

Taking a big bite of the (sustainable) export pie

Two Bay of Plenty exporters have applied sustainable business programmes to help drive export growth.

BY RACHEL BROWN

According to Statistics New Zealand, the food processing export market was worth \$2,291.1 million for the year to June 2011, up four percent over the previous year. In this sizeable marketplace, two Bay of Plenty businesses are not only realising significant success, they're also proving that sustainability and lean production can go a long way.

Established in 1973, Sustainable Business Network (SBN) member, Taura Natural Ingredients, is a leading global manufacturer and supplier of functional, concentrated fruit ingredients for prominent brand marketers and product manufacturers.

Utilising Ultra Rapid Concentration (URC) technology, the company manufactures a range of pieces, flakes and pastes for nutritional snacks, baked goods, cereals, chocolate and confectionery under the URC brand.

Taura was a finalist for the 2011 Sharp Tudhope Exporter of the Year Award, having first won the Award in 1992. The business operates a factory in Mount Maunganui, as well as a second one in Belgium (commissioned in 1997) which has supported rapid sales growth throughout Europe and the UK.

Asia and other developing markets are the current major focus for Taura, alongside its North American market expansion. More than 65 percent of sales from here are to export markets

and many of its local sales are to companies that manufacture export-destined products.

Between 2006 and 2011, Taura implemented numerous sustainable programmes which have had a positive impact on the environment and the bottom line. Initiatives such as increasing production throughputs, reducing product changeovers and cleaning downtime (thereby reducing the amount of energy used during non-production) have contributed to electricity savings of 250,000kWh per year and savings of approximately \$38,000.

Implementation of a recycling programme, along with a gradual changeover to raw materials with recyclable packaging, has seen a reduction in general waste of 500 cubic metres per year and savings of approximately \$17,000. The installation

of a new processing pump that doesn't require water for seal operation, and reduced cleaning and water flushes through efficient scheduling, has meant a reduction of three million litres of water per year and savings of approximately \$4,000.

Lastly, trade waste has also been reduced equalling savings of approximately \$15,000.

All of these measures have helped place Taura in a position to compete in an overseas market that's increasingly making demands where sustainability credentials are concerned.

The little patisserie that grew

Florentines Patisserie is a privately-owned company that manufactures and sells a broad range of premium frozen cakes and desserts for Australasia's food, service and retail markets. The business was established as a small



wholesale patisserie in Tauranga 17 years ago supplying the local market and has grown by more than 900 percent over that time.

The business began exporting to Australia in 2007, winning the NZTE Emerging Exporter Award in the same year. Florentines was also the recipient of the 2011 Productivity Award at the recent Bay of Plenty Sustainable Business Network Awards.

Florentines' management recognised early on that it was important for the company to consolidate its position after three years of aggressive sales growth. In February 2010, lean manufacturing was introduced into the business to cope with system issues faced by having a larger range and bigger production facility. 'Lean' is a production practice that considers the expenditure of resources for any goal other than the creation of value for the end customer to be wasteful, and thus a target for elimination. Florentines Patisserie has implemented change across the entire company and this has no doubt helped the business where exporting is concerned, with the clear

focus and strategic thinking assisting during the transitional period from domestic-only sales to supplying export markets.

Patience and knowledge

Exporting is not without its challenges and successful exporters are those that find ways of rising above the hurdles. It seems that having a great deal of patience is the key.

On that subject Peter Tinholt, general manager - Asia Pacific of Taura Natural Ingredients, has this to say: "In our business, generally speaking, our products form a component or ingredient in another manufacturer's product. Therefore the conversion of an idea into a finished product that ends up on the supermarket shelf can take a long time.

"As such, it's essential that we don't expect some of the results to come quickly - they take time and we need to view developing export markets as a long term investment."

Greg Knight, managing director of Florentines, describes the difference between the New Zealand

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and Australian markets as "almost completely different in terms of everything, bar the fact that both countries speak English!"

Knight quickly realised that the market demanded different-sized products, distribution methods, costing models, and sales techniques. Talk about a steep learning curve. Bureaucracy also meant simple tasks like opening an Australian bank account took much longer than expected. So what words of wisdom do

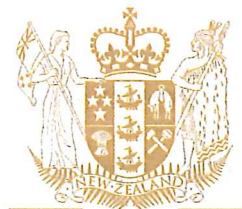
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with storage/freezer facilities in each of the five states. They're now being taken seriously in the market and are trusted that they can manage big accounts.

When asked what the important milestones have been, Tinholt found it hard to highlight one above another. "It's hard to identify specific milestones as we're on such an exciting journey and we've had so many. Every time we see a new product that we've help develop appear on the supermarket shelves, we feel we've achieved a significant target."

With a goal of doubling sales revenues by 2015, it's clear that Taura is expecting to witness quite a few more highlights over the next few years.

Sustainability adds value

Adopting sustainability is critical to today's businesses and while it doesn't eliminate the usual challenges associated with exporting, it certainly adds value in an increasingly aware global marketplace. I believe that the environmental and social issues facing us are only going to worsen in the near future so it's logical that we should expect a greater demand for sustainability credentials.

If exporting is part of your ongoing business plan, it'd be wise to start thinking strategically how you'll meet these future needs.

*Rachel Brown is CEO of the Sustainable Business Network.
www.sustainable.org.nz*



Donna and Greg Knight

these businesses have for would-be exporters?

Tinholt believes that knowing your markets is crucial.

"Each market is different. Many people talk about Asia, for example, as one market. However, each Asian country is distinct with its own cultural identity, language, consumer behaviour, trading environment and tariff regimes.

"Each country needs to be carefully selected with its own market development plan and strategy. And the importance of building relationships can't be underestimated."

Drawing on his knowledge and experience, Knight thinks ensuring the business has enough capital available is fundamental.

"Exporting costs a huge amount of money that can be unexpected if you haven't done your research properly. The support needed to build a brand can be expensive. And the 'fly-sell' method isn't reality. You can't fly to Australia, sell the product to a distributor, and then fly home and expect products to continue selling themselves - it's just not going to work."

Milestones

Florentines originally employed five local people to grow the brand - they're now part of an arrangement whereby they have access to 18 reps throughout the country.

As of October 2011, the business has gone nationwide throughout Australia