



Business Snapshot – Think Fencing

- Think Fencing was established in 2001 with Jack as a sole trader and took on company status in 2009.
- Think Fencing is based in Portarlington, Victoria on the Bellarine Peninsular. The site incorporates the PVC mixing, blending, forming and fabrication processes and a brand new storage facility for the finished product.
- Think Fencing designs, develops and manufactures a range of specialist PVC fencing systems for domestic, rural and equine applications.
- Think Fencing is currently developing an online design and ordering platform to enable customers to design their own fencing solutions and order direct from the company. The customer's order will then be manufactured, packed and delivered direct to the customer. This linked up model provides a true end-to-end process incorporating marketing and customer relations.
- Turnover is currently \$ 2 million per annum.
- Think Fencing has grown from the early idea of a 16 year old teenager developing a single product to protect horses from plain wire fencing, to a multi-product line business attracting Government innovation funding in 13 years.
- To learn more visit think Fencing's website at: <http://www.thinkfencing.com.au/>



Jack Fitzgerald is ‘the’ hands-on entrepreneur. Jack is involved in all aspects of his business from product design and development, recruitment, business planning, financials, marketing, customer relations to production, storage and logistics, he is across it all. Jack is passionate about Think Fencing products, his team, what has been achieved so far and in its future prospects.

What has been their strategy to maximise success and minimise risk?

Early beginnings

Jack started out on his business journey as a 16 year old school boy. With his parents’ encouragement and some old machinery sitting about in the shed he developed his first fencing product Wia-Coat. He wasn’t setting out to be an entrepreneur; he wanted to come up with a solution to help horses from colliding with plain wire fences by increasing the visibility of the wire strands after an accident with one of his mother’s horses. Neighbours saw it and encouraged his efforts.

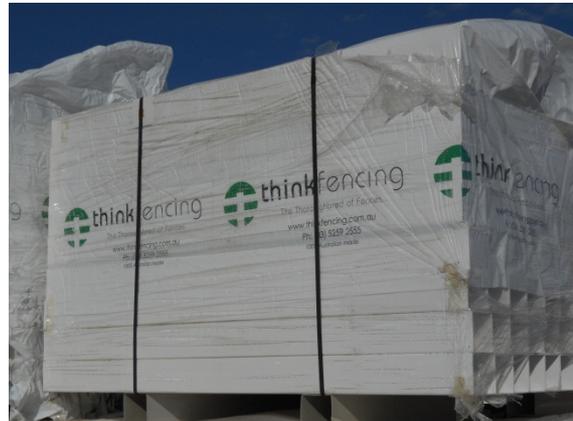
Through a neighbour, Jack’s story was written up in the Weekly Times and then people started placing orders for Wia-Coat. Jack puts his initial turnover at about \$1200 per year for the first few years. Jack started out from the beginning with a business plan: it outlined the product he had to sell; who he was going to sell it to; how he would market it and his costs. This early business plan could fit onto a single A4 sheet of paper.

As the business grew and the product range expanded, future business plans have changed to suit, but their importance for Jack has remained imperative.

Maintaining competitive advantage with foreign imports

Jack is well aware that competing with cheaper foreign-made PVC fencing products is not easy, but it is achievable. Think Fencing has specialised in producing fencing products from PVC and composite materials. It has looked for efficiencies by centralising the blending, manufacturing and storage facilities at one site. A sub-distribution site was trialled but in the end it was decided that it was more efficient to have the whole operation out of one site.

Think Fencing uses an Australian supplier of raw materials and has built up a great working relationship with them over the years. To reduce costs of raw material Think fencing blends powdered components



rather than buying pelletised product. The extrusion process is also heavily automated with one operator overseeing the work of four machines. This business model keeps Jack close to the day to day operation of his business. It allows him to keep control of product quality from sourcing raw material to finished product as well as having immediate feedback on manufacturing, marketing and distribution.

When it comes to transport and distribution of the fencing components Jack contends that local manufacturers have an advantage over their foreign competitors because they are closer to the customer. In the case of pipe (hollow) products which have a large percentage of their volume as a void, overseas manufacturers are, in effect, transporting air over long distances.

Research and development is a key component to Think Fencing’s strategy to stay competitive in the market. New developments in the product lines to increase the markets available to them, generate extra usefulness to the customer and improve the product characteristics whether it be colour, design, longevity and features demand that Think Fencing is continually innovating and responding to customer input. The latest example is the development work on the web based design and ordering system – it provides added value for the potential customer, by giving them the ability to try out different design options and colour schemes overlaid on images of their property and lodge their customised order direct with Think Fencing. For the business it has the potential to increase sales by attracting and engaging new customers as well as increasing efficiency in lodging and paying for the order.

Product development

Taking the design evolution of Think Fencing's equine fencing systems as an example you can see how the original concept, Wia-Coat, a PVC capping strip that fitted over existing plain fencing wire to enhance its visibility to horses, was superseded by Equi Rail a 120mm wide composite PVC and wire designed to replace the top wire altogether and provide extra visibility as well as give and a high breaking strain to further protect a horse in the event of collision. The next development was to modify the Equi Rail concept to incorporate the ability to electrify it and Zapper Rail was born. Developing these products posed their own design challenges but also allowed Jack and his design team to build on the lessons learnt from the previous products. The current product development around the equine industry sees Think Fencing negotiating with racing tracks here and overseas to supply an innovative system of composite impact absorbing running rail and break away posts designed to be safer for both horse and jockey.

To develop their composite post and rail fencing in very dark colours the Think Fencing design team had to find a solution to the distortion caused by high thermal expansion of the rails on hot days while improving its UV stability. Their solution was to incorporate nano-particle technology originating in the defence sector to reflect heat and avoid the thermal expansion and to use the latest polymer technology originating from the aerospace industry to provide outstanding durability to UV radiation.

"Like I say I've only mentioned a couple of products that have worked really well in between them there were probably about 10 or 15 that failed miserably but you've got to learn to sort of identify when a product is going to be a failure and try and bail out quick".

The importance of focus

Jacks business trajectory has not been linear, while growing Think Fencing he has been involved in another business and has tried other product ideas outside of fencing. Looking back he can see that these were distracting him and taking up time and energy away from his PVC and composite fencing products business. With experience and advice Jack has narrowed his focus. Jack's message, based on his experience, is to concentrate on what you are passionate about, don't get distracted to the point where you are investing time and money in ideas that aren't aligned with what you are about.

Bill is a neighbour of Jack and a successful business man in his own right. One day Jack was running the figures for his latest business idea past him. The advice that Bill

gave him at this point Jack identifies as one of the defining moments of his business journey – Jack told me that this is what Bill advised him:

"Jack, I've got no doubt the figures look brilliant because you wouldn't be here if they didn't look good. The biggest problem is you've got to focus. Concentrate on what you've got. You've got to be either everything fencing or everything horses from what I can see. He goes you've got to pick something and run with it. Stop going off into all these different areas"

Jack is very committed to his business so much so that during his early twenties when friends were out enjoying themselves he lived on site and was available 24/7 for two years.

Raising capital to expand quickly versus sharing control of your business

In 2012 Jack estimated he needed 2.5 million in investment to upgrade machinery, buy new tooling, hire more staff and boost marketing. Jack and his team did their research and came up with a proposal to put to potential investors. While the opportunity to raise the money was there, accepting it would mean that the investors would have an equal or majority shareholding in the company. Given that trade-off between rapid growth and loss of full control Jack looked for an alternative – borrowing significantly less from the bank and taking about 3 years longer to get to where he wanted the business to head. The important difference for Jack was that he retained ownership of the business.

People who helped

Jack rates his parent's advice and influence highly. Jack's father has been there from the start contributing his own experience of the plastics industry to Think Fencing. Jack's parents have both been in business for themselves. Their experience and backing gave Jack the opportunity and encouragement to try ideas out and learn from them, as he was starting out. They also challenged him to make a go of it. Think Fencing is a family business with his parents owning 33% and Jack owning the rest. Jack's parents also allowed Jack to borrow against a property, helped with contacts when he was exploring options to get investment in his company. Mum does the books and all the finances and Dad is heavily involved in R&D.

Jack has built up a very good working relationship with his major supplier Australian Vinyl. Australian Vinyl has provided Think Fencing with advice that has helped towards the development of their products. Though Think Fencing is currently one of the smaller customers for Australian Vinyls products they can see the potential of the company.

Jack has a workforce of eight with many of them having been with him from the start. They work as a group of friends, their work is valued and they contribute their ideas to the business. Jack encourages regular socialising and a healthy team spirit.

The future

Jack continues to explore new fencing product ideas as well as improving existing products (electrifying the post and rail fence with nano-technology), bringing out the domestic panel fencing range, looking to new markets in America and investigating options to have Think Fencing products produced under licence there (once again to avoid transporting air).

Final Word...

According to Jack the worst thing you can do is disappoint a customer...

"After they've been disappointed once... if you're a week late that's it, you've as good as lost them. So customer service is the best thing. If you can't deliver on time, to exactly what they want, say that, don't just get their deposit and then okay, I'll get it to you in a month's time"

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