

A bite of the Big Apple

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By [Anne Gibson](#)

New Zealand companies pushing into the United States at the time of a global financial meltdown seems a concept that makes very little sense.

Yet firms headquartered in Christchurch, Manukau, North Harbour and Mt Eden do not see the US financial woes as a bar to their progress.

Many Americans are contemplating their broken housing sector and dodgy job prospects. About 14,000 Bear Stearns employees face an uncertain future and Goldman Sachs is slicing its global workforce by 5 per cent.



Flight of the Conchords.
Photo / Supplied.

But New Zealand companies are optimistic about their prospects.

The US is New Zealand's second largest export market after Australia, buying \$4.5 billion worth of our goods annually. Our main exports are meat (23 per cent), dairy (10 per cent), wood (8 per cent) and machinery (8 per cent).

With a market of 300 million people, the US is the world's largest economy. Its GDP accounts for about 25 per cent of global GDP.

While giants such as Fonterra, Fisher & Paykel, Carter Holt and Fletchers have long-established links with the US, other smaller kiwi companies are seeing the potential.

Bosses at lingerie business Bendon, electronics exporter Tait, computer software specialists Orion and bottled water exporter Mead International have just banded together in New York.

Last week, they shared their successes, admitted their failures and discussed their prospects in a market of turmoil.

Because all four companies are specialists and successful in niche markets, they feel more protected from the wider financial problems in the US.

But establishing in the US is not cheap or quick, bosses admit.

Double the budget and be twice as patient about getting established, they said.

New Zealand: New York: New Thinking was the title of the gathering at Saatchi and Saatchi's S Space in Soho.

The event, organised by New Zealand Trade and Enterprise's Beachheads programme and KEA New York, was opened by Kevin Roberts, Saatchi's worldwide head and one-time New Zealand resident, who highlighted the financial disaster.

This year could be the toughest in a decade, he predicted.

"But New Zealanders are brought up eating Minties, so we're born for moments like these," Roberts joked.

Victoria Vandagriff, the New York-based president of Bendon USA Inc, emphasised the vast differences in the states across the US and said the mid-West was one of the more conservative markets.

Paul Viskovich, the Santa Monica-based president of software specialist Orion Health, said establishing in the US took much longer and more money than many expected.

Bill Fredrickson, the Houston-based president of Tait Radio Communications, said people asked him where New Zealand was.

Dion Mortimer, the San Francisco-based director of bottled water exporter Mead International, said the US was his firm's focus right from the start.

"No matter how much money and time you have, double it," he advised.

The panel dealt with American myths about New Zealand and Mortimer said although the country was perceived extremely positively in the US, this did not close sales.

What struck NZTE staff most about the panel discussion were the similarities between the companies in establishing in the US.

Although enterprises from the beverages, intimate apparel and information sectors might appear to have little in common, the event revealed consistency in the challenges they faced, said Jay Louisson, NZTE's senior marketing and communications manager for North America.

More than 300 people were at the discussion, many of them supporters of the New Zealand business community on the US east coast, she said.

Jeffrey Lamb, senior business development manager Americas Beachhead Programme, said yesterday he had been inundated with calls after last week's gathering.

Peter Bull, NZTE's American director, said the panel demonstrated that regardless of the product or services companies sold, the reasons for their success were similar. A political debate was being played out in media about the nation's skills shortage, he said. Companies, particularly those in high-tech sectors, were lobbying to have visa quotas for skilled foreign workers increased and the bureaucracy around their admission reduced.

So it was not surprising to hear that all saw the recruitment and retention of quality staff as a priority.

Bendon's pace of growth has required the engagement of a much larger team, managing the recruitment drive, the subsequent move to larger premises and the embedding of a common corporate culture.

Mead International realised soon after entering the US market that managing relationships with its distributors and key clients required an on-the-ground presence. Mortimer has now been living in San Francisco for about four years.

The four exporters agreed that despite the global economic challenges, the US remains a market in which smart Kiwi companies can make a mark.

SPEAKERS AT BEACHHEADS

Victoria Vandagriff, President of Bendon USA Inc. An American, born in Ohio, lives in New York, offices in Madison Ave. Bendon headquartered in Manukau. Bill Fredrickson, Houston-based president of Tait Radio Communications, an American who lives in Kansas but commutes every week to Houston. Tait is headquartered in Christchurch.

Paul Viskovich president of software specialist Orion Health, a Kiwi who lives and works in Santa Monica but travels around North America. Orion based in Mt Eden.

Dion Mortimer, director of bottled water exporter Mead International. A Kiwi who lives and works in San Francisco. Mead based on the North Shore.

• **Anne Gibson visited the US as a guest of NZ Trade and Enterprise.**