

ANTHONY KITTEL

Outback Son, Harvard Graduate, REDARC CEO

INTERVIEW: JIMMY O'KEEFE | PICS: KITTEL ARCHIVE & VARDARO STUDIO

Anthony Kittel is the grandson of Flinders Ranges pioneer, Fred Teague. For 50 years, Fred's outback know-how was revered Australia wide, with scientists, mineralogists, anthropologists and landscape painters all making the pilgrimage to see him whenever they ventured to the region.

Anthony worked alongside his grandfather from the age of 12 during school holidays, and it's this solid grounding in Australian ingenuity that has seen him revolutionise the day-to-day lives of 4WDers via the tech advances made by his company, REDARC.

These days, Anthony's vision and management skills are often used by business pundits to prove that you can indeed make manufacturing work in Australia, despite our higher wage rate.

"The product and the innovation are already here, but you have to focus on consumers, staff and communication." Read on...

My grandfather Fred Teague was well known in the Flinders Ranges. And although I spent the school term at Port Augusta, I spent every holiday working with my grandfather in Hawker where he had a garage, workshop and museum. He arrived in the Flinders in the late 1930s and for about 18 months he joined legendary Tom Kruse driving the Marree Birdsville mail run, caught rabbits, prospected for gold, you name it! He was also right into historical artifacts, was interested in geology and had a great relationship with the local indigenous people. He even curated a museum so tourists could recognise the true value of the area.

From the age of 12, I pumped petrol and worked the banking and admin tasks. Having someone who trusts you at an early age is very important. Fred and my Uncle John were the RAA roadside assistance contractors in the area, and I used to jump in the front seat for all sorts of adventures, going out to rescue tourists who might have boiled up their radiator out in the bush. I learnt a lot in these situations, and while I become a mechanical engineer later on, I was taking the whole thing in – observing how a business runs overall. The experience

in the garage taught me how to interact with customers. Even just pumping petrol, on Easter or a long weekend we'd have a line-up of maybe 30 cars queuing to get petrol, you'd service them with a smile, ask them how they were going, just be someone who's improving their day somehow. I had an end goal for each holiday, to be able to save for something like a set of encyclopedias or a new Malvern Star bike, or running shoes.

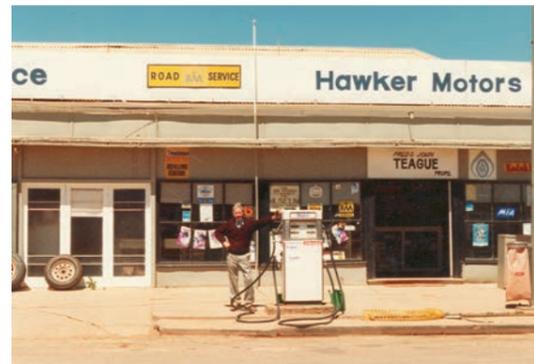
I had a group of mates and it would be nothing for us to go and do some sort of mixed endurance sport, mixed with a bit of exploration. Like go and run 10kms in 40C heat, swim down the Spencer Gulf, run across a mud island in the middle of the gulf, swim back to shore, do another run leg. We did weights, threw medicine balls, every thing we could to burn excess energy.

These days, I never travel without a pair of sandshoes in my suitcase. When I go somewhere for work, I whack them on. I run a bit slower these days but still find it the best way to explore a city. I did it in Beijing recently and really got a chance to look around. Mind you, I do wear the sandshoes and suit separately though, haha, I'm not going for the Steve Jobs look.

When I finished school I worked most of the day and studied most of the night. I got a cadetship with BHP at the Whyalla steel mill and they effectively paid for my mechanical engineering degree. At night I called the Institute of Technology home (now University of South Australia) and I graduated at 21.

During the day, I'd be carrying the tradesmen's tool bags all over the mill, and would be rotated around all the different disciplines, from fitter and turner and boilermaker roles, to areas like the power plant, coke ovens, the finishing end, and I was able to get hands-on with all the processes.

At BHP, I had an idea, and I picked up the black phone in the office and asked to speak to the General Manager. I worked as an engineer for four years but knew it wasn't going to be my ultimate career. BHP employed about 3000 people in Whyalla at the time and I just dialed the GM's assistant and asked for half an hour of the boss's time. I met up with him and said, "I want to apply for an MBA at the University of Adelaide." They ended up paying the course costs, and they guaranteed me enough work during the holidays to keep me alive through the semesters.



From Hawker to Harvard: From growing up under the red dusty tutelage of famous Flinders Ranges pioneer Fred Teague, to the green lawns of Harvard university, the REDARC story arc is a poetic one.



Left: Anthony with his beloved REDARC Hilux. "I've worked it out so I'll never get stuck with a flat battery again."

Right: "We're all on the same bus." Anthony's a straight shooter and a popular boss among his 102 staff.

Below: Still exploring and still keeping physical, only this time it's in the Amazon, and this time it's with the family. Hiking in a South American storm with Michele, Emma, Joel, Lara and Kirsten.

When I bought REDARC in 1997 it was basically operating in a tin shed in Lonsdale. I initially went into partnership with my wife's father Denis Brion; the business was turning over around \$700,000, everything was done by hand, it was a jobbing-type setup and there were eight employees. Now my wife Michele and I own the business and we have 102 employees and revenues of \$30m.

You have to make something different, make it better than anyone else, and you need to be focusing on what your brand stands for. Otherwise your product is easily replaceable. With REDARC, I look at the point where people ask for the product by name. They don't want to be in the middle of nowhere and reliant on a piece of equipment that's not working. Our goal is for REDARC products to outlast your vehicle.

It was an amazing experience for a former barefoot kid from Port Augusta to be living on campus at Harvard.

I returned to study in 2011-2013 when I was accepted into the Owner & President's Management Course, a program for people who ran businesses worth over \$10m US dollars in revenue. I lived on campus in Boston and it was invaluable, sitting there with 150 other business owners from every conceivable place in the world with every conceivable product; finance, property, online start-ups. The course consisted of intensive one-month blocks, and then everyone would go back and apply what they'd learnt to their businesses. A great learning curve! **There are plenty of advantages to manufacturing here in Australia.** But you need to have great people working for you to create a great product. Materials are generally the same price

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for us, and labour is more expensive, so we have to be smarter with how we use our labour. This can lead to some real innovations in the end product as well.

As for being based in South Australia? It started as a lifestyle decision as much as anything else. And sure, there are many practical places to test our products in rugged conditions. We've also got a great pool of job applicants, Flinders University is close by, where we can get people trained, and we don't have an oversupply of manufacturers who are competing for the quality of talent we have in this state. So it's working out really well for us.

There's been a couple of make or break moments along the way. In 2005

we were doing roughly \$5m in sales and had outgrown our factory. It's a shame you can't just pick up a manufacturing plant and move it. I bought some land and worked out that it would cost \$5m to design a purpose-built new home for REDARC. We were turning over \$5m in revenue, and now we wanted to build a \$5m factory? 'Let's have a crack at it, hey!' And the results have turned out to be better than I'd expected.

There's a saying that 'culture eats strategy for breakfast'. Once you've got that staff culture, common goals, and teamwork, you can then start thinking about strategy. There is so much corporate-speak that we try to avoid. We want to make the values of the company



real, so that all the staff and the public know it's not spin or bullshit. I guess it can be quite scary when you think there are 102 families who are reliant on you making the right decision and depending on the success of this business.

Every two months we have the full sit-down lunch, all 102 employees, and each area of the business gets up and makes a presentation about what's happening. It's great for team bonding, and also because people will say 'Oh, now I know why the company needs to do this,' and what's important to the customer. We have a company bonus system where it doesn't matter what job you have in the company you get the same bonus, a bonus pool gets gener-

ated monthly, that way a person on the factory floor will get the same bonus as a manager. Everyone has equal impact on our success.

Never stop learning. You can never afford to get arrogant. Say, with our dual battery systems, we keep designing them so they will work up to 80C out in the bush. We supplied some to the Canadian Mounted Police vehicles – no it's not just horses – and they're at the other end of the extreme spectrum and they said 'We want you to test it to -40C.' When you do this sort of R&D it's more than just business – in these police vehicles they use the second battery to run all the computer equipment when they go out and rescue people in the snow.

We definitely believe we make the best equipment anywhere in the world. The aim of the game is to make the REDARC brand as valuable in the US as it is in Australia. We want people asking for our product by name in the US, that's on our to-do list.

I've always felt very fortunate in life. A great and very understanding wife helps! What do I do to wind down? I guess I love the running shoes. I run about three or four times a week, I have four kids so I love spending time with the family and watching their sport, love having a bbq with friends, or the beach...and it doesn't happen often these days, but just chilling out watching the Adelaide Crows at the magnificent Adelaide Oval. **AWD**