

GUEST EDITORIAL

Wealth creators for the independent retailer

by Ian Caulfield

Chief Executive, Composite Retail Group

Composite Buyers Group was established in 1968 to assist independent apparel retailers source product more cheaply and more effectively. With a clear vision, the business was established as a cooperative and registered under the Industrial and Provident Societies Act.



From the start, our organisation espoused cooperative principles, and they are as relevant today as they were in 1844 for the Rochdale Society of Equitable Pioneers.

But of course all businesses adapt over time to the changing needs of their owners. Our member shareholders have continued to trade through deregulation and import licence changes which radically transformed the landscape in which they operate.

I'm a firm believer though that through all change, opportunities arise. Our name change in 1999 to Composite Retail Group reflected the transition from a buying group to an organisation with widened core competencies.

Today we support our members in two distinct areas of business.

PRODUCT

The economies of scale that arise when the purchasing power of multiple independent retailers is combined remains fundamental to our operation. However, a point of difference and exclusive product lines is increasingly driving our members' benefits.

Maintaining margin is paramount as the frenzied discounting strategy led by the larger chains has influenced consumer behaviour. As a result, imported products are increasingly delivered directly to members.

This can best be seen in our furniture division. Although the industry as a whole has been impacted significantly by economic conditions, our furniture import business is seeing record growth. This was fundamental to our recent amalgamation with Furniture Court.

RETAIL SERVICES

Independent retailers find it very easy to become caught up within their business. Being a member of our cooperative allows all retailers to share and absorb information from non-competitive, like-minded colleagues.

We organise expositions to facilitate the ease of the purchasing process and encourage networking between members.

A recently developed members' online forum further expands the networking opportunity for our Flooring First retailers. We envisage that in time this tool will be provided to all members.

Marketing and promotion programmes pave the way for frequency and quality that an individual retailer by themselves may not be able to afford.

Currently we are determining whether a number of additional retail services might benefit our members. Among these are:

- Industry specific benchmarking
- Centralised payroll services
- Inventory analysis



CHALLENGES

Being new to the co-op sector myself, I have been able to provide our organisation with a fresh perspective. What is apparent is that the challenges we face are shared by cooperatives alike.

Being a Cooperatives Association member helps with understanding these challenges, and provides insight into them. Among the questions currently on my mind are:

- How do we create a culture in which all members understand and espouse cooperative principles?
- How do we raise sufficient equity to grow our cooperative business?
- How best do we communicate membership benefits to our members, and at the same time to our preferred suppliers the benefits they receive?

STAFF

People and relationships determine the success of businesses. We are fortunate that we have a professional, dedicated team of fourteen who have expertise in their chosen positions. Every one of us is seeking better ways to ensure Composite Retail Group is prosperous, and remains relevant for the next 40 years. ●

Ian Caulfield, Chief Executive, Composite Retail Group

Photo: Composite Retail Group

Left: Flooring First stores are members of Composite Retail

Below: An example of the fashion items sold through member stores

Photo: Composite Retail Group



Composite Retail Group can be found online at www.compositeretail.coop