

GUEST EDITORIAL

Despite the recession, our glass is more than half full

by Martin Lenart

Chairman, AMN Cooperative Ltd

Glazing is probably the last industry in New Zealand where you would expect to find a cooperative. From our perspective, this was also not something we had even remotely contemplated three years ago, so here is the interesting story of our evolution.



So who actually is AMN? Unless you happen to be in the insurance industry, you will have probably never heard of AMN: we are the

preferred supplier of insurance reglaze services for many of the larger insurance underwriters for building glass and for auto glass through our sister company, Novus.

We repair and replace cracked, chipped and broken glass throughout New Zealand via our network of independently owned local suppliers. Our business has proven to be recession-proof, with both turnover and profits improving significantly in the last 18 months.



Who are our members? Our network of 75 glaziers cover the country from Kaitaia to Invercargill. Their sizes range enormously – from a sole trader operating from the kitchen table and a glazing van, through to large urban businesses who have serious investment in equipment and infrastructure to manufacture and install double glazed units, as well as service insurance reglaze work.

WHY OUR MEMBERS FORMED A COOPERATIVE

At the AMN conference three years ago, they identified the following challenges which stimulated

their desire for development:

- To survive in a changing market;
- To give customers confidence in our strength;
- To source products at lower cost so we can be more competitive;
- To market ourselves better, both locally and nationally;
- To attract and retain good quality staff;
- To keep up with technology and better business processes.

HOW THE CO-OP WAS ESTABLISHED

Some of our key suppliers formed a working group and we established a cooperative business model based around “Local glazier, national network.” This suited our collective needs far better than a franchise model which would impose limiting constraints on how each company could run their business.

Once the proper presentations and documentation was developed, we invited glaziers to a roadshow and invited their membership. We were pleasantly surprised at the positive response.

What have we done so far? The first priority of the co-op was to negotiate a preferred provider contract for glass. Historically, wholesale suppliers had enjoyed the luxury of divide and conquer. For the first time, the co-op forced them into a consistent national pricing which was fair for all.

Subsequent tenders have been for associated glazing products, and now we are moving into business services such as insurance and telecommunications, all of which will benefit our members at the business end.

HOW OUR BUSINESS MODEL WORKS

We set up the business to ensure sustainability by way of shareholder member monthly subscription fees, as well earning rebates from suppliers. In time, we hope to dispense with subscriptions and enjoy a profitable co-op from the diverse rebates it earns.

So where do we go from here? Having completed the initial phase of the co-op’s successful preferred provider contracts, with the co-op turning a reasonable profit and dividends flowing back to the shareholding members, we are looking to expand both our client base and our supplier base.

Having recently joined the New Zealand Cooperatives Association, we have seen the opportunities which other members have achieved, and we look forward to being another multi-billion dollar cooperative company.

Yes, our glass is much more than half full! ●

Martin Lenart, Chairman, AMN Cooperative Ltd, is a member of the NZ Institute of Chartered Accountants who in his spare time takes motorbike tours through Thailand – see www.thaimotorbiketours.co.nz

PHOTO: COOPERATIVES NEWS



AMN Cooperative Ltd can be found online at www.amncoop.co.nz and www.amn.co.nz

A van belonging to an AMN Cooperative member business

PHOTO: AMN COOPERATIVE

A REPRINT FROM

Cooperatives News
newsletter of the
New Zealand
Cooperatives
Association Inc.,
Level 3
75 Ghuznee St
Te Aro
Wellington 6011
P 04 384 4595
F 04 801 6966
nzca@nz.coop