

"SAY WE ASK YOU AMAZING ATHLETES WHAT YOU NEED FROM US TO FEEL TOTALLY INVINCIBLE ON THE FIELD, MOVE AS THOUGH YOU HAVE ALMOST NOTHING ON AND LOOK REALLY COOL. "SAY WE'RE A BUNCH OF GUYS FROM THE ARSE END OF THE WORLD WHO ARE PREPARED TO TAKE RISKS BECAUSE CHALLENGING ASSUMPTIONS LEADS TO CRAZY, BETTER THINGS. "SAY WE'RE OBO."

BY ROBERT TIGHE

the BUSINESS of sport

THIS IS OBO'S PHILOSOPHY. It is spelled out in bright, colourful letters on their website which carries the tagline – Good Shit That Really Works. Irreverent and edgy it may be, but OBO's philosophy and commitment to producing 'good shit' has helped the Palmerston North company become a player in the global marketplace.

OBO manufactures protective equipment for field hockey and currently to 61 countries with an estimated market share of more than 60 per cent.

Napier is home to blueseventy, a company that is trying to compete with swimwear giants Speedo in the controversial, but lucrative swim suit market while Nzo is a Rotorua company that manufactures clothing and accessories for cyclists and mountain bikers in particular.

All three companies are at different stages of their development and all three have different perspectives on the challenges of running a global business from the "arse end of the world". Yet all three are distinctly and uniquely New Zealand companies.

OBO'S HOME PAGE FEATURES a hockey goalkeeper, wearing full protective gear, straddling a sheep. Simon Barnett, founder and managing director of OBO, says the cheeky image reflects the company's willingness to be a bit different and a bit daring. It also highlights the fact that OBO is a New Zealand company.

"For the first few years we didn't say where we were from, because people generally don't care," says Barnett.

"But New Zealand has a reputation overseas for making good products and for people who are easy to deal with. So we are keen to promote our New Zealand-ness as another reason to buy our products."

Barnett, a lecturer in marketing at Massey University, was watching hockey at the 1992 Barcelona Olympics, when some hockey-playing friends started discussing the poor standard of protective equipment for goalkeepers.

Barnett was already running a small hockey importing business and decided he could do better. Together with a local company, Current Craft Perception, they developed a unique process for thermo-bonding closed cell foam. In simple terms it enabled them to manufacture lighter, stronger and more flexible protective equipment for hockey goalkeepers.

As niche markets go, it was a pretty obscure one but Barnett felt he could make it work.

"We decided to go global with it from day one. Focusing on one thing and putting our eggs in one basket would appear to be risky, but we saw it as a huge opportunity. To succeed anywhere in the world today, you've got to be the best at what you do and you've got to have a remarkable product.

"If you try to do too many things and try to get too big you won't end up with a remarkable product."



"IF I HAD NOT GOT THAT FAX, YOU AND I WOULD NOT BE HAVING THIS CONVERSATION. THIS COMPANY WOULD NOT EXIST," SAYS BARNETT.



Having the confidence to think big and take on the world has paid dividends and today the New Zealand market accounts for just six per cent of sales, with the Netherlands the biggest market for OBO products with more than 20 per cent of sales.

Most of the world's best goalkeepers wear OBO but if Barnett had listened to the naysayers his company might never have got off the ground. People advised him that launching a global brand was a huge risk.

So he approached a German company and they agreed to sell his product under their brand. But before they had "consummated the relationship" as Barnett puts it, he received a fax from the Germans demanding free samples, outrageous credit terms and a 20 per cent drop in price.

"If I had not got that fax, you and I would not be having this conversation. This company would not exist," says Barnett who told the German company what they could do with their fax and decided to go it alone. Lying in bed one night he came up with the name for his new company.

"OBO is a completely meaningless name. We needed a brand name that was easy to say in any language and it needed to be short. It also needed to be a memorable and attractive word and OBO just popped into my head.

"We did an internet search and were relieved to find it didn't mean anything rude in Spanish or Japanese and it hadn't been registered by anyone else."

More important than a catchy name was the branding and the design of the product, something that has been crucial to OBO's success.



"We decided goalkeepers were amazing people and we needed to be amazing as well. Goalkeepers are a little bit out there and we decided we needed to be as well."

The "out there" approach worked. The company established a warehouse and distribution centre in the Netherlands, sponsored some of the leading players in Europe and pretty much let word of mouth do the rest.

"The most fundamental point is that our products work well," says Barnett. "It is good shit that works well."

In 1996, just four years after the company was founded, the goalkeepers in the men's and women's gold medal winning teams at the Atlanta Olympics wore OBO pads. At the 2000 Sydney Olympics, over half of the goalkeepers were using OBO equipment while in Athens in 2004, the figure had jumped to 77%. It was down to 65% in Beijing but it is still a ringing endorsement for what OBO does.

"YOU'VE GOT TO SEE THE WORLD AS YOUR MARKET AND OPERATE ACCORDINGLY. IF YOU HAVE A TRULY REMARKABLE PRODUCT, PEOPLE TEND TO FIND YOU."

The company employs 20 people in Palmerston North where the manufacturing plant works around the clock, 24 hours a day. Unlike many New Zealand companies, OBO has resisted the temptation to shift their manufacturing operation to China.

"If we manufactured a complex product like ours in China we would have to share our manufacturing expertise with someone else and once you do that you lose control. There would be quality issues and we have such a good reputation for quality we can control it better with an in-house manufacturing operation.

"We can respond to any problems really quickly and develop new products very quickly."

Barnett is a very positive advocate of doing business with the rest of the world from New Zealand. While he admits there are some disadvantages to being based here, in particular the freight costs, he is a glass half-full kind of guy.

"You've got to see the world as your market and operate accordingly. If you have a truly remarkable product, people tend to find you."

OBO's turnover is close to \$4m per year but Barnett doesn't expect to become a multi-millionaire from what he does.

"Dealing in the sports market and in such a niche market will never buy me a helicopter but we all lead a good life here. We've never lost money, even at the start-up stage."

As for the future, the plan is to keep on doing what they are doing.

"There is no particular end goal. We want to be a strong New Zealand company and we truly value being based here and employing New Zealanders and we want to stay that way."