

Perspective



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National Bank Corporate & Commercial Banking Newsletter

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Growing pains result in radical overhaul

Five years of phenomenal growth have catapulted Christchurch-based Wyma Engineering into one of the world's leading suppliers of vegetable packhouse equipment.

Co-owners Angela and Andrew Barclay used their marketing prowess to introduce Wyma to leading supermarket chains' distribution centres and to growers' packhouses in more than 20 countries.

As might be expected, rapid expansion was not without its difficulties.

"The manufacturing systems were not coping, everyone had a sense of frustration and wanted to change but no-one knew how to do it – and I was going grey," recounts Andrew Barclay.

The employment of new design and manufacturing management and some internal reorganisations had limited success, so Wyma opted for a radical change and sought proposals for fresh ownership that could bring in a new management team.

The National Bank, in conjunction with ANZ Capital, accepted the challenge. ANZ Capital Director Wayne Skerten says fast-growing companies often reach the stage where they outgrow the experience or abilities of those who have created the success.

"Wyma's issue was not just cash. We introduced top-quality people to the company, whose new levels of expertise and experience could make a significant contribution to future growth."

It was through this change that Peter Suckling joined Wyma as Managing Director and an investor. Two experienced entrepreneurs were introduced as independent directors for the newly created Wyma Board.

In the new structure, ANZ Capital and Andrew and Angela Barclay are major shareholders and The National Bank has provided funding lines.

Wyma is the sort of business that fits our investment profile, Mr Skerten says.

"It is a leader in its market, it has strong growth potential and an experienced management team."

ANZ Capital typically takes a medium-term view as an equity investor.

Wayne Skerten explains, "Our role is to fund an event or change and provide the resources for the business to develop. After three to five years we have probably served our purpose."

Andrew Barclay remains very much involved in Wyma and he sees a bright future for the company with Peter Suckling at the helm.

"The company is on the right path to revitalisation. It has world-leading vegetable packhouse machinery, and a strong base from which to further develop its range and customer base," says Andrew Barclay.



Integrating design into business can contribute enormously to a company's growth and profitability. This was the key message from the recent Better by Design CEO Summit sponsored by The National Bank.

It was pleasing to see so many of our customers taking part in the stimulating workshops and I'm sure that all the participants gained a great deal from attending the inspiring forum. In this issue of Perspective, we discuss how design can drive the bottom line.

We also feature world-leading, vegetable polishing equipment supplier Wyma Engineering. Demonstrating that design can be about more than creating a product or service, this company is using design principles to drive international expansion.

Export Year is encouraging us to think globally. For some companies, this may mean locating manufacturing in low-cost, offshore centres that provide opportunities to access new export markets. Additional efficiencies may stem from funding inventories in appropriate currencies and from structuring the flow of funds back to New Zealand as royalties, dividends or profits.

An appropriate business model will also address other important issues such as ownership transition and funding growth. The National Bank can work with you to develop solutions for your business needs.



Peter Suckling, Managing Director (right)
with National Bank Relationship Manager, Edward Sparrow (left).

Nigel Williams
Managing Director
Corporate & Commercial Banking





Helping companies to be Better by Design

'Better by Design' is a small title that encapsulates a wide-reaching initiative.

Better by Design is a New Zealand Trade & Enterprise initiative that aims to help New Zealand companies increase their exports and profits, through better use of design in their products and services.

The National Bank was delighted to support the Better by Design CEO Summit held recently in Auckland. This bi-annual forum offers New Zealand CEOs the chance to learn, discuss and workshop business innovation through design.

At this year's summit, a raft of design heavyweights shared their insights and experience, including former design directors of Scandinavian furniture giant, IKEA, and the world's sixth most valuable brand, Nokia.

The National Bank's Head of Corporate Banking Ross Verry says the summit delivered several very powerful messages:

Tell your story. Intentional story telling about your product, business and brand allows customers to share the values and identify with them. This has been exemplified by Jeremy Moon, the founder and Chief Executive Officer of Icebreaker. Jeremy Moon has imbued the Icebreaker brand with the qualities of New Zealand's high country sheep stations – the source of the pure merino wool used in Icebreaker clothing.

Walk in your customers shoes. Observe what they do rather than listen to what they say. Jane Fulton Suri, Chief Creative Officer of global design firm IDEO (ranked as one of the world's most innovative companies) advocates close observation and the application of intuition and empathy to reveal what customers really need.

Recognise the value of brands. Jez Frampton is the Global Chief Executive Officer of Interbrand, a leader in identifying brands' bottom-line value. He says the more companies understand their own value, the more they can develop strategies to increase that value.

Develop an innovation culture. The CEO's most important role is to manage that cultural change and to identify "what's next". Darrel Rhea, Chief Executive Office of Cheskin, a global marketing consultancy, says the most successful commercial innovations have a common factor – they provide meaning to people.

Design-led thinking is a strategic process that adds value to every aspect of business, builds competitive advantage and helps business succeed. Supporting 'Better by Design' is one way that The National Bank can contribute to helping customers succeed.

For more information on Better by Design, visit www.betterbydesign.org.nz



Peter Suckling took control of Wyma Engineering less than four months ago, through a funded buyout of the company. He recently took part in the Better by Design CEO Summit, following a "warts 'n' all" audit of Wyma last year by the Better by Design team.

"From a business perspective, the conference was extremely timely," Peter Suckling says. "If there is one thing that stands out, it is people empowerment and the power that empowerment releases within a company to create new ideas and processes."

Getting to grips with the company's rapid growth and other issues identified by the Better by Design audit will take Wyma some months.

"It is about redefining the business. It is about integrating design into all aspects of what we do, from research and development through to customer service. And it is about encouraging everyone to make a contribution to running the company smarter and in ways that we can overcome our distance from market and me-too competitors," says Peter Suckling.



1. Clockwise: Helen Clark speaks at Better by Design CEO Summit. Jeremy Moon, CEO of Icebreaker. The National Bank's display.
2. Steve Cowie, Director (left) and Rob Warren, Founder and Managing Director (right) of Adhesif Print Limited with Tim Smyth, Senior Corporate Relationship Manager (centre).

When visions of growth mean a change of bank

For nearly twenty-five years, Adhesif Print Limited has been producing labels for a wide range of products in industries that range from wine to shampoo, milk and household cleansers. The company is recognised as leading supplier of adhesive labels in Asia and Australia, with manufacturing plants in Auckland and Sydney.

In the last year, however, the East Tamaki-based company has reached more milestones than at any time since its establishment.

The company's first milestone was its restructuring, which enabled one founding partner to leave Adhesifs and a new investor to join it. To fund a change of ownership, Adhesifs sought proposals from all leading banks, with the expectation that its existing banking services supplier would provide the best package. It didn't.

Adhesifs' founder and Managing Director, Rob Warren says it was The National Bank that best matched their requirements.

"The National Bank showed it was better attuned to our business. We liked their philosophy and their package which covered both the change of ownership and options for our future growth. It was also based on valuing cash-flow rather than depreciating fixed assets," Rob Warren says.

National Bank Senior Corporate Relationship Manager Tim Smyth says Adhesifs is a leader in its field, with a strong focus on continued expansion.

"Adhesifs fits very well with The National Bank's strategy of helping businesses achieve their goals," says Tim.

Six months after changing banks, Adhesifs was ready to replace its mechanical printing equipment with the latest technology from the leading Swiss manufacturer of label printing machines.

"Adhesifs has always been in the forefront of the best label printing technology and to maintain our position in a competitive market we need to lead rather than follow," Rob Warren says.

Adhesifs has also secured the New Zealand and Australian rights to News Notes that appear as front page news-flash labels on newspapers throughout Australasia.

Wine labels, apparently simple but technically demanding, are one of the company's specialties. Features such as embossing, foil and special colours can be the stand-out selling point on crowded supermarket shelves, determining success or failure for a product.

Innovation and finding customer solutions has always been part of the Adhesifs' philosophy and it was this approach that led to the development of its own application equipment.

"This innovative spirit was something The National Bank recognised immediately," says Rob Warren.

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Corporate Banking Regional Executives: (from left to right)
John Bennett, Kieran Forde, Grant McGregor and Michael McCrea.

Introducing our Corporate Banking Regional Executives

National Bank Corporate Banking comprises four regional teams, each led by a dedicated Regional Executive who provides oversight and guidance for his team's relationship managers.

Grant McGregor, Auckland North and Kieran Forde, Auckland South

Regional Executives Grant McGregor and Kieran Forde divide responsibility for the wider Auckland region between them. In charge of Auckland North, Grant McGregor says, "Many of our business-owner clients are presently interested in releasing some or all of their wealth or time, for family, superannuation or lifestyle reasons."

"These businesses have typically enjoyed several years of strong growth, have low debt, robust cash flows and are attractive to investors."

The Corporate business teams are very experienced at helping companies with changes in ownership. They can talk with authority about clients' options for realising value from their business – including dividend payouts, restructuring shareholdings, and full exits to trade or private equity buyers – while still supporting ongoing growth of the business.

"Our local Leveraged Finance team can then work alongside our Corporate Banking managers to help these transactions happen with maximum speed and certainty and with minimum disruption," says Kieran Forde, in charge of Auckland South.

"When business owners do cash in, our Private Banking specialists are there to help with the next step – that's all part of the Bank's full range of services."

Kieran Forde's team works with clients as far south as Hamilton, including Tauranga, while Grant McGregor's team stretches north from Auckland CBD.

John Bennett, Central

"Our focus is on people, as much as companies," says Central Corporate Banking Regional Executive John Bennett.

John says that although understanding a client's business is crucial, it is the people who can turn a poorly performing operation into a top performer.

"My role is often to present different perspectives and ideas to help create the solutions before issues become a problem."

John Bennett brings an extensive background in corporate banking in London to his position as Head of the Central Corporate Banking team. The Central team covers clients from Hawkes Bay south to Nelson and Marlborough, including Wellington.

Michael McCrea, Southern

Being valued as a trusted banker by owners and senior managers is enormously important, says Southern Corporate Banking Regional Executive Michael McCrea.

"Our clients expect to be kept informed of the ways in which the bank can add value to their business and they welcome the opportunities we bring to them," he says.

"We draw on both our years of experience working with corporate clients and our understanding of markets and business cycles to help clients when deciding on the best opportunities for their businesses."

The Southern Corporate Banking team covers clients throughout the South Island and includes commercial property financing specialists.



The National Bank
of New Zealand

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