

# Salad Days

Under various brand incarnations dating back to the original company launch in 1980, **Ashley Berrysmith** has helped change the taste buds of New Zealanders and shown that a 'Greenie Hippy' from Titirangi can grow a very successful business. It all began for the **2007 Ernst & Young Entrepreneur of the Year - Master Entrepreneur Category Winner and the 2007 Ernst & Young Entrepreneur of the Year overall winner** when he turned vegetarian at the age of 12!



A few year's later and what was once the domain of rabbits, kaftan wearers and dietary faddists has, under the cultivation of Ashley Berrysmith, become very good business and very beneficial to the national diet.

Next time you crunch your way through the cornucopia of fibre options produced under his stewardship and care, pause to give thanks. There was once a point in time when New Zealand fresh produce shelves were like a desert. A bit of old chard or some decrepit cabbage was as fresh as it got.

But to this wasteland came a young lad who, in the 1960s, eschewed the traditional Kiwi roast to become a fully fledged vegetarian. That was the time when he also developed a penchant for bucking trends in more ways than one.

"My interest in healthy eating, and growing things, came about from various sources. In 1952 my dad was New Zealand's first government official viticulturalist. He instigated the import of virus free root stock into New Zealand. He also introduced many classic hybrid grape varieties into the country which now form the foundation of a thriving industry. So in that sense the horticultural pioneering tradition in our family took root here.

"When I was 12 years old, initially for reasons of compassion but ultimately out of health interests, I became a vegetarian. I was the only one in the family to make such a dramatic lifestyle change - you can imagine how rare this stance would have been for a young boy in the 1960s.

"I followed up this trend setting in the early 1970s by taking a very determined stand against excess packaging for food items. To my Mum's horror I'd accompany her to the supermarket and proceed to unwrap items at the checkout and make a point of castigating them for their waste."

He wishes that he had taken greater interest in his father's profession as he is now, he says, intensely passionate about good food and wine. He did, however, allow his own dietary predilections to help furrow a career path. In the late 1970s he entered Massey University where he achieved a diploma and degree in Horticulture.

From there his career began to sprout - motivated in particular by a desire to introduce more variety into his daily fare.

"As a vegetarian the thing I craved most was variety. There was a real scarcity of healthy, fresh convenient produce items that one could choose from. As a budding horticulturalist there were clearly other advantages in going down the sprout route - such as not requiring a farm, not having to be concerned about the weather and growing the fastest crop in the world. All of these characteristics made sprouts a good choice for a young, impatient man considering his first business venture."



**“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 from Titirangi - 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.”**



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 driven by offering the product in its freshest state. We achieved this by installing refrigerated cabinets in Woolworths and Big Fresh supermarkets throughout New Zealand. To build on this momentum, we looked at overseas fresh produce trends and identified the achievements of baby leaf growing systems that had been launched in the United Kingdom market by Vitacress. In 1994 we launched our own version in a trial at some Woolworth's stores."

Great expectations soon wilted as, it seemed, 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 new management the brand changed.

"It was disheartening to see the company lose its marketing edge over the years. After a year of playing in Auckland's waterfront property market, I was itching to get back to creating a new value added produce brand. I missed the stimulation and buzz of the fresh produce industry. I missed interacting and networking with the colleagues whom I relate to so well. I suppose you could say we speak the same lingo."

Like other incarnations, he translated his passion into action and back he came with a vengeance. Launching Fraishon 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 he bought back his baby - Sun Sprout Limited.

He also had a clearer understanding of the positives, and potential pitfalls, of dealing with major supermarket distribution groups. Particularly in regard to product supply and general business planning.



**“My first most enthralling moment was when a lone fruiterer (Bhana Bros) 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.”**

"There are many challenges and rewards with any successful partnerships. A huge financial investment in the business is required and this is often based on reading between the lines and deducing what the customer may perhaps want.



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“In saying that though, it is the long term respect that you earn that is most rewarding - particularly when I compare being put through the ringer in the early days to the positive feelings I now experience.”

The challenge of supplying a product that can be affected by variables outside your control can be immensely stressful.

“A number of times we have seen our whole crop wiped out overnight after a few minutes of hail or heavy rain. In these situations our Australian counterparts have very kindly helped us out. Interestingly enough, the tables have recently been turned with their problems with limited water supplies. We’ve exported a number of large shipments of salad mix to help them through troubled times. As fellow growers we know the fears and frustrations.”

As well as capitalising on industry lessons learned, Ashley Berrysmith has also developed some very sound ideas on motivation and keeping the momentum of success building.

“I have learned that you only need a few key people to believe in you to maintain your faith in an idea or concept. I don’t bother only actioning something based on a majority vote but you must spend the time thinking an opportunity, or problem, through.

“The second and probably the most important thing that I have learnt is never ever give up on something that you are so passionate about. I apply what I call The Six Week Test. The rules are that if I wake up every day for six weeks and the idea or concept motivates me to jump out of bed, I would become fixated on making it a success.

“My strengths are in idea creation and following through relentlessly and that means often knocking over many obstacles that might get in the way. I do feel that I have the ability to crystal ball gaze when it comes to my area of interest. Sometimes the visualisation 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.”

In hindsight, the main element Ashley Berrysmith would like to have changed would have been to create a more structured organisation with formal governance protocols from the outset. Rather than live with regrets, he has initiated just such a process as the company continues to grow and diversify.

“We have spent twelve months recruiting a new management team to move the business forward and channel some corporate disciplines into the business.”

Rather than hamper the entrepreneurial nature of the business Ashley believes that the extra discipline will help bring even more innovative products to market. A grueling process was undertaken involving industrial psychologists, HR consultants and a significant input from Noel Davies (chairman of the board).



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“I feel very lucky as I discovered a truly exceptional mentor in Noel. Within weeks of meeting him I roped him in to the company as an independent chairman. He has had the final sign off of this project.

“I realise now just how critical it is that we invest in the right people with the best skills and a good attitude. It helped also that at the time I was reading GE CEO Jack Welch’s book *Winning*. I saw 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.

“Now I can’t write out a cheque on a whim of an idea, which I think is a good thing! The lion has finally been tamed.... well, maybe not.”

Despite the introduction of more corporate formality, the one ingredient that is never lacking is new product ideas and innovation.

“The challenge is to prioritise them and channel them through a structured process. With our new governance structure all my wild ideas have to be justified with some science behind the magic.”

With the restructuring internally, and with the establishment of New Zealand Fresh Cuts Limited as a dedicated growing and processing company, both Fraibon Foods and Sun Sprouts have changed their focus. The two entities now concentrate on marketing, sales, customer management and development of innovative solutions for the ‘fresh cut’ market.

In 2005, New Hemisphere Limited was formed as a joint venture with South Island based Oil Seed Extractions. The aim is to drive product development and marketing for quality New Zealand hemp seed oil.

Dashboard Diner Limited was also established in 2005 to market fresh cut innovations to the growing ‘grab and go’ market. Salad Shakes was also created in the same year. One version, the Greek Taverna, won two gold medals at the 2006 Massey University Food Awards.

In 2006, Ashley Berrysmith’s creation went back to the land when NZFC took over the management of the company’s previously contract managed eighty hectare farm in Rangiriri. The property is seen as model farm operating on global ‘best practice’ systems.

The company’s focus is not just on continuing to supply the local market, but also on capitalising on export successes in Singapore and Hong Kong. Driving this part of the business in the future is a new project appropriately given the code name NASA.

“NASA for us is an acronym for New Age Salad Automation. Actually the idea of growing lettuces in a complete controlled environment really did come from space research. Houston’s NASA has grown lettuces under LED lights in outer space very successfully.

“The first commercial application of this science has been in Hokkaido Japan where I witnessed massive production of factory grown lettuces in an industrial warehouse when it was 20 degrees below zero outside. It was very impressive. I can’t see this technology being economically viable for many years outside Japan where growers are heavily subsidised.

“Outdoor salad production all year round in New Zealand’s climate is an extreme challenge. Our future thinking must extend outside the square, maybe into outer space!”

Having also been a Titirangi ‘greenie’ since childhood, he is taking a particular interest in ensuring New Zealand Fresh Cuts continues to fly the sustainability flag.

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“Dr Lester Levy’s definition of what makes a good leader summarises my greatest strengths - influence vs power. I don’t believe I am a good manager. I am not structured enough and find structure restricting but of course necessary. I am not a conformist. I think conformity is destructive for creation.”



He also has his eyes on what he sees as the ‘next big thing’ in fresh produce.

“Fresh-Cut fruit has taken the market by storm over the last few years in Europe and USA. This is on our radar.”

These days Ashley Berry Smith is not involved in the day to day running of the business. The reins are being handed over to the new management team. The hardest decision for him now, he says, will be where to move his office.

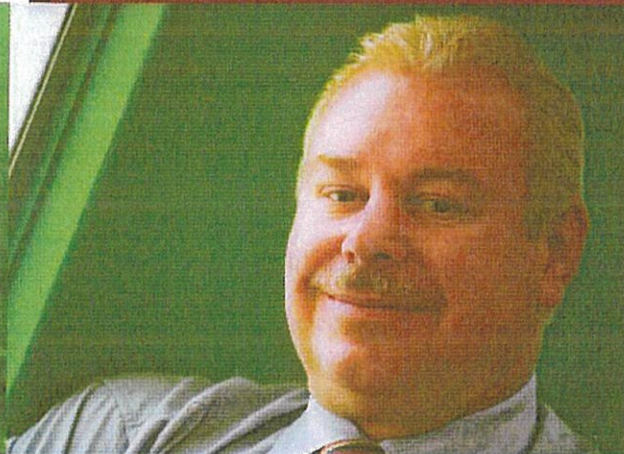
“I’m now in the middle of an open plan office where I can hear every conversation so I still have my ears to the ground.”

He will also have time to ponder the eternal question of: What makes an entrepreneur?

“Are entrepreneurs born or taught the skills? Overall the jury is still out but 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 the word “bored”.

“I am sure if I was placed in a jail cell like Paris Hilton for some time-out, I would revel in the opportunity to have uninterrupted time to just create stuff. I would need a standard issue pen and paper though.” ■

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The ultimate goal for any growing company is to become a market leader. To achieve this, a fast growing company must be able to effectively identify and address its key challenges throughout the different stages of its development.

The challenges themselves fall into the following six areas but the nature and relative importance of the challenge will change based on the company’s stage of growth.

1. Customer Recruitment and Management
2. People Recruitment and Retention
3. Managing Finance
4. Operational Effectiveness
5. Managing Risk
6. Transactions and Alliances

However the difference between a good business and an exceptional business lies in the special blend of attributes it possesses - its DNA - which determines how it will tackle these challenges.

To find out more about how Ernst & Young can help you address the challenges your business faces as it grows, talk to one of the following Consumer, Household and Industrial Products industry specialists:

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