

TOPPING UP COVER TO BOOST INTERNATIONAL SALES

Having successfully established itself more than 100 years ago, German company **Floragard** is a leader in the development and marketing of premium earths and professional substrates. The company recently turned to Credendo – Excess & Surety for top-up credit insurance cover, which it says is a necessary component in achieving its sales objectives in some of the more complex markets to which it exports.

Floragard Vertriebs-GmbH is a 101-year-old German company that develops, produces and distributes horticultural products, specialising in premium potting soil and substrates for professional use and the hobby sector.

Headquartered in Oldenburg, where it houses a state-of-the-art greenhouse and experimental laboratory, Floragard began exporting to the rest of Europe in the 1950s, and to the wider international market in the 1980s. Today, in addition to its domestic sales in Germany, which make up half of its business, Floragard distributes its products to as many as 85 countries around the world.

Over the years, the company has grown from strength to strength – including throughout the recent Covid-19 crisis. The surge of home gardening and urban horticulture in 2020, driven by government-mandated stay-at-home orders, has provided a boost for Floragard and generated an increase in sales.

Nevertheless, the company has not been entirely spared from pandemic-related challenges, and since the start of 2021 has been dealing with the consequences of the global shortage of shipping containers, driven by a variety of bottleneck and backlog issues, as well as an increase in freight prices.

Securing additional cover

As an exporter to markets such as South America, Asia and Africa, the business is not without its risks, says Ulrich von Glahn, Floragard's Managing Director. "There's often a risk when exporting into countries that don't have a strong currency, for

example, and problems can occur very suddenly. This is why credit insurance is a standard part of our business."

Although the company makes use of two other large underwriters for its credit insurance needs, since 2019 it has been securing top-up cover as provided by Credendo – Excess & Surety to meet the full spectrum of its requirements. This enables Floragard to cover amounts over and above the limits set by its first-line credit insurers, and provides additional protection against commercial risks.

The top-up cover is especially useful in instances where the primary insurers have limited capacity for particular markets, such as China and some South American countries, which von Glahn says can often be sensitive.

"Often it is only through the top-up cover that we are able to finally achieve our goals," he adds.

Chief among these goals is securing cover for Floragard's group companies – something which has not been possible in the past.

"We had previously worked with another top-up credit insurance provider which had not been able to provide limits to our other companies and include them in our policies. For Credendo, this hasn't been a problem, and our Credendo top-up cover has afforded opportunities both for us and our sister companies in terms of generating additional business and revenues," says von Glahn.

"Having been introduced to Credendo through our agent, who we've been



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working with for many years, we are very happy with how things are working out, and we appreciate the enhanced flexibility that Credendo's cover provides us," he adds.

"With our tailor-made top-up solution with easy handling, plus the international focus of Credendo, we were able to meet all the requirements of a modern credit insurance company," says Sascha Molck, Country Manager at Credendo in Germany. "Together with a pleasant and very cooperative business relationship, this ensures that Floragard is able to maintain existing markets and develop new opportunities."

A growing business

One of the main challenges facing the future of the horticultural sector is the limited supply of natural materials, such as peat – an important, valuable and safe growing medium for plants – and efforts to reduce peat extraction by some European governments and environmentalists. This has led to an increased need for, and use of, more sustainable alternatives.

“Securing a supply of high-quality material is essential to our business because we’re a premium supplier that delivers a first-rate product to the end-consumer,” says von Glahn. “However, certain materials are not always readily available on the scale that we need.”

As such, Floragard continues to dedicate itself to research and development, and the creation of new products and alternative substrate constituents, such as green compost or fine wood fibres.

A recent success in this regard has been the development of Flora Eco-Glue, a new substrate additive for the production of alternative substrates for compressed pots.

“Our focus now is on being able to supply the increased demand that we’re seeing – much of which has been driven by the pandemic,” says von Glahn.

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