

Heritage Paint

A Colourful Workshop from a Locally-Based Company

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Haymes Paint

In the late 1890's, Thomas Jefferson Haymes, who is my great grandfather, started a hardware store, and in that hardware store he sold all the traditional hardware products. He also had a little area out the back where he made his own paints, and I believe most hardware stores around the world at that point operated the same way, where you got your pigments, you got your raw materials, you got your solvents. You bring it out the back and you had the little bits of machinery and you did most of it by hand, and made your paint that way. His business sort of grew I guess, and he got into radio and other things.

His son, Henry Haymes, who was my dad's dad, he had a passion for paint and started Haymes Paint in 1935. I don't know a great deal about Henry Haymes, my father's father; he died when my dad was 12, so very young. We do know that he did a lot of study and a lot of learning in England, during the pre-war period, I think it was, and then after the war. He was involved in the war and got quite sick, came back and passed away very young, which was sad.

I guess that 1950, mid 50's to 1970 period is a bit of a black hole in the company's history because it (the company) went to the brothers of Henry Haymes, who I guess plodded along and virtually sent the business bankrupt unfortunately during that period. I guess they just didn't have paint running through their veins, which is something that in hindsight they have said as well.

My father David got involved in the early 1970's, after spending time in the shoe manufacturing industry, I guess for the next 15 years or so, and I remember as a young bloke it was pretty tough, and our banks have changed. The ANZ was pretty good to our survival in that period.

David was involved in the 1970's and really fought pretty hard to keep the company afloat. He would have loved to have been here today. This is his baby; he has very few passions other than red wine – probably Ballarat number one, paint number two, Heritage number three. Family is a distant fourth. He is a very, very passionate man.

Some of you may have seen his television commercials which run, and they describe the passion that the bloke has got for the product and the city.

Going through time a little bit further, Heritage paints were launched – relaunched I guess they were, in the mid 1980's. In 1989 we built a new technologically advanced factory up in Wendouree, which is [motions] that side of Ballarat. Which really, I guess, put us in stead for the next century. As we had run out of room where we were.

In the early 1990's we launched the ad campaign with David on television, not getting into the history of how that came about though.

In '95 we launched a colour system, which doesn't sound that important – a colour system, colour cards – but it was really eight years in the making, and still to this day the biggest single investment that we have made. Because up until that time we had ridden on the back of the big guys, Dulux, Wattle and others by providing paints that were aligned to their colours and their tinting systems, so we didn't make any of that R&D really up until mid-1995. So we made the executive decision – well, David made the decision back in the late 80's – to build a new factory and to develop our own colours, which Heritage is a major part of.

In 1999, we launched a product called the computer paint, which I guess for the next generation is the way to sell colours of paint – via the Internet. Effectively, you buy a CD Rom for \$30 and put it in the computer and you can paint your house all of our 113 colours, print it out, and it will give you a 90-95% view of what your house will look like, on the inside or the outside with the various colour choices. You can then just click on a button, which takes you to the Internet, which says “how big is your room?” and you can order your paint. It should be there the next day. Now that is the theory; it's not working yet, but it is pretty close.

To give you a bit of background on Heritage, as I say it was sort of relaunched in the 1980's and we made Heritage paints. Henry Haymes and Thomas Jefferson Haymes had made paints by that traditional method and you were pretty restricted as to the colours you could get early in the century, as you were really using pigments straight out of the ground. What they would allow you to do was your deep Brunswick Browns and your rich reds, your vanillas and your creams – all your pretty basic sorts of colours.

Ballarat is a very old town, as you are well aware, and all the houses in Ballarat were painted in those old traditional types of colours back at the turn of the century.

In the 1980's it was pretty interesting and I have only heard the story really from talking to people in the company. How it all eventuated was a lot of younger couples could afford to buy all these really cheap terrace houses and older Victorian and Federation style houses, and they were interested in restoring them to their former glory, and as a lot of people now do as well.

David said, “Yeah, we made all that; we have still got all the formulas” that are 80 years old, of how you make all the traditional Heritage colours. So we started throwing a few batches together and they came literally out of the factory floor. It was, “Oh, that's not quite right, and it's not quite rich enough”, and from that a range of Heritage colours just developed. As I say, David is a very passionate man and is heavily involved in the community, and with his contacts I guess more people were asking, “How can I get my hands on these colours?” So that was the Heritage range; that's where it was reborn from. And at the same time it was happening in other parts of Australia with other manufacturers as well. I guess what happened at that point was we had a critical decision to make. We could either make it the traditional way or we could do it with new manufacturing techniques. And probably for economic reasons we made it the old way because we had all the equipment. We had the old bore mills and the old ceramic bowls, so you just chuck everything in and you turn on the bore mill, let it run for three or four days, and your paint would come out at the end of it. Whereas the new techniques were very fast, using

glass beads, and you could whip a batch up in a couple of hours. By doing it the old way, by using bore mills, it would just gain you that richness and unique texture of the product, versus the new way of doing it with tinting. You go into a paint store, you get a can of paint for a base, they put it under a tint machine. Ours are all factory-packaged and factory-made colours; whether they are salmon pink or Indian red, the colours were made in the can and shipped from the factory at that point. So it was a bit of luck, I think; no massive marketing strategies, it just happened.

I guess David then just saw an opportunity to establish us as a fair dinkum manufacturer of paint and paint products. We had been strong in the country areas for a while, but cracking the Melbourne market was pretty difficult, because it was all price, price, price, and if you went in with a price that you wanted to pay for it you were going to be seen as just another paint brand. So getting Heritage up and running, packaging it and doing the appropriate merchandise with it, it allowed us to go into Melbourne in a small way and create a point of difference. The first place David visited was Myer in Melbourne and he went in there and sold it to the bloke who buys paint in Myer. We were in there for two and a half years and we sold one litre. It didn't matter because that opened us up to going to paint specialists and paint stores throughout Melbourne and saying, "Oh, our paint is in Myer" and it worked.

Effectively what happened in those early days was we had – not really the early days, but in the 80's – we had about 12 or 13 distributors who took on our Heritage products and we advertised through Home Beautiful. Just basically we had very plush dining rooms and Heritage-style dining rooms and beautiful old tables and candelabras and just with a little "Haymes, makers of fine quality paints". It created a demand. We also got involved with the National Trust of Victoria, not as an official sponsor at that stage but just as a preferred supplier. And I'm sure there is a commonality among the National Trust members who are interested in bringing things back to their original glory, and they went out there looking for these products. At the same time we started getting normal wall paint into a few stores and people thought, "Hey, this stuff is pretty good too". All of a sudden we had these distribution outlets forming in Melbourne where Heritage was becoming the flagship, if you like (but only representing at its absolute peak 7½% of our total sales, as it was a very specific market for people who were willing to pay a premium price), and by a number of stores who carried a large amount of stock in their store to be able to service that market. Heritage in hindsight was one of the most critical things that we did to establish firm and strong distribution channels in Victoria.

At the same time we had sponsorship, like here with the Haymes Heritage Miners, the basketball team for three years. That was a fantastic involvement; they got national exposure. Then the price tag went up obviously and we couldn't afford it, but it was a terrific opportunity for us. When Heritage became involved with the National Trust, initially as a preferred supplier because the conservationist architects (down in Melbourne in particular, and in Geelong) recognised Haymes Heritage paints as the real thing for restoring. From that my father was having a conversation over the fence at the beach with the chairman of the Trust back in the late 80's. They thought, "We should put something officially together where we recognise it (the paint) and because I love restoring houses," said David, and since 1990 we have been the official restoration paint of the National Trust of Australia, in Victoria, South Australia and Queensland. All the other states are locked into contracts with other manufacturers. This was

another key point to our distribution in metropolitan Melbourne in particular, as people hadn't heard of Haymes Paint, because at this stage we weren't on TV. People would walk into the paint store and say, "I would like a can of low sheen acrylic to paint my bedroom walls" and the bloke would say, "Have you heard of Haymes?" and they would say, "No I haven't". "It's 100% Australian owned, it's made in Ballarat for about 100 years". And they would say, "Oh, that's good" and then they would say that it is the official restoration paint of Victoria, and that sold the can of paint every time. So our involvement with the Trust is basically David wanting to help out with restoring old properties that has been an integral part of our marketing plan as well. I put it down to David being a pretty high moral sort of bloke, and I guess he is community involved, and his wish to just do things for the right reasons does pay dividends, so I think it has been a pretty good lesson for me growing up.

Where are we today? Well, I don't actually work for Haymes Paint. I haven't been in the company for 18 months, but I can't get away from it. I love it. I'm on a five-year sabbatical and have just finished with the local newspaper, and I now work for a personnel company. Haymes employs 100 families in total throughout Australia. We have distribution pretty much throughout Australia. We have some holes, Sydney metropolitan market being the biggest one, which is a shame, the city with the biggest population, but pretty much we have covered most of Australia.

We only sell our paint through paint specialists; it comes back to David not wanting to deal with the purchasing officer of a big hardware group like Bunnings, where it was all down to the final cent. He basically said he wanted to deal with people who own their own business, just like me, who have the bank manager on their back and have to worry about the people working with them, and have a commonality with the way they run their business. We are number one in paint specialists in Australia; in Victoria we are the number two brand, behind Dulux, in brand recognition and sales. The paint specialist market is a diminishing market, and I guess with the evolution of Bunnings and BBC (they are really these big mass merchants that flog off products pretty cheaply), paint specialists are struggling, there is no doubt about it. So our tactic has been to get involved in paint specialist groups, namely a group called Paint Right, which is exceptionally strong in Victoria and is growing throughout Australia. We have 78 members now, which isn't bad. And there is also Paint Place, which is very strong in Queensland and New South Wales. They are our preferred suppliers, but really our business partners. We try to say, "Well, how can we look at your businesses and try to improve the cost efficiencies of doing it and taking a lot of the traditional costs of manufacture and retail out of doing business?" In other words, we develop a product that they are asking for and instead of us going out there and flogging it to them, they are basically buying it because they are involved in the development process. So a lot of the business cultures are changing. We are undergoing changes that I guess any business has during its life cycle. The manager, David, is now approaching 60; I'm out of the business for five years, plus my sister just had her first baby, and my brother was working for SOCOG, my brother-in-law is managing director of the business, we have people who have been there 40-50-55 years that are now retiring from the business. There are a lot of changes happening and I won't say it's all a bed of roses because it's not, with the Australian economy and the Australian dollar (which I have written down a whole bunch of weaknesses). But for all of those things, I think if you have the right structure and culture within your business, you can survive it. Because we are relationship manufacturers, we are not trying to flog a can of paint to

anyone, we are doing everything I guess in conjunction with our customers and our clients, we will survive; we will be here for hopefully a fifth generation and a sixth generation, and hopefully a seventh generation.

Which interestingly enough someone said to me this week, “Oh, you’re third generation. Must be a real concern. Statistics show that a third generation breaks the business.” I said, “No, I’m fourth”. And that is convenient, because if you look at it from 1935 onwards, we have incorporated Thomas Jefferson Haymes. So the business is looking strong for the future. Heritage still plays an important role. Heritage still makes up 7% of our total sales.

We are launching into New Zealand next year, I am told, which is an exciting prospect for our company, because I was over there two years ago doing some research and there are so many commonalities between our two countries, it is remarkable, and heritage and restoration is just another one of those commonalities.

We have a great team of people, which is going to be key to our survival. Just a little story: we had one bloke, Tom Blanky, who lived in Ballarat all his life. He is really the link between Henry Haymes, David Haymes, and now myself, because he has been through all of the generations. He has been with the company 50-odd years. He retired last year, and he was gone two weeks. He came back in one morning, and David said, “What are you doing here, Tommy?” He was in from the country and said, “Oh, I have to travel in to get my payments every day, might as well come back to work for a few hours”. And he does. Comes in every morning at 8 o’clock, loads the trucks, delivers some paint, makes a bit of paint. Goes home at 10.30 and makes his wife breakfast. So with a culture like that and your people, you can’t help but to survive and stay buoyant for the future. So we are very, very fortunate. Another advantage of being small – and when I say small, we are number four in Australia – but the big three, which are Dulux, Wattle and Bristol Taubmans have brought everyone else. Dulux owns Berger, Cabbotts, Intergrain, and the list goes on. Wattle owns Solver, and a whole bunch of other smaller companies, and Bristol Taubmans are now South African-owned. So Haymes has been the only 100% Australian family-owned business and someone I guess small businesses can relate to. We are really their only option and they are really our only option. And we co-exist really, really well and we have wonderful plans for the future, not traditional plans. But it is hard work, don’t get me wrong. It’s probably harder to get everyone to agree to strategies for the future, and when you have got 100 minds of 100 small businesspeople all dotted around the country all trying to get direction, that is a pretty tough process. But after three years of having Paint Right, our distribution arm, up and running, we are making some massive headway, and we will strengthen that distribution arm for the future.

Pretty much that’s as much as I can tell you about Haymes Paint. My involvement has only been brief in the history of the company, but I will definitely be back there in three years. If there are any questions about our business, Heritage in particular, I am more than happy to answer them. As far as the makeup of products, I spent six months on the manufacturing floor so I am not that good with it, but I have a bit of an idea.

Thank you for the opportunity for talking to you and I look forward to answering any of your questions.

Discussion

Question: Due to the technology these days, I see that you are trying to get out of preparing paint – you know, with putting the undercoat on and the gloss and all this. How much research goes into something like this so that the product is just as good as the old method of four coats and getting it all right? Something I was worried about.

Answer: “You have reason to be worried too. I only base it on Neil, who is our technical bloke, who has been with the company for 43 years and he has gone through enormous changes within the industry during that time. It all comes back to marketing from the big companies. The marketers see an opportunity to flog off more product and they will do things to cut corners. And Neil was saying that we won’t put a product out until we get it okay, which is all a bunch of hoo-ha. There are definitely advances and there are products such as Taubmans 3 in 1 where you don’t have to do your primer and your three preparations. They are not as good, but they are a huge jump from where we have been. The traditional methods are the best, but that has been the case for 100 years too. It’s economics, I guess, in many respects, as people aren’t willing to pay as much for a product, whether it be a car or a can of paint; the quality does drop off. I think that is where we have a bit of luxury in comparison to the big blokes, where 30 or 40 cents a litre to us doesn’t really matter as we are only producing smaller amounts, whereas to Dulux, who produce billions of litres a year, it’s a heap of money. We try to keep our raw materials at the premium end of the market, when we search the world to get them, where the bigger companies do have to start cutting corners slightly to get the costs down. To answer your question, a lot of it is marketing, and there are exceptions to it, but traditional methods are still the best methods. We haven’t been proved wrong from what worked 30 years ago and we do all the testing from Queensland to pretty harsh conditions in Ballarat.

Warren Doubleday (BTM) commented on the technology of these days, the advances in paint production. New types of paint are allowing for price, however quality is not as high as hand-made paints. The main problem is marketing.

John Radcliffe (AETM) commented on the varnish of wooden trams. Technological progress – UV resistant, prepared product to suit company and type of finish and surface.

Bruce Gamble (MOTAT) commented on the database of colours, etc. Use of new paints over lead-based products.

Bob Pearce (PETS) commented on producing product from samples.

Richard Gilbert (BTM) commented on interact via the web – www.haymespaint.com.au.