

Martin Stone

Managing Director, The Sheen Group

WE RECENTLY MET WITH MARTIN STONE WHO SPOKE CANDIDLY ABOUT HIS BACKGROUND, HIS JOURNEY AND HIS BUSINESS ON THE EVE OF THE SHEEN GROUP'S 50TH ANNIVERSARY. NOT SURPRISINGLY, MARTIN STILL HAS AN EYE ON THE FUTURE.



Martin Stone (left) and business partner Blair Denys.

NCR: By way of introduction, take us back to where it all began.

MS: Back in the late sixties, I was a recently arrived “ten-pound Pom”, and in those days it was not uncommon for people to have a second job. Mine was working in a Golden Fleece service station in the evenings. One day, a customer with a Mini Cooper S came in looking for someone to repaint the car. My brother and I knew Minis inside out, so we offered to do it for the grand sum of \$250. This planted the seed of an idea.

We then bought a second-hand compressor from a wrecker (we had painted the Mini using a foot-pump) and set ourselves up to repair cars in our mother’s garage in Ringwood. By late 1969 we had rented a factory – and that’s how Sheen got started.

There was initially three of us: my brother David, Peter Simons and myself. We tried to register various combinations of our names but none of them were approved. So, one evening a group of us put suggestions in the hat and the one we pulled out was “Sheen for Shiny”. Then and there we decided on Sheen Panel Services.

Over the years, people have mistakenly called me Martin Sheen, and even introduced me as such at functions, but I’ve long since given up correcting them.

NCR: What was the driving force behind your expansion?

MS: Very early in the piece we realised that the limiting factor was the number of pairs of hands we had, so it followed that if we had more hands,

we could repair more cars – and, of course, make more money. It was our version of economies of scale as we figured we could spread our costs across several shops. We thought it was the only way we could build a successful, sustainable business.

We started the expansion in the mid to late seventies when we bought shops in Ringwood and Ferntree Gully, as well as buying a tow truck, which further accelerated our growth rate. Interestingly, I learned very quickly how competitive, ruthless – and at times frightening – the tow truck industry was back in the late seventies, especially when you're only five foot five! However, we persevered and by the early eighties we had 25–30 trucks on the road.

NCR: In hindsight, were there any real “sliding door” moments?

MS: Without doubt, the most significant moment was the decision to expand. It was a “limit your income or grow your income” moment for us. My brother and I were still in our twenties and reasonably hungry so, whilst it was a sliding door moment, it was a no-brainer.

NCR: What has been your biggest single challenge over the journey?

MS: What tested us the most was creating a blueprint of what we produced and making it work on multiple sites. It was to be consistent across all sites with an expectation that everyone understood. So, we developed standard processes, and expectations of quality and consistency with the products and equipment we used.

Now, it wasn't easy but by standardising so much of what we did and how we did it, the result became increasingly consistent. We focused on how we write our estimates, as distinct to costing each job, to ensure we were able to deliver high quality work consistently. We even standardised how we presented ourselves to ensure we conveyed a consistency with our brand.

NCR: Is it fair to say your relationship with insurers has been “frosty” at times?

MS: When a commercial relationship



Addressing the 2019 AFL Grand Final Lunch.

gets frosty, it's the payer who is frosty; in this case, it's the insurer. But this only happens when the payer believes they are being charged too much.

In our case, we make the correct amount of money to ensure our customers receive the quality of repair they expect, maintain our equipment to allow us to deliver a consistent repair and to ensure our business generates a satisfactory return on investment. We make no apologies for that.

This is the ongoing discussion as to what's “fair and reasonable” and we will always fight to ensure we get paid for repairing a car the way it should be repaired.

In saying that, we have marvellous relationships with some of the smaller insurers and today we have the best relationship we have ever had with IAG, although we are not one of their preferred repairers.

NCR: So, what does the Sheen Group stand for and what has made you so successful?

MS: Fundamentally, we stand for customer satisfaction! Everything we do is to ensure the customer leaves with the best experience we can deliver. We have repeat clients and even third and fourth generation clients. We keep them informed during the process, detail every car, and even add a small “thank you” gift when we return the car. We minimise complexity, keep it simple and invite our customers to provide a post-repair

rating via SMS and personal call backs. We have a 60 percent response rate and a net promoter score of +83. We are very happy with that. When we get unfavourable feedback, we address it and rectify it immediately.

However, we ensure that when we do what we do, we have employee safety front of mind. Our staff are our greatest asset.

NCR: Tell us a bit about your apprenticeship program.

MS: Go back 15 years or so when TAFEs were closing down. My view is that, like many other trades, we just stopped training. We pondered what to do about it and although we tended to have a dozen or so apprentices across the business, we decided to really ramp it up about four years ago.

We did a deal with Kangan, who have been absolutely superb in the systems they've put in place, including a person who oversees our program. We now have 55 to 60 young men and women on board and really going well.

One of the reasons for the success is that we have all reassessed the way we communicate with the younger generation. Some of our apprentices have won some great awards, and there are even some who have completed their qualification faster than expected.

We see these “young kids” as not only future technicians, but future panel shop owners. It's our investment

in the future, although we are prepared to acknowledge we should have ramped it up sooner than we did.

NCR: You clearly have a passion for charity work. How did you come to be involved in Variety?

MS: Back in 1997 I received a call from an old friend inviting me to be involved in “a bash”. He said my job was to build a car while he kicked off the fundraising effort. The real challenge was that we were seven weeks out from the event. I was in Perth the following week and by sheer luck

I spotted an EH Holden with “Wally Gator” on the roof in a dealership – clearly a bash car! The owner was looking to sell it as he was no longer involved in the bash, so for \$5,000 we had our bash car.

At our first bash, which was in Tasmania, we were introduced to a young woman with cerebral palsy for whom the bash had raised funds to buy a wheelchair. When she told her story of how this changed her life, I was hooked.

We’ve also been involved in

various other charities over the years, but we’ve raised over \$4.5 million for Variety over the last 20 years, through the generosity of our key suppliers and other supporters. It’s been so rewarding to see the smiles on so many people’s faces over the years. However, it’s not just the individual that benefits, it’s the whole family support network that gets more freedom and flexibility when we fund, say a wheelchair or an assistance dog – it changes so many people’s lives.

NCR: And you were awarded the Member in the General Division of the Order of Australia (AM)?

MS: Yes, I am absolutely beside myself with pride as an adopted son to this great country. The recognition was the next best thing to happen to me after getting married and having children. The reasons were my contribution to charitable organisations and contributions to the collision repair industry.

Due to our long-term commitment to training, you will find a Sheen-trained technician, I believe, in perhaps 40 percent of the shops in Victoria.

I also greatly appreciate the National Collision Repairer Lifetime Achievement Award earlier this year, and just last month I was awarded a Life Membership of Variety.

NCR: Do you have a succession plan in place at the Sheen Group?

MS: Blair Denys, my business partner of 30 years, and I, perhaps 15 years ago, pondered that very question. If we were to sell a business like ours, what would we get? If you are really lucky, 10 times earnings, although more typically, 3-5 times. There have been numerous approaches over the years, but then we thought the business could continue to evolve and continue for as long as we wanted it to. The business supports so many people, not just our family members, but our family of employees, especially those who have been with the company a long, long time.

So, if we can continue to run it through my children, Adam, Ben and Erin, and Blair’s children, Lauren, Lana and Josh, why mess with it? We



Sheen Variety Bash team.



The 2019 Bash.

provide guidance and support in the background these days, but our succession plan is well underway.

NCR: What do you see as the biggest opportunities for your organisation today?

MS: Expansion. Sheen is likely to grow to, say 40 shops over the next ten years. We've watched the changing landscape unfold in recent years and now, with AFCA and the "new VACC" under Geoff Gwilym, we see a stronger regulatory framework that

gives us greater confidence.

Our model is an equity model where the guy that runs the store has skin in the game. Under Australian law, we fall under the Franchising Code of Conduct, even though we own 60 percent of the businesses – go figure.

Our challenge is finding sellers in the right location with realistic expectations and finding and retaining the right staff – a flow-on effect of the late start to our apprenticeship program. Whilst the focus has been

Melbourne, Sydney is not out of the question, although it will need to be a group of several shops to make it viable – we do have our feelers out.

NCR: And a final message to your staff in Sheen's 50th year?

MS: You know, we have almost 400 staff members across the group, and what I want to say to them is – thank you!

Thank you for what you have done, because without you we just can't do it. We appreciate your effort, your consistency and your belief!



Bayswater - where it all began.



Celebrating 50 years.

Glasurit would like to congratulate Sheen Panel Service on reaching 50 years of quality service to the automotive smash repair industry.

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