

Vol 6 No. 4

Official Journal of

The Hire Association of N.S.W.

The Hire Association of Victoria

The Queensland Hirers' Association

The Hire Association of Australia

# HIRE



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## Hire

OFFICIAL JOURNAL OF  
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THE HIRE ASSOCIATION OF VICTORIA  
HIRE ASSOCIATION OF QUEENSLAND  
THE HIRE ASSOCIATION OF AUSTRALIA

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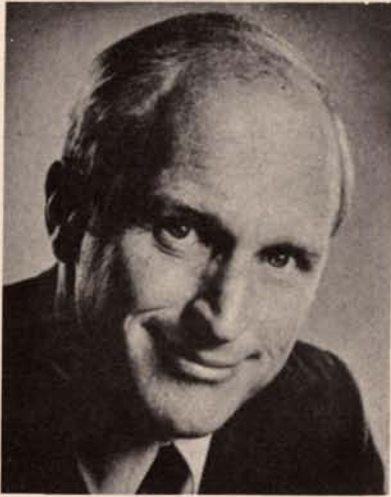
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# PRESIDENT'S MESSAGE

## The Best Convention



**NEVILLE KENNARD**  
President, Hire Association  
of Australia.

The Hire Association Convention held in Melbourne recently was certainly the most successful held yet.

Attendance exceeded 200 people, the quality of speakers was excellent, the program was comprehensive, the organisation impeccable, and the hospitality was kind (to say the least).

Full credit goes to the Hire Association of Victoria, who were the hosts in Melbourne.

Anyone who is serious about the hire business should not miss this annual event. It is not intended to be (and hopefully will never become) just an excuse for a few days away from work, but rather a stimulating and informative program to equip us better to do our jobs.

Next convention will be in Sydney. Those who were in Melbourne will want to be there.

Those who didn't make it to Melbourne should plan now to come to Sydney in October 1974.

# EDITORIAL

## A tough act to follow

Anyone planning to produce a handbook entitled 'How To Run A National Convention' would do well to consult the Hire Association of Victoria.

A National Convention is, by definition, a co-operative effort, but it is the host State which carries the responsibility, does all the preliminary donkey-work – and collects the blame or plaudits in the end. In the case of the H.A.V., the plaudits are still reverberating. The 1973 National Hire Convention in Melbourne will almost certainly become the yardstick by which future Conventions are measured.

What made it so successful? Organisation, attention to detail, perfectionism? All these, plus team work and a remarkable degree of personal commitment at all levels.

We recall secretary John Klemmer cheerfully trouble-shooting in six different places at once, and then disclaiming credit. ("I had a good team behind me," he said.) We recall Victorian President Ern Turner

and ex-President Stan Jessup presiding over what was clearly the outcome of months of dedicated work. Perhaps most of all we recall the way that not only the Committee but the rank-and-file members took responsibility and looked after the visitors from other states. Most conventions have their quota of lost sheep, but there were none at this one. Everybody there was treated like a V.I.P.

HIRE salutes the Hire Association of Victoria. *Finis coronat opus* – the end crowns the work. The 1973 National Hire Convention is going to be a tough act to follow.



# 1973 HIRE ASSOCIATION CONVENTION Victoria sets a new standard

Even the sun was shining splendidly for the opening day of Melbourne's National Hire Convention, as if the Victorian Committee — meticulous in every detail — had succeeded in controlling the weather. Delegates converging on Tullamarine Airport from all over Australia saw it as an omen for the Convention, but had the sun not been shining its absence might have gone unnoticed, so warm was the welcome awaiting them, so hitch-free the arrangements for their comfort.

Ensnconced in Noah's Hotel Melbourne, identified with badges and supplied with orange and black Convention kits (courtesy of Coates & Company), everyone assembled for lunch. It was the occasion for greetings, reunions, reminiscence. There was a general air of anticipation; it was going to be a good Convention, people predicted.

Then it was down to business. Stan Jessup, (U-Hire), outlined the arrangements and announced that the entire second floor of the hotel had been given over to the Convention for its functions, business sessions and displays. He also drew attention to the fact that this was the first Hire Convention in which manufacturers had actively participated, contributing funds towards various facets of the delegates' entertainment, as well as mounting displays of their products. He then called on the National President, Neville Kennard, (Kennards Hire Service), to officially open the Convention.



NEVILLE KENNARD

Welcoming the delegates, the President announced that — with the single exception of the Northern Territory — every State in Australia was represented. The wide representation was particularly appropriate in view of the fact that this was the first Convention to be held since the formation of the Hire Association of Australia early in 1973. He then explained how the H.A.A. is composed of (and subsidised by) five autonomous State Associations, each contributing two councillors to a National Council which elects its own office bearers.

Those who put the most in get the most out, he said. It's up to us — not to 'them' — to make the Association fruitful. Special forms had been included in the Convention kits to enable delegates to contribute ideas and suggestions.

New hire companies were being set up, established companies were expanding, big business was now recognising the hire industry (the recent takeovers of Coates and Wreckair were evidence of this.) The net result was twofold: (1) an expanding market with a possible growth rate of 15%, and (2) a higher standard of service and equipment demanded by the customer. In a competitive situation this must inevitably add up to a squeeze on profits and a reduction in profit margins, which would lead to some falling by the wayside.

Everyone should regard the cost of attending the Convention as an investment and make full use of it as a means of stepping up efficiency and reducing mistakes. Everyone should pick a few brains — making sure they're the right brains — ask questions and contribute.

He then commended the manufacturers' displays to all delegates and declared the 1973 National Hire Convention open.

Perhaps it was only a coincidence, but the 'new nationalism' we hear so much about these days was reflected in the choice of Convention speakers. There were no big names from overseas. Everyone who addressed the business sessions — and there were eight speakers all told — was a local product with personal experience of the Australian hire scene or some relevant subject. They ranged from Hire Association identities to the Secretary of the Victorian



Trades Hall Council and the Federal Secretary of the Federated Taxpayers' Association of Australia. They covered a kaleidoscope of subjects, they were informative and often entertaining, and they drew a lively spate of questions from the audience when question time came round.

An outline of the eight addresses has been included elsewhere in this issue.

On the final morning, Sunday the 30th September, talks were replaced by specialised workshop sessions which divided the delegates into natural groups covering construction plant, party hire and clothing. These groups devoted the morning to profitable discussion of some of their own specific problems.

The entire Convention ran on oiled wheels, an achievement which would have been impossible without a great deal of advance preparation and infinite attention to detail. The accommodation and catering left

nothing to be desired, and the two evening functions were outstanding social occasions. Pre-dinner drinks provided by sponsors on both nights set the mood for a gala evening. Of the dawn-busting party-after-the-party on the final night, perhaps the least said the better — except that it will remain yet another pleasant Convention memory long after the hangovers are forgotten.

In his closing address after the Sunday morning Workshop sessions, National President Neville Kennard said that the hire industry has now achieved a degree of public recognition which demands professionalism at all levels. Alvin Toffler's much-publicised book, 'Future Shock', included a chapter on 'The Rental Revolution', and we are entering a similar era in Australia. It is an era characterised by the disappearance of very high profits. . . by customer discrimination. . . by tremendous demand, expanding market and

increased competition.

Our professionalism must be immediately obvious in the appearance of our buildings, our places of business, our employees. Expanding volume, with its inevitable increase in paperwork and maintenance, puts a new emphasis on efficiency.

The big thing the hire industry has going for it is its people. They are unique anywhere in their readiness to talk shop with their competitors and seek solutions to common problems. In a sense they are pioneers, breaking new ground.

Delegates were advised to go home and say hullo to their worst competitors — the men they hated most. They should create more customers by referring business. And they should remember that their Association is there to help them all.

In conclusion, the President congratulated Victorian President Ern Turner and the committee on what was, without question, the best Convention yet.





Traveller's eye view:

# RENTAL YARDS IN THE UNITED STATES

Andrew Kennard, a director of Kennards Hire Service and a committee member of the H.A.N.S.W., addressed the The National Hire Convention on hire conditions in the United States. His conclusions were based on first-hand observation during four separate fact-finding visits to that country in which he mainly concentrated on California, the American State with the largest and most profitable hire companies, the greatest penetration of the market and the most comparable climatic conditions.

Hire companies, he said, have similar objectives and problems in all countries, and carry the same types of plant and equipment. The only real differences between them are their degree of experience and professionalism.

## PRIORITIES

American companies tend to be more businesslike. They give more importance than we do to the position and size of their yards, looking ahead five to ten years and anticipating growth so so that they won't be forced to move when the business expands.

They understand that efficiency needs room. They look for a site on a main highway, with good access and up to three driveways round the yard for mobility. And they store everything (except electric motors) outside. They provide bins, brooms — everything to make housekeeping easy. They look long and hard at equipment before they buy it. One company's slogan, "The best is not good enough — so why buy

anything less than the best?," typifies their attitude. They look for long life (at least 15 years' service) and for parts-availability as well as price. They standardise for the future.

Some American manufacturers supply the rental industry exclusively. They too are specialists. They know the type of machines required for hiring, and they carry a full inventory of parts.

## TRAINING

More emphasis is placed on staff training. A new employee undertakes a week-long training program before he is given access to customers. Training aids include colour films on servicing equipment, video tapes, closed circuit TV, procedure and safety manuals. Even permanent employees are sometimes hired on an hourly basis, with no entitlements.

Rates are highest in California. Deposits are the rule, and large companies don't cut prices. Nor do they open up branches within a mile of a competitor. Co-



operation is uniformly good, with companies joining forces in advertising and training programmes and even — though this is less common — exchanging monthly figures.

## ASSOCIATION

U.S. hire companies benefit from a powerful 3-level Association: National, State and local. The active National Association maintains a computer for the use of small companies and conducts probing surveys into products and equipment.

Franchising accounts for 15% of the total value of rentals — with softgoods predominating — and provides a low-capital entree to the rental business.

Theft and conversion laws, as well as ID cards, are deterrents to fraud. Delivering is less common, the use of computers more general. Average collection time for accounts is 38 days. Advertising runs at 3.8 — .8% and is largely confined to the pink pages.

The ratio is 85% hard goods to 15% soft goods. Every dollar invested returns an average of \$1.43, and the growth rate is 10% per annum.

It is advantageous for anyone in the Australian hire industry to study American companies — at first hand, if this is at all possible — because they have been where we are now.



13 years of work went in 20 minutes. . .

## They rose from the ashes - twice

Speaking at the Hire Convention on 'Fire, What It Can Do To You', John McKechnie (Miller Bros Hirings, Victoria) described the disasters and ordeals his company had suffered through fire. It says much for the people concerned that Miller Bros. Hirings rose from the ashes not once but twice, and went on to become one of the largest party hire companies in Australia.

It also says a great deal for John McKechnie himself that he could relate the continuing story of calamities with such rare detachment and dry humour that he kept his audience laughing from beginning to end.

Miller Bros. Hirings is an old company — there is a docket in its archives dated 1854 — and it was very run down when the present owners bought it just after the war. In those days their main business consisted of hiring out marquees, in particular for functions at Government House, and their problems were compounded by the virtual impossibility of obtaining equip-

ment and replacing such things as broken glasses.

John McKechnie had acquired a healthy respect for fire on the day when, cutting nettles with his father, he had put a match to the last patch of nettles — and started a fire which demolished 2000 acres of grassland. But this didn't prepare him for the fire which razed Miller Bros. Hirings to the ground and destroyed thirteen years of hard work in twenty minutes.

Fortunately, the records were salvaged and — with invaluable assistance from some of their competitors — they started again. Business built up and they had outgrown their new premises when fire struck a second time. Portagas cylinders exploded, firemen drove over the hydrant — it had all the nightmare dimensions of a Laurel and Hardy farce. Luckily the new section of their premises was steel, so they saved the tables and crockery, but things like plastic chairs simply melted in the heat and approximately half a million dollars went up in smoke.

Opposition companies came to the rescue again, proving themselves friends as well as competitors, and Greg Page (Pages Hire Centre) even sent a marquee from Sydney. But the going wasn't easy. Throughout a bone-freezing Melbourne winter they worked in an office without windows. Building inspectors condemned the walls. It cost \$800 merely to have the debris carted away. Still undeterred, they bought marquees and made equipment themselves, protecting the new gear from the weather with tarpaulins.

Ironically they were experiencing their highest ever turnover under their worst ever conditions with all their profits vanishing in rehabilitation.

Today Miller Bros. Hirings has risen like the Phoenix from its ashes to become a leading hire company in its field, but experience has made it perpetually fire-conscious.

John McKechnie has spent considerable periods of his life haggling over the intricacies of insurance claims, for in addition to these major disasters he had a speedboat which blew up, and Chief Little Wolf once set one of his marquees on fire. The appreciation with which his recital of disasters was received underscored both his skill as a raconteur and his popularity throughout the hire industry.

## KEN STONE on industrial relations

One of the outstanding speakers at the 1973 National Hire Convention was Ken Stone, Secretary of

the Victorian Trades Hall Council. His analysis of what is unquestionably the crucial conflict in present day

society was presented with refreshing candour, wit and objectivity.

Industrial relations, he said, are only human relations in an industrial setting, but they are becoming enormously complex in a climate of perpetual change. It is impossible to over-estimate the importance of good industrial relations. Their absence means havoc for a company —



an industry — a country.

64% of the workforce are employed not by the industrial giants but by small enterprises. The topsy-turvy growth of these enterprises means that they can suddenly find themselves involved with Federal Awards and State determinations demanding knowledge and expertise beyond their comprehension. The small operator cannot cope. He's fruit for the sideboard.

On the other hand the Trade Union Movement is increasingly sophisticated and informed. It researches the affairs of big companies and can, if need be confront them with their own balance sheets. Today's industrial climate is one of arbitration, with the right to collective bargaining, with the latter gaining ground. Our arbitration system which is unique to Australia, is still — with all its faults — in advance of anything else in the

world.

The American system is to stand back and let management and labour slug it out. As both sides have enormous reserves, this results in prolonged strikes and lockouts.

The American industrial scene is notably different from our own. Unions have no right of entry, they have agreements rather than awards, and they are even required to apply for the right to negotiate an agreement. The Department of Labour then holds a plebiscite which requires a 75% yes vote. They envy us our high Union membership, which helps to bring about standardisation and cost stability.

In Australia on the other hand, it is Union tactical policy to demand exorbitant amounts and conditions. To gain access to the Arbitration Court there must be a dispute which exists — or can exist — beyond the State. Without what is known as 'an

ambit of dispute' there can be no recourse to the Courts.

The practitioners on both sides know all the rules and gambits of the game and — no matter how it goes — loudly deplore the Court's decision.

Forecasting the future, the speaker said that further amalgamations must come. They make good business sense because a number of small Unions now paying for separate office space, officials and telephones should all be under the one roof. Amalgamation is the only answer to futile demarcation disputes, and it could possibly reduce the number of classifications in awards. Generally, however, the present system would be retained with greater emphasis on collective bargaining. Recruiting too, will continue. It augurs well for the future that industrial relations are now being taught in schools.



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# Wit and wisdom from KEN GRAHAM

There was a welcome leavening of humour throughout the business sessions, but it was not until the final afternoon when Ken Graham (Concrete Pumping Services, N.S.W.) discussed 'Do Reps Earn Their Keep?' that the Convention achieved its outstanding moments of high comedy.

During his rapid rise in the hire industry, Ken Graham's multiple talents have become widely recognised, but not everyone was aware that those talents included a flair for keeping an audience laughing as well as

listening.

With immense verve, a rapid succession of charts and diagrams and a string of aphorisms which crackled with penetrating wit, he dissected the role and lurks of the salesman. ("The yard foreman thinks he's a messenger boy. . . the manager thinks he's a walking ad for sickness benefits.")

The salesman's prime function is to manage a territory without forgetting as most do — that **profit** is the sales objective. He should also do some planning — he needs an itinerary to make him think about next week — and he is a valuable source of feedback. Salesmen need a degree of supervision. The self-motivator — if you manage to find one — usually motivates himself in the

wrong direction.

Salesmen can talk their way out of anything. Stock 'lulus' include: he was attending a meeting. . . he was seeing the Shire Engineer. . . his car broke down. . . he was sick until 10a.m.

(In the row behind a voice was heard to mutter: "He must have been one himself to know so much about it!")

Don't listen to a salesman's excuses, change his territory. In a service organisation, define what salesmen are supposed to do and assess them on how they do it. Each sales dollar earned must be accounted for in costs and profits.

In a brief summary such as this, it is impossible to capture the wit, pace and entertainment value of the all-too-brief dissertation. We can only express the hope that Ken Graham is included in next year's list of Convention speakers, so that those who missed him this year will have a chance to make up for it in 1974.

## H.A.V. thanks convention sponsors

The members of the Hire Association of Victoria wish to express their sincere appreciation to the following sponsors whose assistance has done much to ensure the success of the 1973 National Hire Convention.

Atlas Copco Aust. Pty. Ltd. — display  
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Coates & Co. Ltd. — display  
Compair (A'asia) Ltd. — display and bar.  
T.W. Crommelin & Co. Pty. Ltd. — display and drinks on Friday.  
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Moorland (Builders) Plant Hire Pty. Ltd. — pre-dinner drinks on Saturday.  
Sebel Ltd. — display  
Wreckair Pty. Ltd. — pre-dinner drinks on Saturday.

Our thanks are also extended to all those other people who have helped in so many ways.



ERN TURNER  
President, Hire Association  
of Victoria.



Addressing what he referred to as 'the hire fat cats', Gordon Esden (Silverwater Plant Hire, N.S.W.) had some particularly valuable things to say about in-depth company analysis as a basis for expansion. He was kind enough to give HIRE the full text of his address delivered at the 1973 Hire Convention, and we publish it in its entirety. . .

## EXPAND OR CONSOLIDATE - WHEN?

I would like to thank you for this utterly undeserved privilege of talking to you; fortunately or otherwise, you are trapped here for the afternoon. I would also like to point out that I am strictly a non-expert. I have no qualifications, only experience, a diploma of agriculture, 5 years bumming overseas, a few more managing (with varying success) a hire company in Sydney, a wife and 2 kids. I am certainly more qualified to talk to you about the gestation period of a cow than the expansion of a business. And I must beg you not to ask any technical questions because I won't have the answers. Accordingly, I have jotted down some headings and some of my impressions, and hopefully - this will provide some discussion from the floor.

Expand or consolidate, when consolidate means strengthen, combine, solidify. In business terms I define it as the continuous assessment of profit areas, or the qualitative side of the equation.

Expand, spread out, develop and increase. I see it as the quantitative side. But expand what, not when, seems really to be the question.

I might mention here a few points relating to our own expansion by takeover a couple of years ago. It was great fun and excitement up to the moment of purchase. After that it was bloody hard work. Even the



GORDON ESDEN

task of registering and numbering this vast influx of equipment was formidable.

The other reservation is the one of standardization of equipment which Andy (Kennard) mentioned yesterday. The bulk of the equipment must be compatible with your existing stock. This is especially important if you have several depots.

Digressing a little, I have a rule (for what it's worth) about second hand equipment (1) In principle, don't buy it. The man who's selling it probably started having problems. (2) Definitely avoid it if you are going into a new area. By the time new equipment starts giving problems you are getting more familiar with it, and it's twice as easy.

Anyway, back to expansion, I jotted down the following:

### Disadvantages of expansion

Loss of personal control  
Labour problem  
Diminishing returns etc.

### Advantages of expansion

1. Technological - chance to automate.
2. Purchasing - bulk buying.
3. Marketing - advertising advantage  
improved identification  
transportation
4. Management - increased expertise

### The main restrictions on expansion

1. Finance - internal -  
external lease and hire  
purchase
2. Labour - availability  
training
3. Stock - shortages
4. Factory space

### Method of expansion

1. Horizontal - expansion in  
same area
2. Vertical - diversification  
into other fields

### Expansion Areas

1. Depots or Branches
2. Employees
3. Number of accounts
4. Type of services
5. Sales

Undoubtedly, however, growth is not only one of man's modern compulsions; it is also thrust upon him as a fact of life. In the era of ever increasing G.N.P., of inflation, consumer demand and technological innovation which forces change and expansion on every business-man, there is little chance of survival, let alone



success, without some growth. In some cases this is faster than in others. The Hire industry is the perfect example of this pattern. Ten years ago who would have really pictured seeing all these "Hire fat cats" taking four days off from their businesses?

We used to hold Association meetings at night because we couldn't spare the afternoon off in those days.

So then we are stuck with expansion. But expand **what** and **when** and consolidate **what** and **how** seem to be the real questions. Surely we are talking about the basic decision-making process, which immediately brings to my mind this question of measurement at its most sophisticated. The ultimate decision-making tool is the assessing of historical data from accounting or whatever.

However, at this point I have to make two assumptions: firstly that you are in business for financial profit, not for pleasure or something to do, prestige, influence, power or the sheer thrill of combat; and secondly, that you accept the limit to growth that one man's intuitive skills will eventually produce.

As a sailor, I found a perfect analogy with the skipper who "sails by the seat of his pants" around the harbour, namely always ending up on the right side of the bay. But if we look at the ocean-racing skipper the intuitive element is reduced to a minimum. He is relying on banks of instruments giving him wind direction, velocity, speed through water and compass bearings. Measurement and information are the key factors. It is interesting to note, incidentally, how many successful ocean-racing skippers happen to be self-made businessmen. No doubt they are applying their skills as financiers, motivators, organisers and interpreters of complex data to the

job of winning races. But don't get the wrong impression here: I sail by the seat of my pants in a small open yacht, but I did decide several years ago that the long term future success was going to depend on the foundations laid then for data gathering.

I am suggesting that the first point of expansion is in fact in the overheads section. We went onto computer and have someone who analyses a whole range of measuring aids for us. We also now have a reasonably large historical base on which to make decisions.

I want to give you some of the yardsticks which we employ, and others I think we should employ. Our starting point was return on our investment. After all, we had to decide if it was going to be worth staying in business at all, let alone expand. We didn't start with our taxable profit but brought to account such things as inter-company changes, realistic interest rates, etc. to arrive at a truer profit. Other factors which you might consider, according to the circumstances, are: realistic salaries, undisclosed petty cash, rent on own property, and so on. Now look at this as a percentage of the true going concern value of the business, not your book value. At this point those returns on risk capital don't look quite so attractive, especially with the present high interest rates.

A useful piece of further information, especially to companies which have a high gearing ratio, is the return on total funds employed.

Having decided to stay in business, we looked next at the actual measurement of growth and some of the anomalies. I think this is important because hire people have tended to be much too fascinated by turnover in the past. Profit must certainly be adjusted to the inflation rate of the past year.

Your expansion is what is left over. What about that profit as a percentage of turnover if this is dropping? You are working harder for every dollar you earn. Now to turnover. This has to be adjusted by the price increase you have imposed during the year together with the amount produced from new funds injected into the business. Lastly, was the remaining increase proportional to the increased investment? What all these adjustments tend to do is flatten out those beautiful wall graphs and give you a much more objective starting point.

However, the really fascinating missing equation in all this is market share, and it is a great shame that the industry figures are not available. In a fast-growing industry such as ours — and I consider that Neville Kennard's 15% would be very conservative — we are used to reasonably large sales jumps, but if we really knew what the industry growth rate was, I am certain we would not be as impressed with our own performances. I would like to suggest that there are very few individual companies which match it. If you think you are growing as fast as the industry, where are all those new companies getting their business from!

We now take our calculations a step further by breaking down this return on sales and funds by individual departments and branches, then still further by product groups and perhaps — for large items — on a unit basis. I can promise you we had some real shocks when they first came out with these figures. These sections are now graded on profitability and — presto! — apply Rule 1: Consolidate by eliminating or modifying the bottom ten items each year. For example, as a result of our feedback calculations on "Kangos" and steam cleaners, we have been making modifications and raising



our prices. We are certainly now the dearest in Sydney, but still manage to get low on stocks at times, and we're making a modest profit. As a bit of an aside, it has often amazed me that in an industry that seems to be chronically short of stock, companies don't utilise higher prices to control demand and maximise profit.

Now, having consolidated, what of expansion Rule 11? Put the funds from the bottom 10 into expanding the top ten most profitable items. This all sounds too simple but, providing you have the information, I know it works.

So the "when" of the equation, to me, is the time you have the information. There are other yardsticks which we look at, to which the same dropoff principle can apply. Your clients for instance. What business grouping are they in, and in what proportions, and how much does each group represent of your turnover? We were quite surprised with some of the answers. This could be taken a step further to see which group hires the highest ratio of your

most profitable items, or pays its accounts in 30 days, or has the highest bad debt risk. Why promote problems? Sales effort can now be directed to the group with the highest marks.

Other measurements can be made of utilization. Is it seasonal can it work an extra shift, will someone use it at the week end, etc? Perhaps you can look at how many sales are being made at each point, their average value, and so on. But the prime tools, to me, are the return and profit margin.

To summarise, I have to admit that much of the statistical information which confirm hunches, but much more of it will be a real surprise. Statistical measurements make decision-making easy and effective, and mean that the real expansion and consolidation — i.e. real growth — can start within your existing framework, without buying new stock or opening new outlets. It means, in effect, that you won't be working as hard for each \$. And once you have each group earning that 30-35% return, you want to

consider new stock or depots, it's a relatively easy matter to make the right decisions.

Because information is my message I would like to suggest to our National Association that it should attempt to launch another in for company comparison study. The N.S.W. Association attempted this, perhaps prematurely, a few years ago. We had 7 replies, 5 of them from N.S.W. committee members.

Very briefly an interfirm comparison is a confidential analysis of the statistical information supplied by the participating companies. It is undoubtedly hard work, but it establishes an industry mean, and rates each company in relation to that mean on a vast amount of separate information such as return on sales, funds employed, number of employees, % of advertising to turnover, thereby giving each company a means of gauging its own performance.

An intercompany comparison would certainly indicate not so much who are still sailing by the seats of their pants but how good the instrumentation really is.

What happens when a marquee comes down with 500 people inside it?

## "THEY'RE OUT TO GET YOU"...

During the Sunday morning workshop session at the National Hire Convention, Greg Page (Pages Hiring Centre, N.S.W.) related an experience with a built-in message — perhaps several built-in messages — for everyone present.

His first intimation of disaster

was an excited phone call from the Manager of a suburban Shopping Centre which had hired one of his marquees. The marquee had come down in a gust of wind with 500 people inside it. Some of the injured were receiving medical attention on the spot, and 9 were being taken to



Greg and Tess Page,  
Pages Hiring Centre



hospital.

Arriving on the scene, he found that the Manager and his assistant had prepared a cut-and-dried case against Pages Hire Centre. Everybody filed a claim, including a woman who suffered a heart attack three days after the event. The Shopping Centre Manager sued for loss of face. The total claim came to \$20,000.

The Insurance Company paid up — but raised his premium.

Wise after the event, he

realized that they had failed to check and count everything when the marquee was unloaded from the truck. Subsequently they found that two side poles had been chopped in two, and that queen poles and side poles had been moved. If the poles hadn't been changed the marquee would almost certainly have withstood the wind.

In all such cases courts tend to favour the claimant, no matter how foolishly the injuries may have been sustained. He cited a company which was sued by a

woman who got her fingers stuck in a chair, and a woman who won her case after fiddling with a toaster with a knife and getting thrown into the sink.

The message, he said, is **get your contract right**. Everything must be written, nothing verbal. If a similar disaster strikes, examine the scene as soon as possible, have a good look at everything, count your poles and pegs or other component parts. Safeguard yourself in advance because, as he said, they're out to get you!

## CITY-TO-SURF RACE Sydney Hire Companies accept Greg Page's Challenge!

Greg Page — wiry athlete from Page's Hire Centre, Kogarah, N.S.W., has issued a challenge to other hire companies to outrun the Page's team in next year's race.

This annual event attracts thousands of entries, including some from top distance runners. It covers approximately 9 miles — from the heart of the city to Bondi — and takes place in early Spring.

Greg issued his challenge during the 1973 Hire Convention, and reports that it was immediately accepted by Kennards Hire Service, Silverwater Plant Hire, Wreckair, MacBro Plant Hire and Coates & Company, all of whom expressed keen interest.

Only 3 runners are required for each team, so other companies are expected to take up the



GREG PAGE

Send your **Hire News** to:

Wyn Reid,  
23 King St. WAVERTON  
2060. PHONE: 923514

challenge, including some of the clothing and party hirers. We hear on the grapevine that a trio from Formal Wear Hire Service have started limbering up already.

In fact, rumours are rife. One currently in circulation maintains that a diesel dumper loaded with beer and ice will follow the H.A. contestants. According to another rumour, candidates for the Kennards Hire Service team were sighted sprinting home from Melbourne, to get in some early training for the race.

We cannot confirm the truth of either of these rumours. However, we can unequivocally deny any suggestion that Ken Graham (Concrete Pumping Services) is to be penalised for the length of his legs.



# HAPPY PEOPLE HAVING FUN

## 1973 National Hire Convention at Noah's Hotel Melbourne



Neil and Bruce Martin and their wives



Bob Jerram, Val Jerram, Peg Murray, Ern Murray



Peter Smith, Topsy Smith, Ray Kelsey, Bob Kardachi, Beverley Kardachi



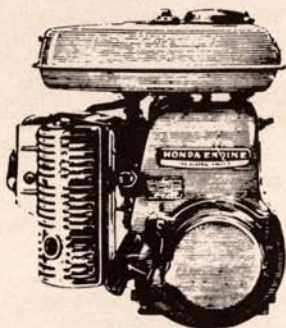
Molly Simpson, Terry Crommelin, David Simpson, Hazel Hayes, Bob Hayes





# HONDA

## stationary engines for absolute dependability



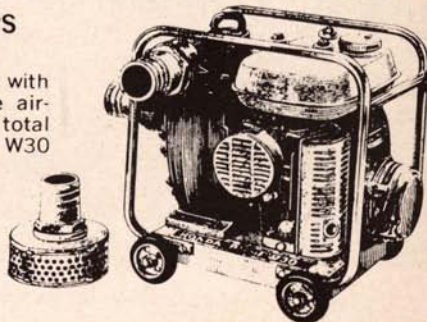
**G40 and G65.** The G40 has a constant vacuum carburettor for easier starting, increased power and improved acceleration. Delivers a maximum output of 1.5 hp at 4,000 rpm. Reduction gears are available. High torque. Weighs 48.7 lbs.

The G65 delivers a full 6.8 hp at 4,000 rpm and is similar in general design to the G40. Weighs 64.2 lbs.

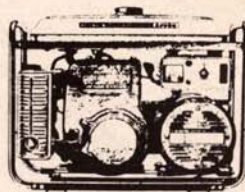
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Telephone: 67 2517, 67 5722



# MACBRO IN CINEMASCOPE

Willingness to send oneself up is said to be an indication of maturity, and this probably applies to companies as much as it does to individuals.

Certainly Barry McDonald, director of MacBro Plant Hire et al. and second-term President of the Hire Association of New South Wales, had no inhibitions about sending up his own organisation on film. The result was not only a novel means of making a point but fine entertainment as well.

The film, 'The MacBro Saga', was cleverly timed to run right at the end of the full two-day programme. Much had gone before it, speakers had been generous, and delegates were on the point of feeling that some of the newly-ingested information was beginning to come out of their ears. Then — a masterly

change of pace — came 'The MacBro Saga'. Eyes de-glazed and backs straightened up. It was a great way to wind up the day.

Introducing the film, Barry McDonald set the light-hearted mood by declaring that his company had become famous since Sam Greenberg used it as a case history and described it as the first outfit he had encountered which did everything 100% wrong.

Then the film, backed by a brisk commentary, opened on an office dilemma. Things were bad. What to do? Shots of the yard and storage area revealed a shambles. Time and money were clearly being wasted. Then came the turning point: an expert was called in. During a period of planning and reorganisation, stores were built and parts



located, rubbish was carted away, a new yard set up, jobs co-ordinated.

Another office shot, and what a transformation: new plant, new manager, new secretary. Finally, as the new manager takes over, the Managing Director is seen relaxing — with the new secretary on his lap.

The 'MacBro Saga' starred Barry McDonald and Ken Graham with, if not a cast of thousands, at least a representative sprinkling of company personnel.

We hear a sequel's in the can already. Perhaps we'll see it next year.

Will they love me when I'm rich?

## BANKER'S ANGLE ON FINANCE

John Rasmussen of the A.N.Z. Bank knows his bank lore — he's been 25 years in the field. His subject at the National Hire Convention in Melbourne was General Business Finance, and his address covered many aspects of today's financial scene.

Bank facilities extend opportunities for loans, he said, and bank managers are impressed by good financial detail in loan

applications. It is worth spending time and effort on your application, because it is up to you to prove that you are a suitable recipient. Not everyone is aware that bank services offer more than 100 different types of finance.

Stamp duty may be added on to the cost of rental — there is nothing in the Stamp Act that prohibits this, although in some cases a clause is written into a

contract.

Who should take the cream is what finance is all about, and many people suffer loss, or work hard to make others rich, because of their ignorance of finance.

Taxation can be saved in two ways: by investing some of your income in your business and plant; and by dividing your income by means of partnerships. The recent budget has greatly affected the taxation situation for companies and every avenue should be explored.

Superannuation is just one of these avenues. It can be taken out for a staff of employees or for oneself alone — either way it is a useful and legitimate tax-saving device.



# HIRE MAILBOX

We love receiving — and publishing — letters because we feel that a letter is a great way for a reader to air his views and really participate in his own industry's journal. So if you've got a point of view, let's hear it!

## HIRE ASSOCIATION OF WESTERN AUSTRALIA

HIRE received this letter from Jim Brown, State Manager of Coates & Co. Limited and President of the Hire Association of Western Australia. . .

As yet we still haven't organised a 'Western Australian Newsletter' but do hope to do

so at our next meeting.

We had our annual general meeting last week, 6th September, where we passed our newly drafted constitution which is nearly a copy of Brisbane's and an election was held where I was re-elected President, Ken Simms, owner of Kay's Hire was re-elected Vice President and Eddie

Carrs, Ken Simms 'right hand man' was re-elected Secretary/Treasurer.

We also elected a committee of eight from a spattering of hire companies and are having a membership drive to increase our membership from the current 18.

A workshop meeting is being organised by Don Loxton, Hire Manager of Skipper Mayday, to be run in October. We have had great success with our previous workshop meetings and have had as many as 70 attend which shows the acceptance the hire association is getting.

We are sure now that the association will go from strength to strength and help the hire industry as a whole in W.A.

## ENCOURAGEMENT FROM THE U.S.A.

It was a very pleasant surprise to receive the following letter from Bill and Elly Grasse of Acme Rents, California, who are warmly remembered by all the hire people who met them during their visit to this country. And we were fascinated by the letterhead depicting the entire Grasse family, right down to Zsa Zsa the cat.

We have enjoyed receiving the "HIRE" Journal. Please by all means keep it coming — we appreciate reading about our many friends in the hire business — and knowing what is going on down under — will do my best to send some State Side material — from time to time — I know your convention was a success — I hope President Stan Jessup of Victoria was able to pass on our message to the group — will

never forget how well we were received by the Hire People in Australia and New Zealand — not to forget Tasmania — continued success with "HIRE". Each issue gets better — your growing pains remind me of our national magazine — struggle seems about the same — they had trouble getting material too — give em time Mr. Reid—they'll back you up — you need each other — Best of everything.



Left to right: Bill and Elly Grasse, (1) Bonnie and 3 children; (2) Jim, Manager of Hollywood Acme Rents; (3) Larry, Manager of Glendale Acme Rents; (4) Ron, at Pre-Med School.



# ONE DELEGATE'S CONVENTION ...

Jeff Marsh, Toongabbie Hire Service, N.S.W., sent us a copy of the following letter addressed to Barry McDonald, President of the H.A.N.S.W., who has given us permission to publish it.

Just prior to the National Convention I had occasion to telephone two other members of the Association. "No, I'm not going to Melbourne - I've heard it all before" "No, I'm not going, the program just doesn't interest me to go that far".

And, at the same time, we realised it was a long week-end in NSW. Which in a small business is usually a sign of a busy week-end.

Still closer to the date of the convention the travel situation got worse; and worse; and worse. You will have to go by bus to Canberra, only six hours, said Ansett. You should be in Melbourne by 10 at night, if you are lucky!

We set off for the airport with heavy hearts, and a deter-

mination to return if it meant travelling by coach.

Luck was with us both ways. We hope that other members were as well blessed.

But more than this. My wife and I really enjoyed every minute of the Convention. We were uplifted in spirit and inspiration by all the speakers, including your own MGM effort. We renewed old friendships and made new ones. We listened and learnt. We watched the demonstration with great interest. We ate and slept well, and returned happy and full of new ideas.

So we would like to thank you and the Committee who worked so hard and made the convention a memorable one. Thank you.

## And, finally, a letter to all Hire readers ..

If all goes to plan (and the proviso is necessary in times of industrial uncertainty) you will be receiving this issue in November instead of in December. We have brought it forward to give more immediacy to our comprehensive cover of the 1973 National Hire Convention.

It is also our intention to get the next (i.e. February) issue to you in January, to reduce the interval.

Such changes of schedule won't arise when - at some future date - we are able to bring HIRE out every month. This is still in the dream stage but, given copy support from hire people and advertising support from manufacturers, it just could happen during 1974.

HIRE is not (as it was origin-

ally) the journal of the Hire Association of N.S.W. It is, to an equal extent, the journal of the Hire Associations of Victoria, Queensland, South Australia and Western Australia

In other words, it is **your** journal, wherever you happen to live and conduct your business. We'd like to hear from you. We'd like to publish the story of how you got into the hire industry, how you built up your company, the things that happen to you and your employees. We'd like photos - preferably black-and-white prints - of your outfit, your key people, yourself.

During the 1973 Convention, Victorian President Ern Turner suggested that we feature more of these company biographies.

We hope that he'll set an example by sending us the Nosedra Hire Service story for an early issue. However, one swallow doesn't make a summer so we want your story, too.

It isn't necessary to send us polished prose. Rough notes will do, provided they contain the information. We'll write them up for you. The main thing is to contribute. Your Editor is trying - trying hard - so how about doing your bit to make HIRE a great journal in 1974.

And that about wraps it up for 1973, except to thank the good 'friends who have helped us during the year, and to wish all our readers great happiness at Christmas and prosperity in 1974.

**THE EDITOR**



# Hireoscope

## WHERE THEY ALL CAME FROM

A record number of delegates, wives, associates, manufacturers and other interested persons attended the 1973 National Hire Convention in Melbourne at the end of September. In a total of 202, 3 came from the A.C.T.; 4 came from Tasmania; 8 came from Western Australia; 11 came from South Australia; 16 came from Queensland; 59 came from N.S.W. and 101 were indigenous Victorians.

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## A NEW BROOKFIELD KINGDOM

Peter Brookfield of Hire Pool has long been a leading identity on the New Zealand hiring scene, so it is interesting to note that his son John is now putting the Brookfield expertise to the test in Sydney. The name of his new company is, we understand, Hire Kingdom.

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## HENRY SYKES PUMPS DIVERSIFYING

Diversification is one of the healthy signs of growth in the Australian hire industry, and we see it on every hand these days. Latest on the list of companies is Henry Sykes Australia Pty. Ltd., which is diversifying into compaction equipment.

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## MAKING FRIENDS IN A CRISIS

No one can deny that luck

and timing play their part in business success — or that one man's disaster can be another man's bonanza. This has been strikingly (the pun was unintentional!) demonstrated in Sydney and Melbourne during the recent crippling power strikes. Many businesses have been kept going by hired generators and other essential equipment. In fact hire companies have been unable to fully supply the demand. The crisis has brought many new customers to their doors and — in a very practical way — initiated the newcomers into the benefits of hiring. If a hire company has given a crisis-customer a fair deal, he is likely to return for other equipment he needs when times are normal. Comments Barry McDonald, President of the H.A.N.S.W., "It shows what a crisis-serving industry we are." To which we add, it's nice to make friends and money at the same time.

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## HIRE ON THE RACETRACK

Brian Callahan, one of the directors of Concrete Pumping Services, N.S.W., has been showing the flag for hire on the speed track this season. His Lincoln Torana XU1, decorated with hire emblems and signs and flying the Hire Association banner, is a familiar sight on the Liverpool speedway where Brian himself is collecting quite a following as a giant killer. He came 5th in the State Championships this year and is off to South Australia in November for a crack at the Australian title. It sounds like a

great way to work off competitive aggressions and keep hire in the public eye.

---

## BUSINESS RIVALRY SET ASIDE

Inter-company co-operation was evident on every hand at the Convention. Delegates were confronted with a typical example of it as soon as they arrived: volunteer staff from Wreckair handing out Convention kits in orange-and-black Coates & Company folders.

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## FLEXTOOL TO THE RESCUE

The N.S.W. Police Rescue Squad is showing interest in Flextool equipment to facilitate their life-saving work.

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## TAXATION AND THE HIRE INDUSTRY

Speaking at the 1973 National Hire Convention, Eric Risstrom, Federal Secretary of the Federated Taxpayers' Association of Australia, predicted that the Federal Government's withdrawal of investment allowances would have long-term benefits for the hire industry. More and more companies, he said, will be hiring equipment (and claiming the cost as a tax deduction) rather than making huge outlays on acquiring their own.

He also outlined some of the advantages of running a hire company with a taxable income



of nothing. With generous superannuation and the opportunity to save taxation and some death duties, there can be benefits for the company and benefits for the employees.

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## THE 1974 NATIONAL HIRE CONVENTION

Those who attended the 1973 Convention, as well as those who were unlucky enough to miss out for one reason or another, will be pleased to hear that the H.A.A. has the planning for next year well in hand. At the National Council meeting in Melbourne on September 27th and 30th, the following venues were considered: Tasmania, Terrigal (N.S.W.), Canberra, Sydney, New Zealand and Singapore. It was finally decided that the 1974 National Hire Convention would be held in Sydney, with the date and location still to be determined. HIRE will keep readers posted as the planning proceeds. Wouldn't right now be a good time to make up your mind to get there, come hell or high water? Those who made it to Melbourne are — in the words of the well-known cigarette commercial — so glad they did.

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## NEW H.A. LOGOS AVAILABLE

These Hire Association of Australia logos are being sent to all member State Associations for distribution. Get yours and display it with pride!

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## LITTLE THINGS MEAN A LOT

Attention to detail is one of the secrets of a good convention, and the National Council of the

H.A.A. has already drawn up a list of requirements for the 1974 Convention in Sydney:

- 1) Suppliers' exhibition room should be handy to the Convention Room.
  - 2) Coffee must be available at all times.
  - 3) Speakers must be briefed before the Convention and members must have seen them talk at previous functions.
  - 4) Possibly pay money for professional speakers.
  - 5) Organise backup programme in case a speaker does not turn up.
  - 6) Encourage local employees not registered to attend some of the sessions, at perhaps no charge.
  - 7) Use ticket system for drinks
  - 8) Look into individual day charges
  - 9) Use minutes from Victorian Convention Executive as future references.
- HIRE would like to add another essential to the list:
- 10) Engage and brief a good photographer in advance, so that delegates will have an opportunity of ordering prints of really first class photographs before they leave the Convention.

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## SEXISM AT THE HIRE CONVENTION?

When the Convention arrivals began to pin on their lapel identity badges, a terrible disparity became apparent. The badges being allocated to men were decorated with coloured stickers — orange, blue, red — while all the women's badges were plain and unadorned. Was it sexism? Discrimination? Women's Lib would be told about this! It was subsequently

explained that all the colours had a special significance — orange for construction plant, blue for party and medical equipment, and so on. A great idea, but — How about the wives in catering, clothing and party hire companies who work every bit as hard and are just as much involved as their husbands? Well, next year perhaps.

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## WONDERFUL! SAID THE WIVES

Anyone listening to feminine comment during and after the 1973 Convention got the clear impression that the girls had a ball. Even the Melbournians moved into the Convention hotel, which meant a welcome change from domestic routine. The comfort and catering of Noahs Hotel Melbourne were beyond criticism, and the two evening parties were fun. Then there was the opportunity to do over the Melbourne shops (and in some cases, no doubt, husbands' cheque books) on the Saturday morning, followed by a tour which took in the National Gallery, the beautifully preserved historic home, Como — a place of great evocation and enchantment — the begonias in the Fitzroy gardens, and afternoon tea. The wives had a word for it: WONDERFUL!



# New Hire Association of Australia Brochure



The aim of the Hire Association of Australia is to promote a progressive, profitable and ethical hire industry.

Member companies hire out thousands of different items every day — from heavy industrial equipment to fine china.

While not every store has everything, there are very few things which can't be hired somewhere, probably from a member of the Hire Association.

When you see the emblem above you can be assured of ethical and satisfactory trading.

---

Your Local Hire Association member:

The  
**HIRE**  
Story

**THE HIRE ASSOCIATION OF AUSTRALIA**  
6 O'Connell Street,  
Sydney, N.S.W. 2000  
Telephone 25-5401



The H.A.A. has produced an excellent brochure promoting the concept and advantages of hiring to all sections of the community. It outlines what can be hired, the simplicity of hiring and the many real and practical benefits that accrue. The aims of the H.A.A. and the H.A. emblem have also been included, and space has been left for the Association member to write — or stamp — the name and address of his company. 50 copies are to be issued free of charge to all members, with the option of purchasing as many additional brochures as they may require.

# WHY HIRE?



- To avoid tying up capital — whether it be for business or personal use, the hiring of an item permits the optimum use of capital.
- To eliminate storage costs and problems — apart from items which are in use 24 hours a day, seven days a week, everything has to be stored, and this can be expensive and inconvenient. Why not leave these problems to the hire company?
- To try out new ideas and equipment — when you want to experiment with a new method or idea, hire the necessary equipment. There's no need to make a large financial commitment.
- To eliminate maintenance problems — if hired equipment breaks down it's the hire company's job to repair or replace it.
- To save on tax — hire charges are fully deductible in business.
- To get the latest in design and fashion and keep up with the latest technological advances — hiring leaves you completely flexible to shop for the latest design every time you have a need.
- To save registration and licensing fees — the hire company looks after the ownership problems.
- To avoid obsolescence and disposal problems.
- To save on capital depreciation.
- To increase efficiency with the right tool or equipment for the job — many hours can be wasted by trying to use an unsuitable piece of equipment.
- To fill in at peak periods — why own additional equipment when it's only used occasionally? You can hire extra items just when you need them.
- To fix your costing exactly — you know precisely what hired equipment is costing you every day, every week. Equipment you own has many hidden costs.
- To avoid breakdown panic — when you have a breakdown with your own gear just hire a replacement until it's fixed.
- To sell your ideas to management — the hire of something may not need board approval while the outright purchase of something normally does. While the board is deciding you can be producing.



# Getting home the hard way

When a nation-wide convention coincides with an airport strike there just has to be trouble. Indeed, if some benign Providence hadn't been watching over the Hire Association of Australia, the magnificently planned 1973 Convention could have been sabotaged. 59 of the 101 interstate people who attended it came from N.S.W., where Mascot Airport was about to become paralysed by a spreading radio technicians' strike.

Those who left Melbourne on the final day of the Convention appear to have made it home without incident. But those — and there were many — who waited on to tour the rental yards found themselves caught up in the worst airport disruption the country has ever experienced. The full catalogue of disappointments and frustrations entailed in trying to get home will probably never be known. But one story we did hear. It was related by Harry and Mavis Ford of Ador Hiring Service, who took time out to report their adventures to the journal.

## HOSPITALITY

The Victorian Association's hospitality didn't end with the Convention. Despite the fact that Monday the 1st of October was a back-to-work day in that State, a number of Association members devoted the day to looking after the visitors. Separate tours were organised to cover plant hire and party hire, and the interstate delegates received the same V.I.P. treatment they had enjoyed through-

out the Convention. The Fords were impressed by the party hire tour, which took in Alora Party Hire, Nosedra Hire Service, Miller Bros. Hirings and Ellis Hire Service, and included morning tea and lunch at their hosts' expense. The one flaw in a memorable day was a niggling uncertainty about the flight home that evening.

They had already checked once with the airways and been reassured, but the situation was so precarious that they checked again at 5 p.m. This time their worst fears were realised: their flight had been cancelled and there was no prospect of another flight before 4p.m. the following day.

## CRISIS

Because of business commitments back in Sydney, this was a crisis situation. They had to get home. With all the trains and buses booked to capacity, only one hope remained. With Greg and Tess Page of Pages Hire Centre they followed the natural course of action for people in the hire business — they decided to try and rent a car. Prompt action secured them a Hertz Rent A Car — the second-last in the Hertz fleet of 60.

Incidentally, one couple in their party had actually succeeded in boarding a plane to Sydney, much to the envy of those left behind. While the Fords and the Pages were having their final dinner they were very surprised to see this couple back in the hotel. Their plane had reached Mascot, been unable to land

there and returned to Melbourne! **BOOKED!**

After dinner Bob Hill drove them to the Hertz depot to pick up their car, and at 8.45 p.m. they were on their way in a little Morris Marina, with Greg Page at the wheel. But their troubles were not entirely over. In their anxiety to get home they exceeded a specified speed limit and got very smartly booked by the police. Not even the \$15 fine, which Greg insisted on paying, could damp their spirits or their sense of humour. The tedious night-long journey, bumping over rough roads in the small car, was very different from the short, relaxed flight they had envisaged, but it got them home on time. They hit Sydney at 8.30 a.m., a little less than 12 hours after leaving Melbourne.

If stories have to have a moral (and the best ones do), the moral of this one is that nobody should ever underestimate the tenacity and ingenuity of hire people anywhere. They are so accustomed to getting around problems that even a momentous one like an airport strike can be cheerfully surmounted and turned into an entertaining story.



Noel Haydon, Silverwater Plant Hire's Marketing Manager, contributed this entertaining post-Convention story. . .

# Those magnificent men and their flying machine or - If you can't catch one hire one

After spending the holiday weekend in Melbourne attending the highly successful 1973 National Hire Convention, Sydney delegates found to their dismay that Sydney was suffering from an odd strike or two, and there seemed to be no way of getting home.

Airlines were grounded with Mascot aerodrome closed. Trains and coaches were all booked out, the first ship scheduled was the Himalaya two months hence, and the nearest submarine was "somewhere in the Pacific".

Four intrepid delegates - Gordon Esden, Ken Graham, Neville Kennard and John Spinks - having consoled themselves with a few light refresh-

ments, came up with what was really a logical solution under the circumstances - they HIRED an aeroplane to fly them home.

Our four brave aviators boarded their Commanche 410 to find there was no hostess and no cups of tea, but necessity is the staff of life so they decided to press on regardless. Soon after take off they ran into cloud and saw nothing until they were over Goulburn. Circling through the clouds to safe low levels they found themselves still in cloud, so alternate course was set for Camden.

More circling. Same result, so on to Bankstown. Cloud, cloud and more cloud. Circle, circle, circle - a thousand circles

then suddenly a hole in the cloud appeared through which they swooped to a perfect landing - the only aircraft to get into Bankstown for some hours. Four weary delegates left the plane and, after kissing the tarmac in relief, headed happily home, safe in Sydney - which suddenly seemed a wonderful place the strikes notwithstanding.

The moral of this story is, of course - When in trouble - Whatever the trouble - **THINK HIRE.**

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**FOOTNOTE:** There is no truth in the rumour that one of our four Hiring heroes is still walking in circles at Bankstown Aerodrome.

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Keith Breusch Pty. Ltd., G.P.O. Box 268, Sydney, N.S.W. 2001.

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# CONCRETE PUMPING SERVICES

## design new pump

Concrete Pumping Services of Smithfield, N.S.W., have added a new pump of their own design and manufacture to their already diverse fleet.

The pump is mounted on a bogie-axle trailer and is housed in a low-profile hood that allows the operator excellent visibility on the job. A Ford 6 cylinder

turbo-charged 150 h.p. diesel motor supplies adequate power to the hydraulic pump.

Features of the unit include: a manifold-type simplified hydraulic circuit, large capacity hydraulic oil tank and long-stroking pistons. Bullet valves ensure trouble-free movement of concrete from the hopper through

the pump to delivery line.

After some four months of continual use this pump has shown itself to be completely reliable, with very high pumping capacities of up to 75 cubic metres per hour.

The unit joins Squeeze-Crete, Schwing and Thompson pumps in the Concrete Pumping Services Fleet.





"After your customer samples your new competitor, he will pick the store he likes the best"

# COMPETITION- AMERICAN STYLE

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In recent issues of HIRE we have published some discussion on the controversial subject of competition. So it seems timely to include some extracts from a seminar report in RENTAL AGE. The seminar, which was held at the Atlanta Convention last year, was on 'Competition and how to handle it', and the speaker quoted hereunder is Fran Southwick of Natick Tool Rental, Natick, Mass. . .

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## Emotional Reaction

The very first thing that happens to you when competition moves in is an emotional reaction that hits hard. Immediately, you feel that someone is cutting into the territory you built up from your sweat and blood. You quickly develop a defensive attitude towards this, because he has chosen you to compete with. It's almost like somebody picking a fight. This puts you on the defensive and him on the offensive. This emotion can make you do stupid things and throw away some of your good, hard-earned knowledge. You have to fight emotional reactions.

## Advantages and Disadvantages

Let's look first at your competitor's advantages over you. First, he has new equipment in most cases. This is an advantage in appearance only. Second, he has new advertising. This is one of the advantages that hits you the hardest. It is about the first one you spot and, again, you have an emotional reaction. It is necessary for him to advertise because, if you have been doing a good job, people already know about you. So he has to do a lot of advertising and it will probably be more than you were doing.

He also may have a better location. He hopes he does, because he is moving in on you, so he's going to pick the best location he can. And, his store is likely to be newer or more modern than yours. Also, a fourth advantage is this: Customers are likely to try your competitor for comparison. Don't kid yourself. If your customers are in the business of renting, or if they rent often, they are going to try the market. They want to find out if this new man is better than you.

There are some disadvantages your competitor must face. First, he is likely to have an expensive location. Everything had to be purchased, and his location and rent will probably cost him more, relative to your expenses. Also, he is going to have a large interest expense. The money he needs to begin his business must be

bought, but much of yours is already paid for. To start, the competitor will be competing with you on even terms, but with this large interest expense.

The new competitor is the first to get the floating undesirables. I am certain that you all have had a few customers you have given up and no longer wish to do business with. Well, where are they going to go if they want to rent something? They know they've had a bad experience with you. You are on to them. The new store opens and here is their golden opportunity. Your competitor gets them and that is no big advantage.

## Establishment Advantages

We have been talking about the new store, but what about you as the older store? What are your advantages?

First, your business is established. Customers know where you are, and you have historical data from experience in the local market. Even if you haven't been analyzing the market the way you should, you have old contracts and other aids to refresh your memory. You have something on which to base your figures. Small stores tend to be sloppy with market analysis, but there is nothing like competition to sharpen you up.

## Competitive Practices

I would like to analyze some good business practices for dealing with competition.

I don't recommend cutting prices. You must get your price in order to make a profit. This is vital. Here is an example. Suppose you have an item renting for \$10 per day. After everything is paid for, you are making a net profit of \$2 on the item. If you were to raise the price to \$12 per day, the net profit would then become \$4 and you could afford to lose 50 per cent of your \$10-a-day rental. Yet,



you would still be making more money, because the equipment would last twice as long to make the same profit.

This may sound oversimplified. But the point is this: As your cost begins to reach your rental rate, a small increase in the rate will make a tremendous difference in your profit. You, with your historical data, have the advantage over your new competition because you know much better than he what your costs are. If you find that his price is much too low on an item, don't try to beat his price. Get the price you have to get. If your price is simply too high give him all the business. That will keep him busy losing money, and you can concentrate on

those money-making items you are certain about.

I strongly recommend you remain friendly with your competition. Fight your negative reaction. It may seem as though your competitor is picking a fight, but he doesn't really feel this way. You will find that your competitor is probably your most important customer. He is in a position to send you more business than anyone else. If he is friendly, just a few words on his part will make you more money than anyone else.

As the competition moves in, your effective market area will reduce in size. Remember this when planning your advertising

promotion.

The customer will select a rental service by convenience factors rather than loyalty, just like they do with gas stations. You want the customer to place the highest value on his time, because you know how to excel in this service business. Other factors such as a competition and the cost of purchasing become less important. Service becomes much more important than price, and this spells profit for you. To your customer, you are not renting equipment but rather providing the best means for getting a job done. The shorter the rental, the more a service it becomes. The longer the rental, the more competitive and related to sales it is.

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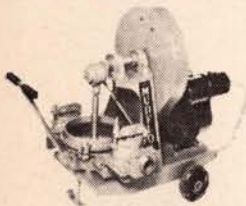
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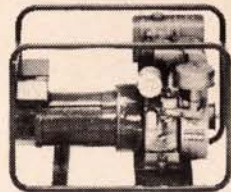


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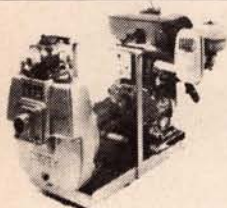
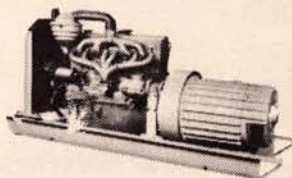


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