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**RETAILING**

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# Leveraging off other's success

**IN MY EARLY YEARS** running the Computers and Communications division at Harvey Norman, we had a problem. At this time the computer business was doing okay but not really setting the world on fire. This was due to the fact that the brands would not place their products in the stores because they had yet to see any value in our business.

Also in many of our stores the computer department was treated as an extension of small appliances (eg toasters, kettles), and because some Harvey Norman proprietors (franchisees) looked after both divisions, this led to a lack of focus.

We were not perceived as being an attractive sales outlet for the growing, and potentially very profitable, small business market. Customers did not necessarily want to go walking past toasters and kettles and to get to the computers and then find a salesperson to solve his critical needs.

During this time, 'big box' retailing had not yet hit the scene in Australia. There were specialist computer dealers, but they did not dominate a category and the retailers that were of any size were in the general merchandise, supermarket or department store categories. In business you are always searching for the key that opens up your business to the doors of the world. Some of the suppliers had told us about how some of the computer stores had really taken off in America, because they were stand-alone 'category killer' retailers, or retailers that dominated a category through their sheer size and product offering.

So we hopped on the plane to see what the Americans were doing, and to

find a concept to bring back to Australia that would change the landscape of computer retailing. We landed on the west coast of America and went shopping for ideas. We pretended we were dumb Aussie tourists, who were just amazed at the magnitude of some of these retailers.

We visited a few of the stores, which got us thinking about different ways to merchandise products, and product ranging, but nothing that really caught our imagination. Then we saw what we were looking for: it was a computer superstore called CompUSA. There were computers as far as the eye could see – all the brands merchandised together – and it was a one-stop shop for computers.

At this particular CompUSA store that we visited was a young and energetic manager who was more than happy to tell us everything – and I mean everything – he knew about CompUSA. We played the dumb Aussie tourist gig again and he really loved the fact that he could divulge all of this information to someone who cared to listen.

We were taking photos of the store and writing notes as this manager gave us all information that we needed to replicate the model back in Australia. He told us everything about the type of lighting that they used, how they merchandised the product and the use of service areas to look after warranties and repairs.

When we came back home to Australia, we took the photos to a designer and said "Build this!" Our first computer superstore (which looked like a replica of the CompUSA store) was built in Bennetts Green, New South Wales and

from day one it was a success. We replicated the model at Auburn, New South Wales and it went absolute gangbusters! We had found a winner.

Our greatest challenge which was to roll out the stores quickly, using the same formula, was overcome due to the passion of the team to make it work. Not everything that we brought back from America worked, but we continually refined the model until it suited the Australian market, and the Harvey Norman business model.

So, I guess an important lesson is: Never be too proud to use other people's ideas, because they may be better than yours. One of the quickest ways to build a successful business model is to look at a business that is already successful in your market, and use similar tools and systems that make their business a success.

These successful systems have been refined by the business over time, and it will save you weeks, months, or even years trying to 'recreate the wheel' and build all of your systems from scratch. So ask yourself the question: who can you benchmark yourself on in the market place? ●

*(Extract from Pillars of Business Success book by Tony Gattari and Shaun Mooney. Coming out on 2 April 2007. For more information go to [www.achieversgroup.com.au](http://www.achieversgroup.com.au))*

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