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LESSONS in Longevity

Over the past 30 years, National Capital Motors has been helping consumers across the Canberra region through a focus on reinvestment in its operations and staff.

Images by ID Photo

“We started just over 30 years ago with a single franchise in rented premises with just seven people. Today, we have grown to the extent where we have six separate sites with six franchises and 140 people.”

- Campbell Brede

Family-owned and forward-thinking, National Capital Motors has ensured that it looks after its customers and staff over its three decades in business. Over this impressive period, the company has never made anyone redundant, and has continually reinvested to ensure constant improvement.

Campbell Brede, founder and managing director of National Capital Motors, worked to engrain the values of discipline, honesty, and hard work in the members of the company since it was established in 1983. These values have been passed down throughout the company's employee base over the years to ensure its core strengths are retained.

The CEO Magazine sat down with Campbell to discuss the

development of National Capital Motors and its strengths and the secrets to its longevity.

***The CEO Magazine:* How has the company developed over the past three decades?**

Campbell: We started just over 30 years ago with a single franchise in rented premises with just seven people. Today, we have grown to the extent where we have six separate sites with six franchises and 140 people. We've seen a lot of growth in that area. That's probably the growth aspect of our development.

How have you shifted the company as the industry and market has progressed?

We shifted the company through recognising growth opportunities

in Canberra and having a long-term plan to take advantage of what we saw as the future growth of Canberra. The growth and development of Canberra since 1983 to today has averaged around 30 per cent, and the suburbs have expanded a lot. In 1983, the motor trade in Canberra was essentially based in either Woden or the Canberra CBD.

The Canberra CBD does not have a franchised dealer, so the true dominant areas are Woden and Belconnen, which are both satellite suburbs. Both of those suburbs service more than 130,000 people. Additionally, we invested in real estate, so for every site that we've operated from, we've acquired the real estate first. We've used that growth in capital to finance future funding. >





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We've heard that one of the things you really devote yourselves to is reinvestment in the company. Is that right?

Yes. When we started with seven people, we were quite capital-short so we went through a very strong growth period for the first 20 years. We grew very quickly and strongly, but at that time every dollar we earned was reinvested straight back into the company. That was mainly in real estate in burgeoning areas, which allowed us to expand into the areas where the growth was centred. Now we're benefiting from that through the property values, which allow us to improve our balance sheet and have the freedom to be able to take any opportunity that's presented to us.

What do you think have been the most significant milestones for the company in recent years? What's really stood out?

Over the past 10 years, we've had a very big growth in our real-estate acquisitions, which allowed us to invest in better facilities for our franchises. As well as that, we were then able to diversify into commercial development. We have owned a large area of real estate in the Canberra CBD for a long time. While we could have sold that, we were presented with an opportunity to go into a joint venture and develop it into commercial facilities and apartment blocks.

The motor industry actually financed that and allowed us the opportunity to develop a site that was better situated in a new growth area. We relocated our Mitsubishi dealership from the Canberra CBD, acquired a 6,800-square-metre site where we built new showrooms and services facilities, and the vacant Mitsubishi site was then developed as a \$30-million residential and commercial site, which is just about completed. That's been very successful for us.

At the same time, we were invited to participate with Toyota in

Goulburn, which is a large rural city located 100 kilometres from Canberra. We acquired a 7,700-square-metre site for that, and we have now put Toyota, Nissan, and Suzuki in there. That's been a very, very strong acquisition for us. We have also just bought a 7,700-square-metre site in Tuggeranong that will allow us to further expand our retail, service, and pre-delivery opportunities.

National Capital Motors has such a long and reputable history. What do you think is the secret to that success and longevity?

Well, first, I was lucky, as I started young. When I first opened our business, I was in my early thirties, so that allowed me to have the energy that you really need in this industry. I had some fantastic assistance from some of the manufacturers and especially our finance company. We've had very long associations. Our franchisees have been with us for a long time, even though we've acquired them along the way.

Once we've got into bed with a business partner, we stay in bed with them, which is very pleasing. We've been working with Nissan for 30 years, Mitsubishi and Hyundai for 20 years, Suzuki for 15 years, and Kia for over 10 years. Toyota is our newest partner, as we've been working with them for five years. That's really important for us. Even though the structure of the manufacturer has changed and the franchise agreements and relationships between the dealers have changed a lot over those years, the long-term relationship binds us together.

How do you think you've nurtured those long-term relationships and ensured that they continue?

Mainly through communication and being able to talk directly with the relevant people in those franchises or businesses. Our relationship has always been very open. Sometimes it's quite frank, but it needs to be frank. Sometimes we may hear things



we don't wish to hear, or we may not see eye to eye with the manufacturer or the financier, but, in the end, as long as both parties understand that we're here for the benefit of both their brand and our brand, then you're able to plot a path that all parties are happy with.

Speaking internally, how have you shaped the culture of National Capital Motors?

Mainly through discipline and the desire that our people have to carve a career for themselves in this industry. We want our employees to >



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- Campbell Brede

understand that there is a secure career path here. Pleasingly, a large percentage of our senior managers have basically started with us at a very junior level and have worked their way through to very senior positions.

That would be the most pleasing aspect from where I sit, that we have some very good, dedicated people who have worked extremely hard and who are benefiting from that hard work. That’s not just managers, either. We have technicians who have been with us for around 25 years. It’s a very, very longstanding workforce, and there is a lot of shared understanding between the management and our workforce. We set high standards, but we communicate with them. If there is an issue, they are always encouraged to talk to us.

What do you think is the reason behind this long-term retention?

Our staff understand that we offer them secure employment.

We’ve never had to make anyone redundant. When the global financial crisis hit, we pulled all our staff together and told them that this was a time to tighten the belt and that while we may all have 18 months or two years of hard work, our job was to ensure that we all came out of it with the same job that we started with, and that we did everything to make sure that employees’ jobs were secure.

They understand that this is a very difficult industry, with long hours, and hard work dealing with some demanding expectations, but they understand that if they’re prepared to put their head down and put the work in, they can get a good return. Not only can they get a good return in the way they’re remunerated, but, more importantly, a good return for their own security and career aspirations.

Many years ago, I interviewed every single employee that we had at that time. I spent 20 minutes with each, so it took a long while.

But the most important thing I learned from that was that not everyone wanted to be a general sales manager or a service manager. A lot of people were very keen to know that they could knock off at 4 pm on a Friday and come back in at 8.30 am on a Monday and know that their job was secure, that they were going to get paid in the manner that they wished to, and that they could say to their family that they could plan for their future because they knew their job was secure. Not everyone wants to be the general manager, but a lot of people want to have security.

Where do you see the company going down the track?

Through our formal succession plan, we have structured our forward strategy allowing for both sons, Dale who is now 39 and has been in our company for 22 years and Duncan, 34, who has been involved for most of his working life to continue with all the above mentioned cultures

and philosophies. Both of the boys are looking forward to continue our forward future growth. We’ve got some very good opportunities that we’re working on at the moment, and we have just acquired another site. We intend to expand our business in the retail side of the car trade quite aggressively over the next few years.

We have just acquired two more retail outlets. At the moment, the first one we’re about to develop is quite a substantial development, and the other is a very large retail and commercial outlet.

Where do you think the motor industry and the market is going to go in the next few years? How do you think it’s going to evolve?

It’s getting harder all the time for the non-franchised dealer. I think the non-franchised dealer that’s a used-car specialist is going to struggle. The internet purchase is becoming more sophisticated, so the industry

needs to improve the way it handles internet inquiries and attracts internet interest.

Manufacturers will be looking to consolidate their current dealer base and to work on improving dealer performance through the handling of internet inquiries. And

the other area that’s going to change a lot is the way we advertise cars. I believe that the current franchise dealers’ advertising will be unrecognisable in five years time; it will be much more internet-based and the manufacturer will be generating most of the retail inquiry. •



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