

Helping Genie II launch internationally

The Challenge: Finding additional finance to produce and internationally launch a product upgrade - Genie II (a camera motion-control device).

The Solution: The Treasury's New Zealand Export Credit (NZEC) provided its [Loan Guarantee](#) to BNZ to secure 50% of the required funding.

The Benefit: Syrp was able to fund its manufacturing and delivery cost to meet the demand of Genie II, which resulted in strong sales and a swiftly repaid loan.



It all started from a conversation between two university friends in a bar one night. Ben Ryan, a film-maker, and Chris Thomson, an industrial designer, saw a market for quality accessories to accompany an explosion of film-maker interest in DSLR (digital single-lens reflex) cameras. The industry was hungry for great motion-control devices and camera sliders.

The pair kept their day jobs and over six years worked tirelessly, throwing all their spare cash and time in to their new venture. They called it Syrp.

In 2012, Syrp entered the market with a simple and portable motion-control device for DSLRs, named the Genie. The successful release was partly funded via the crowd-funder Kickstarter.

But the pair didn't stop there; they were already onto their next move. They funnelled all the profit from the sales to develop the game-changing Genie II and a sophisticated software platform to support it.

"The Genie II was a huge step up," Ben says. "But R&D is a costly exercise and it always takes longer than you plan for, particularly hi tech products that have a mix of software and hardware". Syrp needed another \$1 million to get the product made and shipped to their offshore retailers.

"Frankly speaking, we needed capital," Ben says. "But we really wanted to retain control of the company and push through the final stage ourselves. We know there is serious potential for our product and were confident we'd have all the debt paid off within a few months."

So they approached their bank – Bank of New Zealand (BNZ) - for support.

"Where Syrp was going was really clear. They were people we wanted to back and they had formulated a plan we could trust," explains BNZ Business Partner, Adin Long.

“But there were some challenges with this lending proposal, particularly with the business stock and debtors based overseas. As part of finding a solution for Syrp, we approached the Treasury’s New Zealand Export Credit team.”

The solution was NZEC’s Loan Guarantee, which provided security to BNZ for 50% of the additional \$1 million loan that Syrp was seeking.

NZEC worked very closely with BNZ and Syrp to understand their market, business performance and financials, in order to be comfortable with Syrp’s ability to produce and launch their new product, and repay their loan.

“There were some challenges in assessing this transaction, especially when you don’t know how this new product will be received by consumers,” says NZEC Business Originator, Thomas Sheng. “What got us across line were the track record delivered by Syrp for the previous Genie version, but more importantly, the faith BNZ had in Syrp. The fact BNZ was willing to share the risk with us on a 50/50 basis demonstrated their confidence in the company.”

“In addition, Syrp’s management and accountant (Barr Burgess & Stewart Limited) provided us with high-quality financial reporting and forecasts, which helped us to understand the business risks and plans for this product launch and loan repayment”.

Pre-sales began in July 2018 and Genie II was such a success that, by the end of the year, Syrp had fully repaid the loan, 7 months in advance.

In January this year, Syrp was acquired by the Vitec Group, whose sales and distribution network is expected to take the company in to exciting new territory.

“We are super grateful that the NZEC made it work. For the next couple of years, the focus is on turning Syrp into what it should be,” Ben says.

<https://syrp.co/>

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