

## START-UP

# Mums start nappy firm with better bottom line

**THE IDEA** for NappyDays started with a walk along the beach.

New mums Paula Lourie and Kate Meads met and became friends at antenatal classes in the small Bay of Plenty town of Waihi.

Lourie, a Sydneysider who moved to New Zealand after marrying a Kiwi, was a fan of cloth nappies, and her enthusiasm rubbed off on Meads.

The modern version had come a long way from the simple cotton squares which once hung on lines in the backyards of most young families, earning the newly created subdivisions where they gathered the epithet "nappy valleys".

They are now shaped to fit babies' bottoms, and can be made from the fibres of plants ranging from cotton to bamboo and hemp.

They also come with accessories such as high-tech microfibre liners and fashionable covers to ensure cloth nappy wearers are as stylish as the babies in disposables.

Lourie and Meads had difficulty finding the nappies they wanted and were buying over the internet from Australia and the UK.

During a stroll along Waihi Beach, they were bemoaning the cost in postage when they had an epiphany. Why not start their own internet-based business?

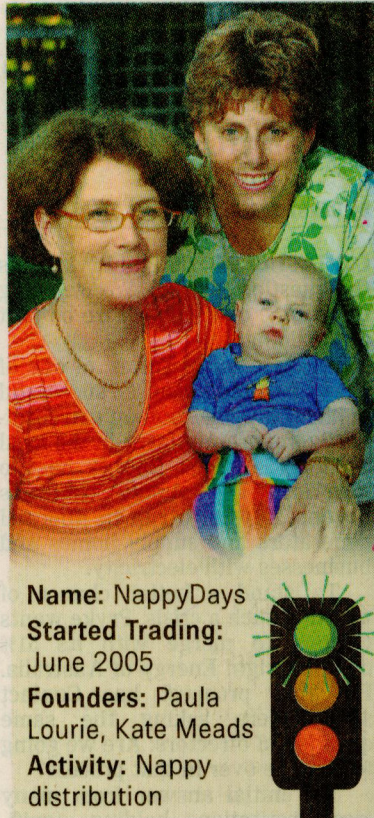
They contacted suppliers in Australia and Britain and asked if they would like a New Zealand agent. Proving that fortune favours the bold, the suppliers said yes.

Lourie was able to cement the relationship with the Australian supplier during a visit to Sydney to see her family, and, a year ago, NappyDays began importing small quantities of stock.

At first they kept it small, selling to friends and family, then branching out to give product demonstrations at antenatal classes and mothers' groups.

Although the volume of sales was small, this softly, softly approach gave them an invaluable feel for the market.

Within a few of months they had sorted out which products would sell and at what price, and were ready to make their first big investment, a professionally



**Name:** NappyDays

**Started Trading:** June 2005

**Founders:** Paula Lourie, Kate Meads

**Activity:** Nappy distribution

designed internet site - [www.nappydays.co.nz](http://www.nappydays.co.nz).

The range covers about 50 products with names such as Bamboozles, Cotton Tots and Fluffles. Lourie and Meads have promoted the website by distributing brochures in maternity wards and other venues, and through The Nappy Network, an online cloth nappy forum.

Their biggest problem has been matching stock levels with sales. If they buy too much of a line that turns out to be a slow seller it hits their cashflow, because the money tied up in the slow line means there is less to spend on ordering more of the better selling products.

So far they have avoided taking on any debt and are financing their business from their own limited resources, so money can be tight.

But they think they have a big future. More than 55,000 babies are born in New Zealand each year, and a common estimate is that about 10% will wear cloth nappies.

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