

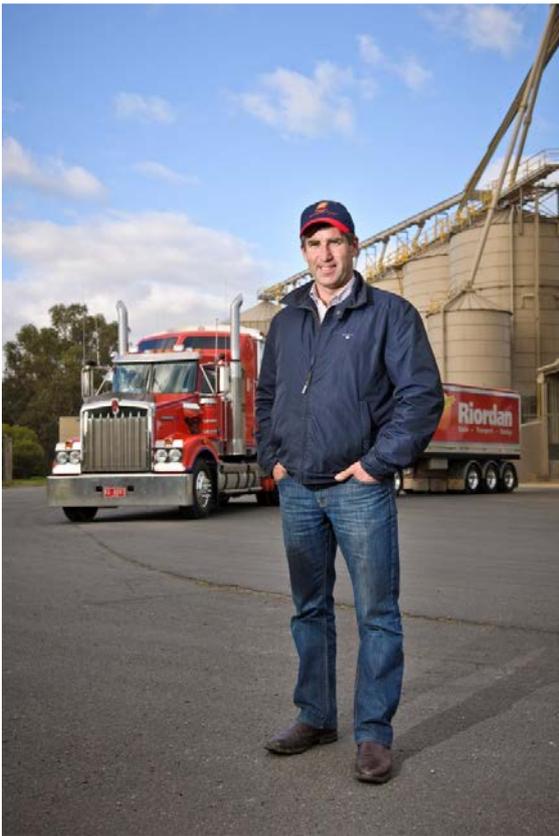


Riordan Group Pty Ltd

Business Snapshot

Riordan Group Pty Ltd: Grain Logistics Business;

- Began in 1996 at Winchelsea and was founded by Jim Riordan as sole operator.
- Operates out of 4 sites in Lara and a co-jointly owned site at Balliang East
- Provides the full grain logistics service from farm gate to the customer's facility.
- Is structured on four separate but integrated divisions: transport, storage, accumulation and merchandising.
- Has maintained significant growth over its 17 year history.
- Turnover was in excess of \$130,000,000 in 2012.
- Employs approximately 35 full time staff and a further 70 to 80 as subcontractors or casuals depending on the needs of the business at the time.



Jim Riordan started what grew to become the Riordan Group as a sole transport operator, with one truck, in 1996. From day one he had a plan to capitalise on an opportunity he saw to cart and store grain for farmers in the Western Districts of Victoria. By capitalising on this opportunity and acting before others he was able to expand his business into New South Wales and operate successfully in a regulated market. In those early days, doing the long miles and meeting farmers, talking to them about their crops and learning about their needs, helped Jim establish his reputation and build up his contracts with growers and with operators of storage facilities.

What has been Jim's strategy to maximise success and minimise risk?

Spread the investment

Jim operates his transport division on a ratio of 30% Riordan Group trucks and 70% sub contractors. Jim has found that this ratio means that the business is not too heavily invested in trucks and by using subcontractors he can balance transport capacity with supply variation, for example, during years of drought when he did not require as many sub-contractors. In addition, branding on Riordan Group trucks keeps the business visible to existing and potential customers.

Create a Board, Advisory Group or have a business mentor

Jim formed an advisory group to help guide his business early on and as the business developed those advisory group members had the opportunity to become shareholders in Riordan Group. Jim credits his Board for helping him to maintain focus on the business by not only reviewing the monthly

accounts but also regularly reviewing the strategies and goals they have developed for Riordan Group, as well as assessing the opportunities and risks the business faces.

Forming business relationships

Work in with those businesses who compliment your business, to your mutual benefit. Make sure they know how you operate, what you expect of them and build good business relationships. Over time Jim has used this approach to work effectively with a network of private grain storage facilities throughout Victoria and New South Wales, with growers and with transport subcontractors.

Seek external advice

Seek advice from people you know, those that have the experience and skills you need and whose judgement you trust. Jim has had a number of people contribute significantly to the growth of the

Riordan Group. Growing up in a second generation business family gave him first-hand experience of the challenges and rewards that the business owner experiences. Jim rates the support, commitment and understanding of family as very important to his ability to operate as a successful entrepreneur.

Think out of the square

Run the business as an entrepreneur; be on the lookout for opportunities as well as threats. Time your investments and use debt or lease arrangements to your advantage and to maximise the return on investment for the business. In Jim's case when he sought to substantially increase his storage capacity he initially leased and then purchased a storage facility when the business was able to service the debt. This decision gave the business the opportunity to increase its holdings or to lease out the facility.

Business diversification

As the business grows try to aim to diversify the business model to be responsive to, as well as to meet, the needs of the market whilst operating a profitable and sustainable business. The Riordan Group offers end to end grain industry logistics; it has also been a grain trader locally and internationally but is planning to adjust the business back more to logistics. Balancing the business mix is a strategic response to meet the changing face of the grains handling industry. Riordan Group comprises transport, storage, accumulation and merchandising divisions.

Business organisation /structure

Know your business organisation; know its changing needs in people and systems as it grows and develops; then put the right people and systems, like computer systems, in place as they are needed. As an example Jim talked about starting out with computer software that was fine in the beginning but struggled as the demands on it grew as the business grew. Then it was a case of employing the right person to find, install and then run a computer system that would support the growth in Riordan Group.

Business roles

As the business grows, understand that your role as the business founder will change. Jim gave the example of learning to take a step back and to let people do their job and take the decisions appropriate to their role. This is where a balance needs to be struck between developing staff and acting quickly and decisively enough to seize opportunities. Jim has also been actively involved in associations that relate to his business, such as the Transport Association and the Victorian Grains Industry Board and as a Director of the Grain Trade Australia Board.

Final word...

Quoting Jim: *"I think that's the entrepreneurial difference for some people to survive, and some that won't...you've got to make hard decisions...You've got to make tough decisions to survive. That I think in itself is one of the big differences between someone that is entrepreneurial and someone that's not. It's timing and toughness to make the tough decisions if you have to."*



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