

# From one small store to 234 in just twenty years



## From 1982...

An advertisement in Auckland's evening newspaper - the now defunct *Auckland Star* - on Thursday 18 November 1982 was the first public announcement about the opening of the first Warehouse store.

'BUY DIRECT FROM THE WAREHOUSE' screamed the headline, followed by the announcement: 'Now you can buy manchester, furniture, matting, toys and hardware, etc at massively reduced prices - direct from the WAREHOUSE!'

And across one corner, the historic words: 'OPENS SATURDAY!'.

Due to customer pressure, however, the doors had to be opened a day early, on the Friday, and the company's first cash book shows sales that day of \$1,978.38. On Saturday 20 November, 1982 - the official opening day - sales worth \$4,490.87 were recorded.

On Tuesday 23 November another advertisement appeared, this time in the local *North Shore Times Advertiser* - a powerful paper with a circulation of about forty-five thousand - and perhaps because of the timing of that advertisement no day of the first week fell below the four thousand dollar mark. Thus, by the end of the company's first full week of trading, sales had reached \$30,132.99 including sales made on the non-official Friday.

Sales in the second week fell to \$18,544.93, climbed back to \$20,329.95 in week three and \$24,874.10 in week four. The small Papatotoe store was opened on Saturday 11 December, in time for Christmas, and modest sales in that store's first week of trading - \$7,426.60 - boosted total sales for the first four weeks of its existence to a handsome \$101,308.57.

At some point after that modest start in late 1982 a group of disgruntled Takapuna retailers complained to the then Takapuna City Council about the little shop trading in

## Fine and warm for the first day of The Warehouse

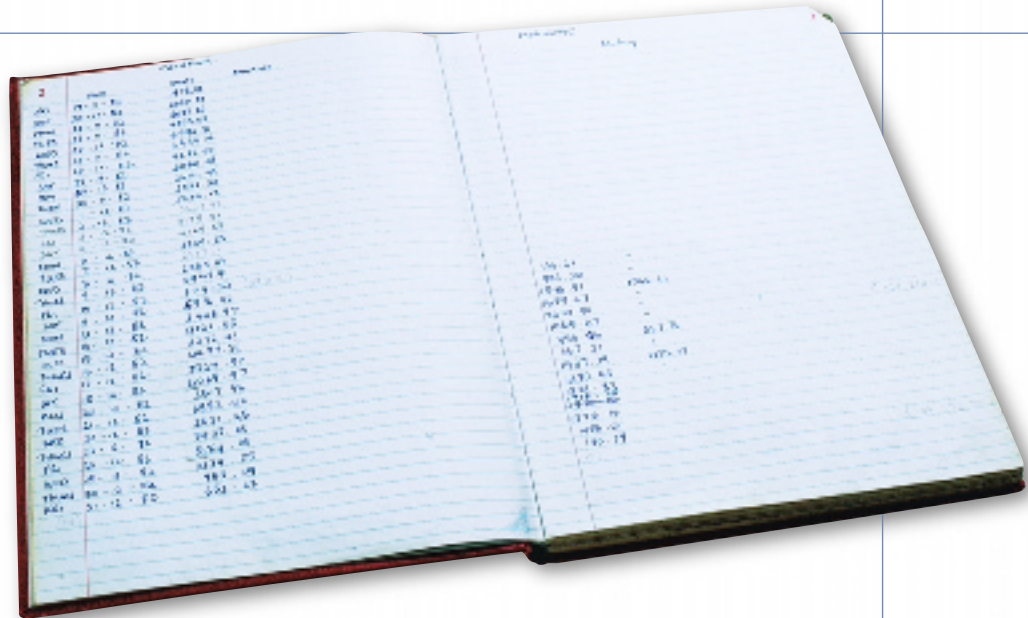
It was fine and warm in Auckland on Saturday 20 November 1982, the official opening day of the country's first The Warehouse store at 97 Wairau Road, Takapuna. Perhaps the fine weather contributed to the success of the day on.

What were you doing that day? And what was the weather like where you live?

Here are the weather forecasts for 20 November 1982, the most important day in the history of your company.

WEATHER: Saturday 20 November				
 19° max	 18° max	 22° max	 16° max	 12° max
<b>Auckland</b>	<b>Wellington</b>	<b>Christchurch</b>	<b>Dunedin</b>	<b>Invercargill</b>

A little piece of history. Pictured here is the company's first cash book open at the very first page.



Wairau Road. The problem was, they said, that The Warehouse had an unfair business advantage because the owners had set up a retail business in an industrial zone and were therefore paying considerably less rent than they - the complainants - did in their central retail location.

Council officers tended to agree with the complainants. However, a legal opinion, obtained by The Warehouse before it signed the lease on the building, said that the premises qualified as a retail showroom under existing use rights meaning that if slightly reconfigured to make part of it a showroom, and part of it a furniture shop (which was also allowed), the little Warehouse store would comply with the council's requirements and court action would be avoided.

It's difficult to imagine, though, how that little shop at 97 Wairau Road, in an industrial area far from the more important retail centre of Takapuna, could have been seen as a threat. It had only limited stocks. It was housed in an unprepossessing six-thousand square foot (550 square metres) concrete-floored shed. The standard display fixture was a large sheet of plywood or particle board on trestles or metal legs. Soft goods - like the popular duvet inners - were displayed on the floor in babies' play pens. Parking on Wairau Road was prohibited, and access to the front of the store, and the only parking available - made by laying loose metal over the grass on the property's small front yard - was across the Wairau creek on a single-lane bridge which the building's owner had agreed to widen to two lanes.

In other words the first Warehouse was no more than a tiny



The first Warehouse store (*top left*) - the object of so much opposition from local retailers - used space sub-let from Hills Industries. The building, at 97 Wairau Road, is now the head office of Modern Signs and Plastics (*below left*), but on the morning of Saturday, 20 November 1982, it witnessed the beginnings of what was to become The Warehouse Group, the biggest and most successful retail organisation in New Zealand's history.

An exterior view of the company's new South Dunedin store where arriving customers have access to about nine hundred free car parks. Opened in May 2002, this typical large new-format store exemplifies twenty years of change for The Warehouse.



business, located in a retail backwater, being run on a shoestring. Hardly a threat, it would seem, to the established retailers.

Of those few who helped start the little store in 1982 only founder Stephen Tindall remains active in the business. He remembers those days as exciting and stimulating, but exhausting.

'I can remember sometimes staying until two o'clock in the morning, going home for a couple of hours sleep and being back in the shop at four o'clock getting ready for the new day,' he says.

Such effort and risk-taking are not unusual in entrepreneurial people who are driven to start something new for the satisfaction and independence it can bring.

## ...to 2002

Now race forward twenty years, to Thursday 9 May 2002, and the opening of the company's new \$10 million Warehouse store in South Dunedin. Consider this typical new-format store and how it exemplifies twenty years of change.

It has a floor area of more than 8,850 square metres compared with the first store's 550 square metres. Instead

of displaying its goods on plywood sheets supported by trestles - the standard fittings in 1982 - the South Dunedin store is fitted with twenty kilometres of hungry shelves which take up to six truck-and-trailer units a day to keep filled.

Arriving customers have access to about nine hundred free car parks. Once inside the store there are 250 shopping trolleys and eighteen check-outs at their disposal. Their needs are served by the store's one-hundred-and-twenty full- and part-time staff, and they can choose from forty-five thousand product lines compared with the five thousand lines of bargains available in 1982.

Huge skylights ensure that the vast space is flooded with natural light - always a popular feature of Warehouse stores - although the store's 356 high-bay lights, and its Tempest air conditioning, are constantly monitored and controlled by computer to maximise customer comfort and operating efficiency, and minimise operating costs.

And whereas the little Takapuna store boasted opening-day sales of \$4,490, and \$30,132 for the first week, the South Dunedin store's equivalent figures, twenty years later, were \$427,485 for the first day and more than \$1.4 million for the first week.

Angela Enright, one of the South Dunedin store's 120 helpful and enthusiastic team members, is pictured on the phone at the store's busy information counter.



Such figures now speak for themselves. Few could have imagined that the unpromising and humble little business in industrial Wairau Road would grow, in just twenty years, to be New Zealand's largest retail organisation.

Now The Warehouse Group is New Zealand's fourth-largest publicly-listed company. It is listed on both the Australian and New Zealand stock exchanges, and has more than fifteen thousand shareholders. There are 234 stores, including thirty-six Warehouse Stationery stores, spread throughout New Zealand, three Australian states and the ACT, employing twelve thousand people, with sales for the 2002 year of almost two billion New Zealand dollars.

It's a big achievement in just twenty years. An achievement that is testament to The Warehouse's unique culture, the loyalty of all its stakeholders including its customers and staff, the team spirit evident throughout the organisation, and its underlying philosophy of always putting people first. An achievement that only hints at the potential for continued expansion, over the next twenty years, throughout Australia and New Zealand. ■

A view of the interior of the South Dunedin store's 8,850 square metres of floor space (compared with the first store's 550 square metres), and twenty kilometres of shelving. Customers have 250 shopping trolleys and eighteen check-outs at their disposal.

