

# ICA General Assembly

*Best Practice of Successful  
Co-operative Business*

**Thursday 22<sup>nd</sup> September 2005**  
**Hotel Hilton, Cartagena de Indias**



# Capricorn Society Limited

*Success Through Co-operation*

## Trent Bartlett

Chief Executive Officer





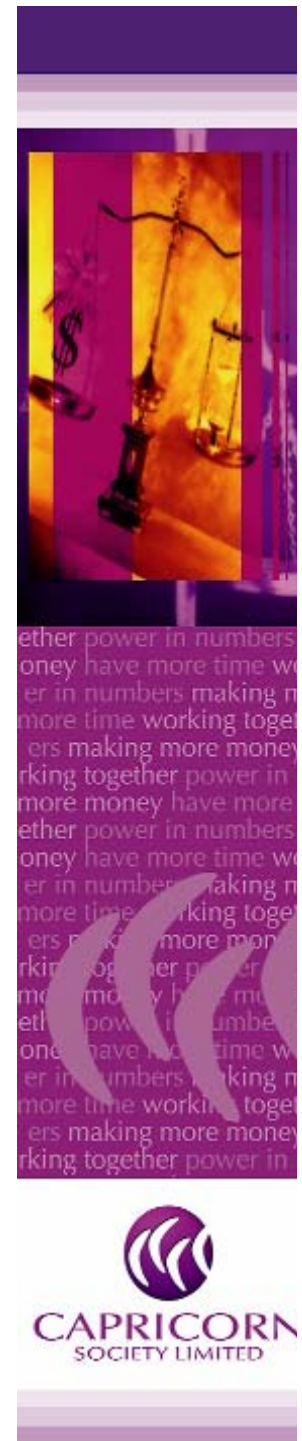
**CAPRICORN**  
SOCIETY LIMITED

**An indispensable link  
between**

**Our Members and  
our Suppliers**

# Outline

1. What is Capricorn Society
2. How we lock-in members & suppliers
3. How we load-up value



# What is the Capricorn Society?

- Automotive Parts, Accessories & Services Buying Co-operative
- Owned by the Members for the Members
- \$US406.5m Members Purchasing
- In Australia's Top 100 Privately Owned Companies



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# Capricorn Society

Republic of South Africa + Australia + New Zealand

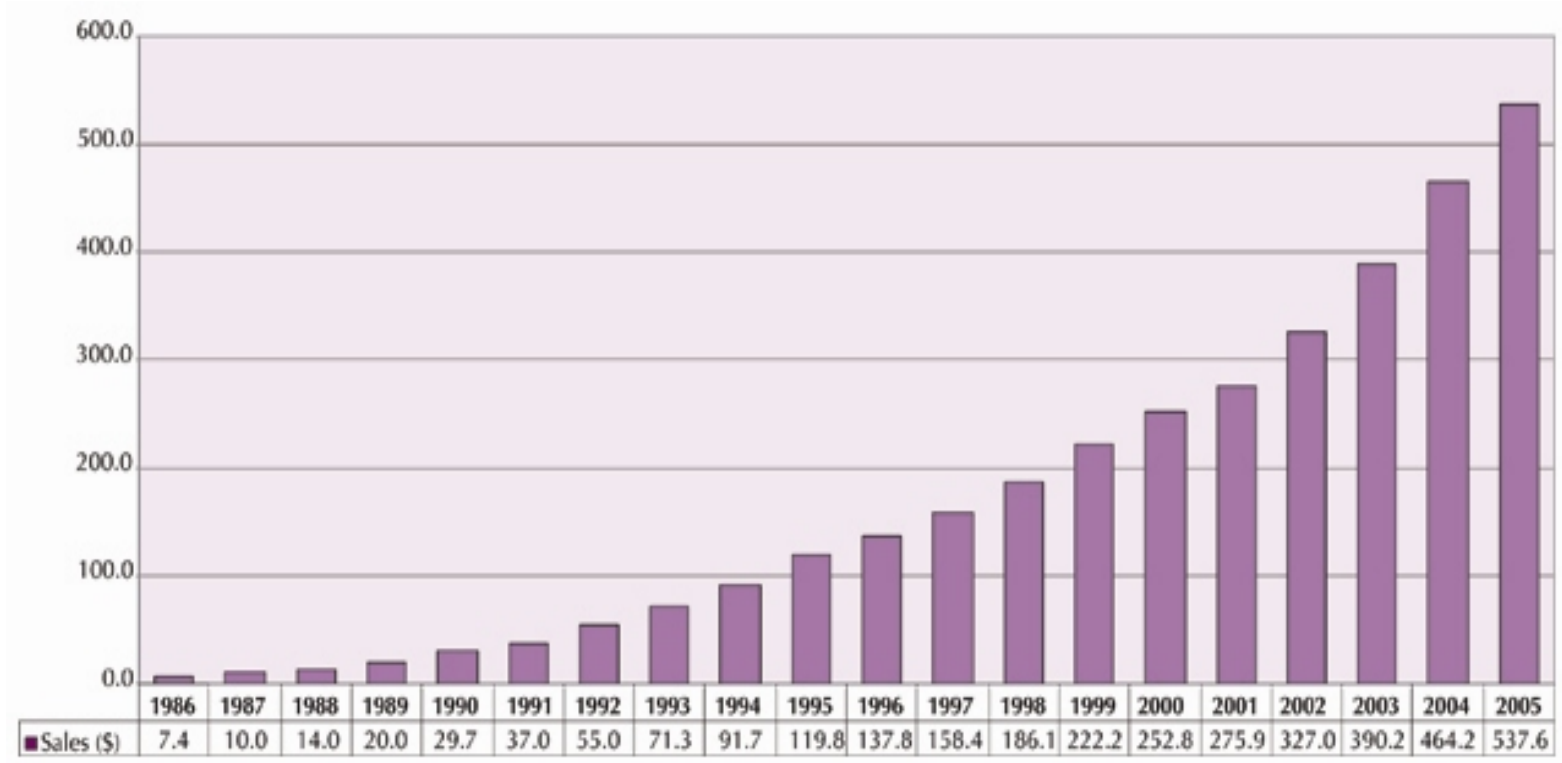


# Capricorn Society Limited Sales History

AUD Millions to 30<sup>th</sup> June 2005



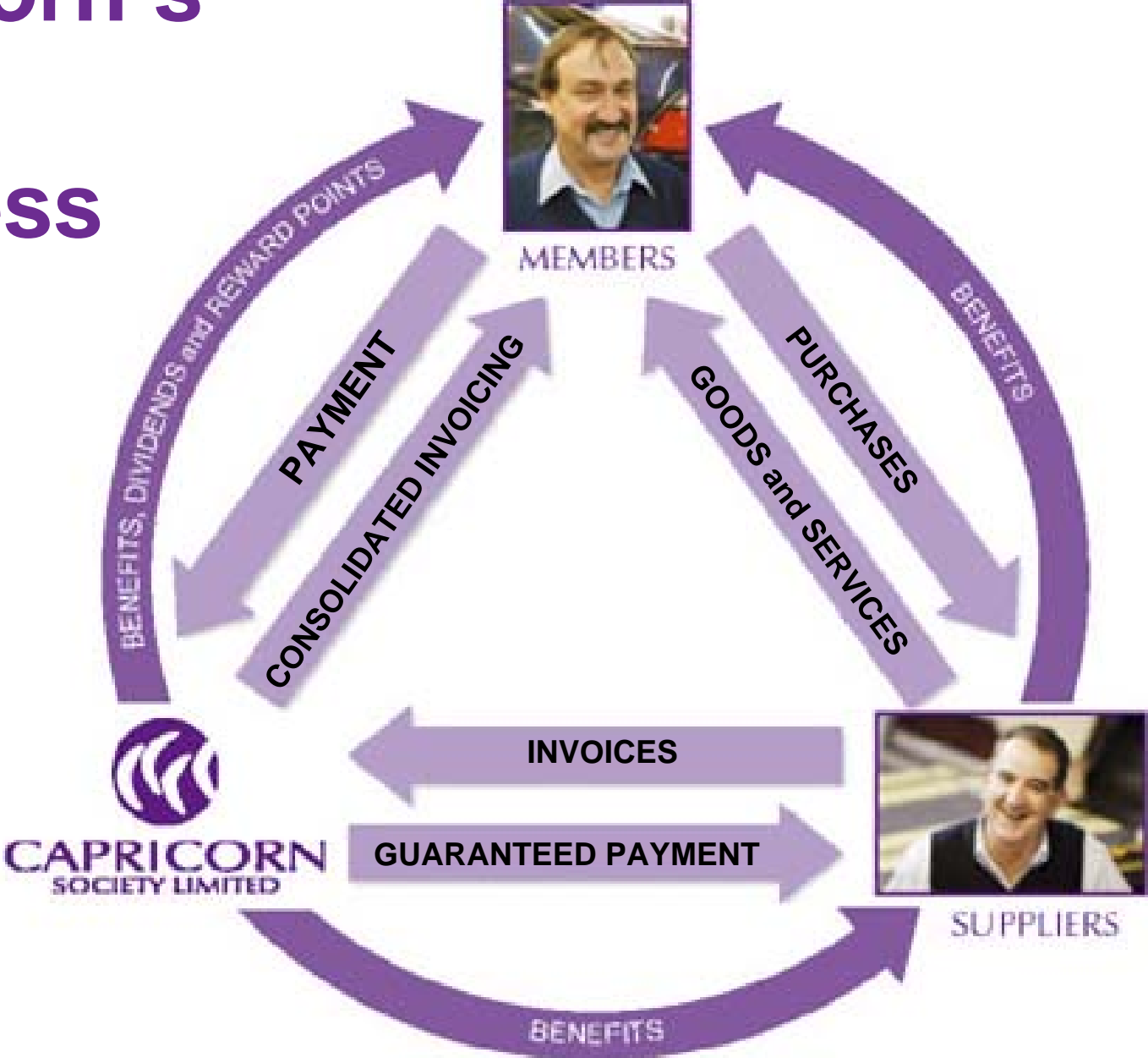
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2005 Sales US\$ 406.5 million



# Capricorn's Basic Business Model





## Which Strategy as an Intermediary?

**“Please opt in”**

rather than  
**“Why opt out”**

- ✓ add and deliver value
- ✓ can't imagine running their business without Capricorn



## Corporate Purpose

***“to deliver benefits relevant to our members”***

## Our marketing positioning

***“first choice for all your business needs”***

## The essence of our Brand DNA

***“a valuable resource”***



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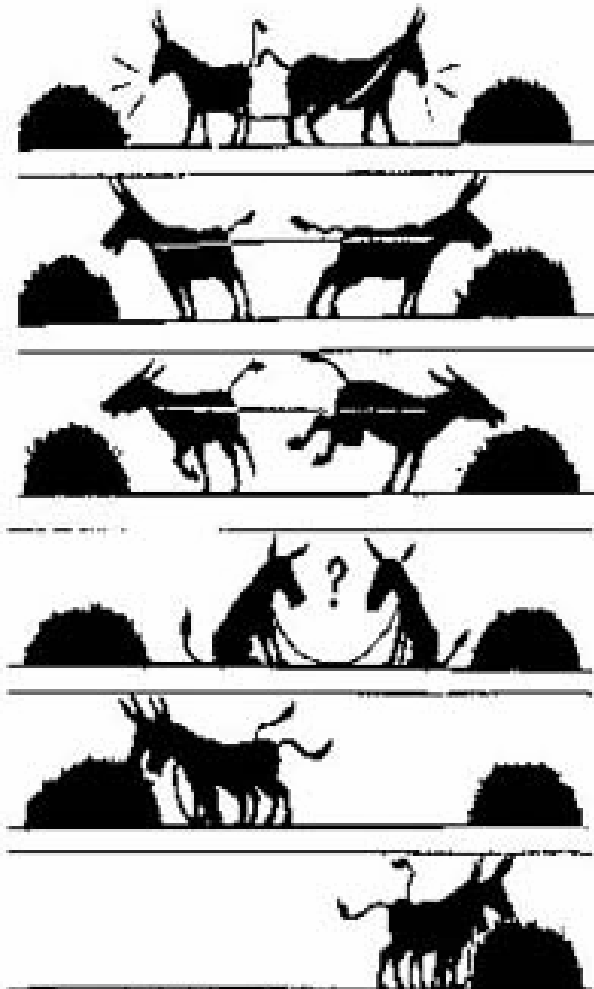
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**An indispensable link  
between**

**Our Members  
and our Suppliers**

**“Lock in” + “Load up”**

# Pursuing a " Lock In" Strategy



## Build upon our value proposition

### Our Co-operative offers;

- + Better Buying Prices
- + Account Consolidation
- + Trading Rebates on Purchases
- + Reward Points on Purchases
- + Dividends on Shareholding



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# Elements of Capricorn's Lock In Strategy

1. Acquiring New Members
2. Retaining Existing Members
3. Educating Members
4. Leveraging Relationships



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# Lock In Strategy

## 1. Acquiring New Members

- Value of Ownership
- Purchase 500 Shares
- Minimum level of trade
- Instant credit
- “Purple Pages” directory



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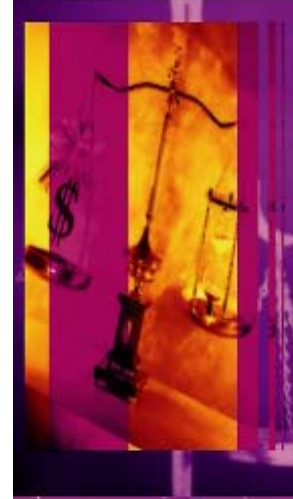
# Lock In Strategy

## 2. Retain Existing Members

*Extend our reach via;*



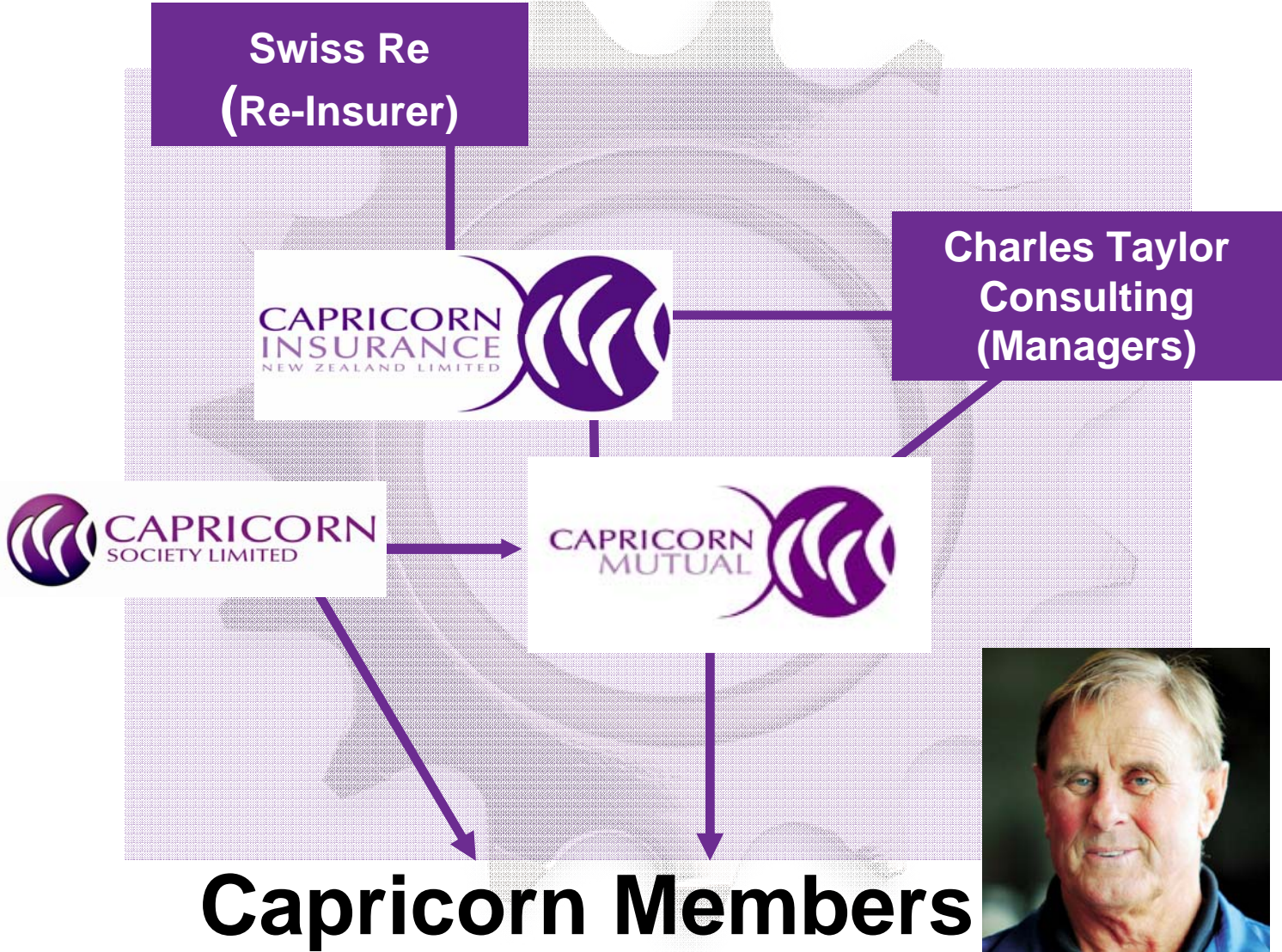
- **3:6:12 Easy Credit**
- **Loans Against Shares**
- **Reward Points**
- **Capricorn Travel**
- **Capricorn Mutual**



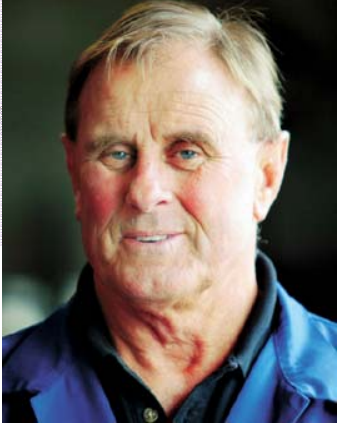
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# Capricorn Mutual Structure



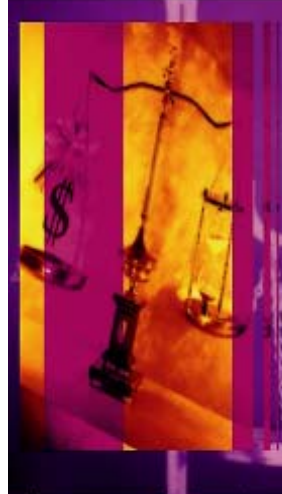
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# Lock In Strategy

## 3. Educating Members

Show them how much trading through Capricorn is returning to them



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# Lock In Strategy

## 3. Educating Members

Tell them how much their investment is earning them  
**> 30% ROSF**



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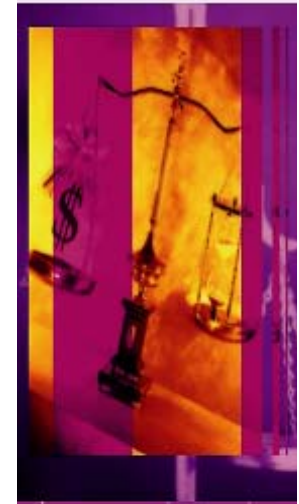
# Lock In Strategy

## 4. Leverage existing relationships



*Leverage our relationships;*

- Reward Point Programs
- Loyalty Programs
- Member Sign-Up Campaigns



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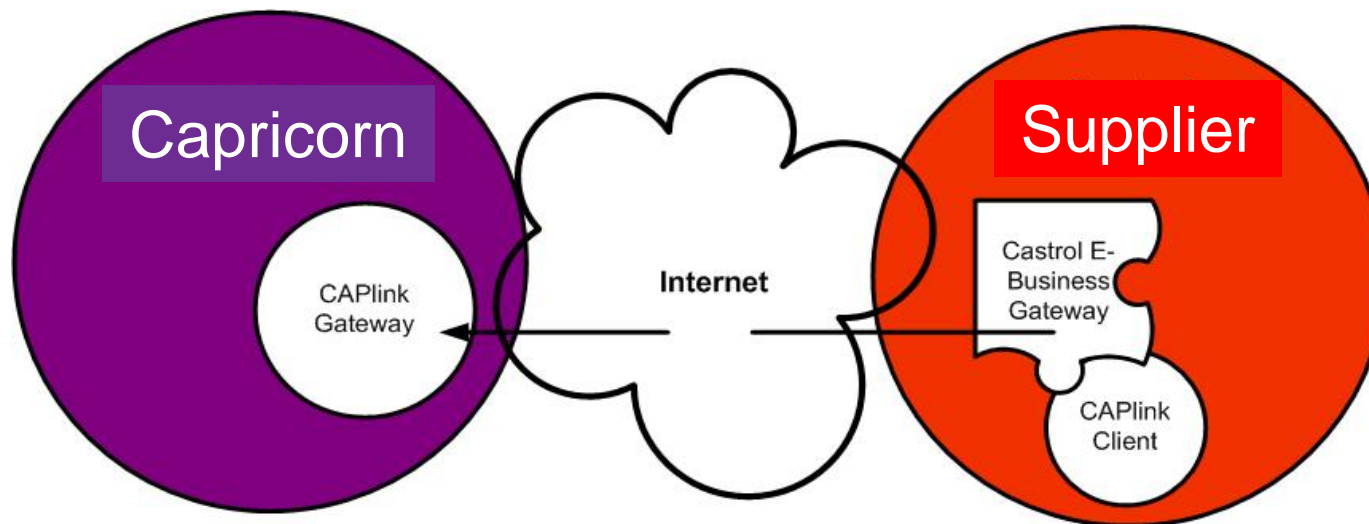


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# Lock In Strategy

## 4. Leverage existing relationships

### E-Business - Streamlined trading



# CAPLINK

*Streamlining the way we connect  
with our supplier network*



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# Lock In Strategy

## 4. Leverage existing relationships

# CAP MOBILE

A Field Force Automation  
Solution for CSL Suppliers  
(utilising CAPlink)



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# Elements of CSL's Load Up Strategy

## ***Getting the Most out of all Your Customers***

1. Nurturing New Members
2. Leverage Selling to Existing Members
3. Members as Ambassadors
4. Partnering Suppliers



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# Load Up Strategy

## 1. Nurturing New Members



- Liaison Officer Incentives
- Increase first 6 months spending
- Focused sales processes



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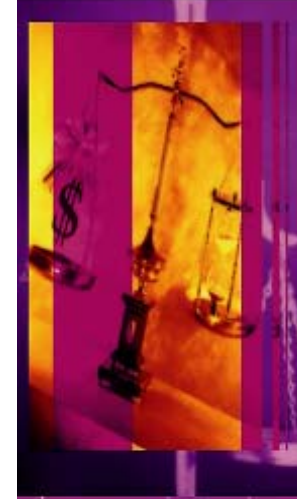
# Load Up Strategy

## 2. Leverage Sales to Existing Members



### Intense Focus on;

- Average Member Spend
- Site Code Comparative Spending
- Why use Non-Capricorn Suppliers?



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# Load Up Strategy

## 2. Leverage Sales to Existing Members



### *Opportunity if...*

2000 members buying oil

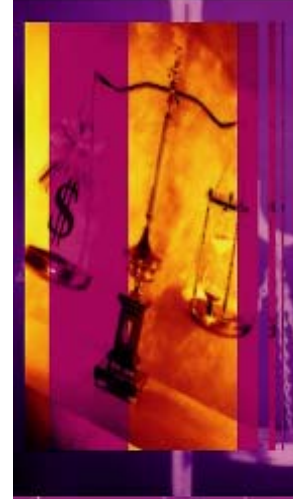
through Capricorn Suppliers

@ \$US376 / month

= \$US19 day

or

= \$US 9m  $\uparrow$  Sales

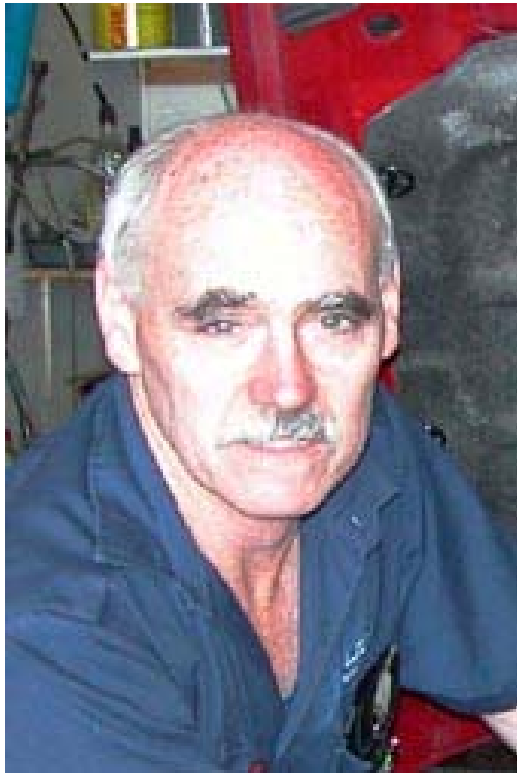


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# Load Up Strategy

## 3. Members as Ambassadors



From Conventions in Cancun to BBQ's in Country Australia

- **Make a difference**
- **Be there for the Member**
- **Customers for life**
- **Spread the Word**

*“Be proud to be a part owner of Australia’s biggest workshop”*



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# Load Up Strategy

## 4. Partnering Suppliers

***Working with our key suppliers;***



- To provide new customers
- To jointly promote
- To operate as their partner loyalty scheme
- To provide Market Data
- To help plan strategically



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# Summary

## Lock in

- + Acquire
- + Retain
- + Educate
- + Leverage

## Load up

- + New members
- + Cross sell
- + Member ambassadors
- + Partner suppliers

