

A PET PROJECT

From a family-owned business to a national group in just a decade, Cenvet is a shining example of Australian innovation.

Images by Scott Ehler

An integral part of many people's lives is the family pet. They hold precious places in the household, and people are spending more on their cats and dogs than ever before. Cenvet is one of the leading veterinary wholesalers in the country, providing products to ensure our pets live happy and healthy lives.

Cenvet was started in 1960 by the parents of current CEO Lionel Bloom. Lionel grew up around Cenvet and has spent time working in all parts of the company. "It's a very important part of my philosophy. You need to understand every part of the business and how it works," Lionel says.

"In Cenvet's case, I have tried my hand at everything. Even when I was studying at university, I worked in the warehouse part time packing orders and sweeping floors. I've had various sales and marketing roles, and I've even managed some of our administration and IT areas. Basically, there's probably not one job in the place that I haven't done over the years."

Lionel did gain experience with other companies before settling into Cenvet as a career option. After graduating with a bachelor of commerce degree from the

University of New South Wales, Lionel worked in sales and marketing roles for different companies. "I worked for a period of time with NCR Computers as a sales representative, and then worked for Akai Hi-Fi Video as a marketing manager.

"I was working at Akai at the time and I had applied for number four's job in the company. My application was unsuccessful, which I could probably understand now as I was only 23 at the time. So I made a decision to leave my corporate job and join my father at Cenvet. That's where I began and that is where I ended up. So I've been in this business since the mid 1980s."

Lionel and his wife, Melanie, bought the business from his family in 2003 and went about growing the company and expanding its operations. Their hard work has paid off, with sales revenue increasing from \$39 million a year to revenue expected to top \$110 million in 2015.

Despite their success, as with every business, Lionel and Cenvet have faced their fair share of challenges and difficulties along the way. "I think there are very few businesses that don't go through cycles, and we are no different. We have certainly experienced a couple of cycles where we did really well, and others not so well," Lionel

reflects. "I think for me the biggest challenge was the period between 2010 through 2012 when the delayed effects of the GFC and increased competition caused our sales revenue to decline in some areas of our business. To turn things around, we knew it was time to think outside the square and try something a little different.

"I read Ricardo Semler's book *Maverick* a few years ago, and ever since I have tried to model our business on Semco by empowering our people to make decisions and having all our employees engaged with the business. At the time, it got me thinking, 'What if we did the same thing for customers? What if our customers became shareholders with a financial interest in the company?'

"The rest is history. We turned our company into an unlisted public company in 2013, and that's probably been the best thing we have done over the past 10 years. We now have approximately 150 shareholders onboard and our numbers are growing. Our new customer-shareholder model drives an immense amount of loyalty, and that's reflected in our sales growth, which in some parts of the country is up 38 per cent on last year. The board's goal is to achieve sales of \$150 million by 2017, and we are well on the way to achieving our target with our new business model." >

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One of the major things that Lionel attributes to Cenvet's success is the focus on its people and valuing every staff member. "What we try to do is have the strength and resources of a large company with the sensitivity, flexibility, and simplicity of a small business.

"It's about asking questions of everyone involved in the business and how we can do things better. Just before Christmas, I took time out to visit all our staff around the country and I asked that exact question—what are the dumb things we do every day and what could be done better? It might be the little things such as a computer process that automatically prints copies of documents that we don't use anymore, or a more complex, outdated workflow that is no longer relevant. What is important to me is to nurture an open and transparent workplace culture. My team knows I am approachable and I always act on their feedback. The ideas, results, and productivity improvements speak for themselves."

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Another focus Lionel has had since stepping into the CEO role at Cenvet is ensuring its customers are valued. It has partnered with large businesses to ensure its customer base gets the best possible deal. "American Express is a big supporter of ours, and we partner with them to provide some great customer loyalty and extended credit programs. These sorts of customer programs work very well for us. They add substantial value to our business, and customers love their Amex points."

For the future, Cenvet is looking to expand its current operations both horizontally and vertically. "We want to expand and grow our business in both the vet and pet channels. That's definitely the board's strategy moving forward, and our planning is well underway. We have a few joint ventures taking shape overseas right now, and we will probably look to develop our customer-shareholder model in both the retail and manufacturing sectors over the next few years. I'm looking forward to some exciting times ahead." •

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