

The winners: Energy
Mad's Tom Mackenzie
(left) and Chris Mardon



FAST 50 2007

Call it steroid-fuelled growth; the two top companies in the Fast50 have recorded 2,000%-plus revenue growth. In fact, the top ten companies this year have all surpassed the growth rate achieved by last year's winner.

There's a wave of green business, IT companies still dominate, we've got some real stayers despite the strong competition, larger companies are showing high revenue growth this year, and in the top spot Canterbury has trounced Auckland for once.

Read on for the winning strategies to growth in the seventh annual Deloitte/Unlimited Fast50.

Picking the trends

A number of this year's Fast50 entrants are showing rapid growth on the back of the trend for more environmental awareness. By **Mark Revington**

GREEN BUSINESS is good business. That maxim has been with us for a while but the stellar success of this year's Fast50 winner, Energy Mad, is proof that green business is coming of age. Sure, founders Chris Mardon and Tom Mackenzie started their company to make money — both admit to an irrepressible streak of entrepreneurialism — but their overriding philosophy is to save energy and have an impact on climate change.

But who would have guessed, back in early 2004 when Mardon and Mackenzie were tossing round their idea for a company selling energy efficient light bulbs, that a green business would be so in sync with the times?

Energy Mad's astonishing revenue growth of 2,746.1% over two years suggests that its founders had a great idea, a great business model, and that their timing was bang on. Now they are ready to conquer the world. They have achieved their goal to have five energy efficient light bulbs in half the households in the country. The next step is to save 10% of the world's power. That sounds like a mighty tall mountain to climb but given the business smarts and innovative thinking Mardon and Mackenzie have shown so far, it doesn't seem out of reach.

"These guys anticipated the trend," says Matt McKendry, the Deloitte partner overseeing the Fast50. "They looked at the market, anticipated where the change was coming and what the new customers would look like, and have been able to innovate effectively to anticipate the market. They are brave enough to anticipate what's coming and if they execute really well, as they have so far, there are really big rewards out there."

There are other Fast50 companies riding the green wave. Wellington Drive Technologies, with its innovative energy efficient electric motors, is ranked 18th with revenue growth of 402.2%. Trilogy Natural Products, back in the Fast50 for a second year running, at number 34 with revenue growth of 197.7% creates skin- and hair-care products based on natural ingredients. Pitango Innovative Cuisine has a point of difference based on organic products. The same goes for Beauty Engineered for Ever, and CER, formerly Certified Organics.

"There is more regulatory change around sustainability," says McKendry. "The government is putting a fair bit of effort into it and it is a real issue for our business community. More and more customers are choosing, or have the choice, to be involved with environmentally aware companies. If you go through those five or six companies in our list that are environmentally aware, I think it's a key trend for the future. Sustainability is probably a bit new for us, but especially in Europe and Scandinavia awareness of sustainability and green business has been around for ages."

There's a definite whiff of new business around the 2007 Fast50, particularly among those with the highest growth rates. The winner is a company focused on sustainable energy. Runner up is Ezi-Pay, a virtual retailer using smart software and a great business model to achieve spectacular growth. In third place is Ibex, a company using a combination of Kiwi experience in the meat industry and savvy homegrown IP to tackle big export markets. Coming in fourth place is Fishpond, an online retailer started by a young guy undaunted by earlier failures in that market. He

The criteria

WHO'S ELIGIBLE?

Entrants must have been in business for three years and have operating revenues of at least \$250,000 in 2004/05 and at least \$500,000 in the past financial year.

HOW IS GROWTH CALCULATED?

The index measures the percentage increase in annual revenues. The calculation for revenue growth is: subtracting the 2004/05 revenue figure from the 2006/07 one to produce the revenue change over that period. That figure is divided by the 2004/05 figure to produce a percentage change. The top 50 companies are then ranked according to that percentage change.

Fast50 Facts

Fast50 companies grew the New Zealand economy by ...

	2003	2004	2005	2006	2007
3 YR GROWTH	\$500m	\$294m	\$410m	\$404m	\$755m

Jobs created by Fast50 companies (in the preceding three years)

	2003	2004	2005	2006	2007
	1,300	857	1,573	1,133	1,291

took a few cues from the big daddy of online retailing, Amazon, and jumped in boots and all.

The Fast50 celebrates fast growth, but the sort of revenue recorded by at least a dozen companies this year suggests steroid-fuelled growth. Seven companies in this year's Fast50 achieved two-year revenue growth of more than 1,000%. Compare that with last year when the winner, Cristal Air International (trading as HRV), achieved revenue growth over two years of 732.3%.

And total revenue earned by the Fast50 this year is \$755 million compared with \$404 million last year. That suggests the Fast50 companies are making a significant difference in the economy. The threshold for companies to get into the Fast50 is increasing, from 36% revenue growth in 2001 to 151% this year. The threshold to make it into the top 20 increased from 135% in 2001 to 327% this year while the top ten is an increasingly challenging band, up from a threshold of 242% in 2001 to a whopping 759% this year. Last year's winner wouldn't have made it into the top ten this year.

As usual, it's easier for companies starting with nothing to achieve fast growth. It's far harder for established companies to continue marked growth and in that respect Kiwibank deserves a special mention for appearing in the Fast50 for the past three years, coming in this year at number 45 with revenue growth of 156.8%. Unsurprisingly Kiwibank listed one major challenge as managing the risks associated with growth.

The principal strategy to drive growth hasn't changed over the past couple of years for Fast50 companies. They want to win new customers

— hardly surprising as a majority are young companies still establishing markets. But development of new products and services is now more important than growing current customers.

“Being customer focused, having a value proposition, those are reasonably common themes in the Fast50 year on year,” says McKendry. “But there seems to be a far greater awareness of innovation and understanding customers. Companies understand that innovation is about a number of incremental improvements — the way you get products into markets, brand them, and use IP — the shift in focus is important. Other companies have looked at new markets or continually innovate. Trade Me is a classic, in the Fast50 for the fifth consecutive year, and the Trade Me of today is very different from that company five years ago.”

Although there is a growing maturity to the index since it was launched seven years ago, many of the companies appearing in the Fast50 are still less than five years old. But look at the size of the companies: the fastest growth year on year in average revenue has been among companies with revenue between \$5 million and \$20 million, and the next group, which includes companies with revenue of more than \$20 million.

“A lot of our index growth now is companies between \$5 million and \$20 million, so it's not just startups populating the index,” says McKendry. “It's companies which have crossed the chasm and have more revenue coming through their books and are more able to invest in people, in new markets, and into the R&D side. Having a lot of growth in that \$5 million to \$20 million company size is important because that's traditionally where New Zealand companies have stayed stagnant.”

Fast50 thresholds (percentage needed to get on to the list)

	2001	2002	2003	2004	2005	2006	2007
FAST50	36%	91%	132%	110%	139%	149%	151%
TOP 20	135%	163%	298%	328%	341%	276%	327%
TOP 10	242%	272%	406%	528%	536%	412%	759%

Big ambitions

No 1: Energy Mad

This year's Fast50 winner started out with an audacious goal, and then got a bigger one

YOU CAN thank Tom Mackenzie's mum for being the catalyst for the stunning success of Christchurch-based Energy Mad.

Back in 2004 when Mackenzie and his Energy Mad co-founder, Chris Mardon, were casting around for a business scheme, they decided on the idea of selling five energy efficient light bulbs to every household in New Zealand. At the time, Mardon was successfully running a manufacturing plant in Christchurch and Mackenzie was, supposedly, semi-retired.

On reflection, the idea seemed a little ambitious, so they decided that getting their bulbs in half the country's households would do. There were several minor barriers to overcome, as Mardon wryly points out. No one had been successful selling energy efficient bulbs because they were usually too inefficient, too ugly, and too expensive.

At that stage Mardon and Mackenzie had no light bulbs. Their business model relied on convincing power companies to fund the sale of their light bulbs so that consumers could save money on power bills. And they had to convince supermarkets to sell the energy efficient bulbs almost at cost while destroying the lucrative market for conventional bulbs. It was no small ambition.

After a six-month search they found a manufacturer in China with a bulb design they liked, and made it smaller, lighter and longer lasting. They then approached a couple of power companies that didn't appear overly interested in Energy Mad's business model.

"Then Tom's mum went to a conference in Rotorua and met a director from a power trust in south Canterbury and she told Tom's mum that the trust was looking at doing a light bulb project with a couple of guys from Christchurch," says Mardon. It turned out that the two guys from Christchurch were Mardon and Mackenzie.

It was the springboard they needed. Professional marketers told them they would be lucky to get 2% of the population to go for their promotion. But Energy Mad had put together a compelling promotion with funding from energy trusts (who are major shareholders in lines companies), the Electricity Commission, and Foodstuffs, which allowed them to offer bulbs cheaply. After some initial difficulty, they lined up a couple of supermarkets to sell their Ecobulbs, and in six weeks they sold 62,000 bulbs. Energy Mad's energy efficient light bulbs found their way into two out of every three households in south Canterbury.

"The thing that really worked was offering five bulbs as a promotion," says Mardon. "It was the right combination of selling the key benefits to consumers, and making it a simple, compelling offer."

Energy Mad repeated the feat around the country, later bringing Shell in on the promotion. By the middle of this year they had sold five energy efficient light bulbs to half the households in New Zealand. Last year they had revenue of \$8 million. They achieved that in less than six months this year. The company sold at least 500,000 of its Ecobulbs in Australia in three months. Now it is moving into Singapore and the US.

Energy Mad's new goal is to save 10% of the world's power bill. It is, as Mardon admits, a slightly larger ambition than that visualised back in 2004, but then lighting uses 19% of the world's power. And Energy Mad's advantage is it can save money for power companies. Most energy efficient bulbs, or compact fluorescent bulbs, have a low power factor, which means they use more current and require more lines capacity. Energy Mad's Ecobulbs have been refined — with the help of Canterbury University — with a high power factor, which places less demand on transmission capacity. While the Ecobulbs cut costs for an average household and therefore revenue for power companies, they spread the energy load throughout the day, allowing companies to save money on peak power transmission while deferring the need for new power generation.

Mardon, 36, and Mackenzie, 33, have been friends for at least a decade, since they were at university studying engineering and selling T-shirts. Mackenzie says he spent more time at university running his T-shirt business than he did at engineering classes. It gave him a taste of business and he wanted more.

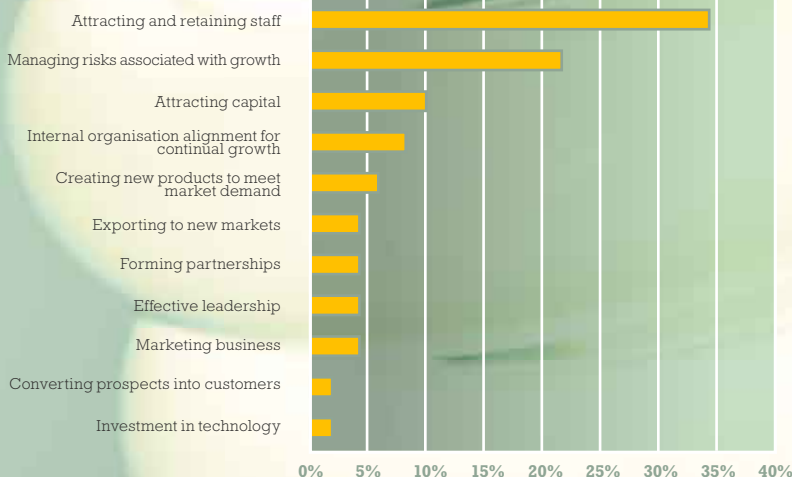
"I was Tom's best salesperson," says Mardon. "Our running coach at the time said if I stick close to Tom, I would do alright because Tom would end up a millionaire one day."

Principal challenges — 2007 Fast50

Three key challenges

Companies were asked to rank the three principal challenges they faced as fast growing businesses. The greatest challenges:

- Attracting and retaining staff (34%)
- Managing risks associated with growth (22%)
- Attracting capital (10%)



№ 2: Ezi-Pay

“We’ve grown a lot but we can grow a heck of a lot more”

Dave Spicer, CEO,
Ezi-Pay

RANK	COMPANY NAME	REVENUE GROWTH (%)	EXPORT SALES AS A % OF 2007 SALES	R&D EXPENSE AS A % OF 2007 SALES	NUMBER OF EMPLOYEES	DESCRIPTION
1	ENERGY MAD Christchurch	2,746.05	3.7	0.0	8	Energy efficient lighting, energy efficiency projects www.energymad.co.nz
2	EZI-PAY Auckland	2,691.84	0.0	0.0	19	Virtual retail channel for selling prepaid services via eftpos terminals www.ezipay.co.nz
3	IBEX Auckland	1,234.37	92.5	1.9	78	Manufacture processing, sorting and temperature change technologies for the food production industry www.ibex.net.nz
4	FISHPOND.CO.NZ Auckland	1,230.76	51.2	0.0	18	Online bookstore www.fishpond.co.nz
5	RUN THE RED Wellington	1,120.58	4.0	16.0	13	SMS connectivity, mobile marketing, mobile content and premium services www.runthered.com
6	DIGITAL ISLAND COMMUNICATIONS Auckland	1,071.59	0.0	0.0	17	Telecommunications products and services www.digitalisland.co.nz
7	ESCEA Dunedin	1,026.86	0.0	8.3	30	Manufacture gas fires www.escea.co.nz
8	TORPEDO7 Hamilton	968.32	40.0	4.0	40	Online retail of cycling products www.torpedo7.com
9	TRIODENT Katikati	940.15	98.0	10.0	16	Manufacture and market dental solutions www.triodent.com
10	POTENTIA Auckland	758.61	0.0	0.0	5	IT recruitment www.potentia.co.nz
11	AGILITY GROUP Auckland	743.30	0.0	0.0	11	IT recruitment www.agilitygroup.co.nz
12	ALEXANDER BULK GASES Cambridge	637.16	Did not answer	Did not answer	25	Transport bulk liquid gas www.alexandergroup.co.nz
13	CER GROUP Auckland	601.63	54.0	2.0	21	Develop and market environmentally sustainable products www.cer.co.nz
14	NEXTWINDOW Auckland	567.44	95.0	22.5	24	Develop and manufacture touchscreens www.nextwindow.com
15	CRYSTAL SOLUTIONS Auckland	519.31	95.0	0.0	21	Provide global research and information solutions website under construction
16	MAKO NETWORKS Auckland	497.61	11.5	45.3	15	Supply broadband services delivery platform www.makonetworks.com
17	MOJO COFFEE CARTEL Wellington	408.32	0.0	0.0	53	Coffee roaster, wholesaler and cafe owner www.mojocoffee.co.nz
18	WELLINGTON DRIVE TECHNOLOGIES Auckland	402.17	100.0	31.0	69	Develop, manufacture and sell electricity-saving motors www.wdtl.com
19	ZEALD.COM Auckland	391.40	0.0	8.0	27	Website design and e-business consultancy www.zeald.com
20	SMARTFOODS Auckland	327.41	0.0	4.0	8	Manufacture and market consumer food products
21	FIRST RATE NZ Auckland	304.02	0.0	0.0	27	Internet marketing consultancy www.firstrate.co.nz
22	TRADE ME Wellington	294.42	Did not answer	Did not answer	80	Internet trading site www.trademe.co.nz
23	TIGER NETWORKS Auckland	294.03	0.0	0.0	16	IT infrastructure solution provider www.tiger.net.nz
24	MAGIC PULSE Wellington	293.69	0.0	10.0	7	Software services for the hair and beauty industry www.kitomba.com
25	RIMUHOSTING Cambridge	289.28	95.0	10.0	26	Internet hosting service www.rimuhosting.com

RANK	COMPANY NAME	REVENUE GROWTH (%)	EXPORT SALES AS A % OF 2007 SALES	R&D EXPENSE AS A % OF 2007 SALES	NUMBER OF EMPLOYEES	DESCRIPTION
26	PARTICLE SYSTEMS Christchurch	262.13	48.0	6.0	6	Develop and sell software solutions to the creative industry www.particle.co.nz
27	OPTIMAL USABILITY Wellington	254.08	3.0	1.0	12	Internet consulting and services www.optimalusability.com
28	FLOTECH Auckland	253.76	87.0	1.0	85	Design and manufacture heat exchanges, gas compressors, gas treatment systems and related technologies www.flotech.com
29	NEW ZEALAND FINANCE HOLDINGS Auckland	246.37	0.0	0.0	18	Financial services and mortgage broking www.nzf.co.nz
30	SERVERWORKS Christchurch	237.21	0.0	0.1	8	IT support services www.serverworks.co.nz
31	THE OPTIMA CORPORATION Auckland	236.77	62.0	30.0	24	Develop and sell software for emergency services and airline industries www.theoptimacorporation.com
32	CHILLISOFT Auckland	236.71	1.0	0.0	10	Distribute and develop software www.chillisoft.net
33	LCP HOLDINGS Auckland	225.58	0.0	0.0	212	Retail carpet and other flooring
34	TRILOGY NATURAL PRODUCTS Wellington	197.71	41.0	1.0	6	Formulate and market skin- and hair-care products www.trilogyproducts.com
35	KEY LUMBER COMPANY Rotorua	195.24	4.3	Did not answer	36	Design and supply timber products www.keylumber.co.nz
36	IMPAC SOLUTIONS Wellington	195.01	Did not answer	Did not answer	Did not answer	Health and safety solutions and services provider www.impac.co.nz
37	PITANGO INNOVATIVE CUISINE Auckland	191.16	56.0	1.0	30	Manufacture food products www.pitango.co.nz
38	OLD FASHIONED FOODS GROUP Auckland	190.87	36.0	1.7	350	Manufacture food and beverages www.oldfashionedfoods.com
39	HIFX Auckland	185.68	59.0	0.0	38	Foreign exchange broker www.hifx.co.nz
40	OBSERVATORY CREST Wellington	177.62	0.0	0.0	8	Distribute and resell IT products www.obcrest.co.nz
41	IQ TOYS Mt Maunganui	166.99	21.0	0.0	6.5	Online retail of toy and baby products www.iqtoys.co.nz
42	TOUCHPOINT Auckland	166.02	2.5	16.2	36	Provide interactive marketing platforms www.touchpoint.co.nz
43	ENDACE GROUP Auckland	164.98	96.2	19.2	71	IT network security systems www.endace.com
44	MATCH Auckland	160.30	0.0	0.0	7	Real estate, property development, construction www.matchrealty.co.nz
45	KIWIBANK Wellington	156.78	0.0	0.0	739	Banking — savings, loans and other financial services www.kiwibank.co.nz
46	REDVESPA CONSULTANTS Wellington	153.87	0.0	0.0	7	IT business services www.redvespa.com
47	BEE Auckland	152.00	7.0	1.0	3	Develop, produce and sell green household cleaning products www.bee.net.nz
48	XYTECH TECHNOLOGIES Auckland	151.99	0.0	0.0	7	Rent and sell lighting and sound equipment www.xytech.co.nz
49	BLUE SOUTH TRANSLATION FOR BUSINESS Wanaka	151.60	10.0	0.0	Did not answer	Language translation agency www.bluesouth.co.nz
50	ANDREW STEWART Auckland	151.43	0.0	10.0	13	Environmental and infrastructure resource management consultancy www.andrewstewart.co.nz

The stayers

Staying in the Fast50 is tough: 2007 Fast50 repeats

Company	Ranking				
	2003	2004	2005	2006	2007
TRADE ME	2	1	4	4	22
ENDACE GROUP	16	2	-	47	43
XYTECH TECHNOLOGIES		35	48	-	48
RUN THE RED			38	-	5
NEW ZEALAND FINANCE HOLDINGS			43	20	29
KIWIBANK			18	39	45
BLUE SOUTH TRANSLATION FOR BUSINESS			31	-	49
ESCEA				6	7
TORPEDO7				7	8
AGILITY GROUP				16	11
CER GROUP (FORMERLY CERTIFIED ORGANICS)				13	13
NEXTWINDOW				34	14
MAKO NETWORKS				33	16
FIRST RATE				40	21
TIGER NETWORKS				42	23
CHILLISOFT				12	32
TRILOGY NATURAL PRODUCTS				3	34
HIFX				9	39
OBSERVATORY CREST				30	40

Getting it right

Currency trader HiFX has four key principles to spark rapid growth

WHAT DOES it take to sustain fast growth? Ultimately it depends on the company's vision, says Brett Finnigan, managing director of HiFX, the currency trader appearing in the Fast50 for the second year in a row. HiFX features at number 39, with revenue growth of 185.7%.

"You must make sure you have the right vision, and the right people in the right roles to carry out that vision."

And Finnigan swears by four key principles to grow the business. Number one is customer focus, he says. Put the customer at the centre of everything the company does. Number two is staff capability and care, which essentially means ensuring the company has the right staff, and looks after them. Number three is procedural excellence or ensuring everything the company does is best practice. Number four is ensuring sales and marketing innovation continue. Get those four principles operating and growth will follow.

Finnigan is an accountant who began HiFX in New Zealand in 2001 after 20 years offshore. His overseas career included seven years in Russia in partnership with former world chess champion Gary Kasparov, followed by ten years in the UK as the right-hand man of

entertainment entrepreneur Bill Kenwright. Kenwright is famous, among other things, for producing long-running versions of *Joseph and the Amazing Technicolour Dreamcoat*, and *Blood Brothers*, which revived David Cassidy's career. Among the highlights, Finnigan remembers one period when every West End theatre featured a Kenwright production.

And one of his favourite stories is buying Everton Football Club for Kenwright when England footballer Wayne Rooney was still on the Premier Division club's books. It had always been Kenwright's dream, says Finnigan. "I was determined to help him realise his dream so I got the money together. It cost £40 million. Bill put up 50% and a consortium came up with the rest."

To put that in perspective, the club later sold Rooney to Manchester United for £20 million.

It was, recalls Finnigan, a particularly heady time, rubbing shoulders with people like then Arsenal vice-chairman David Dean.

"I was this little old accountant from New Zealand, watching Premier League matches from the directors' box. I loved going to football matches."

Bright sparks

Deloitte congratulates
this year's Fast 50

Let's celebrate growth



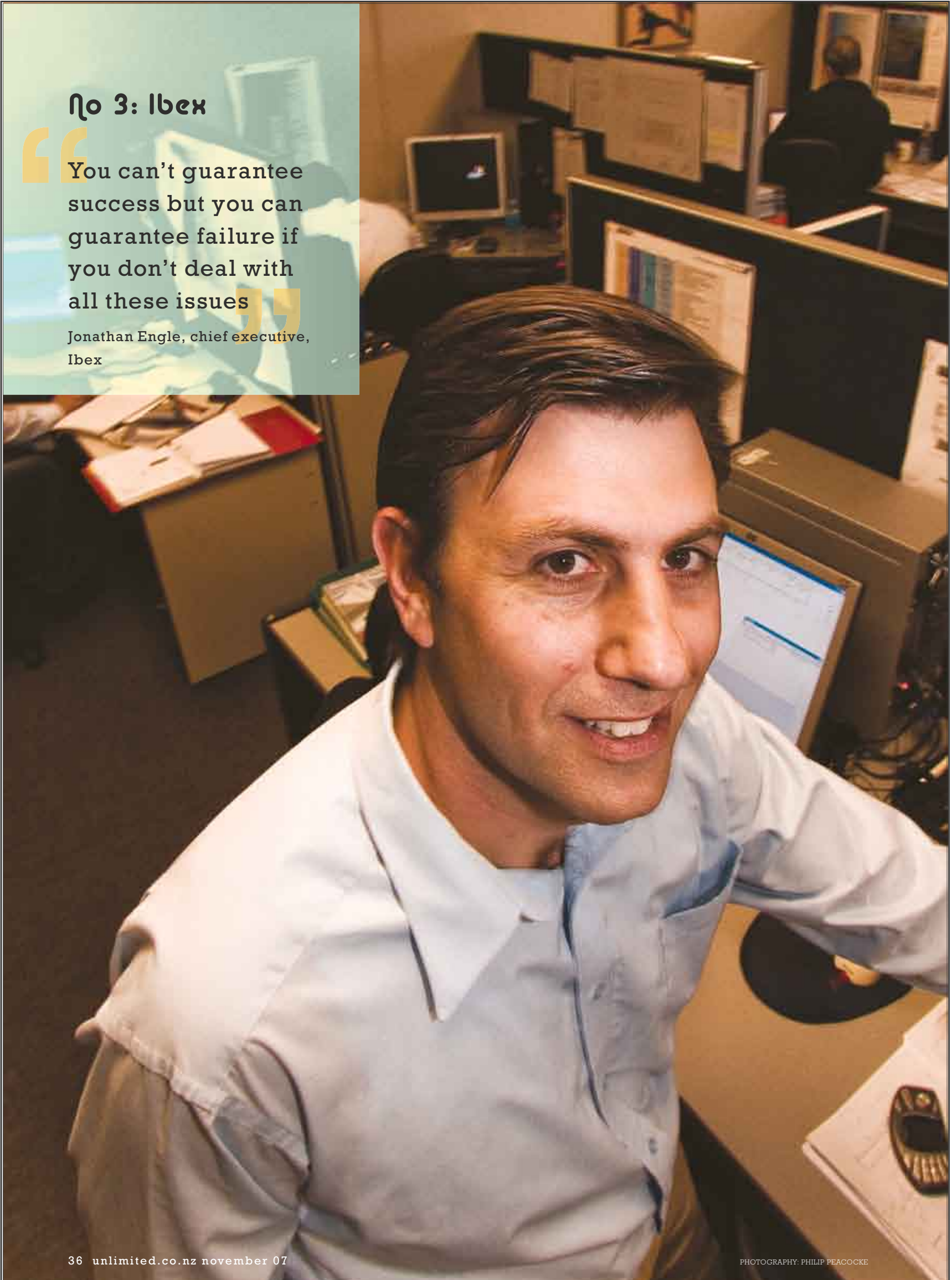
fast50
Deloitte / Unlimited
NZ's Fastest Growing Companies

Deloitte.

No 3: Ibex

“You can't guarantee success but you can guarantee failure if you don't deal with all these issues”

Jonathan Engle, chief executive,
Ibex



No 2: Ezi-Pay

NUMBER TWO with a bullet. That's probably the best description of virtual retailer Ezi-Pay, given its meteoric rise in revenue, and potential for much more.

The company began providing electronic phone cards and top-ups in 2003 and now has revenue of more than \$250 million (which, unusually for a New Zealand company, it proudly displays on its website). And, as CEO and co-founder Dave Spicer says, "the run rate each month is higher and higher".

This month Ezi-Pay is rolling out a new product called The Gift Station, essentially an electronic gift card, which can be loaded with whatever value you like. Ezi-Pay has agreements with up to 50 New Zealand retailers, covering everything from fashion and entertainment to sport, travel, and home and hardware, all available through a card from a gift station. The company believes the local market is worth around \$800 million and it plans to be the main mover in that market through offering a quick, easy solution for buying a gift card.

Did you hear the one about the accountant, the engineer and the marketing guy? That's Spicer and his fellow Ezi-Pay founders Paul Carter and Karim Hussona. Hussona is an engineer and a former Ernst and Young Entrepreneur of the Year finalist. Spicer is the marketing guy and Carter is the money man.

"We have good synergies," says Spicer. "The partnership is everything in a company like this, your connection to each other and ability to get along."

The trio started Compass Communications, probably New Zealand's largest provider of prepaid phone cards, in 1995. In 2002 they started Ezi-Pay to head off any international companies with the idea of selling phone cards in the local market through electronic terminals.

Ezi-Pay processes in excess of 16 million sales transactions per year, including an estimated 54% of mobile phone top-ups in New Zealand and an estimated 70% of electronic phone card sales and recharges. Its software can be found in eftpos terminals in every Foodstuffs supermarket or Warehouse store in the country, and in 80% of dairies and convenience stores.

But Spicer reckons the company has been flying under the radar so far, concentrating on achieving a good national spread for its products. The company has all the building blocks in place to achieve any manner of electronic transactions, from prepaid power and utility bills, to travel and insurance.

The bill payment industry alone is worth \$2 billion a year in New Zealand, says Spicer.

"We've grown a lot but we can grow a heck of a lot more. The only reason we've stayed home and done this here is because there is so much to do in New Zealand. We don't have the weight on our shoulders of debt, or a board which requires us to deliver something we said we'd do. We're keen to pursue opportunities and take risks."

Average revenue growth (All entrants): **Mid-sized companies lead the way**

	2003	2004	2005	2006	2007
>\$20M REVENUE	94%	273%	150%	284%	329%
\$5 - \$20M REVENUE	133%	154%	270%	277%	434%
<\$5M REVENUE	195%	202%	214%	304%	208%

No 3: Ibex

YOU COULD call Ibex a 25-year-old startup, according to chief executive Jonathan Engle, who admittedly seems to have a way with words, last year describing Ibex as Helen Clark's "dream company".

Ibex placed third in the 2007 Deloitte/Unlimited Fast50 with revenue growth of 1,234.4%, achieved on the back of market expansion offshore, particularly in South America.

The company was started by Ralph Engle, Jonathan's father, in 1983 to manufacture freezing and chilling solutions, especially in the meat industry. But it has achieved spectacular growth over the past three to four years, signing contracts with companies like Tetra Pak Hoyer — the world's largest supplier of equipment to the ice cream industry — setting up an office in Brazil, and offering chilling and freezing solutions to the South American meat industry. It expanded turnover by 400% last year and annual revenue exceeds \$50 million, although Engle won't give an exact figure. Staff numbers have jumped from 17 three years ago to 78 this year.

At the heart of the company's success is its automated temperature

control system (TCS), a smart piece of technology designed in New Zealand and manufactured wherever there is a market. And it's not just about chilling or freezing; it's about sorting at the same time, says Engle.

"It's not only temperature change. It's about the sorting while you're doing that temperature change. That's the key thing now. If you do it after you've chilled or frozen the product, you're adding more time to the process. We deal with it while bringing the temperature down. That's the big innovation in recent times."

The equipment works well in the ice cream and ready-meal market but Ibex's focus is the meat industry, particularly in South America. Why? Engle reels off the numbers.

"They have a herd of 200 million head of beef and they kill 40 million head of beef a year. It's going ballistic at the moment, growing at one hell of a rate, and we got in at the bottom of the curve."

That sort of growth can pose problems for a company, as Engle admits, "but it's all about trying to make sure the wheels don't fall off, that you are capturing the knowledge, that you get good systems in place, get the right people and keep everything on track. I work on the theory that you can never guarantee success but you can guarantee failure if you don't deal with all these issues."

No 4: Fishpond

DANIEL ROBERTSON didn't have a garage when he began Fishpond in January 2004, so he started in the spare room. Now the online bookseller operates from a warehouse in Mangere, near the airport and major postal centres to reduce shipping costs and ensure speedy delivery. It has a team of 20 working in Auckland, Melbourne and Perth and the company comes in at number 4 in the 2007 Fast50 with revenue growth of 1,230.8%

Robertson, 26, was in his last year of a four-year electrical engineering degree at Auckland University when he seriously started to contemplate another career.

"I knew I wanted to start a business but I didn't know exactly what. I knew it had to be a fairly simple business and I thought at the time that an online business would be easier, although the first thought in my mind was to build something electronic."

Robertson says he got inspiration from the Spark programme for entrepreneurs run by the University of Auckland Business School, attending as many Spark events as possible in his last year at university. A friend, Kunal Kripalani, who entered a Spark entrepreneurial challenge that year, is now Fishpond's business development manager.

New Zealand was a small market so Robertson needed a product many people would buy. Books matched the profile, and the concept of Fishpond took shape. Robertson, who started a business selling Linux software while still at university, built the website engine from open source software.

"It was a really good base and meant we didn't have to spend millions of dollars building our own shopping cart."

He began the business with around \$1,000 and at least a year of hard slog, relying on his girlfriend Yvette's income as a scientist. The pair have since married and Yvette Robertson is an integral part of Fishpond.

Sourcing books wasn't a problem. Convincing distributors of the company's worth was a little harder. "At the start it's difficult because they've never heard of you and it's bit of an old-school industry. If you just do whatever they want and sign your life away with personal guarantees, once you do start selling a bit more, they take notice and you build up a relationship."

So it was a case of getting the Fishpond website online and manually typing in all the descriptions of stock, a fairly laborious task which Robertson half jokingly says left him with occupational overuse syndrome.

"Then we just put up some ad words through Google and it turned out that New Zealanders really responded. We got some good initial sales, and we kept going with it."

Category winners by region

KEY: RED = NZ WINNER

Fastest growing business services company

AUCKLAND	POTENTIA	758.6%	Sponsored by the Economic Development Association of NZ
Hamilton	Tabak	132.4%	
Wellington	Optimal Usability	254.1%	
Canterbury	Serverworks	237.2%	
Otago	Blue South	151.6%	

Fastest growing technology company

Auckland	CER Group	601.6%	Sponsored by UK Trade and Investment
Central North Is	RimuHosting	289.3%	
WELLINGTON	RUN THE RED	1,120.6%	
Canterbury	Particle Systems	262.1%	

Fastest growing health or community services business

AUCKLAND	LES MILLS	143.7%
Otago	Physiomed	75.3%

Fastest growing media, advertising or communications business

AUCKLAND	FIRST RATE NZ	304.0%	Sponsored by PR People
Wellington	Breathe Communications	99.2%	
Canterbury	Chambers Public Relations	102.2%	

Fastest growing telecommunications or ISP business

AUCKLAND	DIGITALISLAND COMMUNICATIONS	1,071.6%
Canterbury	Serverworks	237.2%

No 5: Run the Red

CALLIT the coming of age of a mobile generation. Last year was a boom time for mobile marketing company Run the Red. It was a fun space, says director Ben Northrop, as customers discovered the huge variety in ringtones and wallpapers they could use to customise their mobile phones. They took part in competitions like Run the Red's Black Cap text poll for Samsung, which launched in December 2006 and ran for three months. It urged cricket fans to text in entries during cricket matches by choosing what type of fan they were — purist, spinner, sideline fan, swinger or non-fan — with their name. At the end of a match, winners were randomly selected.

And it's not just teenagers, says Northrop. Run the Red's mobile banking service for PSIS, for example, is popular with an older age group, which doesn't want to sit round waiting on the end of a landline.

The mobile revolution has been a while coming, but Kiwi consumers seem to have readily embraced it, says Northrop.

"Mobile entertainment really boomed — that was a big revenue driver for us; the carriers finally opened the doors and people discovered mobile content for their phones, and we were in the right place at the right time."

Northrop founded the mobile marketing company with Justin Boersma in 1999. They were self-taught web developers who cut their business teeth on Veda, a website development company, before setting up Run the Red. In 2004 they told *Unlimited* that setting up the company had taken four years of hard yakka because they had just missed out on the tech goldrush. A year later, and Run the Red appeared in the Fast50 for the first time, at number 38 with revenue growth of 186.45%.

This year Run the Red is back, at number four, with whopping revenue growth of 1,120.6%, much of that driven by growth in New Zealand, with some services offered in Australia. The company has also set up an office in Sao Paulo, Brazil, where it has a joint venture. The mobile phone industry is lagging there, says Northrop, but with a population of 270 million it could be another bonanza.

"People seem to really enjoy engaging with services through their phone. It's a personal thing nowadays; everyone has a phone, uses it everywhere, wants it to be tailor-made."

Fastest growing manufacturing business

AUCKLAND	IBEX	1,234.4%
Sponsored by the Employers & Manufacturers Association (Northern)		
Central NI	Triodent	940.2%
Sponsored by the Employers & Manufacturers Association (Northern)		
Wellington	Tekron International	74.3%
Sponsored by the Employers & Manufacturers Association (Central)		
Canterbury	Pathway Engineering	64.1%
Sponsored by the Canterbury Employers' Chamber of Commerce		
Otago	Escea	1,026.9%
Sponsored by Otago Southland Employers' Association		

Fastest growing wholesale, retail, distribution or transport business

AUCKLAND	EZI-PAY	2,691.8%	
Hamilton	Torpedo7	968.3%	
Wellington	La Bella Italia	90.2%	Sponsored by NZ Retailers Association
Canterbury/West Coast	Excavator World	44.4%	
Dunedin	Southern Hospitality	103.8%	

Fastest growing exporter

(only companies with exports accounting for more than 50% of total revenue included)

AUCKLAND	IBEX	1,234.4%	
Hamilton	Triodent	940.2%	Sponsored by Export Year 2007
Wellington	Icebreaker	137.7%	
Canterbury	Pathway Engineering	64.1%	

Fastest growing new entrant

Auckland	Ezi-Pay	2,691.8%
Hamilton	Triodent	940.2%
Wellington	Mojo Coffee Cartel	408.3%
CANTERBURY	ENERGY MAD	2,746.1%

Online sales tips

THIS YEAR'S eighth place-getter, Torpedo7, decided four years ago to shake up bicycle retailing by launching an online store, which operates 24/7. It must be doing something right as it first made the Fast50 in 2006 and then again this year with growth of 968.3%.

The company's expanded the range of what it sells beyond bikes to apparel and accessories and now manages and operates seven websites.

Torpedo7 founder Luke Howard-Willis has ten sales tips for online businesses:

1 CONTENT — KEEP IT FRESH: Make sure the content on your website is changed regularly, weekly if possible. That's especially true of the homepage, so visitors feel there is actually someone behind the website paying it attention.

2 SERVICE — IT MATTERS: Service is extremely important when running a website as visitors miss out on face-to-face contact. Give them confidence in dealing with you by exceeding their service expectations. If you are emailed by a visitor, get back to them straight away — don't leave it till tomorrow.

3 EMAIL DATABASE — MAKE IT GROW: Develop and grow your email database so you can communicate with your visitors regularly. When sending out email communications to your database have a reason for doing so, and make sure it will be something they will respond to. You don't want to waste your time or theirs.

4 LEVERAGE EXISTING TOOLS — DON'T REINVENT THE WHEEL: When starting out, I'm a big fan of using existing platforms, frameworks and the like if they can enable you to get your core idea completed faster and cheaper than going it alone. Using a good existing framework will save time, money, effort and speed you into the income-generating phase that everyone wants to get to as soon as they can.

5 SITE FUNCTIONALITY — GO FOR EASY: Look at which sites generate the most traffic and build a similar site. Visitors will then be able to quickly and easily navigate through your site as they will be familiar with how it functions.

6 SITE SPEED — KEEP IT QUICK: Restrict each page of your site to a certain size. People are usually unwilling to wait too long for a page to load. Note that the size includes all images and other objects that make up a page.

7 LAYOUT — FLASH ISN'T SO COOL: Try to stick to certain standards when it comes to arranging the elements of a page. Place a menu on top or the left side; a search text field also on top or the left side; a footer with contact information, sitemap and so on at the bottom. A three-column layout is typical if a lot of information is to be presented at the same time.

8 RESEARCH — DON'T CHANGE FOR THE SAKE OF IT: Do your homework before jumping into a web redesign project. Find out as much as possible about the current state of your website by analysing web traffic data and feedback from users. Also take the time to learn more about your target audiences' needs and expectations by setting up online surveys, focus groups, face-to-face interviews, or usability tests.

9 INCREMENTAL REDESIGNS — SMALL STEPS WORK: When it comes to redesign, bigger isn't always better. Major overhauls every two to three years often generate a lot of resistance from customers/visitors and can even upset your most fervent users. That's why some major names on the web, such as Amazon and EBay, don't redesign their websites anymore. They prefer to roll out any major changes slowly so they don't disorient or lose their customers. Another benefit of the incremental approach lies in the cost; usually small changes can be implemented quickly by your team and cost less.

10 MONITOR YOUR WEBSITE TRAFFIC — LISTEN TO THE FEEDBACK: Review your website statistics to see how visitors find your website and what keywords they are searching. These statistics will tell you if paying for inclusion in an industry specific directory is worth the annual fee and if you should update your content to include more information on specific terms.

What is the one strategic question that Fast50 companies return to?

Once again the customer value proposition is a predominant concern, closely followed by finding the most appropriate business model to sustain growth. Finding and keeping the right staff is an ever-increasing issue. Other key concerns focused on competitive advantage, managing growth effectively, and funding that growth.

2007

What do we need to do each day to ensure all parts of our business are world class?

What business model will most increase company value?

How do we find, retain, develop and motivate talented people?

How to add customers yet continue providing excellent customer service?

How to manage growth?

Is this decision true to our brand?

How can we go faster?

2006

How to use 'brand NZ' as a competitive advantage in overseas markets?

Do we understand the clients' business?

What do we need to do to be a leader in customer service?

Is this true to our people and core values?

When is the right time to commence expansion ... are our systems ready?

How can we continue to add further value to all stakeholders?

Is our growth at the right rate — too fast, too slow or just right?