



**FEDERATION OF
MAORI AUTHORITIES (INC.)**

Me Uru Kahikatea

[Member Name]

[Address]

10 September 2005

Tena koe

On behalf of the Executive Team, we are pleased to inform our members of a new and exciting venture planned for 2006. As a result of the many requests made by you, the venture is a launch of a new company, **FOMANA Capital**.

FOMANA Capital will be a company specifically designed to provide commercial services, financial products, capital management and business systems, including governance and management.

Rationale

The FoMA constitution¹ enables your Executive Team to conduct such a venture however we understand that it is important to record the rationale and strategic approach, which are the key drivers. Over the past year your Executive Team has undertaken a detailed review and in particular looked at:

- Risk management and current capacity;
- Current business model;
- Strengths, weaknesses, threats and opportunities;
- Changing business environment;
- Sustainability and revenue; and
- Strategic planning.

As part of the review the Executive Team wanted to ensure that the FoMA kaupapa: **Me Uru Kahikatea** was enhanced in any strategy.

Review Findings

The review found the following market gaps:

- A need for tailored commercial services that can affect and support major Maori economic advancement;
- A need for FoMA to occupy a commercial and market position or watch others occupy it; and
- A need for FoMA to focus on network and membership services and to collaborate with other Maori professionals to deliver top quality commercial and merchant services.

Strategy

From the findings of the review the Executive Team then developed a five-year strategic plan, which concentrates on implementing a fully competitive merchant and capital company by 2011. When **FOMANA Capital**, commences in 2006, it will design, acquire and roll out services and products over five-years to become a fully competitive merchant and capital company.

FOMANA Capital will bring a professional team together that can combine business and commercial innovation with Maori aspiration. In developing this strategy, the Executive Team wishes to outline four potential benefits to FoMA members.

1. **The major shareholder of FOMANA Capital** will be FoMA;
2. FoMA will make shareholdings available to FoMA members;

¹ Refer Federation of Maori Authorities Constitution section, 3 OBJECTS, item (n).



**FEDERATION OF
MAORI AUTHORITIES (INC.)**

Me Uru Kahikatea

3. FoMA members who have specific competencies and/or have undertaken specific business ventures may arrange to market those competencies and ventures to the network and other potential clients through **FOMANA Capital**;
4. **FOMANA Capital** services will be specifically designed to meet the commercial growth and development needs of collective Maori organisations.

Process Forward

The focus is now on implementation. The Executive Team has developed a two-phase implementation plan and phase-one requires us to ascertain the types of services **FOMANA Capital** should provide.

A questionnaire has been developed and provided to you to ascertain these service needs. This information will be treated confidentially, with regards to your organisation's preferences. The collective results (all respondents) will be analysed to assist the launch.

Questionnaire

The questionnaire seeks information on the following service types:

- Governance and Management Services;
- Communication and Information Services;
- Business Venturing and Negotiation Services; and
- Investment Capital and Brokerage Services.

Please complete the questionnaire and return to the FoMA office by **30 September 2005**. The questionnaire takes approximately 15 minutes to complete. We will arrange a follow-up call to ensure members are reminded to complete the questionnaire.

Launch and Structure

Phase-two is the establishment and formalisation of **FOMANA Capital**. The Executive Team anticipates **FOMANA Capital** will be launched in early/mid 2006. A presentation on the proposal will be provided following the AGM, this will outline the possible legal structure, shareholding agreement, business model, services and products, marketing and details on the actual launch.

The Executive Team will provide FoMA members with an opportunity to provide feedback on the proposal and presentation. Members are asked to provide any feedback to FoMA by **21 November 2005**.

Following your feedback the Executive Team will commence the process of developing the company constitution, shareholder agreement, shares and arranging services to be provided, commence finalising the launch and engaging a competent team to deliver the business results required.

Summary

These are exciting times and it is important that FoMA moves to a position where its members and Maori in general, capitalise on having greater organisational capability. FoMA can ill afford to stand on its history, whilst the past 20-years have been worthy, and there have been many high points, it is fundamentally important to plan for the next 20-years. This starts in 2006 with **FOMANA Capital**.

Your Executive Team has undertaken detailed work over the past 12-months and identified:

- A 'gap' in the market, the need for tailored commercial services that can affect and support major Maori economic advancement;
- A need for FoMA to occupy a commercial and market position or watch others occupy it; and
- A need for FoMA to focus on network and membership services and to collaborate with other Maori professionals to deliver top quality commercial and merchant services.



**FEDERATION OF
MAORI AUTHORITIES (INC.)**

Me Uru Kahikatea

Each member of FoMA is asked to participate; we personally look forward to talking with you and presenting more exciting details of **FOMANA Capital** following the AGM. Finally, on behalf of the full Executive Team we look forward to seeing you at the AGM, it will be exciting.

Incentive: all questionnaires returned to FoMA by 30 September 2005 will go into a surprise draw to be announced at the AGM!

Yours sincerely

Paul Morgan
Executive Member

Wayne Mulligan
Executive Member

Temuera Hall
Executive Member