



Colin Edwards

Trailblazing for 50 years

WE MET WITH COLIN EDWARDS, FOUNDER AND CHIEF EXECUTIVE OF THE GPI GROUP OF COMPANIES, AS HE CELEBRATES HIS GOLDEN ANNIVERSARY IN THE AUTOMOTIVE INDUSTRY.

The National Collision Repairer sat down with Colin in 2008 when GPI celebrated its 30th anniversary. Before we catch up on Colin's past ten years, let's review his first 40 years in the automotive industry.

The early years

Colin was born in Sydney and his first job was a "travelling salesman" in the menswear industry, selling men's ties and cufflinks, calling on menswear stores across NSW and Queensland. "I have some really special memories of those days, including driving from Sydney to Cairns on multiple occasions and calling on customers all the way up the eastern seaboard.

I built strong business relationships and many friendships along the way." Colin moved to Melbourne in 1965 to open a new office for the company.

In 1968 he joined General Paper Industries' automotive division, and so began his love of the industry. His then wife was the daughter of the patriarch of the Smorgon family and they were shareholders in General Paper Industries, which sold cartons manufactured by General Paper Mills and, by natural extension, a range of packaging tape. The refinish industry was a large user of masking

tapes and the company saw the opportunity to expand their small automotive business by selling masking tape direct to the end-user.

"I was given the job of managing the division and we started out with ex-PMG Commer vans; as we grew, we replaced the vans with larger trucks as the product range increased and built up to a national fleet of 15 trucks. This was the first major





van-selling operation to the panel beating trade in Australia.”

Colin still remembers those days fondly as customers were more loyal and sales people could rely on regular orders from a regular call cycle. However, today he sees decisions made to save a few dollars all too often, which is not always in the best interest of the customer. “In those days, I would go wherever was necessary to replace a driver on holidays or train new sales people. This was the beginning of my career in the automotive industry.”

Then came the first of the many challenges that Colin faced along the way. In 1975 he and his then wife went their separate ways and at the end of 1976 the Australian dollar collapsed. As an importer competing with local manufacturers, he knew the business would be in trouble. General Paper Industries decided to close the doors on the automotive division and throughout 1977 the business began to wind down. Although Colin entertained the prospect of continuing his career with Carborundum, it was not to be.

At the beginning of 1978, as the company was in its last stages, he made an offer to take over the automotive division on a walk-in walk-out basis. “The deal basically cleaned me out. All that was left of the business was a lease on a 3,000 sq.ft factory in Sunshine, a body filler manufacturing machine, a truck and some sewing machines to make buff pads. I cashed in my super, which was \$5,000, and that is how I started GPI Automotive Products.”

In the early days, there was only Colin, a woman sewing buff pads and another woman spending half her time on office work and the other half labelling cans and cleaning buff pads – that was the extent of the operation. “I used to make the body filler at weekends and evenings, cut up the sheepskins to make the buff pads and then go out and sell the product range during the week.”

Colin made a strategic decision to move away from selling to the end user and focus on the wholesale market and after his first year, his late father-in-law guaranteed him at the



The original GPI factory in Sunshine.



GPI's current head office in Mulgrave.

bank for \$20,000. “I learnt a lesson very early in the wholesale business when I concentrated too much of the business with a major distributor who subsequently reneged on our arrangement. We steered clear of ‘exclusive’ arrangements for many years after that experience.”

Expansion

To grow the business, Colin knew he needed the input of others so, in 1982, he employed Kevin Veal as a salesperson. Kevin had been a van salesperson with General Paper Industries and was keen to come back. GPI's first company vehicle was an ex-Avis Falcon station wagon bought at auction and the business just took off.

After Kevin joined the business, there were not too many more changes

at Sunshine other than internal staff. Colin taught someone to make body filler and brought someone else in to cut sheepskins. This allowed him to get out and sell more, enlarge the product range and expand the customer base. “I used to travel Australia with two large suitcases of samples and take the orders – a well-trodden path for me, although now it was my own business. Initially, I focused on Sydney and Brisbane and then expanded to the whole of Australia.” GPI opened its first interstate warehouse in Brisbane, although now it has a presence in every state capital.

Always looking for new ways of doing things, Colin noted that in the early days everyone was using newspaper to mask; GPI was the first to put brown paper rolls in the vans.

Over the years they brought many new and innovative products to market, the biggest being masking plastic in the early nineties. Today, plastic film is just the way it's done.

In the ongoing quest for new and innovative products, Colin turned his attention to international suppliers in the early eighties with his first visit to NACE and Automechanika. This has become an annual quest, as have Colin's visits to the Taiwan market. Over the years, global suppliers such as Gerson, Tetrosyl, Loy, Dominion and Eezer came on board and as the demand grew, so did the company, which in turn led to even greater growth. "I remember my accountant in the mid-eighties looking at the business and telling me that we would never get any bigger than a \$4 million turnover as we would not be able to finance it. Well, we are now many multiples of that."

As the business grew, so did the demands for warehouse space and, on his bank manager's advice, Colin bought his first factory in West Heidelberg in 1985, subsequently leasing the adjoining four buildings as the business continued to grow. In 1992, an opportunity arose to buy a large factory in Mulgrave which, at the time, was too large but seemed the right thing to do. It is now the GPI Group head office.

Diversification

With the introduction of speed cameras, roundabouts and greater speed controls in the late eighties, Colin



Colin with Kevin Veal.

undertook a strategic review of the business as many of these safety initiatives were likely to have a detrimental effect on the business. With GPI being so reliant on the refinishing industry and the never-ending pressure to finance the growth, Colin started to think about broadening the base of the company to establish a sustainable growth model.

"This approach was taught to me by my then father-in-law, Victor Smorgon, who believed in broadening the scope of products in your portfolio for several reasons: always compete with those with 100 percent market share as they are unlikely to respond until they have lost significant share; diversification gives you a variety of opportunities to achieve budgets and target, thus preventing the month-end discount approach to achieve sales

rather than profit target. This also gives you some protection as you spread the risk over different products and market segments. Gross margin is what matters, not just sales. Smorgon always measured his business on profit rather than focusing on growth for growth sake."

Whilst developing his diversification strategy, Colin was approached by a neighbouring businessman in Heidelberg who was selling his engineering business for \$50,000 on a walk-in walk-out basis. The business manufactured and sold bunks for caravans and a variety of sporting equipment. This encounter coincided with one of Colin's regular trips to Taiwan when he came across an opportunity in exercise bikes. Colin immediately saw the synergies with the engineering business in Heidelberg. "I placed an initial order for 50 units at \$19.50 per unit, which was really the start of the sports and fitness business. We set up separate divisions for the sports and fitness and engineering businesses, employed a manager to run each business and they both took off. Now we import at least 10 containers a month of treadmills, exercise bikes, home gyms and all sorts of fitness equipment."

GPI also diversified into bicycles, initially with two divisions, Repco and Malvern Star. When they got involved with Pacific Dunlop, one of their managers was being made redundant

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Colin loves interaction with his customers.

and approached Colin to see if he would be interested in getting involved with push bikes. He subsequently joined the business, and this has proven to be very successful for the company as they now have direct sales people in Brisbane, Sydney, Adelaide and Melbourne handling the full range of Cheetah bicycles, which has grown to 45 models, Flite helmets and a full range of bicycle accessories. That division is now further diversifying into scooters, mobility scooters for the

elderly and golf carts. Colin also reflects on the time when GPI started a menswear business and registered the name Daintree to sell business shirts, sports shirts and knitwear to menswear stores. "The idea was solid, but the menswear stores took too long to pay their bills." This led to a business selling corporate embroidered shirts and GPI took over three corporate businesses dealing in promotional and looged product ranges and brought

them under their umbrella. "I then saw an ad for a company that was making and wholesaling school wear and they also had their own screen-printing operation, so we bought that. At the same time, the Daintree business became too difficult, so we decided to concentrate on the corporate side of the business, now having our own screen-printing operation and the school wear business."

GPI then took over the Simpson sports clothing brand, which specialised in tennis wear and started to import tennis and squash racquets from Taiwan. However, after two years that agency was relinquished. "We then bought two companies, for stock value, that were retailers of school wear with seven retail shops! I have subsequently sold all of them, but I did have visions of setting up a school wear supply business for the whole of Australia. The only reason that did not eventuate is that I could not allocate enough of my own time to it." It is apparent that whatever business GPI has been in over the years, there have been numerous

THE **GPI** FAMILY OFFERS CONGRATULATIONS TO

Colin

FOR HIS 50 YEARS

IN THE AUTOMOTIVE REFINISHING TRADE





opportunities. Colin has been adept at identifying them and has been brave enough to take his chances.

“Although GPI began as an automotive-only business, our diversification strategy has led to us now having eight divisions across quite different markets. Automotive is now approximately 35 percent of the group and even today is still the largest division.”

The past ten years

When we asked Colin about the challenges of the past ten years, he draws an interesting comparison with GPI's formative years. “In the earlier years, the business faced the challenges of growth and financing that growth, worrying about banks and other creditors, receivables, bills due and so on. However, we always treated our bank managers as partners in the business and kept them well informed. No one likes surprises and we call this ‘expectation management’. Things are quite different now that we are running a cash-positive business, which we have achieved

through strong margin management.”

One of Colin's challenges is still to be able to recognise opportunities and be brave enough to “take the punt” and have a positive, can-do attitude. “Having the right mindset is a critical aspect in business, and in life in general.” This is really how GPI ended up in the fitness business – Colin saw the opportunity and “backed himself” – and now they have a multi-million-dollar fitness business unit. Although the journey was a lot less smooth, it was a similar story with their entry into the corporate clothing business, which started as a menswear business and morphed into a business with a more focused market segment. “Sometimes you don't get it quite right, but we were always brave enough to try different things.”

The group has increased its staff numbers by over 50 percent in the past ten years, growing from 124 to 194 fulltime employees. The majority of this has come from acquisitive growth. “We took a majority share in the Apollo

bicycle company, which represents almost half of the headcount growth, and a more recent acquisition of a bicycle store added another 10 staff.” The business also continues to grow organically, but it is through acquisition that it takes the quantum leaps. “We actually operate 14 warehouses, some of which we own, and again this is a reflection of the growth of the business. We always look for a balance between investing in property and leasing premises and we always look to reinvest our money in the business to support the business.”

In 2013, after 45 years in the industry, Colin was nominated for a National Collision Repairer Lifetime Achievement Award. He was voted in by his peers and was subsequently inducted at the awards ceremony in Melbourne. I had the privilege of being a guest on that day and I can honestly say, even then he was NOT lost for words!

Reflecting on the Group today, Colin reiterates the importance of focusing on margin management and

Congratulations on 50 Years

On behalf of the SAPE Group, congratulations to Colin Edwards, who's vision and passion remains undimmed after 50 years in the auto repair industry, an incredible achievement.

Thank you for being part of our industry.

SAPE GROUP



Colin at SEMA always looking for new products and catching up with old friends.

not just price. “We have gross margin targets and will only go to the market for price if we see these margins under pressure. We can always justify this, and our distributors trust us.” As an importer-wholesaler, one of the biggest single factors impacting GPI is currency, although the business has evolved to take forward cover and hedge against this risk, to some extent. “Every morning, the first thing I do is check the exchange rates as we are transferring money virtually every day.”

Colin shows his soft-spot for the automotive division – which is not surprising as this is where it all began.

Over a 50-year period that started in 1968, the automotive business has grown every year, which is quite remarkable notwithstanding the business cycles and some challenging economic times. “We have expanded our product range, focused on a better-quality mix and now have approximately 5,000 SKUs [stock keeping units] in the automotive

business, up from roughly 3,000 SKUs when we spoke with David in 2008.”

Defining the GPI Automotive business today, Colin reiterates one of his mantras: “Philosophically, we sell products that are used yesterday, today and tomorrow. We don’t sell equipment or paint – we sell consumables, and our major categories include masking tapes, abrasives and fillers.” One of GPI’s



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challenges today is the influx of cheaper, low-performance tapes in the market, which all too often replace the better-quality brands from GPI. "We see people being "penny-wise and pound-foolish", to use an old term. We try to educate the market that using cheaper products will only add to the overall cost of the job, but it's an uphill battle." GPI also has a full range of fillers and Rage Gold is their premium product, although they will soon be releasing a new Rage Gold Ultra. GPI is now one of the largest importers of body fillers in the country. The Sunmight abrasives brand is also a key part of the portfolio and Colin believes that GPI could have as much as 30 percent of the abrasives market in Australia. In this segment Colin has positioned GPI to cater for both the premium and the low-cost market segments.

On reflection

Colin outlines some of the characteristics that have made him, and GPI, successful over the years, although he would hardly classify them as "the secrets of his success". "Perseverance, taking considered risks, turning opportunities into successes, personal drive, the desire to succeed and understanding the business intimately, have all been important over the years. It all comes down to work ethic, which is really in the genes."

It is also clear that Colin has spent a great deal of time on the people side of his business and throughout his

extensive career. "It is important to treat your staff as you would want to be treated, have a solid structure and a reliable management team. By focusing on these fundamentals, we have a strong retention rate and, in fact, some people have left the business for greener pastures only to return to the fold."

Colin takes the responsibility for the staff and their families very seriously. "I support the people who have and continue to support us. I have an open-door policy and I'm always happy to hear from my staff, whether it's good news or not."

Colin has always had a solid focus on his customers. After all, as he says, deep down he is a salesman and even now spends much of his time on the road. "Not too many CEOs do what I do. I've serviced Tasmania and South Australia for 35 years. I put it down to my roots as this was my first ever job in 1958 in the clothing industry."

Interestingly, when we asked Colin who were the biggest influences on his career, he does not hesitate: "My former father-in-law, Victor Smorgon was one of the biggest influences on my career and I still recall sitting around the dining table listening to stories of how things worked in a major organisation. He really helped me understand the fundamentals on which I've based my own philosophy. In fact, my son Peter was also heavily influenced by his grandfather and was chosen to be the Managing Director of

the Victor Smorgon Group."

Colin also speaks fondly of his late father-in-law who was also a major influence in the early years. "When I cashed in my \$5,000 superannuation and he guaranteed me for \$20,000 at the bank, it really was major step forward for my career and for GPI."

Where to from here?

Once again, we asked Colin about succession plans (David posed the question in 2008), and we received a similar response. Colin once again refers to the strong leaders heading up the various divisions and that he is eminently confident that each of these businesses are in good hands. "It is this group of people that give me the peace of mind that we maintain a cash-positive business model and the Group in total is in good shape."

Colin reinforces that as he is still very much enjoying what he does and is in good health, he intends to continue working. He tends not to spend a great deal of energy contemplating the future. "I don't really want to delve into this too deeply as there are a number of options. I do want to say that whatever path we take, the welfare of the 194 families of our employees will be top of mind."

Colin has three international trips planned for the second half of this year, which is indicative that he is still on the lookout for further opportunities for the organisation. "In a very real sense I am



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Congratulations to Colin Edwards and the GPI team on 50 successful years in the industry from all of us at Anest Iwata Australia

working on the business and I have divisional heads, a strong long-term financial controller and branch managers all working in the business. In the automotive division, Gary Hodgson has really stepped up to the plate. It really is a great position to be in.”

Colin continues to position the automotive division for the future and sees the advent of UV-cured coatings as a real opportunity for GPI Automotive. “We are the Australian importer of the Tesla Cure hand-held UVA curing system and have established a number of distributors around the country.” Whilst a UV-cured body filler (no hardener) and a UV-cured clear coat are both still under development, Colin is confident he is well-positioned benefit from such innovations when they are commercialised.

In other areas, GPI continues to evolve as they merge the ATS business with Premium Abrasives, continually look to expand their supplier base in the fitness division, the bicycle business, albeit a tough business, is also growing and the

corporate and promotional business is expanding rapidly, mainly through the on-line portals and the growing portfolio of multinational clients. And finally, as their quality continues to improve, China is becoming an increasingly important supply source.

And in closing

We asked Colin about the highlights of his career, but he was reluctant point to anything in particular. When pressed, he suggested: “Buying the Mulgrave site and centralising our businesses in 1992 was major step forward. However, rather than identify milestones, I like to think more about the journey and the experience through the years and all the great people I have had the privilege of working with.”

There is no doubt Colin is truly proud of what he and his team have achieved over the years and the strong track record of continual growth across the course of his career. “I have really enjoyed the journey and it’s gratifying to be able to reflect on it all.”

Whilst the results have been

impressive, they have been generated through hard work, an investment in innovation, the development and implementation of strategic business planning and effective margin management.

“Doing business with the GPI Group of companies is a continuous process. We build strong, long-term partnerships and have maintained a distribution model for 40 years. We have a global reputation as an organisation that suppliers and distributors want to deal with. I think that really sums up the business today.”

Editor: Although I had met Colin in my “previous life”, it’s only in the past 12 months that I have really got to know him. There is no doubt that he is an astute businessman who knows what he wants and how to make it happen. More importantly though, Colin is one of the industry’s true gentlemen and it was a pleasure to have the opportunity to share his experiences. Congratulations on 50 great years in the industry!



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Comments from other stalwarts of the industry

I have known Colin Edwards for over 40 years. Now, we all know he is very loud and very bold, but he is also very sincere and generous. His business and life experiences have been amazing. I have learned so much from being involved with Colin on his journey and I look to him as a mentor. The most important part though, is his genuine friendship, kindness and generosity to my family and me. We wish you many more years, Colin.

Terry Feehan, Fix Auto Australia.

I have known Colin for at least 40 years as a customer, competitor, friend and adviser. His passion and energy for the collision industry is unsurpassed and his success is well-deserved. He has always been at the forefront of new products and ideas to improve the industry. Knowing Colin, he will be around for another 50 years! Congratulations on your high standing and achievements in the industry.

Ian Lidstone, IDL Containers.

We have been working with Colin since the early nineties and have always found him to be a professional and honest straight talker with broad business experience. It has been a pleasure working with Colin over the years and we look forward to continuing this into the future.

Graham Powe, Safety Equipment Australia.

Colin has proved himself to be an incredibly accomplished business person, massively growing the business, whilst managing to maintain his integrity. One of the many reasons Colin is so respected by his peers is his strong and steadfast commitment to the Australian automotive aftermarket. He's been as good for the collision repair industry as the industry has been to him – and you can't ask any more than that of anyone. Well done Mr Edwards, I wholeheartedly congratulate you on 50 years in the industry. I hope you remain a force to be reckoned with for many more years to come.

Bruce Morrison, MotorActive.



Colin with some of his team from GPI.

Congratulations to Colin, whose vision and passion remains undimmed after 50 years in the collision repair industry – an incredible achievement. We've competed for many years, but with competition comes respect – we've formed a friendship and had a lot of fun over those years. Once again, congratulations on 50 years!

Ray McMartin, Sydney Automotive Paint and Equipment.

Colin is a remarkable person who has built an incredible business through his skill, perseverance, adaptability and hard work. The automotive industry is constantly changing and to survive and thrive in this challenging environment, you must continually innovate and evolve your business and that has been Colin's trademark. It is rare in any industry that you encounter someone who is as universally respected as Colin. Congratulations on an amazing 50-year career in the Australian collision repair industry!

Stuart Charity, Australian Automotive Aftermarket Association.

I have dealt with Colin from the beginning and, as we have expanded around the country, Colin's experience and invaluable insight has contributed to the growth of Robayne. His support cannot be overstated and as a valued partner of Robayne, GPI is now one of our biggest suppliers.

Clint Smith, Robayne.



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