

Case study: New Zealand Natural Juice

NZECO solution: Mitigate Repayment Risk

NZECO product: Short-Term Trade Credit Insurance

Sector: Food and Beverage

A small business in growth mode secures sales with leading Taiwanese retailer

When a giant Taiwanese supermarket chain placed a highly-prized order with New Zealand Natural Juice, operations manager Sally Symes knew she couldn't wear the buyer's payment terms without support.

Symes is a part-owner in the Napier-based business which launched in 2011 to sell high-end, New Zealand-made, nothing-but-fruit juice through the brands Wild Bunch and Orchard Gate. Since launching, the company's exports had been very modest: pallets of juice filling small orders in Tahiti, China and Hong Kong.



Now here was Wellcome Taiwan Group, owner of the swanky Jasons Market Place supermarkets, wanting a container of juice. Through her experience in wine export, Symes knew a Taiwanese retail giant like Wellcome Taiwan Group wasn't going to entertain New Zealand Natural Juice (NZNJ)'s usual 'payment up-front' terms.

The deal was worth less than \$50,000, but a loss of that size would have put undue stress on a young business in growth mode. However, walking away from a potentially lucrative partnership, with a prestigious name like Jasons, was not an option. Symes needed to secure trade credit insurance.

She went to the private sector, but after evaluating the risk and determined to find a solution for his client, her local Hawke's Bay broker, Dean Sewell of Hurford Parker suggested the New Zealand Export Credit Office (NZECO). Symes had used the NZECO's services in a previous role in the wine industry.

"And I was delighted to hear the Export Credit Office was still there, offering the same great service for us small guys starting out."

NZECO's Tina Leung says "our office was comfortable to support NZNJ's export based on the financial information that the buyer, Wellcome Taiwan Group provided for our assessment". NZECO covered 70 percent of NZNJ's risk so the juice-maker went for it and the first container is now on its way to Taiwan.

During the process to secure insurance, NZECO's Thomas Sheng, who is fluent in Mandarin, was brought in to help communicate with Symes' buyer. This immediately lifted the pace of communication from days between emails to instantaneous discussions where all parties were

clear. During one of Thomas' conversations with the buyer, he was able to satisfy Symes' curiosity about how Wellcome Taiwan Group had found out about NZNJ.

It turned out that NZTE's Hawke's Bay Customer Manager Katrina Buscke had contacted her NZTE colleagues based in the New Zealand Commerce and Industry office in Taipei, who promote New Zealand's trade interests and supports New Zealand exporters in Taiwan, to share the details of a customer interested in exporting fruit juice in significant quantities to Asia. The NZTE Office mentioned the natural fruit juice manufacturer to Wellcome Taiwan Group who contacted Ms Symes directly.

"Here we have our local NZTE Customer Manager, and Tina and Thomas from NZECO, working together to help a small New Zealand company make a big step forward," Symes says. "We know we have a great product but there are lots of great products out there. Small businesses need all the help we can get to grow and prosper and thanks to these NZ Inc organisations, we now have an order which I hope will grow into an ongoing part of our future."

If the Taiwan buyer is impressed with NZNJ's first "test" container, it will be followed by another two containers, covered by the same NZECO trade credit terms.

"This is our first container so it's very exciting for us, and it's a step we're ready to take," Symes says. "It's been wonderful to have the Government support to grow to this milestone – it gives us confidence to go out there and seek more markets."

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