

Funding the cream of the crop

Smoothing the path to success

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James Averdieck, Founder and Managing Director, The Coconut Collaborative Ltd





The Coconut Collaborative Ltd

Founded in May 2014, The Coconut Collaborative is led by renowned entrepreneur

James Averdieck, the founder of the premium dessert manufacturer Gü. The London-headquartered company specialises in producing and selling award-winning dairy-free, coconut-based yoghurts and desserts. With a strong focus on innovation, health, and environmental consciousness, The Coconut Collaborative has gained acclaim in the industry and established successful partnerships with major UK supermarkets. The company's mission transcends its product line, actively collaborating with Pur Projet and local communities in Southeast Asia, planting trees to support fragile ecosystems and promote sustainable income. Committed to ethical sourcing and agroforestry techniques, The Coconut Collaborative plays a vital role in preserving productive ecosystems and combatting climate change.



The challenge

While on holiday, James Averdieck, the Founder of The Coconut Collaborative, discovered coconut milk-based products that immediately caught his attention.

He explained, "After selling my previous business, I needed a new purpose, something I could believe in and that had the potential to succeed. The idea was to develop the best-tasting, healthier coconut alternatives to traditional dairy products, and that's exactly what we did. I considered how we could scale this idea and thought about targeting the yoghurt market.

Taking a small portion of a vast market seemed like the recipe for a successful business."

The Coconut Collaborative has experienced significant growth since its inception.

James Averdieck comments: "We operate as a branded business primarily serving the UK market and have now expanded our presence in international markets including France, Germany, and Belgium. Last year, our business generated a turnover of approximately £17 million. With a team of just over 20 employees, we sell, distribute,

and market all our coconut-based products."

The Coconut Collaborative has received support from a group of investors and secured a receivables finance facility from a high-street bank. However, their previous banking experience left room for improvement: "It always seemed that everything at the bank was just a bit siloed, and their response to our needs was slow, which prompted us to seek a change."



As the business approached its next funding round, James Averdieck painted a picture of the ideal funding partner, stating, “As a growing business, we are constantly seeking funding; it’s part of my job description. We have a wide range of requirements, so ideally, we wanted a bank or funder that could provide greater flexibility and offer us a range of solutions to meet our needs. In addition to funding our debtor book, we also required an FX and additional revolving working capital facility. Our inventory includes raw material stock, such as coconut cream imported from Asia, as well as a significant amount of finished goods stock, which really ties up your working capital. Efficiently managing our working capital is crucial.”



Investec’s solution

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Investec Capital Solutions responded by structuring and delivering a flexible and comprehensive trading account solution that comprised a revolving working capital facility. This enables management to take advantage of end-of-period discounts and maintain closer control over cash flow during critical pinch points.

“Since we’re in the food business, we have to deliver”, continued James Averdieck. “This means fulfilling orders multiple times a week, across various locations, and handling a substantial number of invoices weekly. Our invoicing involves relatively small transactions, but there are a lot of them. That’s why having a funder who understands our business model with the right systems in place is essential.”

Given their rapid growth and

emphasis on product development, The Coconut Collaborative recognised the need for a technology-enabled solution to streamline operations and save valuable time and resources at their London headquarters.

He added: “There are some things in your business which just need to work well. I see working capital as the essential plumbing of a business, playing a crucial role in ensuring its smooth operation. Once it’s properly managed, you can focus on addressing the bigger issues,

knowing that the financial infrastructure is in place.

Our financial director has very positive things to say about how smoothly Investec’s Intelligent Cashflow system is working.”



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Outcome

The heightened awareness of health and sustainability has transformed consumer behaviour and preferences, leading individuals to make more conscious food choices. Recognising a shift in consumer preferences to healthier plant-based products, The Coconut Collaborative has positioned itself as a leading brand in its chosen category, offering plant-based products that are not only healthier but also delicious.

James Averdieck commented: "People are being more conscious about what they eat and there's a growing awareness of health and sustainability but our products are for everyone and taste amazing. So we have a saying, we call it 'free from dairy but not from temptation', hence our Adam and Eve branding."

He concluded: "The future for The Coconut Collaborative is exciting. We have plans to double our business over the next four or five years, which is certainly challenging but we believe is achievable."

The partnership with Investec has provided The Coconut Collaborative with the joined-up facility they were looking for. With Investec's support, the business is ideally placed to capitalise on the growing demand for its products and sustain its growth trajectory.



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