



Auto Recycling Group

Building A Better World

As an organisation, we wish to inform our members via a monthly newsletter on how our collective company(s) are tracking.

During these tough economic times that we all face together, we should all be made aware of how the organisation at large is performing. It is vital to ensure that we as a business can rise from this pandemic in a stronger position than when we entered it.

Not a day goes by in recent times where we don't hear on the news that our economy is entering its worst period of recession in living memory.

This ultimately means that in the months ahead, the economy is going to regress at a rate never before seen and cause businesses globally to close resulting in massive unemployment.

The fact that our business has remained open is due to the actions of our government and the commitment from each and every one of us to lift our game and rise to the challenges ahead. Acting to reduce the impact on society, our government has stepped in and handed out cash to the workforce through 'The Job Keeper scheme' to help secure individuals in their jobs and business like ours from closing.

Due to this and also a boost in sales at Jolly's, we have all managed to "dodge the proverbial bullet."

Please make the box containing ROB A. the same colour as the background colour



CHAMPION OF THE MONTH

ROB A.

Champion of the month of June goes to Rob A. for his excellent team work. Praise by members across all sites for being prompt with responses and pulls, and for thinking about other team members in the organisation not just his own jobs at hand. Rob always adds great input into meetings and contributes in many ways towards the business. Well Done & Thank you Rob.



NEW ADDITIONS

Welcoming **Britt & Adam** to the team. Adam is our new automotive parts interpreter. Adam is 24 years old and enjoys playing football in his free time. Britt has a strong mechanics and general automotive knowledge from her many years and interest in the industry. **Britts** favourite things to do are going to drift and burnout shows where she also likes to do volunteer work.



Over the past 3 months, we have seen strong positive sales trends. Whilst other areas of the business are suffering, this has been a vital part to our survival. But why is that?

We introduced a customer based questionnaire at our Dandenong facility to try to understand this increase in foot traffic.



As you can see -

It seems that many of Jolly's customers have chosen to spend some of their government monetary support (Jobkeeper) at Jolly's, which has kept our doors open, whilst at the same time, sustained employment sectors and stimulating the economy.

Over this period, new car sales are down by 40%. (This is a clear indication that people are no longer in the financial position as they use to be and are forced to keep their old cars on the road. The throw away mentality of 'just buy a new one' is a foregone luxury which has forced people to look for alternatives when it comes to their vehicles. They would rather repair their old car, with cheap value for money parts from Jolly's, which is driving new foot traffic through our doors.

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It's up to us to ensure that every customer that visits any of our sites is given the best Jolly's experience possible. As a result, such an event has forced consumers to use Jolly's for first time. This is our opportunity and our responsibility to keep them Jolly's customers for life - which is why there is a lot of focus on Jolly's during these unprecedented times.

With the support of Tristan and the team over next 2 months, we will be working through -

- 1 The rebrand of Jolly's Auto Parts - to create deeper connections with what we do
- 2 New websites - to ensure the Y generation is serviced with an experience that is comparable to Amazon.
- 3 Our customers journey - to make sure when the customer comes to site, they get what they need.
- 4 Loyalty programs - to understand our customer behaviours, who they are, what they buy, and rewarding them for spending at Jolly's.
- 5 Extra staff to answer phones calls. Representatives to interact with and sell to work shops. Followed with support and a heavily backed marketing strategy to continue to engage, interact with and lock in our customers for all their vehicle parts needs.



With global markets having crashed more than 40%, TAR has managed to stay afloat through the incredible efforts of the whole team, who have increased the number of cars processed that are pushed through to Jolly's sites.

By dramatically decreasing time spent processing each car and increasing the number of cars processed, we have driven down the cost attributed to each car. This makes it possible to sustain the business even though the value of the scrap we produce has crashed. We did have a little bit of luck on our side as well, for a change.

While the purchase price of the cars hasn't altered a great deal, many of our competitors have cut right back on buying due to the slowdown in their export markets, like Dubai.

Without this, we would have been fighting to get sufficient numbers of cars. The other thing that helped was that we had "recall" cars come to our disposal at just the right time. Although they were only good for scrap, doing them quickly helped spread TAR's operating cost over more cars, driving down the cost per car. So, in all when the boat was about to sink, we decided to work like an Olympic rowing team and rowed much faster to take on the challenge.

We'll done team, we have proven we can do it!

Looking ahead, our future remains uncertain which is a concern for us all. One thing we can all be sure about, is change is the only constant. The costs associated with running a business are sustainable for us while the Government incentive Job Keeper support payments continue to be paid out. Customers will still spend their share at Jolly's but the Government looks like they will start to roll that back before it was due to end. The belief that things will return to the way things were is not a realistic one, as what drives the economy won't be there for the foreseeable future. It will be a long time before everyone has confidence with their money and how, when and where to spend it. When the Government stops its monetary hand-outs, Jolly's sales will decline as direct result. When the export markets slowly return, we will see the competition return and our supply of cars dwindle once more. One thing for sure is that we won't be strong enough to just sit back, do nothing and roll with the punches. If we work desperately and collectively to secure our future, we will have a much better chance of succeeding than if we all tried to fend for ourselves. Using TAR/Jolly's to secure our future is the best thing we can do.

Think of TAR/Jolly's as something that works for us all, rather than something we work for.

After all, a definition of a company is, "A group of people working together as a group for a common good".

While some of us have invested more in the company than others, at the end of the day, we all have a vested interest in its future and success.

For the good of each and every one of us TAR/Jolly's must break through. Together Everyone Achieves More