

AGRIBUSINESS ■ BEATRICE GACHENGE

Fertiliser firm takes her place on the fast lane

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Agriculture

Ocean Agriculture

Mr Trevor Sherwin, the managing director of Ocean Agriculture (EA) Ltd, had no idea what was in store for him when he decided to take part in the second edition of the top 100 mid-sized companies survey.

Now standing among the top 10 winners, Mr Sherwin says a successful company must not only maintain loyal and happy customers, but must also grow in line with, or better than, other industry players.

This is the principle that has enabled the fertiliser import and distribution company to stand out among Kenya's fastest growing mid-sized firms. A second time entrant in the annual survey, the 13-year-old Ocean Agriculture reckons that it entered the competition because it felt it had matured enough to seek to benchmark itself against its peers.

The firm has a strategic relationship with the parent company, Ocean Agriculture (Pty) Ltd. But a major plus for the firm is that it has mapped out the minefields that have seen many South African companies fail to penetrate and sustain their businesses in Kenya.

The country has been a burying ground for many South African brands such as Supreme Furniture, and Cash and Carry, who closed shop or sold out to other investors after they failed to find a firm footing in the market. Another South African firm, Omnia, also pulled out of the Kenyan market in the early part of this decade.

"Many South African companies try to apply the same business models they have been using in South Africa to their businesses in Kenya. Anyone who has ever worked here knows that Kenya is a unique and different



KPMG chief executive, Mr Josphat Mwaura (left), presents a trophy to Ocean Agriculture staff. The fertiliser importer and distributor is among Kenya's fastest growing mid-sized firms. FREDRICK ONYANGO

operating environment. Our investors saw the need to employ Kenyans to conduct the business," says Mr Sherwin.

In recent months, however, Mr Sherwin says Ocean Agriculture's turnover has been affected by the spiral effects of the global economic crisis — especially in the horticultural industry that is the main target market for the fertiliser firm. Compared to last year, turnover has dropped by an estimated 30 per cent. At the moment, the company is reviewing its strategy to meet the ever changing business environment.

Focusing on goal

The company is focusing on its goal, which is to be the largest specialised fertiliser supplier in the region offering premium products and the most professional service, with first class technical support and backup, the officials says.

Mr Sherwin says the company is grappling with a lack of credit culture in the country. Lack of credit ratings tops the list of hiccups that Ocean Agriculture faces in doing business. But the firm's key to survival, he

says, lies in remaining true to its core business by focusing on effective service delivery and communication with both customers and suppliers.

Compromising on quality or service for short term benefit, especially when under pressure from the competition, would serve as the death knell to any business. Ocean Agriculture takes a long term approach to relationships with its customers.

While other businesses see the capital market as a good way to raise money, especially for expansion purposes, Ocean Agriculture has traditionally used retained profits to sustain its growth and bank finance for its asset financing rather than take on additional equity from new shareholders.

Mr Sherwin reckons that this will help the firm to keep the business flexible and adaptable to the ever changing business environment.

At the end of the day, when a person loves he does and works with honesty and integrity, success and gratification will then follow naturally, he adds.