



South Australian manufacturer Redarc is aiming to boost staff numbers significantly as it continues its winning ways

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REDARC aims to invest 15 per cent of its top-line revenue in R&D each year.

To underpin that they need to grow by 20 per cent per year.

Which they'll need to do if they want to hit their target of \$100 million in turnover by 2020.

Which is where their plans to employ 90 new people at the Lonsdale headquarters in coming months comes in.

It's a lot of numbers, but you can tell that engineer and business owner Anthony Kittel has an eye for the details about how to keep his fast-growing business on track, while forging ahead at a pace which would test the best of leaders.

Business Daily was inspired to visit the Lonsdale HQ recently because the sheer number of awards the company had won recently, and their hinted-at plans for expansion, demanded another look at what the company, nestled in a side street just off the Southern Expressway in Lonsdale, was up to.

The most recent award — which came after the visit — was the Manufacturer of the Year at the 14th Manufacturers Monthly Endeavour Awards.

That was added to being named in Deloitte's Technology Fast 50 Australia list (check) in 2011, 2012 and 2013 and being named the Telstra Business of the Year nationally in 2014.

During our visit, late on a Friday afternoon, the phone is ringing off the hook, with customers — retail, trade and wholesale — ringing up, many with queries about the company's 240 or so products.

And managing director Anthony Kittel is happy to help them out.

While many companies claim to provide great customer service, Redarc has invested heavily in ensuring anyone's queries about its range of locally manufactured four-wheel drive and truck electric voltage converters and related products is answered.

"The thing that we do that differentiates ourselves is that we have six technically qualified staff that sit on the phones or on email or social media responding to anyone, to the consumer, to trade, wholesale," Mr Kittel says.

"Whoever it might be we'll answer the inquiry for free.

"You'll get to actually speak to someone who's worked in the factory, or been fully trained and works here, and that's almost unheard of these days."

Redarc started out as a company based around a single product, which a local inventor manufactured and sold to the trucking sector.

The inventor had come up with a voltage converter which allowed truck owners to equalise voltages, with imported trucks running on either 12 or 24v.

“You could either bring it down to 12V to run the radio or lights, or lift it up depending on the vehicle.”

Mr Kittel and his father in law bought the company off the founder’s wife in 1997, and it was then an engineering business with no retail presence.

“In 1997 we had eight staff just out the back of the site here in a tin shed, two units of the four unit shed, pretty much selling to auto electricians and the heavy trucking industry.”

Mr Kittel, who had previously worked as an engineer at OneSteel (now Arrium) and wheelmaker ROH, went into partnership at the age of 27 with his father in law, bootstrapping the business and mortgaging the house to buy his half.

Mr Kittel said the first few years of the company were about understanding the company’s products and starting to reinvent what had become a tired product range.

Mr Kittel bought out his father-in-law in 2002, having survived the dotcom crash of 2001 which played havoc with the wider economy.

“The economy went through quite a downturn and because we were mainly in trucking, and the trucking industry pretty much mirrors the economy ... I was thinking ‘we need to diversify’.

“That’s when I did a bit of research and realised that the 4WD /grey nomad opportunity was just starting out.

“There wasn’t much information about it at the time, but it was more seeing an opportunity and thinking ‘this might have some legs’, and the product crossed over well into that marketplace. If it survived on a truck it would survive on a four-wheel drive.

“Once we developed products for that market we realised we’d need to develop a brand which had consumer acceptance.”

The company spent the following five years transforming from an engineering-style business to one whose products were purchased on brand strength as well as technical prowess.

As part of that strategy the company has partnered with Pat Callinan — famous for Pat Callinan’s 4X4 Adventures — plus works with a handful of other key influencers.

“By 2008 we had established credibility such that ARB came knocking on our door, one of the largest retailers in Australia in 4WD products.

“To me that was the major signal that we’d made that step from an engineering style business into consumer products.

“Probably the other key major development was that in 2001 I set up a separate company ... called Redarc technologies which is an R & D company, and so that was turning point in terms of reinvesting. I made the decision then to reinvest 15 per cent of income, not profit, but of income, into R & D.

“We’ve built the R & D team from one in 2001 to 30 today. If you had to write a recipe book for what have been the success factors for Redarc, at the top would be investment in innovation, the creation of new products, and processes. Hence we’ve been able to keep investing here.”