

Connector

News and views from the co-operative.



Chair's update

A belated Happy New Year to all of our co-operative members, and I trust that everyone enjoyed a relaxing Christmas and New Year break with family and friends. Sadly, the weather events that followed in January and February in the Upper North Island were not what we normally expect from a Kiwi summer, and our thoughts are with our staff, our shareholders, and their families as they recover from the devastation and the flooding.

From an NZPM perspective we were lucky to avoid any significant damage through the majority of our Plumbing World network, however our Metrix showroom in Parnell was badly flooded, and will take several weeks to re-open to foot traffic. Ironically, this flooding occurred only a couple of weeks after the Board approved a business case to relocate the Metrix showroom and NZPM Head Office to a new location in Parnell during 2023. This relocation will take the business into a stunning heritage building on Parnell Rise, and is better sized and configured to fit the future needs of both NZPM and Metrix.

At our January board meeting, the directors also approved the updated business case for the build and development phase of our Microsoft Dynamics 365 platform business and technology project. This latest phase marks a significant milestone for

NZPM as we start to develop the core platform for our digital future, and is based on the significant piece of work that our people have already carried out scoping and planning for the project. Overall, we expect the project to deliver its key benefits progressively over the next 24 months, and we're confident that both our staff and customers will see improved transactional capability across a range of system features.

Some of those new digital features we're adding will include access to your individual shareholder data through both our new 'myNZPM' portal, and the Syndex Portal, and there's more detail on these functions later in this edition of Connector. Unsurprisingly, both of these member facilities will be supported by a strong cyber security regime, and accordingly, we urge all of our members to review and update their own internal cyber-security protection to ensure what has become a major world-wide business threat doesn't impact your company and its operations.

Also later in this edition are articles from Elected Director Craig McCord and from our 2022/2023 Future Governance Programme appointee, Joe Calkin. In November, the Board carried out a review of our Future Governance Programme incorporating feedback from our current and previous appointees, and one consistent feedback item from the Appointees was the duration of the programme, which they felt was too short to get the full learning benefit available.

Having already seen the benefits from extending the programme term from nine to twelve months in 2020, the board subsequently agreed to extend the programme term to two years, with a Future Governance Appointments Panel review at the completion of the Appointee's first year. For the future this means we'll have a first and second year Appointee together in the boardroom at the same time, and we're confident this will help with both their individual governance training and their ability to collaborate meaningfully in the learning process.

As mentioned in earlier editions of Connector, the board has also been recruiting for a second Appointed Director to join our existing Appointed

Director Kathy Meads, and the five Elected Directors on the board. In recruiting for this role we believe the Board can add yet further skills and diversity of thinking to our existing capability, and we expect to announce an appointment to this role before the end of the financial year.

Finally, as we work through the last quarter of the financial year, the company will aim to maintain our regime of steady, profitable growth and trading, and to ensure we continue with a solid balance sheet

as we head into what are probably more turbulent business conditions ahead. Despite the current and future challenges our people are facing, the business is performing admirably, and it's a credit to our staff who are working incredibly hard to provide the best possible service to our shareholders and customers every day.

Kind Regards,
John DeBernardo
NZPM Chair



CEO update

I'm writing this article soon after the major weather events that have caused such significant flooding and destruction across the northern half of the North Island in particular.

Some of our NZPM family of staff, shareholders, customers, and suppliers have been adversely affected with houses uninhabitable, vehicles destroyed and across the country people are impacted with transport, food, and product delays.

It is truly challenging to see some parts of the country totally cut off due to major slips and roads completely washed out.

During the early part of this year, we completed the analysis and design phase of the computer technology change to Microsoft Dynamics 365. This has ensured that all the software requirements we need to successfully run the business and provide great service for our customers is built into the Dynamics 365 platform.

We have now entered the build phase of the project which will take several months to complete before we progress to the testing phase.

As previously communicated, the Dynamics 365 project implementation is being undertaken in a

progressive and gradual manner, and accordingly, we don't expect that our customers will be impacted at an operational level, except where the various customer facing components deliver the benefits of smoother and more frictionless transacting.

In parallel to the core system changeover, we are continuing with our investment in pwGO. We are seeing the uptake of tradespeople using pwGO steadily increase, with more than 6% of our revenues now transacted through this medium.

Users of pwGO are reaping several benefits including more efficient ordering, along with viewing and downloading product specifications, and generally enabling their businesses to operate more efficiently.

The integration of pwGO with simPro, Xero and Fergus is progressing well and we are working with other key software providers for integration with their systems as well.

We have completed the rollout of pwGO Express to all but three branches, which enables you or your tradespeople to walk the aisles in a branch and purchase product by scanning QR codes on the product bins, entering the number of units you are purchasing, with the information automatically uploading into our main computer system. We simply do a quick check of what you are purchasing, and you will be on your way — saving valuable time and money.

Later in this edition of Connector, you will see that pwGO is the entry-point for myNZPM which provides shareholder data such as graded cash and annual statements.

Thank you for your continued support of our great co-operative and we look forward to working with you as we build on the already strong platform that has been established.

Regards,
Rob Kidd
NZPM Chief Executive Officer



Director's point of view

This will be my fifth year as chair of the NZPM Membership Committee, which currently comprises myself and fellow directors John Leen and Peter Faul. I take a lot of pride in this 5-year personal milestone, as whilst it has been challenging from time-to-time, it has also been both incredibly rewarding and extremely exciting to be a part of — particularly when we eclipsed the 1,000 member threshold last year.

Our committee makes a point of personally contacting and welcoming every new shareholder in the month they are accepted as members. While some of these businesses have been trading with us for a while, and have only recently decided to become a shareholder, most are new businesses that have recognised our co-operative value proposition.

It is so interesting and a privilege to hear their stories — their excitement and trepidation of giving business a go and their reasons for joining NZPM. I think we can all agree that taking the step to be in

business and all that is involved is not for the faint hearted, so full credit must be given to you all that have had the courage to make that step.

At the other end of the membership demographic, we also get to celebrate loyalty milestones along the way. So, while we acknowledge all of our ten, twenty and thirty year shareholders at a branch or regional level, we also personally try, wherever possible, to make a special recognition for those members who have been loyal to our co-operative for forty and fifty years.

These are truly special events, as the businesses are also invariably multi-generational, with up to three or four generations in many cases. Just last year we had a combined lunch in Wellington for five of these businesses, and it was enthralling to hear some of their stories.

At a board level, this time of the year we are busy agreeing budgets with the management team that align with the challenges that lie ahead for the coming period, including what some may call a Reserve Bank 'Engineered Recession'. During the next 12-18 months we will also be progressively building, testing, and implementing the Microsoft Dynamics 365 software, in conjunction with our technology partner Capgemini. This is really exciting for both NZPM and our members, and will form a huge part of our future.

While there are always continuing challenges in both this and our own businesses, it generally is a really rewarding experience. I would like to take this opportunity to thank you all for your ongoing support of our NZPM Co-operative.

Regards,
Craig McCord



Future Governance Programme - Always Looking Forward

I am now five meetings deep in to what was to be a one-year appointment as the 2022/2023 NZPM Future Governance Appointee — a placement that will now extend to two years. This extension will

of course depend on my performance in the first 12 months of my tenure, and is largely thanks to previous appointee Sarah Jamieson who promoted the two-year idea to maximise the governance learning opportunity.

The resulting change in thinking and approach to NZPM Group Ltd, my own company F.B. Hall & Co. Ltd, and my own personal development has been more acute than I had imagined, and I am really enjoying a whole new take on an industry I have been in for 36 years.

It has been talked about by all the Future Governance Appointees what a big and complex machine the NZPM Co-operative and its daily operations have become, so what I would like to share with you is what this means for me in terms of Governance, and the Board's role in this.

I have learned that all these complex pieces require an immense amount of self-checking, compliance,

and responsibility to make sure all is on track and there are no obvious holes for unwarranted risk. This can be in the form of, adherence to the co-operative's own policies, or keeping abreast of current legislation, or an eye on the markets (currency, leases, sales, market activity etc.) — and checking that each piece of the whole operation is balanced, smooth and compliant.

Not to the point of the board actually checking the nuts and bolts — that is the role of the staff and management — but asking the right questions and checking and challenging the answers if they are not what is expected, and celebrating when everything is spot on.

A lot of this work is not particularly "sexy" but is (often by law or by the co-operative's internal policies) completely necessary, and this attention to detail and maintenance of a tight ship is, in my opinion, what has kept our co-operative steaming forward so strongly in the last half decade or so.

Throughout this work though, the board is "Always Looking Forward" — encouraging the Plumbing World and Metrix teams to push on in steady growth, to look for high-quality revenue, building legacy customers and shareholders, looking after their people and "Going For the Gap", so that we are without question, Delivering Sustainable Shareholder Value.

Kind Regards,
Joe Calkin

myNZPM and Syndex

NZPM shareholders will soon be able to access their shareholder information on two different technology platforms.

We have created the myNZPM Portal to complement the more detailed shareholder information available in the Syndex Portal.

myNZPM

myNZPM is our own portal for Ordinary Shareholders which contains useful summary shareholder information that is easily accessible either directly from our website (nzpm.co.nz) or from within the desktop version of [pwGO](#).

myNZPM has been created to allow shareholders to monitor their graded cash balances each month and obtain copies of their most recent annual shareholder statement (31 March 2022) which is required for completing shareholder tax returns. Progressively, we will add more content to myNZPM, such as shareholder training material.

A demonstration of myNZPM is available on our website nzpm.co.nz/shareholder.

To access myNZPM, you must have a pwGO login and be an NZPM Ordinary Shareholder. Within the desktop version of pwGO, select 'Profile' and navigate to the myNZPM section. Requests will be processed by NZPM and you will receive notification once this has been approved.

Syndex Portal

NZPM shareholders can access more detailed shareholder information on the Syndex Portal.

This portal allows both Ordinary and Redeemable Preference Shareholders to access a broader range of shareholder information, including account information, dividend and year-end statements,

transactional movements, as well as incorporating a Redeemable Preference Share application facility.

We have worked with Syndex to simplify their presentation to make navigation more intuitive to NZPM shareholders.

All NZPM shareholders will soon be emailed an activation link by Syndex to their NZPM shareholder email address. This activation link opens your NZPM account within the Syndex Portal. If you haven't received an activation email, want to receive a user guide to help navigate to key areas of the portal, or if you have any questions on the two shareholder platforms, please email our Share Registrar, Lauren McEniery on shares@nzpm.co.nz for assistance.

Brett Cruickshank
Chief Financial Officer

my**NZPM** syndex.



Social Responsibility

Giving Back as a Big Buddy

Ed Ackman has been a Big Buddy to Marshall (12), for two years. The pair live on the North Shore in Auckland. Now retired from a career in advertising, and with no children of his own, Ed decided it was time to give back and became a Big Buddy.

“You’d think, as I once did, that as a Big Buddy there’d be plenty of opportunities to pass on what time and experience has shown me. To some extent that is true, but after two years with my Little Buddy, a boy who I might add is not yet even in his teens, I have learned much more from him than he has from me. He understands the digital world as I understood a football. I have been foolish enough to play Xbox with him and be humiliated as his scores look like cricket and mine like soccer.

A lot of his outlook has been influenced and informed, no doubt, through digital media and a freedom of access to information — good and bad. We had only TV, but that was heavily censored — a million light-years away from the internet of today.

We sat down recently to assemble an incredibly complex model of a steam train, with hundreds of parts and 20 pages of diagrams and instructions. I was reduced to pushing the parts out of the sheet as he proceeded by himself, putting it together faster than The Flash. His language skills leave me speechless. He is as fluent and articulate as an adult when he wants to be, and like most kids, quiet

when he’s naughty.

We do all sorts of things: bumper cars, jump trampoline, museums, VR rooms, walks, water pistol fights in the backyard, Naval station, Rainbows End, Lego exhibitions plus many more, and we enjoy them all. But most of all he loves eating burgers. Just loves ‘em! That, and Xbox, which he cannot play unless he is good. Unfortunately, bad behaviour (what kid is free of this?) means weeks will sometimes pass with the screen blank.

I am so lucky to have been matched with Marshall, and his lovely family, who have warmly included me in. I appreciate what a gift being a Big Buddy has been for me and I look forward to every moment my Little Buddy and I are together.”

If you're interested in becoming a Big Buddy, or would like to learn more, visit www.bigbuddy.org.nz



Shareholder loyalty



Alrite Plumbing & Gas



Singleton & Hansen



Carl Riefler Plumbing



Belfast Plumbing

Pearlers of Port Douglas 2024

We are delighted to have a group of over 170 travelling with us to Port Douglas in May 2024 which includes around 20 children. Of this group we welcome 64 first time attendees who will get to experience a unique, memorable and fun-filled Plumbing World overseas trip for themselves. And what better way to do so while staying at the stunning 5-star Sheraton Grand Mirage Resort, Port Douglas.

If you are still considering registering on the Port Douglas trip there are a few vacancies left so get in quick! Have a look at what's in store for those attending by going to our Port Douglas travel website: plumbingworld2024.cispecialists.co.nz.

For further information please contact your local Plumbing World branch manager, or email Michelle on michelle.bingham@plumbingworld.co.nz Alternatively visit nzpm.co.nz/shareholder-benefits/overseas-trips-programme.



Young Plumber of the Year 2023

Plumbing World are thrilled to bring to you, the 2023 Young Plumber of the Year competition. Entries will open on Monday 3rd April 2023, with the branch events kicking off from 4th July 2023. Simply register online at ypc.co.nz or instore at your nearest Plumbing World branch.

This competition is open to all plumbers, gasfitters and drainlayers, aged 31 and under as of 31/12/23.

Young Plumber of the Year recognises excellence in our trades, celebrates industry training and the support of amazing employers and suppliers that keep the wheels of the industry turning. This flagship event is well-regarded in the industry, with winners put on the track to long-term success. Hundreds of contestants compete every year for a spot in the national final.

There are fantastic prizes up for grabs, personal development opportunities, and a whole lot more for all involved.

To keep up to date, follow us on social media: [Facebook](https://www.facebook.com/plumbingworldnz), [Instagram](https://www.instagram.com/plumbingworldnz) or at ypc.co.nz

