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## ANZ expertise and Asia network beat red tape

### Summary

Not all banks have the same depth of experience and approach to service, as Noja Power, a Queensland-based manufacturer recently discovered. When they moved their facilities to ANZ, that experience slashed lots of laborious paperwork and freed up productive time.

### The customer – dealing with fast growth and export

Over the past five years, Noja Power, a manufacturer and exporter of electrical switchgear (that's equipment that increases the reliability of power networks) was grappling with the problems that come with rapid growth.

Founded in 2002, it had expanded from a start-up to a multi-million dollar enterprise within a couple of years. As one of a handful of manufacturers of pole-mounted reclosing switchgear in the world, it needed to access overseas markets. Asia, with its booming economies, looked particularly attractive.

### The customer's problem – too much red tape

But red tape was a major problem. Noja Power's key people sometimes wrestled with bond and tender documents of substantial size as they tendered for work with government and other organisations around the world. The bid bonds presented a particular challenge. These are bonds that organisations issuing tenders seek to cover the cost of their investigative work if a successful bidder fails to comply with tender requirements. They are typically worth ten per cent of a contract's price.

The trade financing agreement they had in place wasn't helping. Applications for bond facilities involved time-consuming paperwork. They were often structured so that the client had to start the process from scratch each time they set up a bond.


### The solution – simplifying the process

A representative of the company contacted ANZ. “We understand you have a network in Asia and offer bond facilities,” he said. “We need help in those areas.”

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## ANZ's expertise includes:

- › Special expertise in helping exporters with bid, performance and tender bonds
- › A formidable international network including correspondent banks around the
- › An offer based on service rather than selling.



When they spoke to ANZ's trade specialists, the company's representatives realised the bank could genuinely make a difference. It had been assisting Australian manufacturing clients with bids and tenders for years. Not only did it have a formidable network in Asia, Europe and the Americas, it had a better and faster correspondent banking network than most other Australian banks. For instance it could use correspondent banks in countries where others would have to go through intermediaries, at greater cost.

Noja Power explained their needs to the relationship manager. They wanted to be internationally competitive. In addition to trade finance, that meant having a banking partner with an excellent understanding of risk in Asia, and who could support their export activities without adding to their internal workload. They especially wanted a simplified process for issuing bonds.

#### **The outcome – a better partnership**

When dealing with bonds, Noja Power now has a more proactive partner. Some of these bonds have unnecessary clauses that can aggregate risks for a client, for instance. ANZ works to have these changed before a bond is issued. It also handles the firm's letters of credit for imported components, advises on finance structures and much more.

Best of all, Noja Power's bid bonds are handled within 48 hours, with less paperwork, freeing up productive time. Meanwhile the relationship has developed well, with ANZ's state manager serving as the manufacturer's chief contact. The bank has been funding their capital growth which will see its turnover exceed \$20 million in 2008, with its products now in service in over 48 countries. ANZ also handles the firm's letters of credit for imported components, advises it on finance structures, manages its trade finance and much else.

Are they happy? "Yes" says Chris Hyde, ANZ's Head of Trade Sales Business Banking. "They appreciate that we help them without the level of documentation other banks require." Moreover, "Noja Power likes the fact ANZ has teams focused on service rather than merely selling products", Chris adds. The rationale here is not selling, but to understand the client's business and industry, the political and social issues they face in marketing their products overseas and being flexible about creating solutions.

"Noja Power had a serious problem," says Chris. "We came in and solved it for them because we understood the nature of their business and the risks of the markets they trade in. It's one of the things we do best."

#### **We'd like to hear from you, too**

To find out more about how you can avoid risk when trading overseas, call 1300 655 345 to speak to a trade specialist, contact your relationship manager or visit [www.anz.com/tradeasia](http://www.anz.com/tradeasia)

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