



The quiet achiever... *Direct Paper Supplies*

Keeping it in the family (l-r)
Todd, Charlie and Dale O'Neill
of Direct Paper Supplies.

and moving beyond trade work to become a merchant."

Today the company competes with the multi-national paper merchants, carrying around 6,000 tonnes of paper and board products that are housed in its custom-built 13,000sqm high-tech warehouse.

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Direct Paper Supplies has come up in an industry that is highly competitive, and, in the process, has faced enormous hurdles and market pressures that would have beaten lesser men. Todd says, "In the early years it was difficult to access good quality paper because, at that time, all the major merchants had those avenues covered. It was a struggle trying to get good product because everything was closed to us. Supply today is plentiful and, pleasingly, we partner some of the world's largest and best manufacturers."

A tour of the temperature-controlled

Everyone loves a good news story and Direct Paper Supplies, owned and operated by the O'Neill family, certainly fits into that category. The company started life as a small provider of stationery products in 1996 with the company founder Charlie O'Neill and one worker producing writing pads for stationers and newsagents. When the limitations for growth in this market soon became apparent, the company changed its focus to become a converting provider to the paper and packaging industry. With the company experiencing rapid growth, Charlie's two sons, Dale and Todd, soon came into the fold.

"Growth really came through the demand from our customers to provide more than just converting services," explains Todd. "As they requested more products, we expanded our range, which involved sourcing different lines of paper

Some companies are incredibly successful at building a strong business whilst flying under the radar. Melbourne's Direct Paper Supplies in Dingley, 40 minutes south of the CBD, is a case in point. Over the past decade, this family-run business has quietly gone about establishing itself as a significant player in the paper merchant business. Alison Stieven-Taylor went along to find out more.

Alison Stieven-Taylor

stores that house the company's range of papers and boards demonstrates the reach of the company in terms of sourcing product. There are labels from Austria, Germany, Sweden, Finland, the USA, China... and the list goes on.

■ Strong service ethic

The company's reputation is built on its commitment to personal service. Go on, roll your eyes, everyone says the same thing, but the fact is this family business actually does go above and beyond to make sure they meet their customers' expectations. As a result they have a strong base of very loyal printers who rely on them.

"The fact that we are a family business is a real point of difference because our customers deal directly with the owners," says Dale, who is in charge of the sales force. "I'm on the road all the time, however the other directors are always accessible, so we can make decisions on the spot."

Todd adds, "We run an open office and all the directors sit together with our staff so if there's an order to be processed it happens straight away and everyone is aware of what's going on. We have a flatter structure than the big corporations, so we can respond faster. The other thing our customers like is that we are an independent Australian-owned family company so we meet our customers on common ground with common understanding."

Direct Paper Supplies is focused on working with other family-owned businesses, an approach which Todd says is very deliberate.

"We are playing to our strengths. The super printers are not on our radar. They have a different philosophy to us and we've always made our alliance with the smaller and middle tiers in the industry."

■ Fast turnarounds

At this point in the interview Charlie O'Neill enters the boardroom. I've just asked about credit issues and if they've had to tighten their credit practices as other paper merchants have.

"No, we've always been pretty tight with our terms, and we've never offered the extended terms that others have," he says. "It doesn't help the customer to offer extended terms as it gives them a false sense of where they are financially."

Todd says the company's approach has always been "big is not necessarily the best". He says their success is built on the fact that they are not a huge, unwieldy corporation that has to jump through its own hoops before helping out its customers.

"We've got the flexibility to react quickly, to help our customers out of a bind, so if they pick up a job and need to turn it around quickly, we've got the stock on

hand and can get it to them. Last weekend Dale was out in the truck delivering paper because one of our customers had an urgent job. We can do that because of the size of the company and our structure."

He continues: "If a customer has a job that is a little bit different, they can ring up in the afternoon and we can have the converted stock to them by 7am the next morning. That's how we've structured the business, so we can cover any request from our customers. That's our ethos—no problem."

Direct Paper Supplies offers a 24-hour, five days a week service. Its Dingley site sports the latest converting, sheeting and rewinding equipment which can process product from 30gsm up to 1,000gsm, and can provide any size from as small as A4 to the largest of wide format sizes, an expansive range that delivers maximum flexibility. New equipment has been installed in the past two years with the investment sitting at around \$5 million.

"We think we could do some good things in the Sydney market."

"We have the best and latest equipment in the country. In producing just-in-time work we are second to none," says Dale proudly.

The plant is minutes from the new Peninsula Freeway that connects Melbourne to the south and next to the site pegged for the Freeway's expansion, giving the company direct access to the city's main transport links. It predominantly supplies customers in Victoria but also ships product to Sydney and Brisbane.

"It's like five warehouses in one," says Todd of the company's five acre Dingley facility, "and there's room to grow."

Even though the company has been in this location for only three years, its stores are stacked to the rafters with jumbo reels and pallets of cut sheets, and expansion plans are already on the table. There are individual stores for uncoated, coated and packaging products and the plant is about as high-tech as you can get, clean, efficient and automated. The intelligence behind the design, including interior driveways that are large enough for delivery trucks to drive through from one side of the building to the other, is more evidence that the O'Neills are seriously smart operators.

■ Sydney in sights

At present Direct Paper Supplies employs a staff of almost 40 people, including a sales team of nine, positioning the company as a medium-sized business. Todd says, "There's a perception in the market held

by some that we are a small player." A walk through the plant at Dingley should stop that thought in its tracks.

Growth for the company has been consistent. "I'd like to say our growth has been all my doing," laughs Dale who has been on the road for ten years, "but it's not. We've got a great team of sales reps who are out there visiting customers daily." I ask how important face-to-face communication is in the digital age. "It is a relationship-based business, there's no doubt about that," says Dale.

"We really love the printing industry and there are a lot of great people working in it."

But this doesn't mean they've rejected electronic communications; all the sales people are armed with iPads which enable them to show customers a range of products and to get live stock updates so when they are at a customer's site they know immediately if a particular stock is in the store and can get the order underway on the spot.

Dale says the company has its eyes on the Sydney market, and has plans for expansion, but they are waiting for the right time and for the turmoil in the industry to settle before they make the jump. "We are looking for a sustainable solution so we are not going to rush in."

"We don't want unmanageable growth," states Todd. "We are at a position now where we can supply 90 per cent of customers' requirements from our stores. With those who know us, we are very well-received, and we are now knocking on more doors. But we've never been frantic about growth and we'll never let our service levels be compromised."

Dale adds, "The Melbourne marketplace is tougher because there are more merchants here, so we're lean and battle hardened. We think we could do some good things in the Sydney market, and it would be beneficial for everyone because we have a very strong service mentality, terrific capabilities with our converting plant, and our time to market is better than anyone."

Todd concurs, adding that printers in Sydney haven't benefited from the competition of the merchants as printers in Melbourne have. "We see ourselves as a good fit in Sydney if we can replicate what we do here."

In conclusion, the O'Neills tell me, "We're a good strong business. We're profitable and well-positioned for growth. The trade is not all doom and gloom. We're a family business like a lot of the printers who are our customers. We really love the printing industry and there are a lot of great people working in it. We're confident of a bright future." ●