

CJD — THEY DO IT THEIR WAY

Australia's most successful independent construction equipment distributor/dealer celebrates its 30th anniversary this month. CJD Equipment has achieved its outstanding success by sticking to good, old-fashioned business principles. **John Feary** reports

At the start of 1974, the Whitlam Labor Government in Canberra was already in the morass of economic backflips and political scandals that ended in its dismissal in late 1975. John Tonkin was nearing the end of his brief three years as a minority Labor premier in Western Australia, to give way later in the year to the long rule of Sir Charles Court.

On February 5, 1974, two young but already highly experienced construction equipment sales representatives took the brave step of setting up their own dealership in Perth.

Three decades later, Ron Rafferty and Rob Jowett have built CJD Equipment to be arguably the country's biggest independent supplier of new construction equipment — and among the top four or five companies in a multi-billion dollar industry that is dominated by manufacturer-linked entities.

It certainly has to be the most successful: the company has returned a profit for every one of those 30 years.

In an era when the predominant business ethos seems to have been built on a helter skelter dash for growth and the slogan, "greed is good", CJD has grown and prospered through the calm and rational application of the traditional values of loyalty, stability and, most importantly, service to customers.

CJD did not reach its current strength by taking risks or cutting corners. It was done, as just about everything at CJD is done, in an atmosphere of calm, thoughtful and considered decision-making.

The result is a company with a national dealer network of 12 modern and well-located branches and with the large capital resources needed to support an operation of its size in the modern era.

CJD is best known around the nation as the distributor/dealer of the complete Volvo Construction Equipment range, but the company also handles the Peterson Pacific forestry equipment range on a national basis and has the dealerships for Kenworth trucks in WA, Volvo and Mitsubishi trucks in Tasmania and the John Deere agricultural, grounds care and power systems equipment in the Perth metropolitan area. "Many people may not realise that we have been in the heavy-duty truck business for 29 of our 30 years," Jowett said.

Back when it all began, CJD was the national dealer for Chamberlain-John Deere



Joint director Ron Rafferty congratulates staff at the celebration of CJD's 30th anniversary.



Rob Jowett, the other half of the "absolutely unique" duo who have headed CJD since its inception.



"Thirty successful years in the construction equipment business is very impressive and no one gets that result without hard and committed work. Being an Aussie myself, I'm especially pleased that CJD are the ones who are carrying the Volvo CE flag in Australia. Thanks for a very good cooperation and I am looking forward to the next 30 years!" – Tony Helsham, president and chief executive officer of Volvo Construction Equipment

(the initials of which formed its name). A joint venture between the WA tractor and agricultural equipment manufacturer and the global equipment manufacturer, Chamberlain-John Deere was looking to relinquish the retail role to focus on its manufacturing.

Rafferty, the manager for construction equipment, and agricultural equipment manager Jowett put their hands up, the deal was done and the new company formally established as the national distributor/dealer on February 4, 1974.

The new company purchased Chamberlain-John Deere's retail premises on Great Eastern Highway ("equipment alley")

in South Guildford, took on the existing staff of 28 people and settled down to build their new company.

At the time, they were the newest of new boys on the highway, looking up to the established giants of the industry such as Caterpillar franchise holder Wigmore and its strongest rival, International Harvester dealer ISAS, Allis Chalmers dealer Tutt Bryant, Massey Ferguson arm Skipper Machinery and Moore Road Machinery with its technologically advanced Australian-made range – all long since gone.

It was clear that CJD needed more than the John Deere product range if it was to grow and prosper, and within a year it was also

selling and supporting White trucks in WA.

The White dealership was a success for CJD and it ended only because the White Motor Corporation, a company with a history of truck manufacturing going back to World War 1, ceased to operate. The company kept its association going for a few months through Western Star, which had taken over White.

Then, in 1984, CJD was appointed WA dealer for the Kenworth truck range. Twenty years later, the association is still going strong – and getting stronger.

In 2002, CJD also took on the state dealership for Kenworth's PACCAR stablemate, the Dutch-built DAF, and is now finalising plans to establish a new stand-alone truck outlet on a prominent site at the entrance to the Access Park industrial estate in the Perth suburb of Forrestfield.

The company extended its product range into the forestry sector when it negotiated a national distribution agreement in the early 1990s with United States company Peterson Pacific Corp, manufacturer of a range of recycling and wood processing machinery. The Peterson Pacific recyclers and very large in-situ and mobile wood chipping plants have been steady sellers throughout Australia for more than 10 years.

In 1992, CJD boosted its equipment range with its appointment as WA dealer for Volvo Construction Equipment. The franchise agreement was a breakthrough – the only independent dealer in what was then a national chain of company-owned outlets.

The Volvo link helped sustain the company through the next change in franchise arrangements, again brought about by circumstances outside the company's control when the John Deere industrial product range was transferred as part of global



manufacturing and marketing realignments in the early 1990s.

CJD maintains its relationship with John Deere through a separate, stand-alone operation that represents the range of farm machinery and grounds care equipment in the Perth metropolitan area.

Within a few years, Volvo had taken the

decision to exit the retail side of the business. With its success in WA to support it, CJD was invited to take over the dealerships in Tasmania, Victoria and Queensland and, when the appointed Sydney dealer did not work out, NSW was added to the CJD stable in 2000.

CJD formally became the national Volvo

CJD's head office sales team (from left), Mark Tatm, Peter Davis, Lindsay Daniels, Bill Hastings, Steve Gunn, Roy Simms and Alan Barnett.

Construction Equipment distributor with responsibility for product supply, support and parts in late 2001.

The expansion also involved CJD taking responsibility for some existing local franchises such as the very successful Mitsubishi and Volvo truck dealerships in Tasmania, where they lead the small trucks market.

To support its dealership network, the company now has a total of 12 branch premises across five states and has invested millions of dollars in the branch network. In NSW, the company established new premises on the Hume Highway in Albury and followed up with a new \$5.5 million state headquarters complex at Narellan in Sydney's south-west. As is the company's usual practice, the state-of-the-art facility was

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developed on an Anzac Avenue site purchased by the company.

And it has all been achieved with a minimum of fuss. Ron Rafferty and Rob Jowett continue to direct the company's growth from adjoining offices in the same single-storey shopfront building they acquired 30 years ago. They don't rough it, there's a quiet,



CJD considers itself a family company, but the stream that flows through the grounds of the South Guildford head office was of more interest than the formalities to younger members of the family.

understated comfort to the executive suite that lies behind the busy and cleanly functional outer office, but they don't pamper themselves, either.

As the company has progressed, they have continued to invest the bulk of the money into the business.


"As through the years we have had opportunities to grow our business, we have had the resources and the people to take advantage of them," Rafferty said. "We have the capital, we have the people, and we also have the financial muscle to do the things that we promise we will do."

At the same time, there is no sense at CJD that growth is pursued for its own sake. The ethos, summed up on the company's website is: "We need to be big enough to perform but small enough to care."

The stability of CJD's management style is reflected in its staff. Several of the 28 original CJD employees are still with the company and, in a workforce that has grown rapidly in the last few years to more than 250 people, over a quarter have been there for more than 10 years.

The company's conscious policy in staffing its new and expanding branches around the country has been to employ local managers and staff, people with strong knowledge of their local marketplace.

CJD has been a consistently strong supporter of training and staff development. After the lack of government support dashed its mid-90s plans to establish an in-house training division — for both its own apprentices and outsiders — a structure has been developed that provides apprenticeship/trainee administration and off-the-job training externally and on-the-job internally.

One of the company's traditions is the holding of an annual staff barbecue beside the shady stream that flows through the company's grounds to mark the anniversary of its establishment. On February 4 this year, when management and staff gathered for the barbecue at South Guildford, and the other branches throughout the country held their own celebrations, CJD Equipment had plenty to celebrate. 



Some of the "CJD Old Boys", the informal club for retired company employees.