

An Energising Evolution

Rexel Holdings Australia is reinvigorating and revamping its operations and relationships with an eye on sustainability and innovation.

Images by Scott Ehler

As the Australian arm of one of the world's largest professional distributors of products and services for the energy world, Rexel Holdings Australia is drawing on its local and global expertise to re-energise its processes and strategies. Guy Picken, Managing Director of Rexel Holdings Australia, sat down with *The CEO Magazine* to discuss the evolution of this innovative company.

The CEO Magazine: How did you transform Rexel Holdings Australia since becoming MD in 2006?

Guy: Well, it's a work in progress. The genesis, if you like, was bringing together all the assets in Australia under one-country management to build a stronger front in the face of rising competition. It was a positive move, not just from a commercial perspective but also from a communications point of view as it has facilitated a strong cross-working culture between the different Rexel brands and across different geographical locations. Many of the Rexel brands had not worked together before and probably hadn't wanted to work together—but there's nothing that galvanises people more than a common enemy!

We started off in 2006 in response to rising competition from a breakaway faction of the business, which allowed me to motivate the teams to work together, probably two or three years earlier than originally planned. We encouraged collaboration in order to reinforce our position and market offering. Following this, we decided it was a good moment to start integrating the businesses. That was a gradual process. Today, we only have one head office rather than the six or seven we had to juggle in the past. This has helped to simplify the decision-making process and vastly improved communication. After acquiring and consolidating three companies in 2007, we entered what I would call an evolutionary phase. Faced with a market and business dynamics that were changing quite dramatically, we had to learn to constantly evolve our business strategy to keep ahead of the curve.

How has the distribution model changed since you came on board?

We are slowly moving away from the traditional distribution model of selling products and nothing else, to a service-led model where we can add value to our clients' businesses by offering solutions that respond to changing market needs. As the link between all

major stakeholders in the industry, from mining companies and electrical product manufacturers, to electrical contractors, installers, and the end consumer, our position in the market is unique. With the growing convergence of technology and the energy world, we recognise that we have a pivotal role to play as a facilitator of innovative 'smart' solutions and services that go far beyond the traditional distribution model. We are in the process of developing more than 100 technology centres that will allow us to showcase the latest technological developments in the industry, allow our customers to improve their knowledge of these innovations, and understand how we can help them drive value for their businesses.

How have you identified and led market shifts during your time at Rexel?

Rexel, like many distributors and industry manufacturers, enjoyed the fruits of the mining boom. But most of us were just market participants without leading any change, and I do not believe any of us significantly differentiated our service offering. Since 2012, we've been focusing on moving into professional distribution. What that means is we are setting up distribution >



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centres of around 7,000 to 10,000 square metres to support our branch network.

These warehouses will employ 50 to 100 people and will be able to guarantee the supply of up to 15,000 product references to all our customers overnight, with the promise of delivery in full of 95 per cent or better. That stands against an industry norm of about 4,000 items and about 85 per cent delivery in full. In practice, this means delivering 14,250 items in any 24-hour period instead of 3,400, an improvement of about 420 per cent!

We want Rexel Australia to be unmatched in terms of service. We are excited to announce the launch of our first distribution centre, which opens in September this year. We cannot claim to be the market leader yet in this field, but these changes take time, so if anyone wants to catch up with us they have a long way to go.

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How do you communicate and collaborate with your team?

As a relatively small senior team, our meetings tend to take the form of informal catch-ups. We often organise roadshows for our state teams, and have all the state managers gather four to five times per year at our head office.

Across the group, other than the standard email and telephone, we are increasingly using Skype or other online technology when a physical meeting is not possible. Nevertheless, in my humble opinion, there’s nothing like a face-to-face meeting. If you want to inform, email is great; if you want to inspire, it’s a hopeless mechanism. If you want to inspire and share a vision, it has to be face to face. We also receive news regularly via newsletters or the group intranet, ‘One’.

How do you work with suppliers and strategic partners to ensure success?

First of all, you have to share your strategy, so there has to be openness, transparency, and trust in the relationship. With our key suppliers, we always try to explain and share our vision so that they understand where we are going. In terms of supply chain, any technological updates we make to improve our efficiencies with our clients means they need to be on board in order to keep pace and ensure every step of the supply chain is fully optimised and successful.

It is not a hard sell, after all. What they end up with is a more effective and efficient distributor. We want our supply chain to be the lowest-cost supply chain in the industry, and our manufacturers are very happy to embrace that.

I think they are also enthusiastic about the changes we are making to our business by becoming more service led and improving our distribution model. By adding value and building business for the electrician—not just servicing

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it—we are creating greater demand in the market, which is good news for everyone. Suppliers see that as an opportunity to showcase and expand their product sales.

I’ve heard that social responsibility is something you take quite seriously. What initiatives have you implemented in that respect?

From a global point of view, we are a signatory of the United Nations Global Compact, which demonstrates our commitment to being a responsible player both with regard to our employees as well as all our stakeholders. Last year also saw the launch of the Rexel Foundation for a better energy future, which seeks to raise awareness and improve access to energy efficiency for all. From a local point of view, one of things we want to put in place by December 2015 is an energy efficiency corner in each of our 119 outlets. These will allow home owners to come in and discover a range of energy-

efficient solutions and help the wider community understand how they can save energy and reduce their carbon footprint.

We are also retrofitting the lighting across our own stores and distribution centres in recognition of the fact that we must lead by example and practise what we preach. To do this, we have employed the latest in lighting technologies, from lights that sense movement and turn off when you’re not there, to daylight-harvesting technology, which mixes natural light and artificial light to get the optimal lighting level.

Where do you see the industry and Rexel Holdings going?

Having worked in the industry for more than 20 years, I can confidently say that this is definitely the most dynamic time I have ever seen; the rate of change is huge. All we can do is keep our eyes open, listen attentively to our customers,



and constantly challenge what we do to ensure we build long-term, sustainable solutions.

For a very long time, our customers have all wanted the same things: stock availability, efficient deliveries, knowledgeable staff, good prices, and price consistency. Those things remain unchanged. But as technology shifts and the energy world becomes more complex, they’re also looking for suppliers that can be trusted advisers to them and provide them with easy-to-use, customised solutions. Rexel is doing that right now. •



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