

# Busy bees grow their Manuka honey business



Karl Gradon

Rapid growth across all six business divisions is requiring New Zealand Manuka Group Limited to put into place a strategy, structures and systems to meet this growth.

The company started out selling native Manuka honey products but now has six divisions that go beyond selling honey as a food. It is a major employer in the Eastern Bay of Plenty, Wairarapa and East Cape regions – with 100 full-time-equivalents in beekeeping, growing Manuka trees, and manufacturing products from Mānuka honey, Mānuka oil and more recently, from seaweed found predominately on the East Cape.

Chief executive Karl Gradon says revenue is expected to hit \$20 million this year, up from \$15m last year, and mostly from Asia. Exports also go to Europe, North America and Australia; and New Zealand is a strong market.

He says a key driver of the growth is the company's people.

"Staff are highly engaged, committed and motivated to ensure the success of the Group. Staff regularly attend training courses to upskill their knowledge in their respective fields of expertise and are given feedback on their performance throughout the year."

And the Group has appointed a new chief executive, chief financial officer, marketing manager and innovation manager in the past six months.

"These new appointments to the Business Lead Team reflect just how much the company is growing and ensures we have the right resources to continually manage the on-going growth."

Karl says the Group also prides itself on been the first company in New Zealand to implement a "fair share" return for bee

keepers and Māori land owners for Mānuka honey and oil from a land owner's property.

"The "fair share" scheme is contributing to making regions such as the East Cape prosper and reflects New Zealand Mānuka Group's philosophy of social equity and sharing of profits with key stakeholders."

The company is also able to trace Mānuka honey back to the hive and give consumers confidence in food traceability and security – important in today's market place.

Another unique initiative is working with Scion Research in Rotorua developing a Mānuka seedlings programme. This year the Group will plant several million seedlings for the sustainable supply of honey and oil.

During 2015 New Zealand Mānuka Group initiated joint ventures with Maungaroa and Iwiroa Māori trusts on the East Cape to develop large mānuka plantations.

## Pioneers of Manuka industry

The Group's six divisions are NZ Mānuka Natural Health, NZ Mānuka Bioactives, NZ Mānuka Beekeeping, NZ Mānuka resources, NZ Mānuka Seaweeds and NZ Mānuka Direct.

New Zealand Mānuka Group was established in 2011 by Phil Caskey, executive director, after initially starting a company marketing and selling a range of Mānuka honey products around the world, 20 years ago.

Phil was integral in establishing the Unique Mānuka Factor (UMF®), a globally recognised Mānuka honey standard and quality system, which appraises natural markers found in the honey and assures purity and quality.

In 2000, Phil established the world's first Mānuka honey medical device in conjunction with Dr Peter Molan of Waikato University and a company in the UK. This dressing is still

found in most medical kits and hospitals.

In 2013 Phil purchased a Mānuka oil processing plant in Opotiki that is the biggest producer of Mānuka oils in New Zealand. New Zealand Mānuka Group also invested in a Mānuka honey skin care company and now distributes eight UMF® products into world markets.

## Shared wisdom

When asked about the pros and cons of doing business in New Zealand, Karl says New Zealand is great due to its open and deregulated economy, access to capital markets and one of the least corrupt countries in the world.

However, New Zealand's small domestic market means production runs can be small, resulting in high product costs that need to be passed on to the consumer.

He says, "This is where more of our New Zealand SMEs need to look at export horizons to increase sales. The small size of the New Zealand market often results in intense competition by companies competing for market share, which often drives down prices and profitability."

And his advice to someone in their first year of business?

"Stay true to your goals and plans, and know what numbers you need to hit to be successful.

"If you employ staff, involve them with the numbers so they know what they mean to them.

"Don't be scared to ask for advice from experienced people, including your local EMA branch, on issues that continually arise."