



Family first: Angela and Peter Ciliberto run sales and marketing group C-Direct with son Andrew and daughter Danielle. Picture: ANDREW TAUBER

Step back, go forward

Helen Carter

FAMILY and a health scare prompted Peter and Angela Ciliberto to embark on a business seachange 15 years ago.

But they did not anticipate the change in priorities would also lead to a financial windfall.

Mr Ciliberto's heart attack at 41 and the couple wanting more quality time with their children were the catalysts to downsize from six "photo lab" retail shops to one wholesale store.

It turned a \$7 million business into a \$1.5 million company but enabled them to boost the distribution side of the business, which now turns over \$20 million a year and has 3500 customers.

The change benefited their children and made it an attractive company for them to join. Son Andrew, daughter Danielle and her husband, Robert Renner, are now in management positions.

The family is in the third year of a six-year succession plan.

Peter, 57, and wife Angela, 53, own C-Direct, a national sales, marketing and distribution company.

C-Direct operates as a "middle man" getting products from firms such as Telstra and Kodak into the marketplace.

There are three divisions — telecommunications (pre-paid phone cards/phone packs/internet connections), photographs (including

Expertise on family business

C-Direct won Family Business Australia's 2007 National Family Business of the Year Awards first generation innovation and entrepreneurship award after Danielle secretly entered the competition.

"Family Business Australia is a wonderful organisation which helps professionalise your family business," Mr Ciliberto said.

It gives access to mentoring, networking and experts talking on

succession planning, sibling rivalry, divorce affecting family business, drawing the line between home and work, being fair to all employees and bringing children into the business.

A workshop on how to enter the awards and best practice family business will be held at C-Direct, East Ivanhoe, on December 13.

Net link: www.fambiz.com.au

memory cards for digital cameras) and entertainment (movie and theme park tickets).

In 1978, when Mrs Ciliberto bought a Bulleen music shop, she turned losses into profits by stocking photographic products.

A year later her husband took a "huge risk" by quitting his highly-paid job as an economic and financial analyst at a bank and joining the business.

"Banks had social club shops where employees could buy discounted items and we saw an opportunity to sell them photographic products," Mrs Ciliberto said.

They approached banks and big business to develop the niche market of selling records, cassettes and film processing to 400 staff clubs

nationwide. The photo labs also opened. When the recession hit the club market, the name changed from Club Direct to C-Direct and they expanded to student union shops at universities and TAFE colleges.

Meanwhile, the heart attack, "extreme stress" of running six stores, burglaries, long hours and wanting more family time led to downsizing.

"Our son, Andrew, was nine and said, 'All you do is washing mum'," Mrs Ciliberto recalled.

"Now we're not working seven days a week and don't have the hassles and killer hours of being a retailer."

Embracing new technology and continually expanding to new markets are keys to their success. They have extended into tourism markets,

hospitals, prisons and are expanding to pharmacies and newsagents.

"We didn't encourage the children into the business — it was their decision, but they grew up with it, got their uni degrees and worked here part-time doing menial tasks like sweeping, packing and invoicing, which gave them credibility," Mr Ciliberto said.

Apart from their own skills and qualifications, the children brought fresh ideas and helped the company adapt to digital and telecommunications markets.

Their parents are slowly transferring the business, ensuring they are "hands on" in learning the ropes — attending meetings with suppliers and negotiating contracts — but also keeping up to scratch with professional development by attending management courses.

"The succession plan gives them the skills to run the business and be accepted by employees, customers and suppliers," said Mr Ciliberto, a finalist in the international Ernst & Young Entrepreneur of the Year Award this year.

Placing the children in appropriate management positions was also important.

Andrew, who has a business degree, is strong in economics, negotiations and IT. Danielle, with an arts degree, is better at marketing, human resources and customer service.

A financial succession plan will be implemented later.