

**MEDIA RELEASE | 10 November 2020**

## **Learnings of 50-years in Small Business**

Surviving 50-years in small business and manufacturing is no easy feat and the Linzner family have many poignant lessons to share from their decades of experience.

Three generations - father (Jakob), son (Jake) and grandson (Michael) have continued the time-honoured tradition of manufacturing in Australia since the humble beginnings of a family-owned business in 1970 in Fitzroy, Melbourne. [\(Pictures below\)](#)

Now manufacturing about 1 million metres of chain per year and selling a vast array of general hardware, building, farming, garden and hospitality products they share lessons learnt.

*Jake (66) and Michael (36) Linzner, the father-son team answer questions on the 50<sup>th</sup> Anniversary of their company Abacon Products Pty Ltd (also known as CHAIN.COM.AU) now in the 3<sup>rd</sup> generation. Jake is also known as “Mr Chain”, as he’s manufactured more chain in Australia since 1980 than any other individual.*

### **How has business been during the COVID-19 pandemic?**

*Michael:* Surprisingly, really well! We upgraded and re-launched our e-commerce website just as COVID-19 was taking hold. Our sales have been up on last year over 50% each month since April. We aren't exactly sure why this is the case; it could be some problems with imports from Asia due to COVID-19 but we have also noticed through enquiries and regular customers that people are more conscious to buy “Australian Made” than they have been in a long time! It's a constant question we get over the phone or in email enquiries “Are these made in Australia?”. It's so great when we can reply “YES, made by us right here in our factory!”

### **Can you give a brief history of your business?**

*Jake:* In November 1970 (I was 16), my Father Jakob Snr (was 39) and I started a wire product manufacturing business at 405 Fitzroy Street, Fitzroy, Melbourne making wire trays, racks, baskets, display equipment and animal traps.

In a very short time, we were supplying most of the Fish & Chip shops in Melbourne with deep fryer baskets.

In 1980 in desperate need of more space we moved out to Keilor East and that's where we purchased our first chain machine, from then on, we steadily moved into automation and away from manually produced products.

By 1990 we had 19 chain machines, some of which were running around the clock yet we were still struggling to keep up with the demand.

In 2010 my son Michael joined the business after completing his tertiary studies and working 5 years in another company to gain outside experience; another perspective is always valuable.

In 2016 we launched the online store CHAIN.COM.AU which was completely new for us and we're excited to see where that will go. So far, it's had exponential growth, year on year!

### **How has running a business changed in Australia since 1970?**

*Jake:* Well, back in the 1970s, 80s and even 90's all your marketing was an advertisement in the yellow pages, maybe the odd leaflet drop. Now it's all about online **MARKETING**, **MARKETING** and more **MARKETING** and it doesn't matter how good your products are, how good you think your

business model is, if your marketing is bad or non-existent you probably won't be in business very long.

Back then change was slower, a good selling product would stay that way for many years. Now our business is continually evolving, moving with the times, new products being constantly added and old ones made redundant.

In the 1970s and 80's our competitors were other businesses in Melbourne, now they're all gone only to be replaced by massive companies in China!

### **What are the most important aspects in running a successful business?**

*Jake:* Besides marketing which I just mentioned, make life easy for your customers. It should be as easy as possible to purchase a product, easy to get information, easy to get a price, easy to place an order... companies in our industry often lose this as they become larger.

Secondly, whatever you say, do. Always be honest and truthful. And be willing to go that little bit further to keep your customers happy, even if it sometimes costs you. You can't buy a reputation or goodwill. Always trade ethically.

Thirdly, know your market, know your customer, know what they want and provide it for them.

Lastly, hard work, to achieve anything in life takes hard work. When you're at work, be at work. Be focused.

And at Abacon we've always stuck to the simple principle of "quality products, very good service and at reasonable prices".

### **What have been the main challenges over the years and how have you coped with them?**

*Jake:* Definitely globalisation! The dropping of tariffs and competing with cheap Asian imports. Obviously, many people have told us chain manufacturing in Australia is now impossible but we've been able to continue this through constant innovation by improved efficiencies with automation, which has kept us slightly ahead of our overseas competitors in this regard.

In many areas we've really had to think outside the box to keep our production costs low while maintaining our high-quality products. Basically, keeping the manufacturing process as streamlined as possible by engineering some new technologies in-house.

We don't see this challenge going away anytime soon but we're determined to keep a solid base of manufacturing here in Australia.

### **What products do you manufacture in Australia?**

*Michael:* We still manufacture different wire products (although on a much smaller scale these days) such as trays, racks, animal traps and baskets, these are often custom orders when people can't find exactly what they want. We also manufacture wire rings, hooks, clips, loop ties, nails and we also straighten and cut wire to length.

And lastly, we manufacture chain - a LOT of chain. I'm not sure on the exact meterage but it's somewhere in the vicinity of one million metres per year.

### **So, can we assume you also import products these days too?**

*Michael:* Sure. Like anyone we've had to move with the times. We first began importing a small range of chains in the early 90s. In the last 10 years that's expanded hugely, especially in line with the online store we now also import a large range of marine fittings, balustrading, load restraint equipment as well as all types of wire mesh. That said, our manufactured products still account for approximately 50% of total sales, something many have told us couldn't be done.

## How do you see the future prospects for your business in the next 5 years and beyond?

*Michael:* We definitely see huge challenges remaining due to Asian competitors, fluctuating currencies and constantly changing markets. Despite this we are quietly optimistic, we're focused, we're determined and have a business plan we're confident in. Last financial year our turnover increased by 32% which for a family run Australian manufacturing business is definitely something we're proud of.

Going forward we want to ensure the strength and continuity of our Australian manufacturing base and keep the e-commerce site growing. 2 years ago online sales accounted for about 2% of total sales, it's now around 11% and we don't see any reason why that won't continue to increase.

My grandfather migrated to Australia from Europe in 1961 because he got a letter from a cousin already here saying "Australia is great country, with great people and there is plenty of work" and then he added something to the end of that letter, he said "In Australia, there is literally money lying in the streets", obviously that was hyperbole but he was referring to the business opportunities here! All that was required was a vision and hard work. Conditions have definitely tightened since then with increasing competition and regulations but I continue to believe that Australia will be a great place for business going forward.

## Trade tensions with China have been growing and there's talk in the government about resetting our economy to be less reliant on China and manufacturing more in Australia. Does this give you optimism and have you felt the effects of the trade tensions?

*Michael:* Firstly, we don't get too excited about things we hear from the government unless they're actually policy and affecting us positively which isn't common. All I can say is we're ready and primed to gear up even more if that does actually happen. We are already starting to feel some effects of the trade tensions, in the last couple months we have been contacted by a couple large companies who are currently getting their products made in China but are now making enquiries about bringing the manufacturing home and so we hope we can be a part of that. Whether this enthusiasm for "Australian Made" continues to build or dies off again remains to be seen, it obviously depends a lot on external factors.

## Jake, you're now 66! Any talk of retirement?

*Jake:* Well, my father worked through to 78 (he'll be 90 this January) so I'm not sure I'll go another 12 years but all I can say is "At the moment it's full steam ahead! I think I'll know when the time is right."

**IMAGES:** <https://bit.ly/2FyPCOF>

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More information on history: <https://chain.com.au/pages/our-history>

\*Limit one code use per customer. Offer expires Sunday 20 December 2020 at 11:59pm.



*Image: The 3 generations of the Linzner family return to the site of the original 1970s factory in Fitzroy, Melbourne*



*Image: Linzner father and son at the site of the original factory in 1972, located at 405 Fitzroy Street, Melbourne*

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