

Business Case

World Moving and Storage Ltd

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Table of Contents

Table of Contents	2
Executive Summary	3
General Company Description	4
Values	4
Vision Statement	5
Mission Statement	5
Company Background	6
Workforce	6
Organisational Structure	7
Current Services	8
Delivery of Services	9
Performance Measurements	11
Industry Regulations	12
Strategic Alliances	13
Other Key Relationships	14
Competitive Position	15
Critical Success Factors	18
Opportunities now & in the near future:	18

Executive Summary

World Moving & Storage was established in April 2004 by Raymond Dobbe who had a vision 'to create a company with stand alone, different employment and service standards than the industry norm'. Raymond has been self-employed since he was 21 and has successfully developed and managed three start-up businesses.

David Williams purchased ownership in the company in 2007 after a 20 year stint in the United Kingdom, including 10 years in General Manager roles with large, British removal companies, managing up to 200 staff.

Today the vision for World Moving and Storage is "to continually learn and strive to be the most reputable business and employer in our industry, whilst creating financial sustainability and opportunity for our shareholders and our employees". We bring this vision alive through our strong values (Pride, Attitude, Respect and Trust) these values are the basis of all our decision making and everyday communication".

World Moving & Storage won the Award for Excellence in Training & Development at the Westpac Auckland West Business Awards 2011. Following this the company was instrumental in working to develop and implement a National Certificate in Relocations for the entire industry.

"We have broadened our focus from investing in staff development to also increasing staffing levels with a huge emphasis and investment on culture, without doubt, it has paid off. Since our previous award in August 2011 and being a finalist in 2012, we have increased annual turnover by nearly 50%," says Mr. Dobbe.

General Company Description

World Moving and Storage (WMS) is a privately owned service provider within the furniture removal industry. There are two directors Raymond Dobbe founder and David Williams. The business has been operating for over nine years going into its tenth anniversary.

Company Ownership

Raymond Dobbe – Established the business in April 2004 to create a company with a better-than-standard industry norm.

David Williams – Purchased 40% of the company in 2007 after spending 20 years in the United Kingdom (UK), including 10 years as General Manager at one of the UK's largest International removals company.

Values

“The values that drive our winning culture are focussed on our business and people principles of – **P**ride **A**ttitude **R**espect **T**rust – P.A.R.T. “ Raymond Dobbe.

WMS walk and talk these values every day. They are on the walls of the office and in the warehouse for everyone to see including staff and visitors to the business. The staff communicate in teams the positives and/or negatives that happen day to day, the four words of P.A.R.T. are incorporated into the = key messages and learnings for the organisation.

Vision Statement

World Moving & Storage will strive to be the most reputable business & employer in the removals industry in New Zealand whilst creating financial sustainability and security for our shareholders and employees.

Mission Statement

Company Background

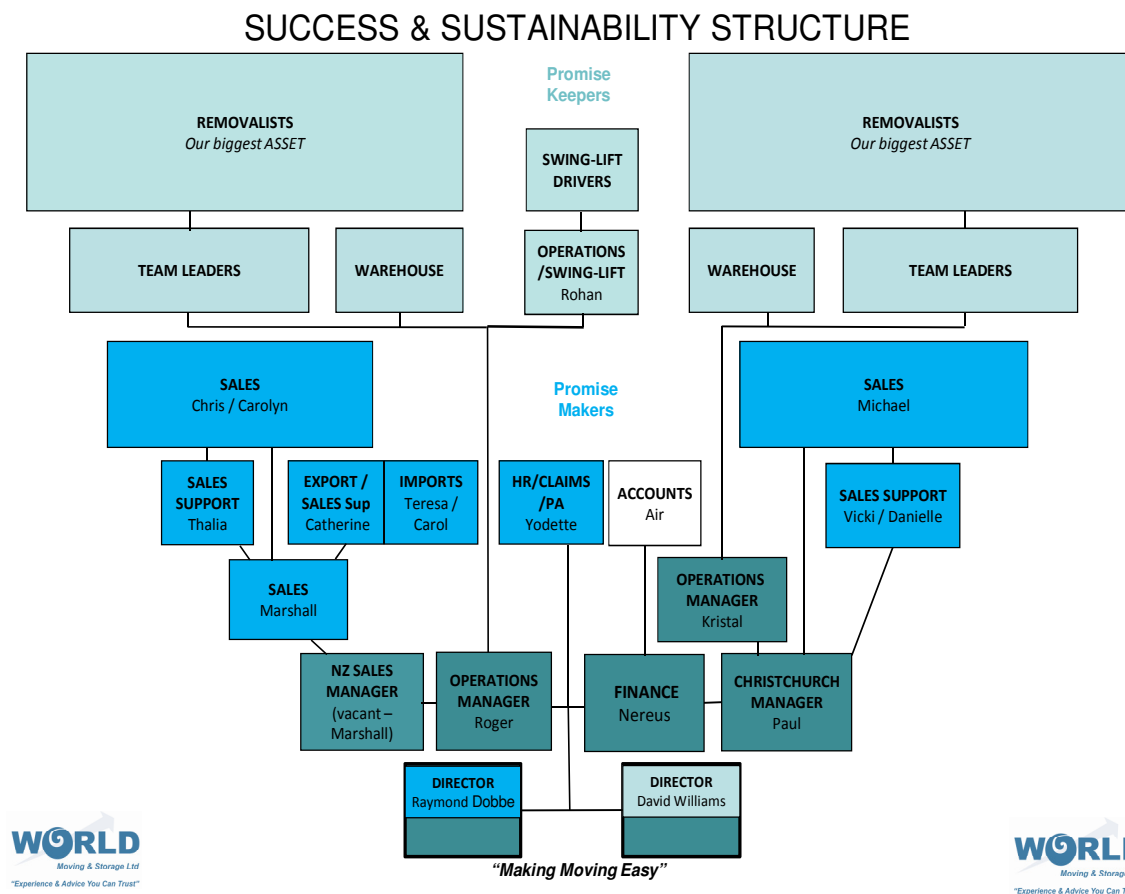
Workforce

World Moving Services (WMS) prides itself on being the only company in its field that employs **all** staff on full time employment contracts. Because of the unique nature of the Christchurch employment market, like all industries there, WMS have challenges in recruiting reliable staff with the right attitude in that market. There are currently four staff in Christchurch that were recruited through an employment labour hire agency. These recruits, past the WMS three month contract with the agency and will now be offered full time contracts.

Workforce Make up		
	Auckland	Christchurch
Owners	2	
Managers	3	2
Administrators	2	2
Sales	4	2
Import/Export coordinators	3	
Operational	18	17
Agency		4
	32	27

Organisational Structure

WMS have a chart structured differently than most companies. They believe their success and sustainability comes from their front line staff (their biggest assets). Front line staff “keep the promise”, they make or break a client’s removal experience. It is that client experience that drives valuable referrals in a very competitive unregulated industry.



Current Services

WMS is a service provider in the furniture removals Industry. There are four different income streams;

Local removals across town or anywhere around New Zealand (NZ). This can be anything from two honest men and a truck to a full door to door service that includes professionally packing the entire house, relocating everything to the new house, cleaning the old house and the new house, unloading and placing the furniture, unpacking, making the beds and setting up the entire house, coordinating all the utility services to be changed including Sky TV, Newspapers etc, hanging the art and finally placing flowers to finish making the new house a home.

International Removals– Export Services. A full door to door service including many services from the Local moving but also including, NZ customs documentation, shipping costs and documentation, destination port costs, destination custom and quarantine services, delivery and placement of furniture into their new house. Full packing and unpacking to a different standard and requirement is required for international shipping – all WMS staff are formally trained to perform this service.

International Removals– Import Services. This is selling client handling services to overseas partners. These partners contract WMS to process and look after their clients that they are relocating to New Zealand. This includes customs and quarantine formal clearances, utilising their two bonded warehouse facilities, collecting the containers from the ports, delivering and unloading the furniture into the clients new homes, unwrapping the protective wrapping and recycling the waste. WMS's purpose built Auckland facility also handles complete vehicle clearance and quarantine cleaning (a competitive advantage over the immediate competitors). WMS manage all areas of New Zealand on behalf of overseas partners.

Storage– WMS has its own purpose built 26,000ft warehouse in Auckland, at the same location as the head office. Storage is offered to all clients pre, post or during their relocation. Christchurch has a 10,000ft leased facility, but also utilises over 200 leased 20ft shipping containers within their yard and at client's residence for short and long term storage.

Delivery of Services

A/ **Local removals** are done with company owned, dedicated furniture vehicles and by their full time, professional removalists.

International Removals - Export WMS utilise professional removalist to pack and wrap the clients personal effects, then load the shipping line owned containers, complete the NZ shipping and customs documents and prepay the shipping to the destination country. The strategic partners abroad take over the destination services which include local custom and quarantine clearances, collection from their ports, delivery to the clients new house, unload container and placing in the rooms, unwrap and unpack, removal of rubbish. There is focus on a personal touch.

International Removals – Import Most of these removals are controlled by International partners, 97% of the time the partners sell the removal to the transferee and complete all the origin services and pre pay shipping. They collect most of the fees, choose to use WMS professional services and facilities, and pay WMS for services here in New Zealand at the end of the job. WMS usually only collect some local charges for things such as quarantine inspections, customs duties if applicable and any ancillary services like storage, cleaning, extra handling or premium unpack and house set up services.

WMS take control of the shipment form when it arrives at a NZ port; - collect the container from the port, customs and quarantine clear, coordinate the inspections, deliver to the new residence,

unload the container into the house and place in rooms, unwrap and unpack, then remove the packaging rubbish which is often recycled within the business or put into recycling bins.

Storage WMS's storage is suited only for clients that are moving, not for people who require self storage with regular access. This is because the storage is within the New Zealand Customs and MPI bonded facilities. The storage will usually be a component of the clients move while they are waiting for their house to be repaired, refurbished or while they are out of the country for a period of time.

B/ As the business gains years of experience and its internal culture and experience has developed, word of mouth is increasing in particular from past clients who are extremely satisfied. Other ways that clients are drawn into the business are through:

- Radio advertising –monthly campaigns with Radio Networks \$3,000, Mediaworks 2,500 and Radio Rhema \$1,400
- Yellow Pages – Print version (though smaller ads in recent years) and online Yellow \$580 month
- Google AdWords - \$2,900 monthly spend
- Search Engine Optimisation – monthly spend \$1,000
- Direct relationships that are visited and developed weekly by salespeople to Freight Forwarders, Real Estate Agents, Self Storage Facilities, Rest Homes.

Market Information

Auckland: the Auckland target market includes the 28 year plus market. This demographic would typically be self-employed, in well-paying careers or management positions who want

their total removal looked after for them, and are prepared to pay a fair price for an honest and reliable service.

This mid to higher end market is targeted by WMS due to their unique internal ethical and legal employment structure which does not allow the business to compete, price effectively with lower priced removal companies that are prepared to pocket cash and pay casual staff under the table.

Christchurch: This is a new branch and predominantly completing local removals which include a higher than normal storage component while the clients house is being repaired by EQC or Insurance companies. Their main focus is currently around the earthquake rebuild where EQC or Insurance companies are predominately paying the bill.

WMS have two key clients that they have formal contracts with. This has proven to be a great opportunity to grow the business while allowing them to introduce their company and services to the newer market.

Lumley Insurance;are a key customer for the Christchurch branch. WMS have a formal contract as their preferred supplier for the Lumley Rebuild department. Lumley were **responsible for 34.8% of that branches turn over.**

Earth Quake Rebuild (EQR);are a key customer for the Christchurch branch. WMS have a formal contract as their preferred supplier for their rebuild department. EQR were **responsible for 34.6% of that branches turn over.**

Performance Measurements

A strategic plan is developed and formally reviewed on an annual basis. Within this strategic plan the key performance indicators (KPI's) or key targets for the organisation are set which

includes all of the functional targets. These are then transferred to a short term action plan where individuals are responsible and accountable for functional areas. These plans are monitored daily, weekly and more formally within monthly management meetings.

Other relevant reports include;

- Daily Cashflow reports
- Monthly Profit & Loss reports that include creditor accruals – presented by 12th of month following
- Staff engaging and satisfaction surveys – 4 monthly
- Client Performance Reports sent to every client once their removal is completed
- Each and every job has a budget and all costs are allocated and reviewed against budget
- Each job has a KPI sheet produced beforehand so that man hours and products required prior to the job can be planned and resourced. Actual hours and products are inputted post the job
- Daily and monthly graphs are produced from these to monitor the overall operational performance and each staff member's individual productivity. Peer competitions and bonuses are born from these results also
- Annual Performance Reviews on all staff.

Industry Regulations

This industry is tough to compete in because of the very low financial, legal, regulatory and employment ethics entry points. For the company's sustainability, credibility, staff development and to foster the company values and positive culture, WMS exceeds what the industry terms "normal". There is no formal national body for this industry.

- H & S – WMS are an ACC accredited Level 2 business
- Staff work towards a NZCA Level 3 National Certificate as part of the training and development plan.
- WMS is registered with Auckland City Council's Recycling & Sustainability Programme – working toward official, worldwide accreditation by September, 2013
- Driver Licencing levels for differing trucks and machinery
- Driving Hours regulations
- Carriers Liability Act
- Employment Law (our industry somehow is overlooked in this area usually, with many, even the large brands, employing operational staff on illegal casual contracts or cash whilst on benefits)

Strategic Alliances

- Shipping Lines
- Overseas Partners that send freight to WMS and look after the clients sent to them when they move abroad.
- Packaging Suppliers
- Fuel companies
- National Road Carriers Association
- IAM International Association of Movers. WMS are members of a worldwide network of trusted partners. They meet each year at a USA based convention to strengthen relationships, share developments, sell NZ Import services and look for new opportunities

Other Key Relationships

Overseas Partners - Imports:WMS have a network of international partners that use their services to look after their clients once they get to New Zealand. WMS coordinate all the customs and quarantine clearances and coordinate deliveries etc. **This was worth over \$1.35mil t/o last year.** Plus WMS get storage income and the opportunity to move that client again once in New Zealand.

Trade Partners: WMS have a number of smaller companies around the country that will use their International services to ship overseas or import into New Zealand.

If trade partners have their own containers coming to New Zealand, WMS will do the physical handling of them (collect from port and delivery services to clients). If the Trade clients have exports consignments – WMS will receive them at their depot and ship (consolidate) with other smaller shipments in a larger container, saving everyone money. Often WMS will export pack for them also.

These are great “fillers” for WMS’s own consolidation containers and for their operations diary **contributing over \$300,000.00 to turnover last year.**

Lumley Insurance:are a key customer for the Christchurch branch. WMS have a formal contract as their preferred supplier for the Lumley Rebuild department. Lumley were **responsible for 34.8% of that branches turn over**

Earth Quake Rebuild (EQR):are a key customer for the Christchurch branch. WMS have a formal contract as their preferred supplier for their Rebuild department. EQR were **responsible for 34.6% of that branches turn over**

Competitive Position

WMS are the new kids on the block but already the 7th largest within the Auckland and Christchurch market outlined in the table below. It is not the intention to be the largest company within the industry but rather consistently deliver on quality and have the highest customer satisfaction level possible. Evidence suggests that the WMS damage and theft level is the lowest among competitors aligned to our promise on quality and customer satisfaction.

World moving & Storage's Competitive Position - AKL & CHC markets		
Local and International Movers		
1	Crown Worldwide	Founded in 1965, offices in 55 countries. Worldwide Revenue us\$590
2	Allied Pickfords	Founded 1630, offices in 36 countries Worldwide revenue us\$700
3	New Zealand Vanlines	Rebranded by current owner in 1986 - NZ largest privately owned
4	The Moving Co	Privately owned founded 35 years
5	Conroy	Founded 1972, NZ privately owned, 8 branches inc 4 Australia
6	New Zealand movers	Owned by The Moving Co, 5 branches
7	World Moving & Storage	Founded 2004, Privately owned, 2 branches, \$7.9m t/o
8	Grace	Franchised in NZ, Head office Australia, owned by Crown founder
9	Transworld	Privately owned, 4 branches
10	AA Carriers	Privately owned
11	John Scott	Privately owned – also have Auck Grace Franchise
12	Budget Movers	Privately owned – targeting clients as per their name

	Feature	Advantage	Benefits
1	All staff are trained to achieve NZQA, National Certificate . All personnel are trained to NZQA standard for packing, shifting and removal of domestic and commercial furniture	Highly trained staff who are proven professionals. These staff have already been employed for over two years before starting the National Certificate process. This reinforces the company's commitment to the continual upskilling of staff for quality service delivery	We have a highly qualified, skilled workforce professionally trained in the packing and moving of your personal items. We are proud to have a stable, long term team with a low damage rate to provide fast, efficient moves.
2	We attract a significant number of positive feedback testimonials on an on-going basis.	A history of very satisfied customers who have felt compelled to offer positive feedback and reengage World Moving & Storage for repeat business.	Our operational people deliver on our sales people's promises - you may wish to take a look at these customer testimonials, at your convenience. They say more than we can.
3	The only company in the removal industry which can claim all staff have full time employment contracts	Emphasises commitment to retention of staff and to customers.	We have fully qualified personnel who know and understand what is expected of them in terms our company's culture, procedures and values
4	All staff have been through a rigorous interview process including police checking and induction procedures	Reduces risk of potentially problematic, uncommitted staff who do not understand the company culture	Our management team actively addresses and mitigates the issue of theft by police checking and rigorously interviewing all new staff
5	The only New Zealand removal company authorised to complete UK Military moves and one of just two that have been awarded US Military move certification	The company has developed and implemented leading, specific systems and process management procedures to retain the military business	All our customers are able to experience and benefit from the systems and procedures which have been developed to provide top quality assurance for the military.
6	Provision of a full, nutritious breakfast every day for all staff	A good nutritional start to the day makes staff more alert, motivated and positive. It adds to the team culture and creates a highly energised workforce in the physical sense.	We feed our team a full nutritious breakfast every day. That means we have an energised team who are alert, focused and efficient. For our customers this leads to less damages and faster job completion, plus of course very happy and positive team who appreciate their work environment and will serve our customers well
7	A modern fleet of vehicles which are serviced and safety checked every Monday by an	Reliability, cleanliness and Less emissions	Our customers' products are transported in safe, reliable, clean vehicles. We have the utmost respect for our customers' household goods from packing through to the delivery.
8	Environmentally Friendly . We are enrolled with Auckland City Council and the EMA for continuous internal improvement on their certified Environmental	We undertake best practice for waste management principles and are looking for new ways to continuously improve environmental standards and sustainability across the company.	A knowing that we are actively contributing to a cleaner environment in New Zealand through proactively improving everyday environmental practice, employment and business sustainability. This gives our clients a great sense of security that we will be around in the future too.
9	Westpac Business awards and recognition two years running.	Proven systems and financial stability that have, over time been measured against and excelled against it's peers	We have staff who are proud that their workplace excellence that has been recognised and rewarded. Customers can confidently engage with a business that has proven systems, financial stability and business ethics that have been recognised and commended for externally.
10	We are a family owned, New Zealand business with a strong, community set of values .	Customer supported New Zealand enterprise which prides itself on being socially responsible and which gives back to the community.	We are a family owned, NZ business with strong values of integrity and community.
11	We have dedicated, skilled people and systems for best practice globally via strong international contacts and networks	Detailed knowledge and understanding of export markets	You can move your personal possessions anywhere in the world, as we have extensive personal knowledge of countries and our global connections, who are accountable.
12	The only company which uses door jam protectors and gloves . Floor protectors are also used where necessary.	Minimises risk of damage and provides extra confidence for customers	Natural palm oil will not mix with dust and create mess on furniture and beds. Minimises the chance for doors and walls to be damaged. A greater quality assurance for customers, using a professional approach.
<p>Our business and people values that drive our award winning company culture are focussed on:</p> <p>P.A.R.T. – Pride. Attitude. Respect. Trust.</p>			

Critical Success Factors

Key Challenges

Internal

- Full time employees due to cost in downtime, business is seasonal therefore fluctuations in revenue and cash flow in certain times
- Sales team conversions require improvement
- Lack of consistency in some systems, there is plenty of data that requires more analysis
- Marketing strategy needs review and development for growth in identified market segments
- Business is seasonal therefore fluctuations in certain times

External

- An unregulated industry
- Competition
- High dependency on two clients in Christchurch
- Economic downturns and exchange rates
- Government intervention in Christchurch Rebuild.

Opportunities now & in the near future:

Priorities for the longer term 3 to 5 years (Broad Strategies):

Priorities for the next 6 – 12 months (Action Plan):