

Family's photo attachment gets saved to disk



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For the Cilibertos, corporate downsizing has been a springboard to a future beyond film, and expertise in convergence.

Business, like life, for the Ciliberto family is about change. Reading the times, adjusting and making decisive moves have seen their C-Direct business grow from a small retail outlet in Bulleen to a \$25 million niche wholesale and distribution operation with 26 staff and an Australasia-wide reach.

The rise of the digital camera and the consequent precipitous collapse of the film supply business that was once a mainstay has been the latest shift in the business firmament they have had to deal with.

"The huge move to digital photography impacted on us quite severely," says C-Direct co-founder and chief executive Peter Ciliberto. "It was quite a big market, but it's amazing how quickly it can disappear on you."



Two generations of the Ciliberto family are taking into their stride a move to digital technology. From left, Danielle Ciliberto Renner, Andrew Ciliberto, Angela and Peter Ciliberto, and Rob Renner.
Photo: Rebecca Hallas

But the family is moving with the technology to cater for digital photographers. "Because of our relationship with Kodak, we are now distributing Kodak picture machines," Ciliberto says.

Picture machines are a sort of one-stop shop, instant film development tool being rolled out across pharmacies and other retail outlets by Kodak and C-Direct. They feature touch-screen control and built-in printers. Customers simply arrive at the store and download pictures they want printed by connecting to the machine through a CD or memory card slot or bluetooth wireless connection.

The Ciliberto business has been built on developing relationships with big corporations such as Kodak, Telstra, Vodafone, TDK (recording cassettes) and SanDisk (makers of memory cards). These relationships have led to deals to distribute particular products through designated distribution channels.

For example, they have rights to distribute phone cards, and phones on prepay schemes, film and photographic accessories and other products to all theme parks and major tourist sites, universities, hospitals and defence bases across Australia.

The business has been built on the back of moves to downsize in the corporate world.

"Companies over the past 12 years or so have been shedding staff and outsourcing," Ciliberto says. "We're beneficiaries of that outsourcing, because as they got rid of their sales force, we took over distribution for them."

Corporate philosophy is that you've got to be hard, mean, hungry and keep going for it. You don't need to do all of those things."
Peter Ciliberto

Winning these sorts of deals involves going through tenders based on ability to deliver.

"It's not so much about price, it's expertise," Ciliberto says. "We say we're the experts when it comes to particular channels and they say, 'Yep, you are', and we get the job at a price they determine."

Those prices are "generally pretty tight", he says. But know-how and good management see them turn a profit.

Business Ciliberto-style is very much a family affair. The operation began 25 years ago when Peter and wife Angela launched a photo shop in Bulleen.

That soon expanded to six retail outlets, including duty-free stores, in Melbourne, Adelaide and Brisbane.

But that was a high-pressure business, handling staff, customers and lots of cash. There were burglaries and stress and eventually Peter had a heart attack at 41. So the couple changed direction.

"We said, 'this is too much', got rid of retail altogether and went into wholesale," Peter Ciliberto says. "We saw it as nine to five, with no cash and headaches. It's all accounts."

Now daughter Danielle, son Andrew and son-in-law Rob Renner have joined the business and are taking it in new directions.

Angela, who handles operations and administration, says: "We've been very fortunate that Andrew is strong in IT, Danielle (who handles HR and customer service) is strong with people and Rob is creative. His biggest input is in the design of websites and creative input to advertising. The three have complementary, not conflicting, skills, and in some family businesses, that doesn't occur."

Says Peter: "Angela and I are also complementary. I have entrepreneurial and financial skills and she has human relations and organisational skills I lack. I dream it and she does it."

Young blood means the Cilibertos have been able to keep up with a changing marketplace more effectively, Peter says. Recently, the second generation have opened a retail outlet called Fusion, which stocks photographic and telecommunications equipment and services, leveraging off the convergence between those two technologies.

"Few phones don't have cameras in them now," Danielle says. "A lot of people, especially older people, want to use camera phones, digital cameras and MP3 players but don't know how. We're in a niche market area, so we can spend the time explaining."

The family style of operation means all have a say in management. "It's not a formal process," Andrew says. "People have designated positions and work fairly autonomously within their areas of responsibility."

"We have meetings and sit down to discuss strategy," Danielle says. "We also have an annual conference, which is sales-based." But the overall method of operation is fairly informal, she says.

Family business means smaller salaries than at the high-flying end of the corporate world, says Danielle. "But Andrew and I (both in their early 20s) are further ahead than a lot of our friends. That comes with extra responsibility, of course."

But it's a more humane environment than they may find in the corporate world, Peter believes.

"It's a family business and we bring to it family values like 'You don't have to be a bastard to be successful'. Corporate philosophy is that you've got to be hard, mean, hungry and keep going for it. You don't need to do all of those things."

Peter says the Kodak photo machine deal "is going to secure the business for the next 10 years.

"It's an enormous opportunity. It hasn't made up for the film sales we used to have yet, but it's new and it's growing, so that's exciting."

Other opportunities being examined include digital photo frames, where a camera memory card is plugged into a frame that is effectively a small screen. The frame then consistently scrolls through the pictures or video segments on the card.

Peter says he and Angela plan to end day-to-day involvement in five years, leaving the business to the next generation.

That, says Danielle, is an exciting thought, "but there's still lots of work to be done, lots of skills for us to acquire".