



Rockit Global uses Hedgebook to manage apple sales



CUSTOMER

ROCKIT GLOBAL

CHALLENGE

To get FX risk management off spreadsheets to better manage exposures and the related monthly reporting.

SOLUTION

Hedgebook provides the ability to capture all FX contracts in one single view, to simply manage contract risk and deliver on mark-to-market reporting.

OUTCOME

Rockit Global manages hundreds of millions of dollars of FX risk in Hedgebook across three banks; it has a single comprehensive view of its portfolio which enables it to manage mark-to-market valuations as well as some bespoke reporting.

Growing exports put focus on FX management

Rockit Global is the company behind Rockit™, a uniquely developed apple. It is small, sweet, crunchy and perfectly designed for the snack food market. The overseas markets go, erm, bananas for them...

In late 2016 Hedgebook was invited to present at NZTE's Ready to Launch function hosted by Havelock North Fruit Company. We took the opportunity to demo our FX management software to Rockit's Financial Controller.

"The timing of the Hedgebook demo could not have been better," she said, at the time, "Export sales are booming, putting increased focus on foreign exchange management. I needed a better way than spreadsheets to manage my exposures and to understand the impacts of volatile exchange rates on the business. Hedgebook achieves that."

Now – nearly ten years later – we revisited the Rockit Global team to see how its focus on FX management has grown.

Managing hedging across multiple banks

Tom Clapworthy started as Commercial Manager and Treasurer with Rockit Global in 2020 – inheriting Hedgebook in the process. While Hedgebook undoubtedly made managing around \$100 million in foreign currency hedges a lot easier, it was when Rockit Global decided to spread its risk across three banks that it really came into its own.

"We were with just one bank for a while so relatively easy to hedge around \$100 million mainly in USD contracts for three to four years out," explains Tom. "But now we are working with three banks, across multiple FX lines. Hedgebook allows us to pull everything into a single view in a consistent way. We can easily see how contracts are being delivered and how they are lined up for rates," he says.

"The mark-to-market is very useful as you can see exactly where you are month-on-month and year-on-year. Hedgebook has given us a lot more flexibility and helps us to manage limits across the portfolio as currencies fluctuate. Having all that in one place makes my life a lot easier - it would be very difficult and time consuming without Hedgebook."

“The mark-to-market is very useful as you can see exactly where you are month on month and year-on-year. Hedgebook has given us a lot more flexibility and helps us to manage limits across the portfolio as currencies fluctuate.”

Tom Clapworthy, Commercial Manager and Treasurer , Rockit Global

“Hedgebook’s reports are really easy to use so I make use of the standard reporting a lot. We also download them into spreadsheets for further application into the way we specifically operate.”

Tom Clapworthy, Commercial Manager and Treasurer , Rockit Global

Managing hedging to seasonal contracts

Another complexity is that its contracts are managed on an annual basis to reflect growing cycles. As Tom explains it:

“We are different from other businesses,” he says. “While we can hedge out for three to four years, each year represents a different crop of growers who we are hedging for. We try to ring fence each set of contracts to a season and the reporting of that is quite bespoke as we earmark contracts to different years – so it’s not as straight forward as operating on a continuum, making our reporting more complex.”

Tom manages all of this to a treasury policy which is reviewed each year with limits set annually.

Avoiding market peaks and troughs

While others in the business have access to Hedgebook, Tom is by far the main user: “I tend to manage it solo on the Hedgebook side of things. In addition to a monthly FX report there can be frenzied periods of activity when rates are favourable and we are initiating a number of trades. I use Hedgebook to register all our contracts so we can make sure we spread them out a bit better.”

Tom reports Hedgebook also comes into its own if they need to roll contracts into future time periods; “Hedgebook helps us juggle all of that and better manage contracts so we can have better visibility of any potential peaks and troughs so we’re not having to change things around all the time.”

“Hedgebook’s reports are really easy to use so I make use of the standard reporting a lot. We also download them into spreadsheets for further application into the way we specifically operate.”

Tom admits his use of Hedgebook is relatively basic, even though the volume is significant, but it has become a valued part of his treasury tool kit:

“Where Hedgebook has really come into its own is when we took on managing hedging across multiple banks. I don’t have to go into three separate online accounts and juggle everything. Hedgebook gives me a single record of everything we are hedging, so I can effectively manage it all in the one place.”

About Hedgebook

Hedgebook is an intuitive and easy-to-use treasury management system that helps treasurers and finance departments improve the way they record, report and proactively manage foreign exchange, interest rates and commodities risk. Simple and intuitive, Hedgebook provides real-time visibility and insights of hedge positions for better hedging decisions and eases the burden of management and compliance reporting.

For more information visit:
www.hedgebook.com

