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Strike Group Australia co-founder Chris Ryan says diversifying into manufacturing its own motor accessory products has been a bonus.

STRIKE Group is in negotiations to either enter a joint venture or acquire a European company that will increase its product range by 25 per cent.

"We're hoping to expand the company through the acquisition or joint venture but it's still in the very early stages and a long way off," says Ryan.

Although the local market has been difficult for the company, diversifying into new products is adding value to the supply chain.

"We've been finding things pretty tough recently and although our profitability is good, we've been working hard for the numbers – it's all hands on deck. In addition to the downturn in the local economy, which saw a lot of our customers, particularly the smaller ones slow down, there were the disasters in Japan that affected business," he says.

"A lot of cars are manufactured in Japan, which affected the new car market and although a lot of parts for cars aren't made in Japan, the components in the parts are, so it's been tough but enjoyable at the same time because we've been able to find opportunities.

"We've been working hard to develop our own brand, so we hired an engineer who has been designing our own products,

so we're not just selling someone else's products.

"We've been able to innovate and manufacture our own products that's moved us away from being reliant on other brands and provided vertical integration to the supply chain that's increased our margins and profitability."

Ryan says expanding the company's product range into Strike-branded products is key to strengthening the brand.

"We've put increased focus on our own brand by making sure we're offering high quality products that aren't rubbish. Whenever we have a new product, it gets 12 months worth of testing before we go into production," he says.

"We currently offer Bluetooth solutions, in-dash head units, viewing screens, antennas to boost mobile phone signal, daytime running lights, which are compulsory in Europe and I think Australia will follow suit shortly, and car specific window shades just to name a few."

Ryan cites fluctuations in currency and instability of the European market as key challenges for FY12.

Ryan and Adam Rockett founded the company in 2001 with the plan of 'making money'.

FINALIST

ADAM ROCKETT AND CHRIS RYAN

Strike Group Australia
MOTORING ACCESSORIES

Age: Both 32
Business Est: 2001
Staff: 23
Growth: 11 per cent
Turnover: \$6.43 million

"I had \$50,000 in savings and we worked out of a house we rented that was cheap and, from a plan perspective, when we first started we didn't have a business plan other than we wanted something that made money," he says.

"Too many businesses spend time planning at the start when the most important thing is to get dollars coming through the door. We were young, enthusiastic and managed to carve ourselves a business.

"We're a lot more strategic in our planning now, our team has full buy-in to the strategy and it's a big part of what we do now, but in the beginning it was all about making money."

Now it's also about taking the time to go surfing – a pursuit the duo have taken to like ducks to water.