

Top class in the Top End



Joe McFadries made the most of his recent trip to the Northern Territory: he met some very interesting people and discovered a strong, robust local collision industry.



GREG TURNBULL

Not knowing my way around the local industry, my first stop was the MTA-NT where Project Officer Rodger Sewell and I discussed the collision repair industry in the Territory and found that there are more similarities with the major capital cities than we realised. I was referred to two quite different businesses where I met with the current owners who were only too happy to speak with me and proud to show me around their facilities.

Al's Panel Shop

My first stop was Al's Panel Shop, which has been operating in Darwin since the seventies. When panel beater and shop foreman Greg Turnbull had the opportunity to acquire the business in 1986, he jumped at it. He even decided to retain the business name and build on its well-established reputation.

As the business has developed, the family has become more involved, with Greg's wife Alison now his business partner – its even been suggested that she is now the "Al" in Al's Panel Shop! Greg's daughter, Rehanna, is now running the office, getting involved in assessing

and even taking care of the business whenever Greg and Alison are taking a well-earned break. "It's a combination of Rehanna's commitment to learn the business and her current capabilities that gives us the peace of mind to leave the business in her safe hands," said Greg.

Over the years staff levels have more than doubled to cope with the growth, although Greg believes he could do more than the current 30 vehicles per week if he could attract and retain more technicians. "I'd rather focus on maintaining our reputation for high-quality workmanship than grow for growth's sake," he said. "It's the single biggest challenge facing my business, and the industry as a whole here in Darwin. It's one thing to find staff, it's quite another to find staff of the calibre we require. What we are looking for is the right attitude and a level of commitment, which is really important in Darwin as there are many other higher-paying options available – even if it is only during the boom times," he added. Greg is adamant that the collision repair industry cannot compete with the pay rates of the bigger multinationals in Darwin.



Al's business model is very much built on strong, trusting relationships with the work providers and some relationships work better than others. "We all know that the different insurance companies have different business models, and we have developed solid relationships with many of them, but what is interesting is that the customers of any one insurer have similar characteristics – maybe it's the target

market, who knows?"

There are also long-term relationships with suppliers such as Car-o-liner and PPG. In fact, Turnbull has been a long-standing member of the MVP group in Darwin, a service he relies on due to the complexity of the work that goes through the shop: "In one bay I can have an i20 and in the next bay it could be a Fuso truck," he said. The mix of passenger cars and commercial vehicles has been a key success factor in the development of the business, as has the type of work. "We get a fair number of heavy hits here in the Territory, probably more so than in, say, metro Melbourne," he added.

Opportunities to invest and grow have been constrained by the significantly higher costs required in Darwin and this has been a key driver in Turnbull deciding to push his current investment harder to maximise his returns. "We simply could not get our revenue line high enough to make the business case stack up. I even consulted industry contacts in Melbourne and they advised against further expansion at this stage, especially as I have reinvested our profits into the business over the years."

It was a pleasure to meet both Greg and his daughter Rehanna and discuss the journey thus far. With a solid business model to underpin the future, I have a feeling that Rehanna will make her own mark on the business in the not too distant future.



Auto Care Panel Works

My next stop was Auto Care Panel Works, which was acquired in 1981 by Barry and Joan Ferguson. Auto Care Panel Works at Winnellie has become an iconic shop in the Darwin collision repair landscape. It is now in the capable hands of the second generation as it has been owned and operated by Craig and Sierra Ferguson since 2005. However, the journey has not been without its growing

pains as the business is now at its fourth location, having been "encouraged" to relocate twice in the early years and more recently as it outgrew its previous site, also in Winnellie.

Although the size and the significance of the investment less than three years ago has led to some sleepless nights, not helped by the ever-changing work environment, Craig remains confident in the future of the collision repair industry in Darwin as the facility is now three times larger than the previous site.

The discussion quickly turned to the perennial issue of the skills shortage in the industry, particularly with the remoteness of Darwin, and it became apparent that Auto Care relies on the 457 temporary work visa system to supplement the locally-sourced workforce. The Fergusons are very selective in the countries from which they recruit and insist that all new workers live with them until they have settled into their new environment. "We are never confident that they are fully settled until they have been through their first 'build-up'," Sierra said. "The increasing humidity as the wet season approaches can be a real issue for new arrivals," she added. One-third of Auto Care's technicians are on 457 visas. The Fergusons have found that, due to their global exposure, they can be far more in-tune with the technological advancements in the passenger vehicles of today. However, once again, we find a business that has the capacity to repair more cars but is limited by the availability of additional, suitably-qualified technicians.

The business maintains a steady supply of work from various work providers. "We ensure we do not have too many of our eggs in the one basket," said Craig. "We maintain strong relationships with insurers, fleet owners, dealer networks and, of course, private work," added Sierra. The mix is all passenger vehicles, with a good proportion of heavy hits – a common theme in the Territory. The Ferguson's are proud of their BMW badge, which they have had for nine years, and are approved for warranty work for both Porsche and Audi, which they believe is a reflection of their commitment to high-quality workmanship. "We have an objective to secure three more badges in the next 18 months," said Craig.

For the foreseeable future, Auto Care is focused on consolidating the recent investment and creating the time to work on the business, not in the business. "It needed to be done and we have no



SIERRA AND CRAIG FERGUSON



regrets – we are always planning for the future," said Craig. However, there are still some smaller improvement projects that are a work-in-progress for Craig. Sierra's one regret is not getting involved sooner as she sees the potential to really make a difference in the business – her efforts are already paying dividends with the very streamlined front office process she has established over the past 18 months.

Regarding the challenges facing the business – other than the tyranny of distance – they are no different to those faced by body shops in the bigger cities around the country. "I recently attended a conference in South Africa and was amazed at how much our business had in common with the other attendees from around the world. It somehow made us feel that we were not alone," said Sierra.

I was pleased to meet both Craig and Sierra and get to hear their success story as they continue the legacy established by Craig's father, Barry, back in 1981. **NCR**