

Escea

A market leader through innovation and great design

TechNZ supports the manufacturing sector to develop new products, processes and services and improve technical knowledge and R&D capability. Up to \$50 million is invested each year in New Zealand businesses to grow world-class companies through innovative technology.



The Company

Dunedin company Escea designs and manufactures innovative, stylish indoor and outdoor gas fires that are highly efficient, include wireless remote control and use split wood-shaped ceramics and a smart burner design to produce more authentic flames. The company's founders, all in their 30s, have a broad skill set ranging across design, mechanical engineering and accountancy.

Escea, which spends nearly 10 per cent of revenue on research and development, has a strong focus on sustainability, aiming for high efficiency in its gas fires and having planted 23,000 trees in Otago to offset the company's carbon footprint. It sells its designer range in New Zealand and Australia with regulatory approval pending in other markets.

The Research and Development

Escea sets itself apart through design and innovation. In 2002, the company set out to develop a gas fire that would deliver exactly what customers wanted.

TechNZ – the Foundation for Research, Science and Technology's business investment programme – provided investment of \$66,000 to help Escea develop an innovative gas fire. TechNZ supports the manufacturing sector to develop new products, processes and services and improve technical knowledge and R&D capability.

“ Good design combined with smart technology is the key to our success. We have happy customers who enjoy not just the performance of our gas fires, but also their look. TechNZ support for our vision was crucial for a start-up company relying on what it could earn and limited funds from founding shareholders. ”

Nigel Bamford, Escea Managing Director



Fact File

Location: Dunedin

Staff: 41 with 7 focused on R&D

Exporting: 20% of revenue from sales in Australia, emerging markets in the USA and UK

First TechNZ investment: 2004

Value of TechNZ investment: \$66,000

Projected revenue from latest R&D: Over \$9 million for the 2008 financial year

Top: Nigel Bamford, Escea Managing Director.

Above: Escea develops and produces unique outdoor gas fires.

Want more information?

Visit www.technz.co.nz

New Zealand Government

“ TechNZ investment has helped Escea become a fast-growing company using great design and new technology to satisfy its customers. As Escea has expanded, the company has put a greater emphasis on research and development to keep it ahead of the design curve. ”

Mark Gallagher, TechNZ Business Manager

Managing Director Nigel Bamford says TechNZ support in the early days was vital. “We were entirely self-funded at the start, and none of the original shareholders were wealthy people. The only way we could get money was by earning it. The TechNZ support cut our development cycle by about 12 months and helped keep the company alive.”

Today, Escea uses a stylish, minimalist design with an uncluttered and plain surround, mock logs that are modelled on native Kiwi timber and sophisticated electronics that mean the fire can be turned on via a cellphone or online. That’s proved popular with upmarket customers like resort hotels, where receptionists keep the Escea web screen open and turn the gas heating on at check-in to ensure visitors arrive to a warm room.

“We found that most gas fire designs were based on what was easy to make or what suited the maker, rather than what consumers wanted. We decided to get rid of preconceptions and start with a blank page, asking customers what was important to them,” says Mr Bamford.

The company found that state-of-the-art technology, authenticity and having the biggest possible area to see the logs and flames burning were high priorities for members of the focus group Escea brought together. It made consulting with women a priority, says Mr Bamford.

“Gas fires have traditionally been designed by men with functionality in mind, but they are actually a home appliance and an aesthetic feature in the house, so women’s input was very important in the design process.”

Escea has a “modest” marketing spend, says Mr Bamford. “What we do is stylish, but essentially the gas fires sell well because of their good design. Buying a gas fire is a considered purchase – people do their homework and often stop looking when they find us.”

Escea sells its fires in specialist and independently owned stores around the country, providing technical support and gas-fitter training for all its dealers.

The Achievements

Escea is one of New Zealand’s fastest growing companies, ranking in the top 10 of the Deloitte/Unlimited Fast50 index three years in a row. It now spends nearly \$1 million on R&D each year, and staff numbers have grown to 41.

In late 2006, Escea hired an export manager and gained regulatory approval to export its fires to Australia. “One of the biggest barriers to exporting in our industry is that you need regulatory approval for every model and every market. Compliance in one market doesn’t automatically get you into another.”

In 2007, the company raised \$1 million in capital from local investors to fund its US market entry, with regulatory approval for that market and the United Kingdom pending. It is constructing a purpose-built facility in Dunedin to support growth.

“We deliberately located ourselves in Dunedin because it has a stable, reliable workforce, lower rents, good engineering infrastructure and we have access to highly qualified design graduates. We are very settled in Dunedin,” says Mr Bamford.

www.escea.co.nz



Alan McGregor, Nigel Bamford and Garth Milmine – the three founders of Escea.



Want more information?

Visit www.technz.co.nz

New Zealand Government