

Access Pacific lands major French softwood contract

by Diana Burns

The All Blacks and some clever marketing helped New Zealand timber company Access Pacific (APL) to land a major deal with the world's largest trader in hardwood timber, DLH - but it was no easy task.



The Kiwi company had to convince DLH to look beyond the forests - in this case, the hardwood forests of Asia and Brazil - to see the trees - the softwood forests of New Zealand.

Access Pacific had to persuade the giant importer DLH that its New Zealand softwood timbers are not only highly durable (with a 25 year guarantee against termites and decay), they are also defect-free and come from environmentally sustainable forests.

It has succeeded, landing a deal worth over NZ\$4 million a year - and likely to grow.

DLH is the largest timber hardwood trader in the world, with a turnover in France alone of NZ\$124 million.

Based in Denmark, DLH is one of the top five importers in France, and it was the homebuilding and DIY market there that Access Pacific identified.

“We went to DLH with a proposal for high-grade New Zealand pine products, treated and preserved to European standards and with the FSC (forest stewardship certification). No one in northern Europe could touch what we were offering”, says Daniel Gudsell, APL’s Marketing Director.

“Despite that, it was hard to convince DLH of the benefits - they were suspicious of softwoods.”

The economic downturn of 2009 worked to APL’s advantage, says Gudsell. It was able to convince DLH that it could offer a mid-range product from New Zealand, with high-range benefits.

Strategic Advice

With the support of NZTE, APL partnered with a French company, Global Wood.

“NZTE provided strategic advice on choosing a distributor - we knew it would be key for APL to partner with an importer”, says Alice Bourrouet, NZTE’s Market Development Manager in France.

“I gave them a list of trade associations in order to find the importers, and we constantly sent market intelligence to them.”

But the help that really clinched the deal was when NZTE organised a corporate hospitality opportunity for Access Pacific at the test match between France and the All Blacks in Marseille last November.

The All Blacks

The key DLH negotiators are huge rugby fans.

“It’s what made the difference”, says APL’s Gudsell. “They started to see New Zealand differently, and become passionate about it.”

Sure enough, DLH’s order was confirmed shortly afterwards.

DLH have now produced a product range using New Zealand timber, for exterior decking. It is starting to appear in major hardware chains in France, and is likely to expand throughout Europe.

“We expect demand to pick up in the European summer”, says Gudsell.

To further interest in Europe, APL will be exhibiting at the French timber **tradeshow** Carrefour du Bois in Nantes in June 2010 with NZTE's assistance.

“I think we will see more progress and a wider opening of the market for New Zealand pine in France in the near future,” says Ariane Gonzalez, New Zealand’s Trade Commissioner for France.

“The growing concern of consumers about environmental protection combined with the constant search for quality at a good price is now at the heart of any purchasing decision.”

These trends are here to stay, Gonzalez says, and APL has demonstrated that with a good strategy and adapted sales and marketing support, everything becomes possible.

The keys to Access Pacific’s success in the difficult French market include a pro-active local presence, says NZTE’s Bourrouet.

“Their partnership with a local professional with good contacts helped a lot. They worked hard, talked to many people, spent lots of time on the road, and built a clear understanding of the market, then adapted their strategy to the local culture.”

NZTE has worked closely with APL in New Zealand, in particular on the development of their new distribution model as part of their medium to long-term growth strategy.

NZTE’s Sector Manager for Wood, Building and Interiors, Ravi Nagasamy says that APL’s distribution models are an example for other New Zealand companies wanting to get closer to their customers and build more solid relationships.

“APL is seeing the results of taking a strategic approach to their market development, and their heavy investment in R&D, particularly their own treatment technology, Green Guard. The company has grown tenfold in just five years, and provides work for a number sawmills that otherwise may have struggled. They are a real success story.”

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