



conveniently yours

Members' Newsletter

December 2019

TERANG & DISTRICT
CO-OPERATIVE LIMITED

Established in 1908

Thanks to the Co-op

To: Terang & District Co operative
Terang & District Board of Management &
CEO - Mr Kevin Ford
High Street
Terang, Vic 3264

16th April 2019

My husband and I... just want to drop a note of appreciation to The Terang & District Co-operative Executive and staff for the opportunity given to our four children ...over the past ten years with casual employment.

We would like to acknowledge and extend our thanks to Paul, Darren, Karen and Julie and any other Managers in the grocery department for their support of the children....

A special mention must be extended to Mrs Janine Grinter for her genuine kindness and nurturing manner she extends to the young girls/boys on the registers. Janine has introduced a great work ethic to be accountable and courteous, an initiative for our children to take forward and utilise in their chosen careers. Our children always put their hand up to get a few groceries for me when they are home hoping that Janine will be working which speaks for their fondness of Janine.

Terang and the surrounding District are very lucky to have the Co that supports young people with employment whilst studying, introducing valuable work experience in all aspects of customer service.

Kind Regards

Appreciative Parents
Terang District

Ada Hill and Amelia Casterson from Noorat Primary School dropped into 360 Dairy Solutions to thank Ken White, on behalf of the 360 team, for coming up with a solution to protect the lambs shepherded at the school.

The 360 team manufactured and installed panels for the school's sheep pen. This improved protection for the lambs from the weather, dogs and foxes.

Members of the 360 team, Paul and Alex Hill, donated their time to assist with the above project.



Giving back to the community since 1908

Inside:

FROM THE CHAIRMAN

FROM THE CEO

A NEW-LOOK HOME

NEW HOME MANAGEMENT

HEAVING TRAFFIC

NICOLE JOINS THE TEAM

GARDEN LOVERS REJOICE

ENJOY THE OUTDOORS

RURAL REVITALISATION

GOOD SEASON BOOST

ENTEGRA SHEDS

NRI TO REPLACE CRT

NEW DEALERSHIP

AGRONOMIST JOINS THE TEAM

RIDING AND LIFTING

SUPA IGA

DANNY SAYS GOODBYE

COUNTRY COMFORT

KEEP IN TOUCH

OHS UPDATES

FROM THE CHAIRMAN

LIKE THE BROADER TERANG COMMUNITY, THE CO-OP HAS BEEN THROUGH SOME CHALLENGING TIMES OVER THE PAST FEW YEARS.

With the dairy industry starting to show some economic return on the back of a good season and improved prices, the town and the Co-op are starting to enjoy a resurgence. We are lucky compared to other parts of the country and we see a bright future ahead.

Changes made at the Co-op are starting to have a positive impact. The Co-op has a unique community business model and, with continual improvement across the businesses over the next few months and following years, we will inevitably build a much stronger and efficient business that will continue to operate and serve the community well into the future.

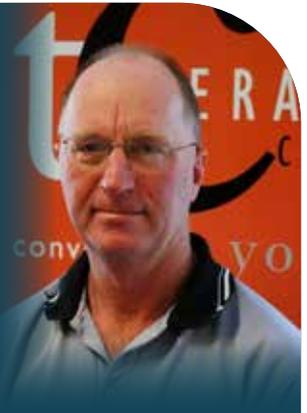
Along with our support, sponsorships and donations to the local community groups, we strive to work locally in a co-operative community spirit in all ways we can. We pride ourselves on our employment of a considerable number of local students by offering part time work after

school, on the weekends and during the holidays. Along with this being an ideal situation for the Co-op, it also provides an excellent introduction to the workforce for so many young people. This has many benefits for the employees as young people learn very quickly what prospective employers expect of them. They also learn how to manage their income and, hopefully, learn good work habits to prepare for their future.

I note several local tradies tend to identify our young staff as their next apprentices. Through this, the Co-op continues to give back to the community by providing not only the work for students but the opportunity for trades people to identify how they work, assess their abilities and eventually hire the next generation, which all contributes to the progression of our town.

I would like to thank you, our members and customers, for your ongoing patronage and continuing support of your co-operative and, on behalf of the Board, wish you all a safe and happy festive season and a prosperous New Year.

Brendan Kenna - Chairman



FROM THE CEO

CO-OPERATIVES, LIKE ANY OTHER BUSINESS, MUST BE PROFITABLE ENTITIES AND OVER THE PAST COUPLE OF YEARS THE BOARD AND MANAGEMENT TEAM HAVE BEGUN DEVELOPING STRATEGIES TO ENSURE THE CO-OP ACHIEVES ACCEPTABLE BENCHMARKS.

As we all know, it is not easy to change the direction and habits of a lifetime. However, business improvement nearly always requires change to ensure that we, as an organisation, become more proficient in servicing you, our valued customers, while meeting your needs as best we can in a competitive market.

When it comes to the implementation of a new strategy, it's imperative that all board members and management buy into that change strategy. As we all worked together to develop that new direction, it became apparent that not all management bought into the detail of the strategy. In recent times, this has resulted in some inevitable change in personnel, especially at management level, of those reluctant to buy into the new strategic direction. While it has been sad to lose people who had been with the Co-op for many years, we recognise that, for some, the choice they faced of the need to make changes within their respective business segments was not a position they felt comfortable in. We wish those people every success in their new careers and appreciate the value they may have brought to the Co-op in the past.

The primary goal is to optimise performance. Profitability has been declining for quite some time and cross-subsidisation of business divisions needed to be addressed. Although sales have grown, we have not grown profitability. In order to address these fundamental issues, we needed to make some changes. We needed to implement comparisons to industry benchmarks in sales ratio to: stock holding, general expenses, wages and profitability.

Over 18 months ago we began the processes to make improvements in these areas. To date we are progressing

with these improvements and introducing best business practices and measures to meet industry benchmarks. Some of these changes made little difference to you, our customers and members. However, some inadvertently did affect our customers to some extent, certainly in the area of stock on hand.

Over two years ago, managers were asked to reduce the Co-op's stock holding, at that time in excess of \$4 million, which was extremely high as a ratio to sales. Normally stock reductions are achieved by clearing out slow moving and dead stock (stock that hasn't sold in more than two years) whilst ensuring the high-turn stock lines remain in full on shelves.

Unfortunately, some managers chose to not follow or believe in this management direction and, to some extent, limited the ordering of new stock of high stock-turn products whilst doing very little to clear the older stock.

Unfortunately, this resulted in customer frustration as you could not get what you wanted when you wanted it. The low stock situation was contributed to by high turnover stock lines not being on the shelves when they should have been and in fact needed to be ordered in. As our businesses could not sustain this, we sought changes in management to rectify this predicament and to address some of the impediments to our growth.

Our moves in adopting business improvements are based on solid and strategic decisions and are already having positive impacts, providing better customer experiences and improving the profitability of the Co-op. New management is reinvigorating the business.

In this newsletter you will meet some of our new senior team members and read about some of the successes of the past year and the positive outlook for the future.

Kevin Ford - CEO





A NEW-LOOK HOME



THE HOME TIMBER & HARDWARE STORES ARE NOW SEEING PROFITABLE GROWTH WITH BETTER SHOPPER-FRIENDLY STORES IN CAMPERDOWN AND TERANG, ALONG WITH COMPETITIVELY PRICED PRODUCTS. PRICE MATCHING WITH OUR MAJOR MARKET COMPETITORS HAS BEEN INTRODUCED ON MORE THAN 2000 LINES.

The team completed a mini makeover in Camperdown, a spruce up of the Terang store, introduced a green life offer in both stores, with a full garden centre in Camperdown, and painted the floors in both stores. Feedback from shoppers is overwhelmingly positive with the changes made so far, and watch this space for more to come!



NEW HOME MANAGEMENT STRUCTURE

A NEW MANAGEMENT STRUCTURE HAS BEEN ADOPTED FOR HOME TIMBER & HARDWARE, WITH SEPARATE RESPONSIBILITIES FOR TRADE AND RETAIL.

Long-term Co-op employee Jo Bailey has been appointed hardware retail manager and Michael Boote has taken on responsibilities in trade. The new arrangement is working exceptionally well and recognises the strengths of both managers in their respective fields.

JO STEPS UP

After 15 years with the Co-op, Jo Bailey has stepped into a managerial role and is now in charge of hardware retail across both Camperdown and Terang stores. "I've been working across a few departments over those 15 years," Jo said. "I started off in the supermarket and have been in the hardware store for about 12 years, mostly in back-office and admin work. I've learnt a lot from other staff and from reps and it's been a good challenge to take on this new role."

Jo said the separation of retail and trade responsibilities was working well for the store and for customers. Jo is responsible for the retail side of the hardware business, from gardening and hand tools to painting and small appliances.

Jo has been part of a significant overhaul of store layout, stock control and product placement.

"There have been a lot of changes that people will have noticed over the last year," Jo said.

"We're more focused on the right stock items that people need and want to buy while reducing stock that hasn't been selling. We've had a lot of people come in store and compliment us on the changes." Jo is particularly enjoying the additional customer interaction in her new position.

The Camperdown store underwent a significant makeover in late 2018 and as a result has recorded significant performance improvements. The hardware staff team continues to be supplemented by after-school and weekend casuals, giving many young people their first taste of the workforce.

MICHAEL BRINGS NEW SKILLS

New trade manager Michael Boote brings a mix of retail and trade skills to the role. A south-west resident for the past 30 years, Michael's experience includes running a business, sales and production.

Michael ran a newsagency in Warrnambool for about 10 years, honing his retail skills. He later worked in concrete plant production for about 10 years, helping him to develop strong OHS and risk management knowledge. In recent years he's been working in a mainly interstate sales role so the job at Terang was a welcome opportunity to stay closer to family.

Michael describes himself an incorrigible do-it-yourself person. "If there's something to be done around home I'll give it a go," he said.

Michael's new role was created specifically to support local tradies and ensure the Home Timber and Hardware store stocks what they need when they need it. The main focus is on plumbing and timber trades, along with support for electricians and painters among others.

"We've got a really strong plumbing offer for the size of town, supplying most of what plumbers need for their day-to-day work," Michael said. "There are a lot of plumbers working out of Terang and Camperdown and we also have a strong paint market, particularly in Camperdown."

Part of Michael's role involves ensuring health and safety policies and procedures are up-to-date and being complied with. "We're concentrating on improving OHS compliance and updating procedures," he said. "I bring a fresh set of eyes and a handy mix of retail and trade knowledge along with an OHS background."

HEAVING TRAFFIC

LOADING AND UNLOADING DELIVERIES IS NOW EASIER AND SAFER WITH A NEW CRANE TRUCK PURCHASED BY THE CO-OP.

The crane truck is based at the Home Timber and Hardware store in Terang but is also used at the Camperdown store, by the rural store and is often taken on-site for work on new dairies.

Trade manager Michael Boote said the Co-op was faced with a choice of upgrading the old crane to meet regulations or buying a new version. "The old crane was up for re-certification but it would have required significant upgrades," Michael said. "In the past 15 years the technology components have progressed so far that it was better to buy a new one."

Although more expensive, buying and fitting a new crane was a better and safer option for staff and for customers. As well as being able to lift heavier weights, it has full remote-control abilities, which is a significant new safety feature. "We have regular heavy deliveries virtually every day so it's a well-used truck and a good investment," Michael said.



NICOLE JOINS THE TEAM



Swan Hill might be warmer than Terang but Nicole Turley hasn't taken long to acclimatise. "It's not too bad; there have been a few cold days but I like it here," she said.

Nicole moved to Terang earlier this year with her partner and to be closer to family. Now she's settling into her new job in trade sales in the Home Timber and Hardware Terang store. Her role covers the whole trade range offered at the store but she has a particular focus on plumbing.

Over time Nicole will become a plumbing specialist and is learning alongside Michael Savory. Nicole is enjoying her role and the new challenge it brings. "It's taking some time to build my knowledge about plumbing but I'm getting there," she said. "I've learned a lot over the past three months. I'm enjoying the pace and the workplace atmosphere and I always love to learn new things. I'm enjoying it more and more every day."

Nicole has varied experience in the workforce, ranging from childcare, managing a McDonalds restaurant and, most recently, as foreman at Pickering Transport in Swan Hill, which involved working in the yard, looking after staff, organising trucks and pick-ups and freight deliveries. Nicole is also integrating into the Terang community, joining the local fire brigade.



GARDEN LOVERS REJOICE

Camperdown gardeners are enjoying an expanded, dedicated garden centre. The Camperdown garden centre was developed as the last part of the hardware store's revamp and has proven to be a hit with local green-thumbs.

Customers can appreciate the variety of hardware and gardening supplies as they walk through the shop to the outdoor garden centre where they will find a full range of seedlings, trees, shrubs and herbs.



ENJOYING THE GREAT OUTDOORS

IT MIGHT HAVE BEEN A COLD AND WET START TO SUMMER, BUT THERE'S SURE TO BE PLENTY OF TIME TO ENJOY THE GREAT OUTDOORS OVER THE NEXT FEW MONTHS.

The Home Timber and Hardware outdoor furniture catalogue is out now while stocks last. A new display of outdoor living has been set up near the main entrance of the Terang store, showing some of the most popular items from the catalogue. These include camping chairs, barbecues, gazebos, outdoor tables and much more. The relaxing summer vibe is also available in the Camperdown store.



Rural Revitalisation

rural store
terang co-op

THE CO-OP'S RURAL DIVISION HAS SUFFERED OVER THE YEARS DUE TO VARIOUS FACTORS, INCLUDING VAGARIES OF THE CLIMATE; THE VERY NATURE OF THE ECONOMIES OF RURAL BUSINESS; AND, LIMITED MANAGEMENT

EXPERIENCE. Major changes in late 2018 resulted in a new can-do culture in the 360 Dairy Solutions which is really beginning to deliver positively in this 2019-20 financial year. The rural store is also being rebranded and redesigned.

Chris Fitzgerald is the new Rural Division business manager, incorporating 360 Dairy Solutions and the NRI rural store, leading an enthusiastic and experienced team. The businesses remain separate but are now working more closely together, using the strengths of each business to provide a thorough rural offer.

LOVE FOR AGRICULTURE REMAINS

Rural Division business manager Chris Fitzgerald grew up on a mixed dairy farm and orchard in the Goulburn Valley.

The farm is now gone, a victim of ongoing drought, but Chris's love of agriculture remains intact. Chris's role, covering 360 Dairy Solutions and the NRI rural store, brings together this love of agriculture and his experience in business development.

For three years prior to taking on the Co-op role, Chris worked in a national labour hire firm as a business development manager, dealing with large corporations through to small-scale dairy farmers while working mainly in the agricultural space.

Before that, Chris was a business banker at Westpac and after, moving to Warrnambool, he had started and operated DTS West, a GEA-owned Westfalia dealership. The Co-op later bought the business and rolled it into 360 Dairy Solutions.

Before moving to Warrnambool nearly eight years ago, Chris had worked in machinery and hardware sales and managed the family farm for 10 years. "I have a mix of farming and management experience so this position really appealed to me," he said.

Chris admits the role has been challenging at times as the Division undergoes significant change. "We're still working through things to make sure we have a positive attitude and have the products we need to fill any gaps in our rural store," Chris said. "Things are on the right track and hopefully that will appeal to customers."



Good Season Boosts CONFIDENCE



A GOOD SEASON AND IS GIVING THE LOCAL DAIRY INDUSTRY MORE CONFIDENCE, PROMPTING SOME FARMERS TO INVEST IN NEW FACILITIES.

The 360 Dairy Solutions team is building a new 60-unit Milfos rotary dairy at Garvoc, upgrading from a 50-unit and utilising existing equipment. The team is also building a 25-unit swingover Herringbone at Wangoom, utilising an existing De Laval plant.

Earlier in the year the team installed a new GEA Houle feed pusher robot on a 220-metre feedpad at a Simpson dairy farm, which pushes feed to the cows on a timed basis. A new composting barn is being built beside the feedpad.

ENTEGRA SHEDS

The Co-op's 360 Dairy Solutions has forged an alliance with Entegra Sheds.

Entegra Signature Structures deliver a diverse range of high-quality steel structures that offer the best in aesthetic style and durable functionality.

Their range of products include steel hay sheds, machinery sheds, industrial buildings and sheds.

INTRODUCING THE
Entegra
ORIGINAL SERIES

35 YEARS IN THE MAKING

3 SIZES 1000, 1700 & 2500 BALE
4 TO 6 WEEK DELIVERY

STRUCTURAL STEEL SHED

CALL **1300 444 360**

YOUR LOCAL DISTRIBUTOR

360 DAIRY SOLUTIONS

SOUTH WEST VICTORIA

Entegra
SIGNATURE STRUCTURES

The Entegra team thinks outside the box to create an innovative and tailored design solution that cannot be matched anywhere else on the market.

While mainly custombuilt, Entegra has been moving into new markets, recently releasing fixed-priced haysheds and other structures.



NRI TO REPLACE CRT

rural store
terang co-op

THE RURAL STORE HAS NOT BEEN COMPETITIVE FOR SOME TIME AND THE CO-OP EXPLORED ALL AVENUES FOR THIS BUSINESS.

In mid-2019, the store racking was expanded to enable the store to carry more than 100 additional pallet spaces, which has improved our purchasing abilities and stocks.

Finally, after much soul searching and professional evaluation, the difficult decision was made to leave the CRT Group after more than 30 years with Ruralco. The Board and management believe this move is in the best interests of the Co-op for the longer term as CRT was not able to deliver what was needed when it was needed.

As of the end of January 2020 the rural store will become part of the National Rural Independent (NRI) network. NRI was formed in 2001, by the visionary owners of 10 independent rural retail operations.

The drive behind NRI was an appetite for change. Corporates were taking over the farm input market and there was a need for a truly independent group, without the cost associated with a wholesale structure.

Built on a philosophy of full transparency and equal status, NRI is unique among rural distributor groups, offering true equity and wealth-creating opportunities for its shareholders.

Importantly, NRI has established partnerships with the major supply companies because they present the most efficient route to market for their products and services. NRI group has more than 110 stores across Australia, providing farm inputs and specialty advice to primary producers. This partnership will deliver future benefits for both customers/members and the Co-op.

NEW DEALERSHIP



IN ANOTHER EXCITING MOVE FORWARD FOR THE CO-OP, A FULL HUSQVARNA FRANCHISE HAS BEEN ADDED TO THE RURAL STORE. This will introduce a fully professional outdoor power offer of chainsaws, trimmers, blowers and ride on mowers all under the market leading Husqvarna brand. This is part of the ongoing program to make the rural store a welcoming and exciting place to shop.



AGRONOMIST JOINS THE TEAM

The rural store now has its first agronomist. Alison Lee has taken on the role of rural retail supervisor and agronomist and says it will create a significant new service to local farmers.

"There have been staff with agronomic backgrounds but it was identified that an official agronomist was missing from the business," Alison said. "An agronomist has the ability to offer tailored consulting services to customers, which will be very helpful for farmers."

Born in Terang, Alison grew up in Cobden where her parents had a dairy farm and worked as an agronomist for a fertiliser distributor for nearly 10 years. She studied agronomy and agriculture at Glenormiston College.

In 2016 Alison took on a relationship building role with the United Dairyfarmers of Victoria before moving to the Co-op. "I really love building relationships with farmers and that's where I want to keep working," she said.

Alison started doing 20 hours a week in the rural store but that quickly turned into a full-time role and she couldn't be happier. "I love the team," she said. "With all the changes, we've really pulled together and I'm really proud of how the team has delivered."

Originally her role had was to incorporate on-farm agronomy work two or three days a week but Alison has needed to spend more time in the store during the revamp. "It's still the aim to work more on-farm which I really enjoy and will be helpful for our customers," she said.

The rural store is currently looking to fill two positions to complete the team. Christine Matthew has also been helping with stock inventory and administration and to facilitate a smoother ordering process.

RIDING AND LIFTING TO SUCCESS

RIDING AS A JOCKEY AND WINNING TITLES AS A POWERLIFTER SEEM TO BE A BIT CONTRADICTIONARY BUT RURAL STORE SALES ASSISTANT TRACEY BYRNE HAS MANAGED BOTH.

Tracey hails from predominantly a thoroughbred racing background. She was a trailblazer in the racing industry, starting as an apprentice jockey in Western Australia in the early 1980s when the industry was male-dominated, even more so than today.

Around having children and relocating to Victoria, Tracey continued to work as a jockey, and at the same time got into power lifting. "I was a 37-kilo weakling and wanted to do something about it," she said. With typical tenacity she went on to win state and national powerlifting titles.

Tracey also had a near-brush with fame during her jockeying career. "They wanted to put me in the Guinness Book for World Records as Australia's and possibly the world's lightest female jockey," she said. "I said no to that... being lighter than the others is not an achievement."

After retiring as a jockey, Tracey did barrier attendant work, was a horse strapper and owned horses.

She stepped out of racing about 10 years ago and has since worked in the disability sector, milked cows, and worked in pet stores.



Alison Lee, Tracey Byrne

"I was born a country girl on a sheep station and loved animals from the word go," Tracey said.

Being a mother of four and grandmother of five keeps her busy so Tracey doesn't work full time, but she loves her new work environment.

"I love it here," she said. "I've been shopping at the Co-op for 12 or 13 years and saw this job advertised and thought it was perfect for me. "It's been a massive learning curve but I love the interaction with customers and working with the team. I'm very customer-oriented and I really like the direction the business is heading."



THE SUPA IGA SUPERMARKET TEAM HAS CONTINUED TO IMPROVE THE BUSINESS OVER THE PAST YEAR, BECOMING MORE EFFICIENT IN WHAT THEY DO AND HOW THEY PRESENT THE OFFER, AND IT CAN ONLY GET BETTER. THERE ARE SOME EXCITING PLANS FOR THE SUPA IGA IN THE NEXT FINANCIAL YEAR, BUT WE'LL TELL YOU MORE ABOUT THOSE PLANS IN THE FIRST QUARTER OF 2020.

DANNY SAYS *Goodbye*

AFTER 20 YEARS, DANNY ROLLO IS LEAVING THE CO-OP, THOUGH HE'S NOT VENTURING TOO FAR. DANNY HAS A NEW JOB AT THE TERANG AND MORTLAKE HEALTH SERVICE WORKING IN MAINTENANCE.

"I've been here for 20 years and it felt like the right time to try something new," Danny said. "The job will involve a bit of everything, with a lot of gardening and lawn mowing which I enjoy. I like working outside."

Danny started as an after-school casual in the old timber yard and rural store. "I was there as a casual and Charlie Duynhoven, the former general manager, came down to see me and offered me a full-time job," he said. "I've been at the Co-op ever since." He later moved to the grocery department where he had a variety of roles, most recently as fruit and vegetable manager.

While looking forward to the new challenge, Danny says he'll miss a lot about working at the Co-op, particularly the contact with people. "You see lots of customers that you wouldn't otherwise get to see, and I've made some good



Nick Koroneos, Danny Rollo

friends here on staff as well," he said.

Meanwhile, Nick Koroneos has been enjoying his role assisting Danny, helping with orders, unloading and making sure the displays are stacked with fresh and tasty produce. Nick travels from Cobden after finishing Year 12 last year.

"It's a good place to work," Nick said. "They're a good bunch to work with and we've got good customers." Prior to joining the Co-op, Nick worked at a Camperdown supermarket after school for two years, also in the fruit and vegetable department.



Country Comfort

IT'S ONLY A HALF HOUR DRIVE DOWN THE PRINCES HIGHWAY, BUT DELI MANAGER JENNY DENDLE NOTICES THE DIFFERENT ATMOSPHERE BETWEEN TERANG AND WARRNAMBOOL. THE SLOWER PACE AND FRIENDLIER NATURE OF TERANG LOCALS HAS IMPRESSED JENNY, WHO HAS ENJOYED MOVING INTO HER NEW ROLE.

Jenny previously worked at Coles in Warrnambool for 11 years and has also worked in the dairy industry. She's still living in Warrnambool at the moment but looking at the option of moving to Terang," she said. "I really like the country atmosphere in Terang," she said. "You can't beat good old country people. "We've got a really good team and it's fun to come to work."

Jenny is in charge of one full-time staff member and about 12 part-time and casual employees. Since taking on the role she has made "a few little changes and tweaks but basically we've kept it to what customers want". Jenny said "We cater for what customers like. If they buy it, we keep stocking it, but if something doesn't sell, we take it out."

Keep In Touch

The Co-op has introduced a new more efficient phone system which bypasses administration and enables callers to call direct to the store they wish to talk with. The new Grandstream system was needed for efficiencies and with the NBN replacing old technologies across the region. While the new phone service may take a little getting used to, everyone will be better off in the longer term. This is particularly true for administration staff no longer having to answer and transfer calls seeking to contact the stores.

OHS Updates

The Co-op is always making improvements to ensure everything is safe for customers and staff. In recent months the business has been addressing and updating policies and outdated operational procedures that may no longer meet current OHS guidelines. This constant process of renewal will continue.

30-38 High Street, Terang VIC 3264 T (03) 5592 1555

E info@terangcoop.com.au

www.terangcoop.com.au

