

# TR@DEMARK

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Welcome to the June issue of Tr@demark - Austrade's newsletter of export success stories.

The Australian Trade Commission (Austrade) is dedicated to helping Australian companies take their goods and services into international markets. Tr@demark highlights how these successful Australian exporters are making their mark internationally, and thriving in the global market place. We hope you enjoy this edition of Tr@demark.

Simply click on any of the headings below to go to that article. At any time you can view another article by clicking on the contents bar which appears on the right hand side of the screen. If you need help using this newsletter, please click on the help button.

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# A woman, a baby and big business

The female creator of Australia's first therapeutic-grade, natural skincare collection for babies is now reaping millions of dollars and has cracked one of the most lucrative yet difficult export markets in the world, Korea.

To those who appear not to possess academic skills and don't continue their education, Catherine Arfi, founder and proprietor of Melbourne-based Aromababy Natural Skincare is living proof that business success is still within your grasp.

After leaving school at 14, Mrs Arfi forged a successful writing career as a beauty editor for a popular Australian magazine then went on to create body care products for major Australian fashion retailers, before she was retrenched from her senior position due to a company closure.

With a 'surprise' first baby on the way, and having just purchased her first apartment, Mrs Arfi said she had to do something positive or fall into a heap, so she registered her own business nine years ago.

"I used the skills I'd developed during my career in the beauty industry and from my lifelong interest in natural therapies and healthcare," Mrs Arfi said.

Aromababy now supplies 24 products

for babies and mothers-to-be, which have been uniquely produced in a Therapeutic Goods Administration (TGA) lab.

"Not long after starting my business I signed up Myers Grace Bros who still sells our products.

Aromababy products are available in Australian hospitals, pharmacies, department stores, baby boutiques, through the Qantas gift catalogue and corporate clients Kimberley Clark and Hyatt," Mrs Arfi said.



Mrs Arfi & son

"Midwives in hospitals love to use Aromababy because they are less irritating to newborn skin. I supply many hospitals with products free of charge which has in fact boosted sales. The Australian Breastfeeding Association also sells and recommends Aromababy products.

"My success in Australia then led to my most lucrative and professionally rewarding contract with a Korean distributor, which has opened the door to even more export markets.

In Korea men rarely do business with women because they generally work while women stay at home.

Despite this two Korean businessmen approached me after they had seen

Aromababy in an Australian department store. They came to see me at my office, which was at that time run from an overcrowded warehouse in Brunswick and were eager to sign up straight away. Now Korea is our biggest export market and the same company that approached me now employs 20 staff to look after Aromababy products alone. My products are now in every major pharmacy and department store in Korea and are used in their midwifery system."

"Aromababy products are exported to South Korea, New Zealand, Singapore, Indonesia, Hong Kong, the United States, Belgium, Holland, Finland and Norway.

"Aromababy is listed on the Austrade Suppliers Database, which has resulted in numerous export leads, and Austrade staff have given us specialist export market advice," she said.

Aromababy employs five staff, Mrs Arfi's husband is the accountant and they have company-owned premises on direct route to the airport.

The Aromababy range attracted strong interest during Austrade Kuala Lumpur's "Australian Beauty Products Promotion" held 5 to 9 May 2003.

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# Bug eaters capture New Zealand

A small Australian retailer's participation in a trade mission to New Zealand has resulted in big business.

Austrade helped New South Wales-based company, No Bugs Pty Ltd, set up and short list a plethora of crucial business meetings and opportunities in New Zealand as part of the mission.

The help of the Austrade Auckland office turned out to be invaluable with No Bugs selling almost half a million dollars worth of Bug Eaters - the company's top-selling product.

And the news just gets better.

More than half of the Bug Eaters bought by New Zealand companies were exported to the Pacific Rim, highlighting an untapped market.

Bug Eater is a 'clean and green' innovation that reduces or eliminates the breeding cycles of flying insects, as well as killing other pesky bugs.

A black light attracts insects and then a fan creates a downdraft into a tray filled with a mixture of detergent and water, which kills the insects.

"We're incredibly grateful to Austrade as our company's progress has been

immense," said No Bugs' managing director Ray Webber.

"Austrade broke down the barriers for us and were able to identify the right people in the right businesses - and as any business person realizes, connections and introductions can make or break a company.



Austrade Trade Mission 2002: From left, Austrade's Leith Doody, Philippa Hawken, No Bugs Director Jenny Timbs, and No Bugs Managing Director Ray Webber

"We also never appreciated the huge potential in the Pacific Rim, the possibility of increased sales is a great bonus for our business.

"It's been one year and I cannot stress how brilliant our association with Austrade has been for us.

"The services provided by Austrade

were outstanding and a big part of our successful trade mission to that country.

"And not only has Austrade provided us with an entry into the New Zealand market, it also led to current negotiations with three other countries where Austrade has offices."

Research and development has also been a top priority of the Australian business as it trials its Bug Eater against the Painted Apple Moth in Auckland.

The aim of the study is to examine whether the Bug Eater can catch the male population of the Painted Apple Moth - which is creating enormous problems in New Zealand, where it is destroying the landscape, including valuable trees and foliage.

No Bugs' researchers are still monitoring the Bug Eater's effectiveness in the northern regions of the country, specifically targeting the Web Worm moth.

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# Exports show mushrooms the light

Marion Lawson made a fortuitous career move, switching from mushroom farmer and successful businesswoman to General Manager of NSW-based Sylvan Australia Pty Ltd three years ago.

Ms Lawson came from a mushroom growing background and was in the process of selling her farm for residential development when Sylvan approached her.

Sylvan Australia is a subsidiary of Sylvan Inc. an American company and global leader in fungal technology.

"They were interested in growing the business by diversifying into new markets, so I took up the challenge which has paid off professionally," she said.

"We now supply 70 per cent of Australia's domestic market with export sales accounting for 20 per cent of business".

"Our export markets include Korea, New Zealand, Vietnam, India, Malaysia and Indonesia.

"Korea is now our biggest export market. It was a challenge to win over. It took us a little while to find the right partners. Our Korean partners are very involved in the mushroom industry there. We're now confident about our long-term growth in Korea and the region.



"Austrade's Seoul office was instrumental in securing our business in Korea. They helped with regulatory and legal issues, translation services and market information," she said.

Ms Lawson said the Australian company functions as a joint venture operation and a group of 11 Australian mushroom growers are the majority shareholders.

"The company produces spawn the equivalent of mushroom seed. It also complements its spawn offering with a range of related products and services designed to meet the needs of its customers," Ms Lawson said.

"Australian mushroom growers are taking up new technology and advanced management systems at a rapid rate to achieve increased yield, because of this we have achieved world's best practice in terms of productivity.

"Sylvan has greatly assisted in this transfer of technology, drawing upon its global network of production, research and technical service teams as well as using feedback from its customers.

"We consider the transfer of technology to be a key component in the continual quest for the improvement of quality, yields and profitability. This information and support is provided to all our customers," she said.

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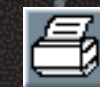
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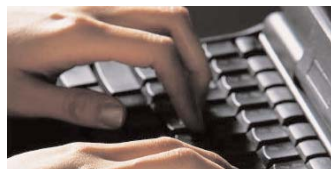
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# Culture the key to business in China

While on business in China your local interpreter brings ice cream to your hotel while you're working late at night because you mentioned that you like it. This might seem strange, but in China it just means you're a valued guest.

Queensland-based Solutions Development Corporation International (SDC) Director, David Denham noticed that such attention to detail is characteristic of the Chinese marketplace.



"Knowing about Chinese culture and business practices, and being prepared to translate everything really makes a difference. You also have to know about the Chinese Special Economic Zones," he said.

"You have to find the right government official, who will spend a lot of time with you because they are looking to invest. They like it when you are prepared to work with them and to share information and experiences.

"And if you tell your hosts you like something, you can expect to see a lot of it while you're there.

Three years ago SDC began developing products such as their

Heartbeat Enterprise Resource Planning (ERP) program.

Heartbeat ERP helps manage back-office operations including inventory, production planning, rostering and maintenance. A staff member suggested it would be good for the China market, so they made ERP multilingual from the start.

Austrade suggested a "practice" trade mission to New Zealand to help them prepare to take their product overseas, before Austrade's Senior Business Development Manager in Guangzhou, Franlyn Wong invited them on a trade mission to Jiangmen.

In what sounds like an epic tale, Mr Denham and his associate, Dr Kewu Li were in Hong Kong before visiting Jiangmen when they got a call to meet Dr Li's former university professor across the border in Shenzhen at 6am the following morning.

Professor Wang had arranged a meeting with a Beijing government representative with family ties in Shenzhen. This connection was very important for SDC.

"All of our presentations and handouts were in Chinese. We also learnt that

getting an early signature is very important - otherwise there is no commitment, even just to talk again," Mr Denham said.

"There's a lot of opportunity if you don't try to tackle the big cities first. The army and the government owns a lot of the factories and there are opportunities for Australian companies if they target the smaller contracts that competitors like the bigger US companies won't touch.

Mr Denham visited one construction company employing 10,000 people that was still planning manually. The company wanted to go high-tech so SDC provided a simple, front-end system that would handle the processes without changing everything in one go.

"Everything needs to be simple to implement and use and not be expensive, \$100,000 is big money in these regional areas.

"Most of all, you have to be prepared to spend a lot of time with your business contacts and build up reputation. Take photos, bring gifts and be wined and dined in every way possible. If nothing else, it's a good way to cure a sweet tooth."

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# A family affair brings export success

Gemtree Vineyards has been operating in the heart of South Australia's McLaren Vale region for more than 20 years. But it wasn't until five years ago that the company produced its first vintage, and just three years ago took the plunge and made its first export sale.

The family company, started by Paul and Jill Buttery, has traditionally provided fruit from its 300 acres to major wine companies including Southcorp and Orlando Wines rather than produce its own wine.

A wedding in the family changed all that, with the union of the Buttery's daughter (and Viticulturist) Melissa and winemaker Mike Brown. It was Mr Brown who encouraged that the family to branch out and produce its first vintage - a 1998 Shiraz.

The release of the Shiraz was such a success that the company repeated it in 1999. A year later they introduced a Cabernet, Merlot, Petit Verdot blend and in 2001, a Chardonnay.

Ms Buttery's brother Andrew Buttery joined the fold in 1997 and is now Gemtree Vineyard's General Manager. The two siblings and their partners run

the business while parents Paul and Jill are able to take a back seat.

Gemtree Vineyards first foray overseas was a small order to Switzerland in 2000 after an introduction to a Swiss importer through another local winery. This was followed by a small order to the US, also the result of an introduction from another winery.

Being a small business, Mr Buttery said it was difficult to establish overseas contacts and travel. By entering into a joint venture with export marketing agents Wine Style Australia in mid-2002, he said Gemtree Vineyards was better able to manage export sales.

Wine Style Australia introduced Gemtree Vineyards to Austrade, and the company is making its first funding claim through Austrade's Export Market Development Grants (EMDG) scheme this year.

Mr Buttery said Austrade San Francisco had been particularly helpful in the US market, and he is also optimistic of future sales to a Chinese importer who

recently visited Australia as part of a Shanghai trade delegation organised by Austrade.

While growing fruit remains Gemtree Vineyards' core business, it will produce 7,000 cases of wine of different varieties in 2003. Mr Buttery said wine production now represents about eight per cent of the total business and they would like to cap this at 10 per cent.

About 35 per cent of Gemtree Vineyards wine is exported, and the company aims to increase this to between 50 to 55 per cent.

Mr Buttery said while the US is a key market for Gemtree Vineyards, they want to spread their export risk across about six markets including Canada, Japan, Germany, the Netherlands, Malaysia and Singapore.

Despite their expansion, Gemtree Vineyards is not seeking to be a 100,000-case brand, according to Mr Buttery. "We want to remain a niche, boutique producer, rather than compromise on quality. Our goal is to be recognised as one of the top five brands from McLaren Vale."

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# Essence of international business

In 1518 the Spanish first emulated Aztec chiefs and drank a warm mix of cocoa and vanilla. Eighty years later, Hugh Morgan, apothecary to Elizabeth I of England, decided that vanilla held its own as a flavour and developed the first liquid concentrate.

"Vanilla essence" was born and became the most common flavouring agent in sweets worldwide, making this humble brown bean, once restricted to a small stretch of North America, perhaps history's most prolific export commodity.

It's fitting, then, that vanilla is helping to take Brisbane company Queen Fine Foods to new markets abroad.

Queen Fine Foods began more than a century ago, its flagship vanilla essence becoming an obligatory inclusion in pantries across Australia. Anglo-Celtic mums put it in the lamingtons and coconut ice sold at school fetes, while more recent migrants have added it to biscotti, baklava, Chinese cookies and so on.

The full Queen range also makes countless other foods taste and look great - through essences such as

natural lemon, peppermint and almond, and the Rainbow Pack of easy-drop food colours.

But it's the new specialty lines, such as high-concentrate vanilla extract and vanilla oleoresin, that the company hopes will win key overseas business - especially among the gourmards of Japan, China, England and, eventually, the spiritual home of food essences, France.

"Having built a strong domestic base and recently established ourselves in the South Pacific, we knew we needed to look further offshore if we were going to expand significantly," Queen Financial Controller, Fred Himstedt said.

Enter Austrade, which provided in-market advice and an Export Marketing Development Grant to assist with promotional costs.

"We knew we had a marketable product, because of our focus on quality assurance and competitive pricing," Fred says. "But our knowledge of overseas markets, customs and

financial arrangements such as tariffs was limited. Austrade provided that essential link."

The next step for Queen Fine Foods is a London trip to assess the market with Austrade's assistance and also take a look at the ultimate prize, teaching the French about practical cookery the Queen Fine Foods way.



"Cooking with raw vanilla beans may be great for presentation, but our natural oleoresin - a concentrated paste - provides a flavour intensity unobtainable through the beans alone," Mr Himstedt said. "Once

chefs taste the difference that our value-added products provide, we hope that world markets will be increasingly receptive."

Austrade will continue to liaise with Queen Fine Foods, as the name on the little bottle from Mum's pantry works its way towards the finest Parisian patisseries and beyond.

For more information [click here](#).



# Caring education is order of day

Phoenix English Language Academy - known as 'the institute that cares' - makes sure its overseas students get the most out of their time in Western Australia and is unique in its diversity of courses, from general English language courses to teacher training, English for banking, finance, tourism and hospitality.

Phoenix has been operating for 14 years and is one of Australia's most successful private sector education institutes offering full fee courses for overseas students.

Phoenix won the 2002 WA Education Export Award, becoming a national finalist in the 2002 Australian Export Awards in the process. The Institute was also recently rated the 75th fastest growing Australian company by Business Review Weekly (BRW).

With campuses in Fremantle and Perth, Phoenix recruits, houses and educates over 1,500 students annually. Students come from over 25 countries throughout Asia, Europe, Africa and South America, though most are from China, Zambia and Switzerland.

Phoenix Director, Robynne Walsh said their most defining moment was deciding to expand into a new sector - vocational education - open up a second campus in Fremantle and enter into a partnership with The University of Notre Dame - all in the same year.

"You have to have a well thought out business plan and know your products intimately. You have to know your markets and their cultural needs, have a fire in your belly, a passion for your product and be prepared not to have a lot of time for yourself," Mrs Walsh said.

Phoenix has also been successful in offering quality offshore training programs to overseas clients.

"Our biggest challenge has been developing an e-marketing approach to doing business and at the same time not alienating our much valued overseas representatives who offer the more traditional face to face service for our clients.

"You have to make sure that you keep investing time and money into markets

that are successful and don't ever become complacent with successful markets," Mrs Walsh said.

Phoenix generates over \$30 million annually in overall economic benefits to WA and has shown exceptional growth over recent years. It is this growth, 37.5 per cent in 2002-03 that gained Phoenix the BRW accolade.

While there are obvious economic gains from bringing students to WA, through spending on education and tourism, the positive experiences students take back to their own countries also raises the profile of the state and of Australia overseas.

Mrs Walsh believes that researching your industry and having a balanced portfolio of overseas markets is also important in exporting.

"Austrade helped us to showcase the state of Western Australia more than we can do as one exporter, and they helped us to network and be aware of market opportunities."

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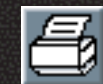
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## No Business Like e-Business (Virtual Mission) September 2003

This virtual mission will open the door for Australian companies interested in finding a business partner and/or launching e-business operations in Latin America.

E-commerce in Mexico is expected to reach approximately US\$38 billion in value by 2005, making it a leader in Latin America. This promotional event will generate opportunities for Australian companies in the industry to find suitable local partners as well as promote their capability to the Mexican industry.

For more information contact Maria Elena Saint Martin, Austrade Mexico City, email: [mariaelena.saintmartin@austrade.gov.au](mailto:mariaelena.saintmartin@austrade.gov.au) or phone: +52 55 5531 5225 extension: 225

## Export Questions?

For answers to your export questions, please contact: Austrade on 13 28 78, email: [info@austrade.gov.au](mailto:info@austrade.gov.au) or visit: [www.austrade.gov.au](http://www.austrade.gov.au)

Comments, suggestions or ideas for Tr@demark are welcome. Please contact Karla Davies on 02 9390 2745 or email [karla.davies@austrade.gov.au](mailto:karla.davies@austrade.gov.au).

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## DSEi 2003 - Defence Systems and Equipment International Exhibition and Conference

London 9-12 September 2003

Join Austrade and the Department of Defence at the Team Australia National Pavilion at Europe's largest defence exhibition, DSEi2003.

For defence industry companies wanting more information, contact Spiros Karamoutzos, Austrade Melbourne, email: [spiros.karamoutzos@austrade.gov.au](mailto:spiros.karamoutzos@austrade.gov.au) or phone: +61 3 9284 3190

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