

#CONNECTOR

NEWS 'N VIEWS FROM THE GROUP | FEBRUARY 2018

CHAIRMAN'S UPDATE

Firstly, a very happy new year to all of our NZPM shareholders, and I hope everyone had an enjoyable holiday break with family and friends. Compared to last year, the summer weather throughout the country has been exceptional, and if the large number of plumber's vans at our local boat ramp is any form of indicator, many are still making the most of the fine spell.

Following a robust December financial quarter for the co-operative, we expect that business momentum to continue. 2018 promises to be an exciting year for NZPM Group as we further grow our network and footprint throughout the country, and continue to build on our customer service focus with a number of new innovations and technology enhancements.

On the network front, early February saw the opening of our relocated Plumbing World Invercargill branch into new, purpose built premises in Bill Richardson Drive, and I know that our members, our customers and our staff in the region are all eagerly looking forward to this great new facility. Moving Invercargill branch has been a long term project, so it's fantastic that we've now got a great new home in the right part of town which will future-proof us well into the next decade.

While it remains to be seen what real effect the new government will have on the housing and construction markets, we don't anticipate that there will be any major impact in the short term, and expect that high merchant demand will continue well into the new financial year. Both Metrix and Plumbing World understand the pressures that demand will place on our members and customers—particularly with the current labour constraints being experienced throughout the country—so this year will see a big focus on ensuring we continue to build strong, resilient customer support systems and to develop skilled people to meet those challenges.

Likewise, we are convinced that we can really help our members operate more effectively and efficiently with the technology enhancements we are working on, and we look forward to introducing a range of improvements throughout the year. There are undoubtedly some exciting things coming in the technology space, and NZPM expect to be a market leader in delivering a range of innovative customer service solutions.

Finally, later on in this edition of Connector is an article from our 2017 Future Governance Programme appointee Ngaire Mansfield, and I must say it's been a pleasure having Ngaire at our board meetings over the last few months. Not only has she contributed positively to our meetings, but at the same time has learnt a lot about co-operative governance. We hope that Ngaire's experiences will encourage more of our members to put their name forward when we open our 2018 Future Governance Programme later in the year.

Kind regards,

John DeBernardo Chairman

A MESSAGE FROM PLUMBING WORLD'S GENERAL MANAGER

Happy New Year everyone.

With the market so busy, Christmas holidays already seem a distant memory, however if we can make hay while the sun shines so to speak, that must be a good thing.

The 2018 Plumbing World Young Plumber of the Year competition will be launched shortly. Already we have twenty supplier and industry sponsors and six shareholder/customer sponsors which is fantastic and reinforces the importance of this programme for helping to attract, train and retain people in our industry.

This year will see not only the competitors being rewarded but also the employer, and host companies, including the national winner and their employer being taken to the Toto factory in Indonesia.

As John mentioned in his article the Invercargill branch is now open and operating. In addition to Invercargill the extensive refurbishment of the Palmerston North branch is almost complete, the new Richmond branch development is progressing well and work is about to start on the large refurbishment of our Lunn Ave branch in Mount Wellington, Auckland.

These renovations and new branches are all about improving the efficiency of the trade areas and having more attractive and up-to-date showrooms to make the shopping experience for both the tradesperson and the consumer that much better.

To enhance the connection between trade and consumer we are undertaking a brand improvement initiative across the country which will see the word "home" strategically placed alongside the words "Plumbing World" on our buildings—this is designed to help customers understand Plumbing World also provides a range of products for the home (such as heating, kitchen and laundry fixtures), not just bathroom products.

The photo below shows the new branding on our new Invercargill store:



Thank you for your continued support of Plumbing World—we look forward to continuing to deliver on the many initiatives implemented over the past 12–18 months all to improve the returns to NZPM shareholders.

Regards,

Rob Kidd General Manager, Plumbing World

FUTURE GOVERNANCE VIEWPOINT

Back in the 80's, I recall an ad on TV for The Hillary Commission (now called SPARC), citing their slogan of the day, 'Have a Go'. The aim was to get the nation into a sport or coaching of the same, and to generally be more active. It told of a stubbie-wearing, mullet-having man with time on his hands. From his couch he saw the ad on his own television, inspiring him to get up, and announce with real conviction: 'Alright, I WILL'.



Personally, I wear neither of those things, and my couch is more of a landing pad for the washing than a place to physically linger. When I saw the call for candidates for NZPM's Future Governance Programme, and in a less theatrical way than the aforementioned 80s ad suggested, I thought I would 'have a go'.

I applied for a couple of reasons. Firstly, I wanted to be involved at this level with a supplier to an industry that is utterly stretched while it also undergoes something of a generational transition, understand how the shareholder pool might change and what that means for the co-operative. Secondly, governance is something that interests me, so from a personal development perspective it was a new challenge.

My first interview in 15 years lacked the terrifying scrutiny that a nervous mind can conjure before such an event and was in fact conversationally outstanding in comparison. To say I was pretty happy it wasn't in vain is an understatement, and I was warmly welcomed at my first board meeting in September.

I have now attended four board meetings and visited both the Plumbing World support office in Palmerston North, and the Distribution Centre in East Tamaki. I am looking forward to Institute of Directors courses and some 1:1 mentoring from Richard Westlake before my tenure finalises in May.

I must report that you have a hard-working and dedicated board before you, and the time and commitment involved in steering NZPM is a substantial one. Debate is robust, formal process is strictly observed and accountability is solid. Every minute spent in or on a board meeting is spent well.

Having had my chance to get involved, I can now see that coming on to the board 'cold' could take as long as this programme runs for a new incumbent to get into the swing of things, observe how the current board interacts, find their groove—figuratively speaking, and begin to contribute in a meaningful way. I need to consciously leave my own business at the door to be truly objective and that can take practise—NZPM is not a plumbing business, so it calls on transferable skills from its shareholder Directors.

The Future Governance programme is a great initiative for both parties to test and prepare for a formal directorship, should the candidate want to stand for nomination and succeed in the shareholder vote. This should be the goal of anybody taking part in the programme, and remains one of mine when the time is right.

I would encourage any shareholder wanting greater immersion in the co-operative, who can give their time, bring some diversity and an open mind, to 'have a go' on the next round. No stubbies required.

Regards, Ngaire Mansfield



CHRISTMAS APPEAL

In the lead up to Christmas we asked our team to spare a thought for those less fortunate and to help do our bit to spread some cheer within our local communities. We had a great response with many of our branches jumping on board and lots of support from our Shareholders.

Some of the heart-warming stories came from: Silverdale donated to the Saving Hope Foundation, a K9 rescue centre giving dogs a second chance. Lunn Ave gave to Merivale Whanau Development Centre, Palmerston North Support Office donated a food hamper to Kind Hearts as well as their annual donation to their local charity Starlight.

Hamilton filled a bath (and more) of donated food and gifts for their local Salvation Army; East Tamaki DC also donated to their local Salvation Army food bank, Napier donated to their local Family Centre.

Parnell Office donated several boxes of food to the Auckland City Mission while Pukekohe and Henderson branches worked together delivering donated items to families in need from Rowandale Primary School.

A hugely impressive contribution from all involved!





2020 OVERSEAS CONVENTION REMINDER

While the 2020 destination will not be revealed until the final night at our Funtimes in Fiji Convention in May 2018, a few Shareholders have indicated an interest in making monthly contributions starting this year.

The monthly contribution will be \$250 per person/\$500 per couple. These funds will be held in the Plumbing World Conference Trust Fund bank account, and will be fully refundable should you decide not to register when the trip destination is announced. Please note, this cost is an estimate only and therefore when the actual cost of the 2020 trip is announced your monthly contribution will be adjusted accordingly when you officially register.

If this appeals to you please contact Dolores Gillies and she will provide the form for you to complete to set up this monthly transaction - <u>dolores.gillies@plumbingworld.co.nz</u> or phone 06 350 1626.

HEALTH AND SAFETY

Free download - Passport Handbook from Site Safe.

This handbook is designed for workers on a construction site but has valuable information that we can all use at any work site.

This handy pocket-sized guide is a great introduction to the basic health and safety information every worker should know. The Passport Handbook is designed to give workers essential entry-level information about some of the risks they face on-site, equipping them with easy-to-use tools and resources to identify hazards, manage risks and improve safety culture.

To download your copy, you can go to: http://bit.ly/2Ek8GOM





YOUNG PLUMBER OF THE YEAR 2018

The Plumbing World Young Plumber of the Year competition has officially kicked off for 2018!

Registrations are now open, our new website is moments away from going live (check us out at www.youngplumbersclub.co.nz) and collateral will be in branches and sponsors very shortly.

We are very thankful to our family of sponsors below, your support for this initiative is second to none!

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If you would like to keep up to date with everything Young Plumbers Club, make sure you follow us on

Facebook: www.facebook.com/YPCNZ/ or

Instagram: www.instagram.com/plumbingworld_nz/



WAHOO FISHING COMPETITION

What happens when you take 10 plumbers, fly them to a Pacific island for a week, and set them up with fishing gear and expert local skippers?

A literal ton of fishing!

This year's winners of the Wahoo Fishing Competition netted a whopping 1.06 tonnes of catch during their all-expenses-paid experience in Niue.

Plumbing World and Rheem were proud to host the event for the sixth year running, to reward our loyal customers with a once-in-a-lifetime adventure.

The group flew from Auckland to Niue on November 4, and were up before dawn the next morning to jump on small boats and head out on the water.

The skippers held their own competition, with each using his local expertise to choose the best fishing spot for the day for their Kiwi passengers to catch a big one.

The choppy seas were no obstacle for our competition winners, hauling in an 81kg marlin, and dozens of massive wahoo and blue fin tuna, which weighed in at up to 28kg.

The group spent a full four days out on the water, with a few rest days on dry land to enjoy the small island's cuisine and culture, and spend time among the friendly Niuean people, who were eager to welcome the Kiwi "fishos".

They stayed at the luxurious oceanside Scenic Matavai Resort Niue, an idyllic getaway spot with stunning bay views that topped off the extraordinary trip.

Rheem's commercial manager Paul Watson, who accompanied the winners to Niue, said it was an awesome event, and a great opportunity for the Kiwi plumbers to unwind and enjoy a unique fishing experience. "Every year, it's a thrill for Rheem to partner with Plumbing World to host this competition for our customers," he said.

"We're proud to be able to invest in Niue by running this competition and to bring a significant short-term investment to the island. It's great to see the customers and the locals working together – and catching lots of fish!"







Andrew Thompson reeled in an impressive 81kg Marlin.

He certainly ticked that off his bucket list!

PAYING IT FORWARD

A long standing customer of Plumbing World, Mr Derek Upton, recently retired (really retired not just slowed down) and decided he wanted to help out a young apprentice by giving away all of the tools he had built up over a 50+ year career.

Derek Upton started his apprenticeship in 1945, at the tender age of 14, back in England. Things were different back then. He emigrated to Christchurch in 1958 where the first project he worked on was the Harbour Board building in Madras Street. He had a wide ranging career, and finally retired (sort of—just the odd job here and there) in 2013, aged 82. His career as a successful self-employed plumber ranged over 40 years.

Finally in late 2017 he decided to retire (actually retire) and he wanted to give away his tools.

Derek came to Plumbing World to seek our help in giving away his tools to a young apprentice. We reached out to our network in Canterbury and ran a draw on his behalf. Derek drew the final winner who was Alex Alsayyad, an apprentice for Belfast Plumbing. Alex was overwhelmed to receive his prize, a treasure trove of tools and Plumbing World was very happy to be able to help Derek in his act of generosity.





LONG SERVICE

A few months back, Les Philpott from Plumbing World's North Shore branch achieved an amazing milestone of 50 years employment with Plumbing World; giving Les the title of the longest standing employee (with a couple of close followers).

For most, 50 years is an incomprehensible number to be with a single employer. Les started at the young age of 14 and has spent 46 of his 50 years working in Palmerston North in various roles including Branch Manager. Les also had a lot to do with Support Office and the trialling of new systems.

His absolute passion and goal is to come to work and make a difference. Les is not yet ready to retire, he still has lots to offer Plumbing World and as long as he can continue to work and make a difference, he will keep on working.





Plumbina World GM.



Les Phillpott with a selection of his uniforms from the last 50 years.