

APPROACH THINGS DIFFERENTLY

ALTERING METHODS



INDUSTRY/ FOOD

LOCATION/ U.S.



SEAFOODS, INC.

➤ **BACKGROUND**

Innovative business solutions came early in Seafoods' history, with the development of year-round processing facilities and eventually floating processors.

➤ **CHALLENGE**

As an innovator in its business practices Seafoods also sought to find better ways to manage its growing international foreign currency exposures.

Working within a commodity-based industry pricing issues were often beyond their control. As such it was essential that Seafoods achieve maximum pricing efficiency when dealing in foreign currency transactions. Furthermore during the peak season produce is sold via an auction with suppliers to Seafood receiving a percentage of revenue, therefore heightened pressure was added as foreign exchange losses not only impact Seafood but their suppliers as well.

➤ **APPROACH**

The initial step for HIFX was to engrain themselves within Seafoods' business, thereby fully understanding their business cycle, market forces and key business drivers. Upfront discussions also focused on the FX related issues arising from the current business practices. Once completed HIFX and Seafoods' executives were able to identify key areas of concern, and then develop and implement methods for improvement.

➤ **RESULTS**

With HIFX's assistance Seafoods created clearer cash flow transparency which in turn enabled it to manage and effectively hedge known exposures. Additionally HIFX assisted Seafoods in the planning, timing and execution of their transactions Seafoods managed to enhance overall financial results through hedging programs developed with HIFX, thereby serving as a buffer against adverse seafood pricing movements in foreign markets. In doing so it ensured that overall profit margins for the business remained protected.

SERVICE/ FX ADVISORY