

## Another great year for Capricorn Society

Joe McFadries recently caught up with Rob Mildenhall, Business Development Manager Supply-NSW and National Panel Manager, Capricorn Society to discuss their performance, their growing membership and their exciting plans for the future.

**NCR:** By way of introduction, tell us about your journey with Capricorn.

**RM:** I was the General Manager of Borg-Warner's aftermarket division in South Africa and was also very active in the equivalent of the MTA, working closely with all the trade associations. I had an extensive network in the body repair and dealership divisions across South Africa, which was of value to Capricorn. I was initially approached to be a supplier to Capricorn during the start-up phase, but I recognised the potential and joined the group in 2001. That was 17 years ago!

**NCR:** And how did you come to be in Australia?

**RM:** The journey into Australia was more specifically around the panel side, to assist in conducting assessments of our panel business, look at the stakeholders and further develop the OEM relationships as a direct result of my experience in South Africa. I arrived in Australia in March 2010 and was introduced to the panel industry at a National Collision Repairer forum in Melbourne that year.

**NCR:** With a rather impressive job title, what are your primary responsibilities?

**RM:** National Panel Manager was the primary role back in 2010, but we found, due to the uniqueness of the "panel supply chain" – paint, parts recyclers, dealerships, equipment and so on – we elected to split the BDM role in NSW into these categories and an opportunity arose to appoint a new BDM in NSW. The plan was for me to add this role to my panel responsibilities to "prove the model", and this worked very successfully and now



ROB MILDENHALL

each state has two Supply BDMs, of which one is aligned to supplier business types who supply panel members.

**NCR:** What has been the key driver of this year's very impressive results?

**RM:** The joining of new members and suppliers has been a major factor, with membership growing by over 650 in the past financial year. In addition, the appointment of 29 new suppliers has also been an important factor given the changes and ongoing consolidation within the supply-chain. This environment of change further enhances the relationship between Capricorn and our Preferred Suppliers, as Capricorn guarantees the payment of our members' purchases.

**NCR:** On that point, have you seen a correlation between economic conditions and the growth in Capricorn?

**RM:** Yes, I believe so. If you think about

the way Capricorn has increased its product offerings for our members, for example, within our capital equipment finance division. There are times when the traditional lenders just won't finance the type of tools and equipment our members need, whereas we, as a cooperative, know that we need to keep our members in business and provide the means for them to continually keep pace with the evolution of technology.

**NCR:** So, what do you mean by a "member-based" cooperative?

**RM:** When we say "member-based", it's actually "member-owned". The 18,000+ members are the owners of and shareholders in Capricorn. From our Group CEO down, we are all employees of the cooperative and are there to support our members in providing the goods and services they need to run and sustain their businesses.

**NCR:** Many people out there may well be thinking "what's in it for me" – can you outline the key benefits of being a Capricorn member?

**RM:** Firstly, the ability to instantly trade with over 2,000 suppliers with no time-consuming credit application process should the member trade with a Capricorn supplier. At the end of the month, they receive one statement detailing all of their Capricorn supplier transactions for the month and have one payment to make for all of these suppliers. The administration time and costs are significantly reduced due to the simplicity of the system. Furthermore, the members are rewarded with Capricorn

reward points on every eligible dollar spent with their Capricorn suppliers, and these reward points can be utilised in a number of ways – amongst others, purchase equipment, pay for holiday travel with Capricorn Travel or even pay down their trade account.

**NCR:** So, you carry the risk?

**RM:** Yes, all of our members' purchases from Capricorn suppliers are guaranteed by Capricorn.

**NCR:** So, there must be a significant vetting process?

**RM:** Well there is a credit application process, and it is fairly simple. A prospective member who has successfully completed the application phase will be set up as an Authorised Purchaser and will be able to trial our system for about six months. Thereafter, if we are both happy, the applicant purchases \$200 worth of shares and becomes a member.

**NCR:** You have an extensive range of services that are available to your members – what new services have you added in 2017?

**RM:** Speaking specifically for the panel segment, I've worked closely with some of the paint companies to ensure seamless transition given the changes in their distribution channels to market. We have also just completed a strategic deal with Thatcham Escribe to ensure our members are able to do high-quality repairs bringing vehicles back to road-worthy condition. We continue to build our program with I-CAR because of the need for ongoing training and, by the time this goes to print, we will have secured significant deals with more equipment suppliers in the collision repair market. We have also expanded our non-auto services offer with electricity, fuel cards and business protection solutions through Capricorn Risk Services.

**NCR:** So, it's not just industry-specific products and services, it's more of a business-wide approach?

**RM:** Absolutely! From business essentials such as stationery to training, mentoring and business coaching. Even more fantastic is that our members have free access to value add services such as Capricorn Vehicle Videos – a tool to share technical knowledge with their customers more easily, and Capricorn Service Data – which provides a service know-how for thousands of vehicles. These are designed to help our members provide a better customer experience.



**NCR:** Buying groups have always attracted an element of cynicism. How do you overcome this?

**RM:** I just start talking about Capricorn and what it means to our members: how it makes it just easier to run their business. Their passion for Capricorn comes across very clearly and people very quickly realise how amazing it is. Over 18,000 businesses can't be wrong.

**NCR:** So, where to from here – what can members expect on 2018?

**RM:** Certainly growth, with more members and suppliers becoming part of Capricorn, and a continued focus on their overall business (not just the parts environment). We will also look further at recognising the valuable part played by women in our members' businesses.

**NCR:** Women in Business – could you tell us a bit more about that program?

**RM:** There are some interesting facts around the size of the various member workshops and amongst the "mom and pop" shops – Capricorn has over 13,000 workshops servicing as many as five million vehicles per year. Many are driven and assisted by women in the business who play key roles in management and front of house, as well as a growing number of female mechanics. It's important that women in the industry are supported with training, product information, technical information and mentorship programs. Capricorn Vehicle Videos is a great example of how we support non-technical members to explain things to their customers.

**NCR:** And finally, for those out there who may be wondering if Capricorn is right for them, what message would you like to leave them with?

**RM:** Being part of Capricorn is just easier! Once on board with Capricorn, a member is welcome to identify which suppliers they want to trade with and have the benefits of the reward points for every eligible dollar they spend. Imagine being

the owner of a business, all along making your other business better and easier. Members will be part of an 18,000-strong cooperative – a \$1.7 billion turnover business. There is no hidden agenda – we have been in business for almost 45 years and we are fully transparent. If you sit on the fence and wonder, each year that goes by you've just lost that little bit more. There are so many gains, such as simplifying your account, gaining supplier recognition and removing many of the administrative hurdles that complicate your business day!

**NCR:** Sounds a bit like "the longer you are in, the better off you will be".

**RM:** Absolutely. It's the compounding effect. Many members look at this as part of their retirement – it's part of building for later. They become part of a business other than their own and they get to share in the rewards and profits from this bigger business.

I was also fortunate to catch up with David Fraser, CEO Automotive, Capricorn Society and he provided the following closing comment:

"Last year we were proud to welcome more new members, which takes us to over 18,000 members. More Preferred Suppliers were also introduced, providing greater services to members. We also celebrated a major anniversary, with 2017 marking 20 years of Capricorn in New Zealand.

"Capricorn's focus for the coming year is to continue to promote the benefits of being a member and continuing to always look for ways to improve. With access to business improvement tools such as Capricorn Service Data and Capricorn Vehicle Videos and the introduction of The Workshop to allow members to provide meaningful feedback to Capricorn. As always, Capricorn's core focus is the member.

"We believe in the value of the cooperative model and we will continue to look for new products and services that will bring value to your business and provide you with a tangible benefit for being part of the Capricorn cooperative. The continued success of Capricorn is success for all our members." **NCR**

**Editor:** *The comments from both Rob and David only go to reinforce my opinion that exploring the opportunity to become a member of Capricorn Society should be on everyone's "to do" list.*