

Growth Culture

Why is Ashley Berrysmith New
Zealand's Ernst & Young
Entrepreneur of the Year?

Because:

EXECUTIVE SUMMARY

When, as a youth, you develop a passion that sees you create a highly successful business based on the premise of making people, and the planet, healthier and more vibrant, you can count yourself as being both a blessing and blessed.

Long before there was talk of carbon footprints, Inconvenient Truths, trans-fats or fast-food upsizing, Ashley Berrysmith quietly and confidently set out to make a difference. He started with himself—by becoming, at the age of 12, a vegetarian in a society where the roast meat and two vegetable dinner was a national institution. He then began campaigning outside his home sharing his thoughts on packaging waste and other issues he saw that were ruining the planet.

Like many of his ilk in those times, he could have eschewed any sense of enterprise building and remained in quiet isolation growing his vegetables and tinkering with ideas. Instead, his motivation was such that he wanted to be taken seriously—leading from the front and by example. To achieve this he had to create something of sustainable size and scale where his ideas and innovations could be turned into action and human benefit.

Along the way he had to change attitudes, fight disappointments, get a haircut, put on a tie, regroup after a series of setbacks—but he never lost his passion or his way.

Are Entrepreneurs born or taught the skills? I firmly believe that either you are born on the saddle or not. I have been driven and motivated with social responsibilities as a high priority ever since I could walk on two legs. One of the words which I struck from the dictionary years ago was “bored”.

Starting with alfalfa and mung beans, he has parlayed his passion into a series of businesses that produce over 50.2 million servings of fresh greens and other vegetable

products each year. Over the last 3 years employees have grown from 50 to 120. His main focus of activity at present is New Zealand, but he exports products and intellectual property to a range of Asian and Pacific countries. He also has plans in the pipeline for ventures in the United States and the United Kingdom.

In order to protect the integrity of his entrepreneurial spirit—but also safe guard his business—he has gone through a total organizational revamp in order to identify the people, systems, procedures and processes that will keep this culture of growth alive.

Like his every increasing product range, ideas and innovations continue to sprout. The use of global best practice in model and controlled farming—combined with high technology, and automation, in processing and packaging—help to ensure total freshness and nutritional content in all his offerings.

True to his commitment to holistic health, he is currently developing a range of skin care and cosmetic products based on totally natural products. He is also at the forefront of perfecting a whole new concept in fresh produce growth—namely vertical farming.

Using the acronym NASA—New Age Salad Automation—that acknowledges the source of the technology from space research, this system could see the development of ultimate growing environments where space, climate and pollution are totally inconsequential.

Clearly this is a growth culture that is full steam ahead in realizing its full potential—one that will clearly make a difference to people's health and happiness around the world.

1. ENTREPREURIAL SPIRIT

He turned a passion born in youth into a lifetime's work and, literally, a business that keeps on growing. It is based on a simple, coherent and compelling proposition.

Long before carbon footprints, Inconvenient Truths, trans-fats, burger upsizing or global warming, Ashley Berrysmith passionately believed human beings could be doing so much better. Both for them and in the way they treat their home, namely Earth.

He has achieved everything through quiet self belief and leading by example. At a key moment of personal development, instead of retreating into his shell as others might have, he embraced the fact he saw the world very differently to others and went about enacting change.

The companies that exist today began when, at the age of 12, he became a vegetarian. In 1960s New Zealand, where the diet de rigueur was meat and two cooked 'veggies' and where standing out from the crowd could be harmful to ones health, this was clearly a radical step. Done initially out of compassion for animals, the more Ashley Berrysmith delved into the subject of 'we are what we eat', the more convinced he became that having more raw greens in our diet was essential.

He backed up his message of sustainability by taking a stand, much to his mother's chagrin, at the local supermarket where he regularly unpacked grocery items to show how much waste there was in packaging.

This could, of course, have been story about a well intentioned, slightly eccentric lad, with a partiality for rabbit food, who could well have disappeared onto a commune and that would be that.

Instead Ashley Berrysmith's over-riding ambition was to be taken seriously. He knew that to achieve a scale and momentum that could be life changing for others he

would need to start a bona fide business. Starting from scratch and a few sprouts, he has developed an enterprise that has made him a global pioneer in the Fresh Cuts product industry.

My strengths are in idea creation and following through relentlessly—all the while knocking over obstacles that might get in the way. I do feel that I have the ability to crystal ball gaze - type of futurist I suppose. Sometimes the visualization is so clear it is bit uncanny. Any past failures have not related to the idea itself but to the timing. Great idea, wrong time.

The growth path to becoming the country's dominant provider of fresh greens in a miniature format has not been without some

sobering moments. In 1990, trading then as Sun Sprout Limited, the company established its Sprout Man brand as a mainstream supermarket product.

Part of the success was by offering the product in its freshest state. This was achieved by installing—at his expense—refrigerated cabinets in partner supermarkets throughout New Zealand. To build on this momentum, Ashley Berrysmith looked at overseas fresh produce trends and identified the achievements of baby leaf growing systems that had been launched in the United Kingdom. In 1994 he launched his own version but great expectations wilted as local tastes were not ready to make the transition from iceberg lettuce varieties to their more miniature specimens. The project was canned in 1996 and a year later Sun Sprout was sold. Under a restraint of trade, he was banned from growing anything green for three years.

Undaunted, he was soon back with a vengeance. Launching Fraisbon Foods, he set his sights on creating the perfect baby peeled carrot which he then marketed under the Farmer Bill's brand. Three years later he tried again with his tiny green salad venture—this time it turned into a particularly rich harvest. In 2004 seeing his original brand spoiling under the new management he bought back his baby—Sun Sprout Limited. From there a whole raft of new brands and product offerings grew.

He had the determination and 'never take no for an answer' unfailing belief that doing something for the good of people, and the world, could be the foundation for an excellent business venture.

2. STRATEGIC DIRECTION

As a vegetarian the thing he craved most was variety—he solved the problem by gaining a university degree in horticulture and creating a range of healthy, fresh convenient produce items that one would never tire of. At the same time, he developed a whole series of recipes for him to enjoy, and for others to enthuse over and buy his products.

He started his empire with the lowly sprout—as it had the advantages of not requiring a farm, not having to be concerned about the weather and growing the fastest crop in the world.

He, in fact, fast tracked the process by inventing and patenting a series of automated, light and environment controlled, growing drums that could be used for all types of sprouts.

Today, the group has a number of brands and salad and vegetable based product divisions—namely Farmer Bill's, Fraisbon, Krispkut, SproutMan, Salad Shakes, Sun Sprout, NASA and New Hemisphere Limited.

Showing the way has taken not just patience, but also resolve. In hindsight, the main element Ashley Berrysmith would like to have changed would have been to create a

I realize now just how critical it is that we invest in the right people with the best skills and a good attitude. I see the benefit of putting resources into the recruitment process to invest in people and not just in pieces of machinery as I have focused on in the past.. One of the employment briefs was that we choose managers with vast experience in implementing systems.

more structured organization with formal governance protocols. Rather than live with regrets, he

has initiated just such a process as the company continues to grow and diversify.

With the help of a mentor Noel Davies, who subsequently has become chairman of the board, the company embarked on a project labeled *Fix the Core*.

In the last 3 years, employee numbers have grown from 50 to 120. Over a 12 month a complete new management team was recruited to move the business forward from being an entrepreneurial-based company to now having a more corporate style with all the disciplines that go along with this type of management.

The group now has the people, systems and procedures that have become mandatory for a fast-growing, multi-faceted organization involved in both meeting 24/7 supermarket and retailing demands as well as an expanding export market.

Similarly the project has been mindful to ensure the founder's passion, and commitment, remains central to the operation but also in a way where it is more widely known and supported. This has been done by sharing, and embracing, a more formalized Mission and Vision that captures the essence of the founder's passion.

Phase 2—*Create the New*—has just started. The aim is to get management to excel in their undertakings, achieve an adequate ROI for shareholders' funds, focus on growing the business with less reliance on one major supermarket customer base and, of greatest import, free up the business creator for more quality 'thinking and doing' time.

At the time of winning the New Zealand award, a snap shot of Ashley Berrysmith's various businesses would reveal:

- 10% annual growth while maintaining strong profit levels.
- Continued recognition as world leaders in the industry by growing, processing and marketing safe, healthy products that meet and influence changing trends.

- A demonstrated commitment to attracting, and retaining, committed management and staff. Also, there is a clear willingness to take anyone's great ideas and build on them.
- An open door policy to anyone in the industry, from anywhere, who might be interested in learning about the business of healthy and sustainable produce development.
- A move toward being a total category manager rather than just a commodity supplier. This is being achieved through regular product launch and innovation as well as opening new channels and partnerships by creating both national, and global, distribution opportunities.
- A group with major pastoral land holdings but also a highly efficient, technologically led, growing, processing and distribution facility in the country's largest city Auckland.
- Export initiatives in key Asia Pacific markets already taking hold with fresh entrees planned for the United States and United Kingdom markets.

3. GLOBAL IMPACT

Anyone with both an aim, and an enterprise, that is committed to help improve the lot of people and the planet would, by definition, have to be making a global impact. The difference from others who talk up the subject, is that Ashley Berrysmith is taking very practical steps to achieve both his business potential and make a difference.

A national statistic, that he is sure is being mirrored in many other countries, really bothers him. Almost more people die from an inadequate intake of fruit and vegetables in a year than the combined total of drug, road traffic, injury and alcohol related deaths (NZ Ministry of Health Mortality Statistics, 2005). His companies are producing 50.2 million servings of greens per year—evidence that people are embracing the message of the health benefits of eating green.

As well as changing consumer eating trends and tastes, he is also educating the hearts, and minds, of young New Zealanders with a 'bring back the fun of eating healthily' campaign built around his Baby Carrot range. The programme both incentivises eating fresh along with rewarding product purchasing with credits for educational aids for schools.

My first most enthralling moment was when a lone fruiterer bid for my first box of alfalfa sprouts at Turners and Growers auction markets. Previously I had put boxes of sprouts on the market for weeks every Monday and Thursday and despondently returned home with them. Everyone needs a lucky break and maybe this was mine.

Bucking an industry trait for secrecy and sometimes small scale thinking, Ashley has never feared being open about his

products and plans and revealing how he has gone about creating a business. He served as the inaugural vice president of the United States-based International Sprout Growers Association where he spent considerable time up-skilling competitors on the need for branding and marketing. Today he remains an active

member of United Fresh—previously the International Fresh-Cut Produce Association.

He also plans to begin a series of national speaking tours, and launch a series of ‘blog sites’ all to do with ethical entrepreneurship and healthy eating.

He has launched a patented Salad Shake system to Hong Kong and Singapore with immediately positive results and plans to introduce the same range this year in Australia and next year in the United States and United Kingdom. He is also developing new growing technologies and systems (see under innovation) that he believes will make the availability of fresh produce possible anywhere in the world—regardless of climate and space.

4. INNOVATION

From the outset of creating a business based on his passion, innovation has been an inherent ingredient which has generated success. This has been evident in new brand and product developments (at least one new product is launched each year), smart technology solutions that enhance growing, processing and production and distribution, as well as ways to help spread the overall message of the benefits of healthy eating.

A number of ‘firsts’ are linked with Ashley Berrysmith’s companies—first in New Zealand to install modular refrigeration units in store produce departments; first to introduce baby peeled carrots to the country; first to introduce various pre-packaged Salads of the World ranges to supermarkets. These are just a few.

The company grows produce on an 80 hectare farm south of Auckland as well as in a variety of ‘high tech’ growing facilities at the main plant. The farm has been carefully developed into a model growing facility—allowing year round outdoor production—based on worldwide farming practice.

Creating new exciting innovative ideas that are healthy, convenient and sustainable is what excites me on a daily basis. It fits my personal philosophy and lifestyle like a glove - a wish list that comes true every day. It is interesting as I have been living this lifestyle since the 60s and was labeled a hippy, eccentric, weirdo, and a rebel. Now I am called an Entrepreneur, a visionary, leader in his field. The labels may have changed but I haven't changed a bit.

In the constant pursuit of ensuring the freshest product hits the consumer's dinner tables, all produce that arrives for packaging is first cooled on arrival into the plant by a giant hydro-vac vacuum cooler.

It is then washed by a completely automated system that then leads into an automated air dryer line to keep all produce crisp and crunchy prior to packaging.

As well as being embraced by an increasing number of consumers, some of the product lines have also achieved national honours. The ‘healthy eating options on

the run' range, called Dashboard Diner Salad Shakes, has won 2 Gold Medals in the country's coveted 2006 Massey Food Awards.

In 2005, in order to help educate supermarket produce managers and thereby customers about the benefits of healthy eating, Ashley Berrysmith created a Go4Gold Customer Loyalty Campaign. The campaign is based around the premise that the in-store produce manager is, in fact, A Health Ambassador. Seminars, email information and various reward schemes are in place to support the programme.

Perhaps the most innovative step in the progression of his passion is a new project dubbed NASA. NASA is an acronym for New Age Salad Automation. The concept came from space research and was originally inspired by the idea of growing lettuces in a completely controlled environment.

A Japanese company has commercialized the idea but Ashley Berrysmith wants to take the idea to a whole new level based around the concept of 'vertical farming'. Meaning that regardless of external influences like climate, pollution or lack of space, a guaranteed source of highest quality produce—grown in near perfect conditions—would be available 24/7/365.

In keeping with his holistic health mandate, Ashley Berrysmith is also developing a range of body care and cosmetic products using natural products that he either currently grows or plans to produce. He has also formed a joint venture with a New Zealand South Island-based company to drive product development and marketing for quality New Zealand hemp seed oil—one of the greatest sources of antioxidants and Omega 3 nutrients available.

5. PERSONAL INTEGRITY/INFLUENCE

The whole of Ashley Berrysmith's waking and working hours are based around his passion and vision. That people can live much healthier lives and the world can be a much cleaner, and purer, place. Many of the initiatives mentioned in the section on global impact are based around his beliefs and commitment to share his insights, his inventions and innovations, and his zest for life.

I am not a conformist. I think conformity is destructive for creation

He has, in fact, been living his dream from a very young age and will keep on realizing his potential which, in turn, will improve the wellbeing of

thousands of others.

Perhaps one project, outside the mainstream business activities, summarizes the all encompassing nature of his focus. He has taken on the rejuvenation of a large block of land that he uses to further fuel—versus recharge—the 'batteries' responsible for producing new ideas, new opportunities and new challenges.

Located in the Far North of New Zealand, his 600 acre Puheke retreat had been totally stripped of indigenous vegetation by earlier settlers and land users. He has

started by introducing around the foreshore a native replanting programme—using local labour and experts in conservation.

He is also experimenting with how so-called low quality land can be utilized for food production. He has introduced sustainable Manuka growing and replanting with the aim of harvesting high UMF rated honey which can be used for medicinal applications. He is also planting Tannant grapes—again, if successful, wine made from this product will generate both pleasure and also blood pressure lowering.

Furthermore, he is researching sustainable algae production both for health benefits (phytoplankton) and biofuel production (processed for diesel). Both initiatives utilize sea water which is oxygenated and returned to source in what is a carbon positive process.

When Ashley Berrysmith's, and his family's, days are over the whole property will be bequeathed to the people of New Zealand. As a living example of how ideas that run wild can produce so much of benefit. Testimony, also, that leading by example and living a dream are the makings of very good, sustainable and positive business.