at some point, said the words "I want things to change." Maybe it's about growing sales, building a stronger team, creating more balance, or adapting to...

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STRONG FINISH TO 2026. STRONGER START TO 2027.

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Strong finish to 2026. Stronger start to 2027.

Aug 18, 2025 | Newsletter

Strong finish to 2026. Stronger start to 2027. Navigating the critical months ahead - to not take action will leave your business on the hamster wheel Last month's newsletter sparked plenty of conversations, calls and action around The Engine's Business Warrant of...

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Jul 18, 2025 | Newsletter

Is your business really fit for the road ahead? Would you pass a business warrant of fitness? With many companies falling over and equally many more barely with a pulse, having a business warrant of fitness completed by The Engine Limited could not be more relevant...

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WHAT'S MY ENDGAME? THE ONE QUESTION BUSINESS OWNERS OFTEN FORGET TO ASK WHEN STARTING OUT

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What's my endgame? The one question business owners often forget to ask when starting out

Jun 18, 2025 | Newsletter

What's my endgame? The one question business owners often forget to ask when starting out When you start a business, it's usually about the idea, the opportunity, or simply the urgency of needing to make a living. You jump in, energised by possibility, fuelled by...

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STRUCTURE. CLARITY. A SOLID PLAN... AND SOMEONE TO HOLD YOU TO IT.

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

May 14, 2025 | Newsletter

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...

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TURNING MOTION INTO MOMENTUM

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This Was Meant to Reach You: Turning Motion into Momentum

Jan 16, 2025 | Newsletter

This Was Meant to Reach You: Turning Motion into Momentum The Mountain is You: Plan, Pivot, and Prosper in 2025 Are you busy in the trenches, or are you moving your business forward? There's a difference, and it's one I see too often in businesses stuck in a cycle of...

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