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WHAT'S KEEPING BUSINESS OWNERS AWAKE? ADVICE TO HELP THEM REST EASY

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Still sprouting business ideas



NZ Fresh Cuts founder Ashley Berrysmith talks to Shay Wright about the inspiration and vision for his company, his experiences as Entrepreneur Of The Year, and his insights on entrepreneurship.

When Ashley Berrysmith attended Massey University, he stayed “in the back of a VW Kombi, living the alternative lifestyle”. His commitment to vegetarianism spawned his desire to share this healthy eating philosophy. He realised that supermarkets had “no packaged and convenient good food alternatives” and so being a big sprout eater, he started his first company Sun Sprout in the early 80s. Starting out by supplying health food stores with sprouts, he then installed Sun

Sprout’s own refrigeration in supermarkets and soon captured 99 percent of New Zealand’s sprouts market – with consumers, restaurants and cafes all using snow pea shoots in food, decoration and garnishing.

After selling Sun Sprout, Berrysmith turned his attention to the worldwide trend for bagged salad. In 2000, Berrysmith’s new company NZ Fresh Cuts (NZFC) was the first to introduce bagged salads and vegetables into Progressive supermarkets in New Zealand. This “seed to plate company”

focuses on delivering healthy ready-to-eat meal alternatives, with “all of the products being minimally processed”.

With core values of health, environmental sustainability and customer convenience, business turnover now exceeds \$20 million, and the firm employs 150 staff. They grow their own baby green leaves on specialised farms in Rangiriri, Manukau and Nelson.

Last year Berrysmith was involved in starting yet another food-based company: Grand Central Kitchen. Together, these companies are “able to do anything from chopped lettuce to a lasagne – it’s future proofing to the max”, he says.

Economy of scale

Berrysmith believes that the key to maintaining good profitability is not sidetracking “into lots of little things”. “Economy of scale is important because everything is about payback. If you can save two percent on the packaging of a huge line, then two percent is a lot.” NZFC has grown steadily over the past five years and the annual budget has to take account of seasonal revenue dips during winter. During the recent recession NZFC has had to adapt and cut costs, “yet still keep up the innovative spirit”.

It is evident that Berrysmith places huge value in his team, always referring to the achievements of Fresh Cuts as

team achievements. "You may be the inspiration, but you can't do it without the people who want to follow your dreams."

Berrysmith notes that as the company expands, the business requires more structure – sometimes compromising entrepreneurship and innovation. He emphasises the importance of balancing these to ensure that the business is not "a 'Titanic' company with too much structure and slow to change tact when hard decisions have to be made".

While on the ICEHOUSE Owner Manager Programme (OMP) Berrysmith was introduced to the company structure of having a COO as opposed to a CEO. This option allows the entrepreneur to maintain a high level of involvement in the business. He is not sure if it is right for his business but it offers an interesting alternative.

His advice to entrepreneurs is to ensure a flexible system of governance that will allow for innovative ideas. He sees his role in NZFC as being the "binocular view rather than the microscopic one" – giving direction and then allowing management to do the fine tuning on the business processes.

"I've got to know where I add the most value and not get involved in micro-management."

Grand Central Kitchen

Last year, Berrysmith started looking at opportunities around "more ready meals and cooked options, rather than just stopping at pre-prepared veges". While sharing a beer with acclaimed chef Graham Wilkinson, a business idea based on the adage 'slow food for fast lives' was born, and in 2009 Grand Central Kitchen (GCK) was created.

GCK cooks all meal solutions from scratch 'the old fashioned way' and caters to a range of different tastes, from Mexican to Indian and Thai. The chefs make no compromises on food quality, "nothing artificial or that comes in a can or a bottle goes in the food. Even the tomato sauce is made from scratch". Wilkinson's extensive experience in the restaurant industry and his energy and passion were essential to developing GCK. The two businesses work in unison. "NZ Fresh

Trust your instinct

Berrysmith believes that although instinct grows with experience, "the most important advice I can give people is to trust your instinct if you're good." As Berrysmith puts it, his greatest skill is "having good instinct and visualising what a business can be like". He wishes he had followed his own advice recently when he got himself into sticky situations by second guessing his instinct and talking himself out of his own skills.

"Although what [my advisors] were telling me sounded logical on paper, something didn't quite feel right." The results weren't as expected and the experience has motivated Berrysmith to take more control of the business direction.

When considering business expansions, make sure that the move fits the greater strategy, he adds. He

recommends focusing specifically on your core competency. A move away from this is usually risky, and when he tried branching out into cosmetics he lost a lot of time and money. "If you are not famous for one thing, then you aren't famous for anything." Berrysmith recalls that he used to be known as 'the Sprout Man'. "I am still the little green man after all these years". When he had Sun Sprout, everything the business did was related to sprouts. "If it didn't have sprouts in it, then we wouldn't do it." He believes that this focus was hugely important to the business's success.

"There are so many opportunities out there, but the risks get higher and higher – so by focusing on your core competencies then you will at least capture one of them."

Berrysmith seems to capture many more than that.

Cuts provides the raw supply of products and, in turn, Grand Central Kitchen provides us with condiments and creates the meals."

Entrepreneur of the Year

In 2007 Berrysmith was anonymously nominated for the Ernst & Young Entrepreneur Of The Year Award, originally turning the opportunity down because he believed "the products should be famous rather than myself". He now says that the award and the experience has helped build his business, his products and his ambitions. Berrysmith describes meeting the other entrepreneurs as "phenomenal" and he is now part of an incredibly valuable worldwide network. As a winner, there were many prizes, including a place on the OMP and competing in the World Entrepreneur of the Year competition in Monte Carlo. Berrysmith has many amusing stories to tell – about being the only person to arrive at Monte Carlo on a train rather than in a private jet or superyacht, and a surprise \$12,000 clothing bill after a wonderful time ordering custom-fitted suits and shirts. "I didn't realise I had to pay for it myself!"

Owner manager programme

Berrysmith found that motivational courses tended to give him a short-lived burst of passion but "once the drugs wore off" had no long-term effect. He assumed that the ICEHOUSE programme would be the same. But when OMP18 started asking hard questions about his business, Berrysmith realised he'd better take it seriously. "You've got to write a business plan, and then you start to realise all the things that need improving. By the end of it we had a business plan that was really robust."

Berrysmith also found that participants shared a lot of things with each other.

"Two of my customers were on the course with me. Beforehand I didn't know them because they were supplied through third party distributors." He has since worked more closely with both of them, and this has given him a better understanding of the retail business at the end of the supply chain. He says the whole experience has paid off many times over.

Shay Wright is the communications intern at The ICEHOUSE Business Growth Centre.