

# Connector

News and views from the co-operative.



## **Chair's update**

Welcome to our October issue of Connector.

I am delighted to report that we have had a solid first half financial year result.

However, in line with wider industry data, we expect that the second half of the financial year will be softer, with revenues down and the full impact of inflation-driven cost increases hitting the bottom line. Because of this, we are taking a cautious outlook for the year-end.

Our project to change our computer system to Microsoft Dynamics 365, known internally as the Tupu Tahī project, is continuing well. As we move into system testing, we are deep into the high-cost phase of the project. We expect to spend circa \$8 million in the current year, all of which we need to record as an expense, so this will also be a drag on our current year earnings.

With the downward pressure on earnings along with our investment in technology, we are very focused on prudently managing our balance sheet. I am pleased to advise that we have an offer to extend our bank facility with Westpac for a further 12 months and have entered into an unconditional contract to sell our newly completed Drury property for \$5.25 million, which is expected to settle before the end of December 2023. We are continuing to market the other Drury property for both sale or lease.

As we have said before, while we are changing our financial and customer facing technology systems, it is more important than ever to have a stable workforce. By retaining our great people, we can continue to provide excellent service and navigate the operational change that comes with replacing systems. Ultimately these changes will deliver us a new platform to further build on our journey of undertaking seamless and efficient transactions with you. Regardless, our people will always be our greatest asset, and as we did during Covid, we are determined to maintain good staffing levels to ensure that we continue to provide great service.

It is very exciting to see that we are now down to the ten finalists to attend the Young Plumber of the Year competition which will take place in Hamilton on 15th November. After an enforced break, we have rebooted the YPOTY competition which now offers over \$80,000 in prizes. Following 33 branch events and eight regional finals, our ten finalists are set to battle it out in a series of practical and theory tests, to become the 2023 Young Plumber of the Year.

The YPOTY competition aims to recognise and celebrate plumbing industry excellence and puts the spotlight on the plumbing trade to raise awareness of the career opportunities on offer, and ultimately find the best Young Plumber in 2023. Through this process we aim to instil pride and camaraderie in our trade and celebrate this through a formal, structured series of events. This annual competition aims to test all facets of the well-rounded modern tradesperson in addition to their core 'on the job' skills. It also provides a level of engagement beyond normal day-to-day transactions and industry activities.

We wish all the finalists well as they head into this pinnacle event and look forward to hearing the results. Many thanks to all those shareholders and suppliers who support this event each year, either through sponsorship or encouraging their staff to enter.

Thank you for your ongoing support of our co-operative.

Kind Regards,  
Kathy Meads  
NZPM Chair



## CEO update

With the first half of the financial year finished, it is pleasing to let you know that NZPM Co-operative's revenues are in line with our expectations, albeit, more challenging to secure due to a softening market.

Considering we are operating in a more challenging market environment, our strong performance reinforces that NZPM continues Delivering Sustainable Shareholder Value in all market conditions.

NZPM delivers sustainable value to our shareholders in several ways, and I'd like to highlight some of those with you in this edition of Connector.

Our scale enables NZPM to better support our shareholders and customers across Aotearoa, New Zealand. With more than sixty sites, a significant delivery fleet and over 600 experienced staff across the country, we can ensure shareholders and customers receive the product and service that helps enable you to operate your businesses efficiently and cost effectively.

The progressive development and selling of our own brand and exclusive products help secure our supply channel and improve our margins. Purchasing LeVivi, TIVA, Toto, Pipe King, and the Metrix range of products provide all our customers with great products at very competitive prices

and entitle our shareholders to a quarterly paid Gold Rebate.

The ongoing development and release of new pwGO modules is enabling shareholders and customers to view product specifications, pricing, order product from the office, remotely, or at one of our Plumbing World stores through pwGO Express.

With the continued efforts to release new features in pwGO that make shopping with Plumbing World seamless and hassle-free, we are pleased to announce an exciting new integration for Simpro users. We have partnered with Simpro to enable customers to create their order within Simpro, and pass this directly to pwGO at the click of a button. This new integration will deliver efficiency and accuracy gains for Simpro users.

Due to the many benefits of using pwGO and the efficiencies it is bringing, almost 10% of our revenues are now transacted by shareholders and customers through this technology.

We recently completed the build phase of the Microsoft Dynamics 365 technology project and will be undertaking extensive testing of the software between October 2023 and January 2024, before the rollout of the new technology which all going to plan, will occur in the first half of 2024.

The implementation of Dynamics 365 will provide NZPM further customer connectivity opportunities along with providing progressive productivity and efficiency improvements internally.

While the fundamental value propositions of our co-operative remain incredibly attractive, we will continue to look for new opportunities, along with refining our existing service offers to help NZPM continue delivering sustainable shareholder value.

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

## Shareholder loyalty



John Ryan



Active Plumbing and Gas Limited





## Director's point of view

First and foremost, I would like to begin this article by thanking shareholders for placing their trust in me as an Elected Director. As I build my experience and invest in further personal development, I am confident that I can contribute to the co-operative and, more particularly, to Plumbing World being New Zealand's number ONE plumbing merchant by choice.

The NZPM election cycle provided me with some insight into the challenges of engaging with our shareholders.

As customers, most of us have regular engagement with Plumbing World through our daily contact with the branch network, our sales and regional representatives, our newer customer care centres and from the marketing team.

Consistent with my own experience as a shareholder, NZPM has to work hard to engage with its shareholders. Many of us are busy with our day jobs, and taking time to read and digest emails or other electronic communication can be very difficult.

As a shareholder of a co-operative, we are a part owner. We recognise that we should be engaged as we have a financial, and perhaps even a social interest in the co-operative. We know that we can both benefit from and help others achieve and thrive; especially in these tougher times.

The Executive Team and the Board are always open to new ideas on how we should engage with our shareholders. We are already doing a lot

of activities including publishing this Connector newsletter, which we continue to print as that was the overwhelming feedback from shareholders. Additionally, we host the shareholder roadshows in June and July of each year, the annual shareholder meeting, the biennial Plumbing World overseas shareholder trip, business training and conduct periodic shareholder surveys. We also recognise and celebrate membership tenure, a director calls all new shareholders to welcome them to the co-operative and we issue shareholder value certificates to help our members understand the value in being a shareholder.

As you would expect, the NZPM website ([www.nzpm.co.nz](http://www.nzpm.co.nz)) has a lot of useful information about the co-operative including who we are, how your shareholding works and current event news.

Last year, we established myNZPM which is our own portal for ordinary shareholders. The portal, which can be accessed from our website or through pwGO, allows shareholders to monitor their graded cash balances each month and access a copy of their most recent annual shareholder statement (31 March 2023). Progressively, we will add more content to myNZPM, such as shareholder training material.

Our challenge is to continually assess the effectiveness of the above engagement strategies and evaluate new ways to enhance this engagement.

We want and need your feedback. You can do this by talking with us while attending our events or by calling or emailing one of the Directors or the Executives. Our share registrar, Lauren McEnery ([shares@nzpm.co.nz](mailto:shares@nzpm.co.nz)) can help with shareholder matters and can often point you in the right direction for any other shareholder queries you may have.

A lot of what I have said is routine for our longer serving shareholders and those who have a strong affinity with the co-operative. For our newer members, I encourage you to get involved and understand how the co-operative can add value to your business.

Kind regards,  
Joe Calkin



## Young Plumber of the Year 2023

During September and October the Young Plumber of the Year Regional finals were held.

Throughout the country, our top Young Plumbers battled it out through an array of technical tests and a demanding theory exam to find our national finalists. The overall standard of the competitors was very high this year with our winners representative of the high calibre of all regional finalists nationwide.

A huge congratulations to our confirmed National finalists:

Region	Company	Name
NORTHERN	Limitless Plumbing wand Gas Limited	Blake Patrick
AUCKLAND METRO	Plumbing St Lukes Limited	Liam Fox
WAIKATO/KING COUNTRY	C F Reese Limited	Cody Hall
BOP/CENTRAL PLATEAU	Haven Plumbing Limited	Haven Bellamy
LOWER NORTH ISLAND	Quantum Waste Water Systems Limited	Liam Dewar
WELLINGTON/ MARLBOROUGH	Hawkins Plumbing Limited	Kyle Allington
CANTERBURY/WEST COAST	Revolution Plumbing and Gas Limited	Tristan Harris
SOUTHERN	Foley Plumbing	Ben Howie

A massive thanks to all competitors, supporters and valued sponsors for coming together to celebrate our best and brightest — planning is now in full swing for our national final. Our two national final wild cards will be announced shortly and with some exceptionally talented tradies in the mix already our national final is scheduled for Wednesday 15th November in Hamilton. It's going to be exciting!

Congratulations to all competitors for getting involved and to our National finalists from the Plumbing World team. And a big thank you to all our shareholder employers for your continued support in this exciting competition.

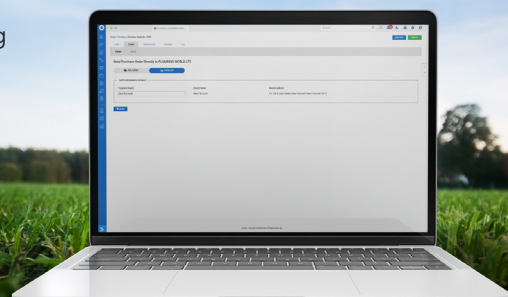


## LET SIMPRO<sup>®</sup> IMPROVE YOUR CASH FLOW *while you improve your golf game*



Simply generate 15% of your Plumbing World purchases through any Simpro integrations with pwGO, and go in the draw to win one of four Bushnell PRO Golf Laser Rangefinders valued at over \$1,100 each.

Connect simPRO with pwGO and use our NEW “simPRO Online Orders” Integration. Create catalogue orders and send them directly to the branches from within simPRO. Plumbing World are proud to be the only NZ plumbing merchant with this simPRO Online Orders integration.



plumbingworld *trade*

\*Terms and conditions apply. Promotional date is 16th October – 30th November 2023. Four Bushnell Pro Golf Range finders to be won nationwide (one per Plumbing World Region). Promotion valid for Trade Account holders only. Giveaway cannot be exchanged for cash or credit. Simpro Online Orders require a pwGO login and active Catalogue or Supplier Invoice Integration to be available. Simpro Online Orders and Checkout with Simpro purchases are applicable for this promotion.



# Social Responsibility

## Blue Do

Many thanks to all our generous shareholders who kindly helped us raise valuable funds for the Prostate Cancer Foundation with their Blue September campaign. During September we raised \$5,300 for the Prostate Cancer Foundation. One in eight kiwi blokes will get prostate cancer in their lifetime and we want to help raise awareness and educate as many of our shareholders and staff as we can.



## Pink for a day

Our appreciation goes out to everyone who wore pink for a day and donated to raise funds for the Breast Cancer Foundation for their annual Breast Cancer Awareness month in October. To date we have raised just over \$7,500 for the Breast Cancer Foundation who we have been partnering with since 2023. It is an alarming statistic that nine women are diagnosed each day in NZ with breast cancer. NZPM wants to show our support by raising funds to help with awareness, education, medical research and support.



## Last Chance

**We are almost at capacity for our Pearlers of Port Douglas overseas trip in May 2024.**

Registrations are closing on 30th November 2023, so get in quick if you want to come along and enjoy the amazing moments and magical memories these trips create.

For more information and to register for this incredible trip, visit [nzpm.co.nz/shareholder/benefits/overseas-trips-programme](https://nzpm.co.nz/shareholder/benefits/overseas-trips-programme) or email Michelle on [michelle.bingham@plumbingworld.co.nz](mailto:michelle.bingham@plumbingworld.co.nz)





---

## Papamoa Branch Relocation

In October, Plumbing World began welcoming customers to a new location in Papamoa, Bay of Plenty.

The Papamoa branch has been one of the many success stories of our expanding footprint and supports much larger branches at Tauranga and Mt Maunganui. Having opened a small trade branch in this high growth area in 2018, the success of the team meant that the business had outgrown the old premises.

Constructed in 2016 and initially used as a local church, the new location of over 500 square metres is much lighter and brighter than the old premises and includes a generous yard and customer



parking area. Branch Manager Dave Jamieson has commented on the positive feedback from both customers and staff that the building has a great feel and improved street visibility and appeal.

So if you are in the area, drop in and say hello to the team.

---

## Rinnai Tropical Getaway to Hawaii Promotion September 2023

Ten customers and their partners, along with a representative from Rinnai and Plumbing World experienced the best of what Hawaii has to offer in September, which some attendees termed as being 'the trip of a lifetime'.

Right from the start the touring party were exceptional and bonded as a tight knit group. With a fantastic mix of winners, some solid connections and lifelong friendships were undoubtedly made.

Staying at the Waikiki Beach Marriott Resort & Spa, a beachfront Waikiki hotel with sweeping views of the Pacific Ocean, the group was well situated near the key amenities and sites.

The touring group did some incredible activities, including the final evening experience on the Star of Honolulu, which sailed out of Honolulu Harbour to Diamond Head offering stunning 360 degree views of the sunset and Waikiki city lights and the famous Friday Waikiki fireworks.

The group unanimously agreed they experienced some of the very best meals they'd ever eaten.

The scheduled down time allowed our crew the flexibility to either visit Pearl Harbour where the US involvement in WWII began, and explore the Battleship Missouri, swim with the sharks for an



exhilarating tour experiencing these majestic creatures up close, shop till they dropped — basically whatever took their fancy, nothing was too much trouble.

Working with our key partner suppliers to bring unforgettable experiences together for our customers, is one of the things Plumbing World and our supply partner Rinnai aims to do.

Thank you for continuing to support our co-operative and key supplier brands in 2023. We really appreciate it.

