



Taking Strike

They may be at the helm of a company with a \$16 million turnover today but just over a decade ago, they were over-enthusiastic 20-somethings throwing hunks of ice at a 1974 Toyota Celica, motivated by a pipe-dream of inventing the world's first hail-proof car cover. That didn't quite come off. The only tangible result was a sad trip to the wrecking yard. But fate had greater plans for Chris Ryan and Adam Rockett. Chris and Adam both worked in London and Hong Kong in the wine distribution, telecommunications and car accessories industry before finding their niche with Strike Group Australia, which imports and distributes telecommunications products and accessories. Based in Newstead, Brisbane, the company now exports to over 79 countries but the pair are still focused on honing their business and getting it right in the Australian market.

If we go back to the early days, you tried a few things to start with including wine and hail-proof covers that didn't work...

Chris Ryan: The hail-proof car cover was our first really failed business. We dented Adam's car a lot with product trials. And then we moved into wine distribution – basically, buying cheap wine out of South Africa and trying to wholesale it in Australia. Again, this was a flawed venture. It broke even in business but the guy we were buying from asked if we knew anyone involved in telecommunications and we said, "Yeah, of course we do, of course we do." Of course, we didn't though. We were both 19 and pretty green at the time and we thought we'd just give it a go. We ended up buying some mobile phones from London and selling them to South Africa for our first deal. This was really primal sort of business and it's different to what Strike is now. But from that, we had an opportunity to take up a contract in Hong Kong for six months to set up the international wholesaling department of a company up there. After that, we came back and launched Strike as it is in its current form. Strike now focuses on really cool products, I suppose, in the Bluetooth and telecommunications sphere. We're the biggest Bluetooth car kit distributor in Australia. We also sell the world's leading motorcycle Bluetooth gear, which is again, pretty cool.

You were a couple of really young guys when you went to Hong Kong, was it a scary time?

Chris Ryan: Absolutely. It was more front than skill. We were taught some good hard lessons in Hong Kong by more experienced business people. That's where we really cut our teeth. I remember sitting on the plane on the way up there with Adam, and I turned to him and said, "Oh mate, we don't know what we're doing, we've really talked ourselves up here." And he just turned to me with classic front and said, "It will be alright, don't worry about it." We got up there and just worked hard and had a couple of mentors up who showed us the way. It didn't take us long to find our feet and become successful.

Is that front an important part of it, do you think? Is it an important skill to have in itself?

Chris Ryan: I think so. If you aren't going to believe in yourself, no one else is going to. So a certain amount of self-confidence is really important. And when you are young, it's a lot easier because you have a whole lot less to lose; you can be a little kamikaze about things. I suppose, in the early days, we were like that. Having that sort of self-confidence and being willing to back yourself is very important.

How does it work between the two of you? Do you have different strengths that you play up?

Adam Rockett: It's interesting. It changes all the time. We sort of ebb and flow; we complement each other well and it's a real team effort. Sometimes Chris does a lot of the talking and other times, I'll be doing the talking. I think when we started out, Chris was the sales guy and I was the more behind the scenes guy but I think it's hard to really classify ourselves these days. We even try to role split in terms of our responsibilities but in saying that, we both contribute to all areas of the business as well. It's constant communication. We tend to find that when things don't go well, it's because we're not communicating amongst ourselves. Once we pick up that communication and team work, that's when things fall into place for us. We both see things very differently and I suppose that's where the strength is.

How do you resolve any disagreements?

Adam Rockett: We've been mates now for 17 years and so these days, we just tell each other what we think. It usually gets the point across and I think you get better at working with other people as you get older as well. So having the friendship is absolutely imperative; it's friendship first, business second, so that mutual respect is definitely the starting point but then it's ongoing communication like in any real relationship, I suppose.

There's an old perception that you shouldn't really get into business with friends isn't there?

Adam Rockett: It would be boring if you were working with people whom you don't really like. I think it's absolutely important to enjoy the people with whom you work. If you read a bunch of studies about what makes a successful team, it's usually the relationships that the people within the team have. If you don't like the people with whom you are working, how are you supposed to communicate with them and generate ideas and go out there and compete? I think it's a positive rather than a negative.

Is this something that translates to the rest of the staff?

Adam Rockett: Absolutely. We have quite a good relationship with a lot of the guys. Some of them have come via referrals from their friends into the business. They've started off in the warehouse and come up into the office. And while not everyone is part of the same group in that we all don't socialise together, there are forms of little groups within the organisation, which I think help create a really strong bond overall and make Strike a really exciting place to work.

What's the deal with this 30 Days to Greatness hiring program that you have?

Chris Ryan: Our HR systems in general are the backbone of the company in that the people being hired at Strike are well communicated with in terms of the sort of team that they are joining. The key values of Strike are honesty, ethics, hard work and personal responsibility. And 30 Days to Greatness is a great tool for giving consistent feedback as to how a new team member is going. It also gives them a list of tasks or skills, which they need to master in 30 days. And because of the intensity of the first 30 days when people first join Strike, people either survive and flourish or they don't last the 30 days. It's very rare though that we would have someone drop out because of our hiring process. The 30 Days to Greatness is a tool that gives new team members clear expectations of them. From a management perspective, it's really quite easy. Once it's set up, it's very easy to implement and maintain.

Where did the idea for this come from?

Chris Ryan: We got the original basis for this from a business coach about six years ago who had looked at our existing training policies and asked, "Why don't you compress these a little bit?" And we thought, okay, why don't we give it a bit of a theme? Let's get people excited about it. We also have a two-year training program for students still at uni called the Strike Young Guns program. Giving things compelling names – even though they might sound a bit wet around the edges – gets people engaged.

Once that process is over, do you still have to work to keep staff motivated and on the ball?

Chris Ryan: We do work hard at that but I think the key thing that separates us from other companies is that we have a lot of transparency in our business. Every team member – and it doesn't matter whether you're the general manager, the newest sales guy or our warehouse casual – everyone sees the profit and loss statement, so everyone knows how much Strike is making. Everyone knows how each division is performing. Everyone sees where the costs are in the business. That level of full transparency works in with an annual company target for everybody. And what we'll do is, if the annual operating target is above a certain level, we'll do one day in the Whitsundays; if it's above the next level, we'll go for a two-day outback experience; if it's above another level, we'll go for two days in the Whitsundays with partners invited. So this is a bit of an annual target. The whole company sees our full financial performance and I think everyone is motivated by that.

And you're meeting the targets?

Adam Rockett: We have four targets and on average, we'll probably hit target three. It just shows that it's realistic; we just need to make sure that it's not too easy and not too hard. Everyone likes to compete and win, and everyone loves a scoreboard.

How did bringing on a board of directors help with things?

Adam Rockett: Our learning experience with the board has changed. Initially, we brought on a board to help us find direction and we did get that out of them. They were great for really holding up a mirror and getting us to look at things and answer our own questions. What we thought the answers were and what they actually were, were two different things. We still have a board now but once you go through that strategic analysis of what the actual goals of the business are – which took about 18 months of navel gazing and discussions with the board – it turned out that we had the secret to our success already within the walls of the building and the business. It all came down to the products that we have, so putting the focus onto that was basically the solution that the board came up with. You sort of go into these things thinking that there will be some sort of ground-breaking new development and way to grow your business but I think that the real secret is getting the board to question you and to focus you on understanding what the strengths are.

So no real game-changing plan as such?

Chris Ryan: Like Adam was saying, we looked to them for leadership and direction.

What does it take to get an exclusive distribution deal with a product, to get them to trust you with an entire territory?

Chris Ryan: Relationships are really important, so it's about having a good personal relationship with the key stakeholders at the manufacturer level, understanding their business and having them understand your business. The number one thing that manufacturers want is performance. We've sought out the world's leading products. For instance, Parrot has over 80 percent of the market share in Bluetooth car kit products and 63 percent market share in the States. It's about picking out top brands that we know we can add value to in Australia. We'll select a brand, give it 12 months' worth of good performance without exclusivity and then we'll have a chat to them about that. We believe about adding value to the supply chain of Strike, not just being another box mover. So if you are genuinely adding value, be that through product training, product marketing, product PR or back-end support, manufacturers can see that and they see that you are committed to their brand. One thing that we do differently is that we don't try and back every horse. Other distributors in the space might represent 100 different brands without representing them particularly well. We're really selective when it comes to our brands, so that we can work those particular brands really well.

As well as servicing a local market, you also export to 79 countries. Where are the biggest growth areas for you?

Adam Rockett: All of the developing countries do well. There's a lot of Chinese growth and a lot of sub-continent growth; Africa and South America are areas of massive population and there's a lot of growth there. We have a renewed focus on the Australian market though and have dialled the exports back a little bit just to focus on the local market. Once we get the model right here, we can look to overseas again.

These days, you buy a cell phone and a year later, it's out of date. Is that a hard thing for you to work with, this ever-evolving technology?

Adam Rockett: Yeah, it's dynamic, it's quick. Your product life cycles compared with other industries have come right down. We've got dedicated people here who are constantly looking at where technologies are going and where we need to be, so that we are in front of it all. If you are behind it, you get beaten to market by the competitors. Again, it comes down to having those good relationships with the manufacturers. If you are dealing with the right partners, they are travelling the world looking at the technologies coming out and applying them to their products. So what they are releasing and what you are selling is in line with where the market is at the time.

How at the mercy of the fluctuating dollar are you? Is that something that you have to keep an eye on with the business?

Adam Rockett: Yeah, absolutely. We've got a full hedging strategy. And you have to be careful with the pricing so that if the dollar drops, you are not constantly having to put the prices up in Australia. But when the dollar is strong, you also have to be able to add value to the consumer. You can't just build all of that into your margin and stroll off into the sunset. It won't work, competitors will take you out if you do that. So when the dollar is stronger, we tend to maintain exactly the same price point but add a bit more value. So for example, if we were selling one of the Parrot iPhone car kits, we might give a free portable Parrot car kit with it as well, so that there's one for the work car and one for the home car – something like that. We try and make sure that we're adding value from the consumers' end and not just sucking in the margin.

For each of you, have your goals and your priorities changed over the time you have been in business?

Chris Ryan: Almost certainly. When you start off a business and you're 19 and 20, your motivations revolve around considering yourself a bit of a cool guy, going out, chasing girls, those sorts of things. But as you get older, you learn to prioritise what's important. And certainly, those things now are having a great company, being a good person who hires good people and having an environment in which people can come to work and be a part of something and be proud of what they're doing.

Adam Rockett: Yeah, my thoughts echo that of Chris'. I think it's natural for your priorities to change as you mature, that's pretty normal. I also think that if you are doing all of those things, being a good person both personally and professionally, I think the rewards come as a result.

How do you handle stress when it arises?

Adam Rockett: At times, things do get stressful. And I think you have to always be aware of what your worst case scenario is. It's calculated risk, it's not cowboy risk. And that's important to the direction that we take the business in and how we manage it. Being aware of our worst case scenario and being comfortable with that has always been our key stress management technique. Putting stuff into perspective always helps. We've got our health, we've got our houses, we've got our wives and our families; if you lose money for one week or one month, it's not a big deal really. You just get up, dust yourself off and go again. And it's that persistence that has kept Chris and I and the team coming back. It's never the end of the world, you just carry on. 

