

How a micro-business on an island in the middle of the Pacific Ocean trades \$10M USD per annum

*Interview with Alastair Lang, General Manager
Molesworth Fruit Ltd, Wellington, New Zealand*

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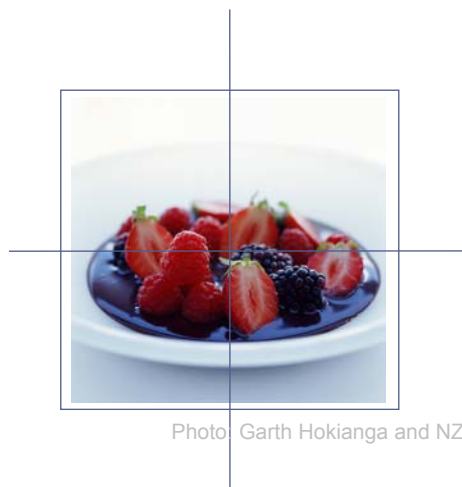


Photo: Garth Hokianga and NZTE

Industry	Import/Export of Frozen Fruit and Oils
Location	New Zealand
Company	Molesworth Fruit Ltd
URL	n.a.
Company Size	5 or 6 employees
Description	Molesworth Fruit is an import and export company specializing in frozen foods. Molesworth Fruit imports lines such as golden raspberries, black raspberries, and white blueberries. They are also the sole distributors of The Stone Mill avocado & olive oils range that are made in New Zealand.
E-marketplace Used	www.TradeBoss.com www.Alibaba.com www.AustraliaTradeNow.com www.Fuzing.com
Lessons Learned:	Although some companies still view e-commerce as a formidable challenge, some small businesses rely on e-markets for their business strategy. However, although using e-markets is an impressive undertaking, in order to continuously grow or avoid stagnation companies must find innovative ways to induce learning that contributes to how they use e-markets.

Introduction

E-marketplaces have allowed Molesworth Fruit significant market reach and penetration but business viability and growth requires ongoing learning. Molesworth Fruit opened in June 2004 and imports frozen fruit (mainly berries) from China and re-exports to USA, Africa,

Pakistan and the Philippines. Additionally, they export avocado oil made in New Zealand. One factor that helps in creating new sales is that New Zealand has a good reputation for food quality and this makes it easier to foster initial trust.

Molesworth Fruit's goal is to expand by 30% every year and although this is an extremely ambitious goal, they are confident of reaching it, given the market reach and access offered by e-marketplaces.

E-marketplaces are of great importance to Molesworth Fruit's success as their services make it easy to manage and send out the thousands of requests needed to find appropriate buyers.

A key challenge that Molesworth Fruit face is sending out samples in order to demonstrate the quality of their products. Sending samples is very expensive due to freight costs and is not cost-effective and therefore creating relationships and trust is difficult.

It's cheaper to send a ton of product than a sample

But this is something Molesworth Fruit has to continually do as buyers have control and dictate terms and suppliers take on costs in order to set up relationships.

At the start...

Molesworth Fruit started using e-marketplaces in June 2004 when looking for potential fruit suppliers in China. Employing a hedging-type strategy, Molesworth relies on e-business as an integral part of its business model and competitive advantage as all trading is done using e-marketplaces. This naturally integrates global reach.

Molesworth Fruit found that there are a lot of rogue sites that copy your details and requests. Therefore one needs to be careful of hoax enquiries.

You have to be careful with the different schemes...you soon find out if the guy is a serious player or not...

Ongoing training and learning

When asked about what was needed to set-up using e-marketplaces Molesworth Fruit explained that training was not just an issue during the start-up phase. It is a critical, ongoing business process.

We're forever learning...just when you think you've seen it all there's always something that crops up...

A significant task when using e-markets is to filter out non-serious buyers (i.e. 95% of all enquiries) and avoid the 'scams'. One method they use is to only interact with paid members of the e-marketplaces.

We're always looking for new markets...we're only a speck in the ocean...you know there are thousands of markets out there...

There are also ongoing challenges posed by foreign languages and continuously having to update their technologies. At Molesworth Fruit their technology resources are viewed as a basic and fundamental business requirement and therefore there is little hesitation when investing in software and hardware.

Some of the language issues that Molesworth Fruit faces are discussed below.

Making the most of e-markets

Importantly, using e-marketplaces does not resolve other business related issues but instead emphasizes the need for complementary services. Molesworth Fruit's advisors and contacts demonstrate this - they provide intelligence on currency fluctuations and exporting information that influences trading.

We're lucky we've got some very good contacts... a lot of advice...what's the dollar going to do...whether we should hedge it, whether we shouldn't...

They recently joined Export New Zealand (NZ), a national resource for exporters, to tap into their resources.

There's always something that we don't know...and some things are bloody hard to find out...

Learning about what resources are available will play a big part in Molesworth Fruit's growth and this maybe achieved by partnering and networking as highlighted by the Export NZ example above.

Whether we got the best e-marketplaces or the latest we don't know...unless someone refers them to us...we've got no idea...

Molesworth Fruit's future: Taking e-markets further

Expansion for Molesworth Fruit will require more time on e-marketplaces, sending more samples and perhaps getting another staff member operating in the e-marketplaces.

We just got in an application to the immigration service to employ a lady...very fluent in Chinese...the bulk of business is done with the Chinese

Molesworth is also looking for software that can translate English requests and proposals into various other languages allowing them to talk to buyers in Spain for example. This is seen to reduce international barriers for business and expand their capability.