

Know your velocity

Moving Torpedo7's operations overseas may have been tempting, but the company is now committed to substantial growth at home in Hamilton.

Story by Dawn Tuffery

Distance has been both an inspiration and a challenge for entrepreneur Luke Howard-Willis. The Hamilton mountain biker started cycling gear site Torpedo7 in 2004 to "give the bike industry a shake-up". Having observed friends looking offshore for gear that was often overpriced in shops, he decided he could do things better and an empire was born.

Since then, staff numbers have gone from one to 180 and the site has branched out to include gear for road cycling, BMX, motocross, snowboarding, skiing and adventure.

Torpedo7 is a dedicated online retailer and sells only to Australian and New Zealand customers. Howard-Willis classes overseas online stores as Torpedo7's primary competition and adjusts company strategies accordingly. "We make sure we are price competitive and being local we can offer a much better experience. For instance, 365-days 'Right of Return', having customer service people to talk to in the same time zone, and higher speed of

delivery as we are in the same country."

This attention to detail has resulted in Torpedo7 becoming one of the country's fastest-growing companies. It has been a regular in the Deloitte/Unlimited Fast50 list of business growth, and reportedly hits around \$100m in annual revenue.

According to Howard-Willis, dealing with distance is part of being a New Zealander. "You grow up having to take long trips around the world to see or do anything. So in terms of dealing with suppliers or going to tradeshows, it's all part of the job."

The official Australian arm of the store launched in 2007 and Torpedo7.com.au has also been a hit. "Australia continues to grow in leaps and bounds for us, and we recently won a 'Fast50' award for Fastest Growing Exporter," Howard Willis says.

There are some adjustments required across the Tasman, he says, such as knowing what brands are popular and where the pricing needs to be. "With plenty of research we have been able to be successful in this area. In terms of

delivery to Australia we have worked long and hard with NZ Post to shorten it and we are getting closer to delivering similar timeframes as if we shipped within Australia."

Warehousing stock and courier reliability can pose logistical challenges, but Howard-Willis is happy they're managing them successfully. "There are always risks in running a business like ours, but with experience you learn to minimise those risks."

Following Torpedo7's success, Howard-Willis launched 1-day.co.nz in 2007, the first daily deal site in New Zealand. It has now become one of the largest online shopping websites in the country and dominates the market share despite its many subsequent competitors.

"I guess it comes down to being the first into the market and establishing a brand that has allowed us to stay that much further ahead of all the copycats," Howard-Willis says. "The site has a point of difference as it remains focused on product as opposed to coupons."

"We see the next two years being our biggest growth period yet, as we start to roll out some very aggressive and strategic plans."



Luke Howard-Willis started Torpedo7 in 2004.



Torpedo7's Waikato warehouse is bursting at the seams and the company is to build a \$100 million complex at Titanium Park.



All photos: Torpedo7

Attention to detail, knowing their market, and a bit of humour remains a winning formula – the site includes a 'Quick, the boss is coming – look busy!' button which links to a full page bar chart image.

The company added offshoot site 1-daytee.co.nz to the empire in 2009 and 1-daycellar.co.nz in 2010, offering t-shirts and wine respectively at one-time prices. The sites continue to grow rapidly and finished November 2011 with record sales. Landmark moments to date include selling five tonnes of marshmallows in two hours (February 2009) and serving the one millionth 1-day customer (February 2010). They also got significant media attention for a savvy April Fools' Day promotion claiming that 1-day was being bought out by Microsoft. In November 2011 1-day

joined forces with Trade Me to drive targeted daily deals for the auction giant.

Predictably, Torpedo7's trusty Waikato warehouses are now bursting at the seams and large-scale expansion is imminent. The company is set to build a \$100 million complex at Titanium Park, a planned business park located 14km from the Hamilton CBD and situated on 100 hectares of land adjoining Hamilton International Airport. Fifty per cent of New Zealand's population lives within 140km of the Park, and the location provides easy road and air access with the potential for a rail spur in the future.

In a significant land deal, Torpedo7 bought the entire stage one Raynes Road precinct – more than 12 hectares in area. Titanium Park development manager Aiden Donnelly says the outcome is a

positive one for the Waikato, and has the potential to attract other users. "The economic benefits to the local economy are significant." He anticipates that Torpedo7 will be able to start building from about April 2012.

Howard-Willis has been tempted to relocate overseas on occasion, but solely in order to take his company to other markets. For now, he is focused on the Titanium Park development. "We see the next two years being our biggest growth period yet, as we start to roll out some very aggressive and strategic plans."

However, the serial entrepreneur still plans to hit the trails and slopes on occasion. His advice for up and coming entrepreneurs seeking to emulate his success is short and sweet – "work hard, play hard!" ▢