

J. L. LENNARD

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125 Years of Excellence

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ESTABLISHED 1879

J. Lennard, Sydney

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JL LENNARD

125 Years of Excellence





FOREWORD



David Boekemann

Celebrating 125 years in business in Australia is an extraordinary achievement for a family business. To have overcome many challenges along the way, including two World Wars, the Great Depression and the premature death of the first family member in the business, William Henry Boekemann, is great testament to the business principles and philosophies laid down by its founders during JL Lennard's early years.

Putting these principles and philosophies into practice means that JL Lennard has always held its employees in high regard and treated them with the greatest respect and consideration. Secondly, the company has always forged strong, open relationships with its customers and has developed strong personal relationships with all its suppliers. Finally, JL Lennard has had a strong desire to succeed in our market.

JL Lennard has always operated within the framework of the highest ethical standards and the underlying belief that, whilst profit is important, staff integrity and customer satisfaction are equally important. These standards will hopefully see it through the next 125 years.

We are all extremely proud to be associated with, and helping celebrate, such a milestone. It is even more significant when one considers that JL Lennard is one of only a handful of companies to have operated a business in Australia for this length of time.

Please enjoy this story of a unique family business. Thank you to the many staff, customers and suppliers who have supported us through three generations of ownership and who have been, and continue to be, vital to the success of JL Lennard.

Many familiar Australian products have been packaged using machines supplied by J L Lennard.

DAVID BOEKEMANN
MANAGING DIRECTOR

JL Lennard Pty Ltd, which began life as an importer of disinfectant, has grown to become one of Australia's largest importers of packing machinery and graphic arts supplies.

Founded in 1879 by Julius Levy—who had migrated to Sydney from Segeberg, Holstein, in Germany—the import agency initially relied for most of its revenue on Lysol, then the world's most widely used disinfectant and multipurpose cleaner. Over the years, though, Levy built up his business to include imports of drugs, chemicals and chemist supplies.

In 1884 Levy took on an employee who was ultimately, through his son and grandson, to change the shape of the business. William Henry Boekemann, who joined the import agency as an office boy, was born in Sydney in 1867, third of nine children of Augustus and Caroline Boekemann. Augustus Boekemann had migrated to Australia from Bielfeld, Prussia, in 1856, initially living around the goldfields of Ballarat and Bendigo before settling in Sydney. Shortly after starting work with Julius Levy, 19-year-old William Boekemann was transferred to Melbourne to manage the firm's Victorian branch, which had opened in 1880.

During the 1880s Julius Levy built up a sizable business importing industrial alcohol and cylinders of carbon dioxide. These came from Germany and the empty cylinders had to be shipped back. It occurred to Levy that it would be logical to try to produce substances locally. With this in mind, he approached the Colonial Sugar Refining Co Ltd (CSR Ltd), suggesting it install equipment to make industrial alcohol and carbon dioxide as by-products of sugar. In 1887 Levy was appointed selling agent for CSR, beginning an association that was to last for 85 years.

In 1899 Levy changed his name to Julius Lennard and, in the following year, the trading name of the business became J Levy Lennard, subsequently abbreviated to JL Lennard. He opened a branch in Wellington, New Zealand, with Jaques Schoss



*William Henry
Boekemann.*



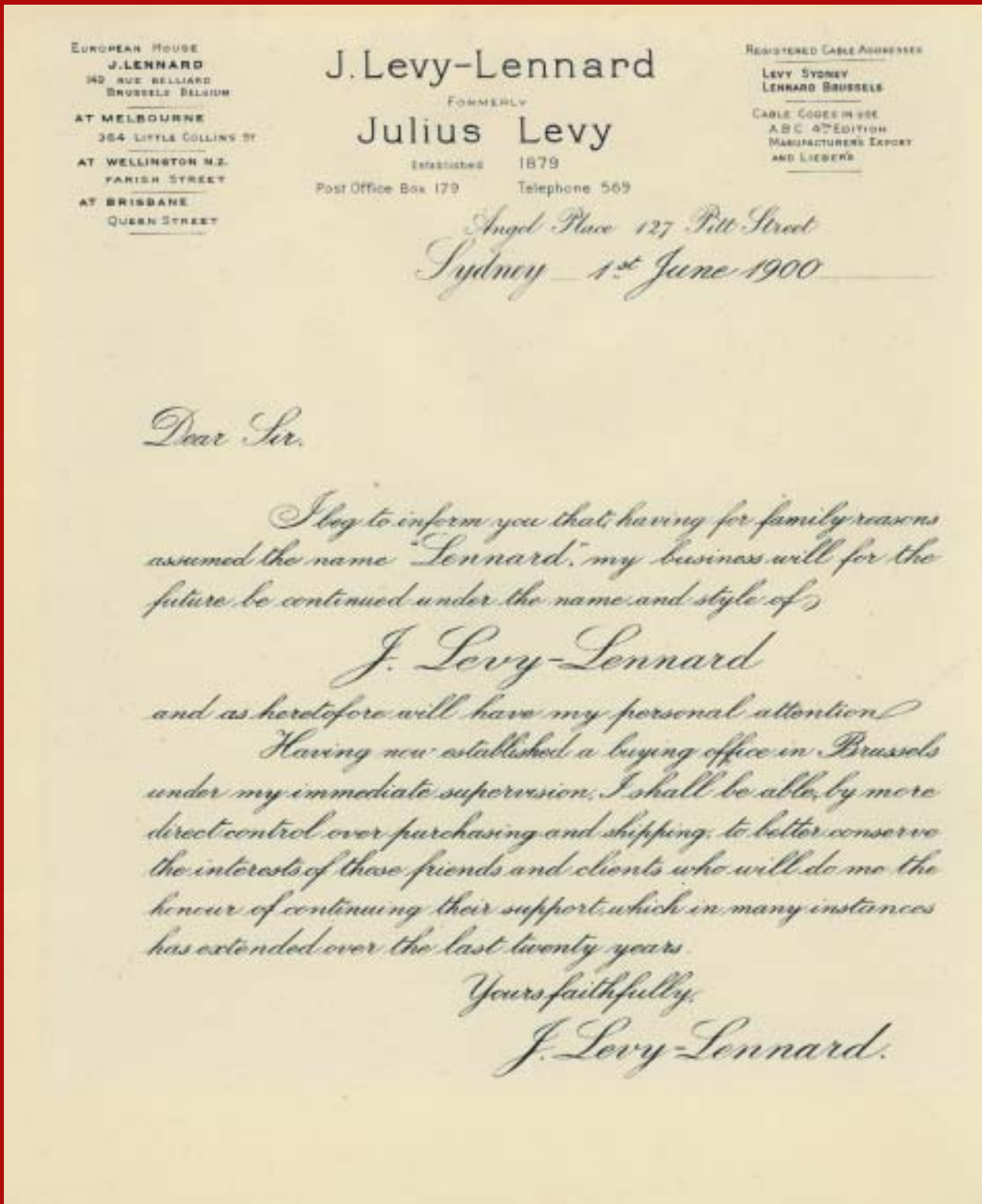
*William Boekemann
joined JL Lennard—
then Julius Levy—
in 1884.*

as manager, and a branch in Brisbane. Not content with this spread of representation, in 1899 Lennard left Australia to establish a buying office in Brussels. Operating as JL Lennard, this was the first and only office in Europe. Australian expansion continued, with an Adelaide office opening in 1904. In 1905 Lennard sold his Sydney business to his manager, William Boekemann, and his interests in the other outlets to managers of these branches. In 1909 the Melbourne business was bought by Charles Dale Medcalf, who admitted Boekemann as a partner.

Boekemann began importing an eclectic range of items including menthol crystals, goatskins, celluloid fountain pens, cheese, chocolate, bottles, vials and caps. He was also bringing in packing materials such as waxed paper and Cellophane—a first tentative move into the packaging field. Gradually the business began to diversify into importing equipment, mostly for packaging in the food and confectionery industries. These included weighing machines, flour-milling and powder-grinding machinery, machines for wrapping and labelling chocolates and cigarettes and for packaging tea. They came from well-known manufacturers such as Pneumatic Scale in the United States—for whom JL Lennard was agent from 1919 until 1990—Rose Bros Wrappers of Grainsborough in the United Kingdom and Lehmann of Dresden, Germany, and were sold to Australian companies including Bushells Ltd, Cook Confectionery (later bought by Lifesavers) and Cadburys.

Boekemann remained a bachelor until late in life then, in 1922, he married Evelyn. They had four children: a son, Robert (Bob), and three daughters, Judy (Bob's twin), Rachel and Jocelyn. News of the birth of twins in 1923 to Boekemann—then 56—and his young wife spread among the clients of JL Lennard. Soon their house was flooded with huge jars of boiled sweets sent by confectionery suppliers. For four years he operated in partnership with his nephew, Frank Augustus Guy, an association that ended with Guy's death in 1925. Boekemann then reverted to being a sole trader.

Imports of machinery rose in the years following World War I, reflecting increasing automation. During the 1920s and 1930s JL Lennard was bringing in what would then have been considered 'high-speed' equipment—a flour-packing plant, tea-packing and confectionery-wrapping machines and chocolate-processing equipment. JL Lennard was becoming established as the foremost supplier of such equipment in Australia. The firm's claim to be a product pioneer is backed by a



William Boekemann entertaining his twins, Bob and Judy, in 1924.

number of 'firsts' in Australia: it initiated the use of fully automatic, high-speed capping and labelling for detergents, tablet-making machines, electronic tablet counters, caramel-wrapping machines, fully automatic tea-packing machines, equipment for wrapping and cartoning ice-cream and machines for sterilising and filling beer bottles.

As was to be the case later, JL Lennard proved a counter-cyclical business. It thrived during the Great Depression, largely because of an increased demand for industrial alcohols, widely used in pharmaceuticals and detergents. William Boekemann, though, did not live to see further progress in the business he had built up. His eldest children, Bob and Judy, were only 10 years old when their father died in 1933, their sisters considerably younger. Boekemann's estate was left in the stewardship of Union Trustee Company of Australia Ltd. The trustee company was generally responsible for managing the business's finances and administered dividends to the shareholders (Evelyn and her four children). An employee of JL Lennard, Garnet Sapsford, who had joined as a clerk in 1898 and worked his way up to the position of accountant, was appointed general manager. Had William Boekemann not organised his affairs in this way it is possible that the business could have wound up when he died. With the trustee company in place, however, and a general manager in charge of day-to-day operations, the business remained in the Boekemann family.

Bob Boekemann was educated at Sydney Church of England Grammar School (Shore) and then Geelong Grammar, after his mother had moved the family to her hometown of Melbourne in 1938. Bob served in the army during World War II, stationed for the most part in New Guinea, where he served as a mechanic. He also put to good use his appreciation of music, organising concerts for the troops. After the war he began working with the Department of Transport in Melbourne, then, after a couple of years, with the Myer Emporium. It was through friends there that he met his future wife, Annabel Cooper. Early in 1948 Bob began working with JL Lennard

In 1900 Julius Levy changed his business's trading name to J Levy-Lennard.

in Sydney and later that year, after the marriage, he and Annabel settled in the New South Wales capital.

JL Lennard had traded successfully during World War II, continuing to turn in profits despite the deprivations of the war years. When Bob Boekemann joined the firm it operated from Reiby Place, near Circular Quay, in a building it had occupied since 1912, conveniently close to CSR, the Union Trustee Company and Customs House. From 1953, when Bob Boekemann was appointed managing partner of JL Lennard, he was officially in partnership with the Union Trustee Company, as managers of the estate of the late William Boekemann. But the trustee company controlled the finances (until the late 1970s it countersigned cheques drawn by JL Lennard); Bob Boekemann had to discuss with the trustee company any move he wanted to make for expansion or development. But he had started in the business aged 25, with little relevant experience and no mentor from whom to learn. Consequently there was a level of comfort in being able to turn to the trustee company for advice and support.



Bob, Judy and Rachel Boekemann with their father in Sydney.

The arrangement reflected the serious consideration Bob Boekemann's father had given to his son's ultimate succession into the business. However, Bob was left with the responsibility, but not the authority, for running the business. Moreover, control of the company was divided in a way that created problems when Bob subsequently wanted to gain greater authority, through increased ownership, in running the business.

Bob Boekemann was aware from the outset that the agency for CSR could disappear at any time. He saw the potential for JL Lennard elsewhere, specifically in importing machinery. To test the viability of this new direction—and with the confidence that he could leave the business in the capable hands of Garnet Sapsford—he and Annabel travelled to Europe in 1952 and, from a base in the United Kingdom, visited potential suppliers in Germany and several other countries.

Bob Boekemann served in the army during World War II.



JL Lennard supplied the packaging to this flour packaging factory, pictured here in the early 1900s.

It was a challenge for the 29-year-old Boekemann but he successfully forged new contacts and established a network of agencies for machinery. In that post-war era many of the manufacturers he met in Germany were young men like himself, trying to establish a business or rebuild a family business in the aftermath of war. They found much in common and Bob Boekemann initiated many long-lasting relationships.



In 1953 Garnet Sapsford, the longest-serving employee, having joined the company 55 years earlier and been general manager for the last twenty years, decided to retire. In a speech marking his departure in December 1953, Bob Boekemann warmly praised Sapsford's loyalty, support and friendship. Sapsford had provided continuity when it was needed in the business and, while not expanding its activities, had nonetheless shown excellent administrative skills in maintaining its operations.

In 1957 JL Lennard opened an office in Melbourne to support the machinery sold by the company and to provide a base for the Melbourne sales staff. Under Bob

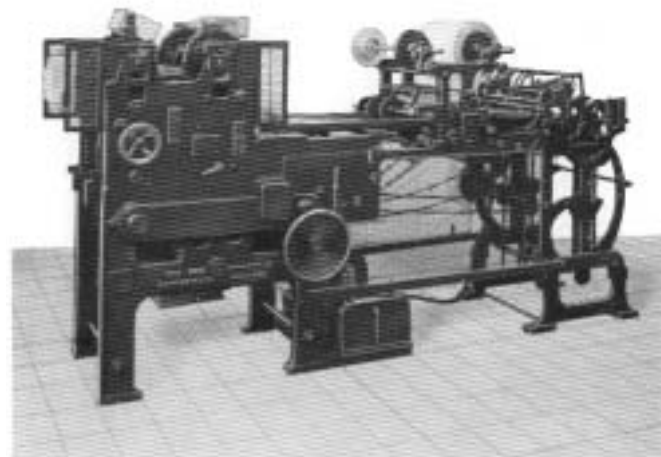
Boekemann's guidance, JL Lennard changed direction to concentrate on importing packaging equipment for the food, confectionery, pharmaceutical and chemical industries. His intention was to strengthen the company's position as a leading supplier, a policy that produced a progressive specialist business focusing on sales and service of first-class capital equipment to specific industries. During the 1960s the major multinational pharmaceutical companies began enthusiastically investing in plant and operations in Australia and the pharmaceutical side of JL Lennard correspondingly expanded. The company was in a prime position to take advantage of the trend because it had agencies for some key operators, including: Manesty, which built tablet-pressing machines and for which JL Lennard had been an agent since the early 1920s; CE King, which had been supplying tablet-counting machines since the late 1940s; and Glatt, which had produced a new type of tablet dryer and which JL Lennard had represented since 1961. JL Lennard's grip on the market was such that virtually all pharmaceutical companies bought their machinery from that company.

In the late 1950s and early 1960s Bob made more trips to the establishing further agencies with British and particularly German manufacturers who were looking for new markets for their high-quality industrial products. He continued to cement relationships with his suppliers that often went beyond mere business associations.

It was through his contacts in Germany and trade information they provided that Bob Boekemann came to hear about the latest packaging machinery—information that resulted in two vital agencies. The Rovema agency, acquired in 1963, and Krones, acquired



An early example of packaging machinery imported from the United Kingdom by JL Lennard.



"Rose" Patent Carton Forming and Lining Machine
Class "NCF"
ROSE BROTHERS (GAINSBOROUGH) LIMITED
ALBION WORKS, GAINSBOROUGH, Lincs.
Telephone: GAINSBOROUGH 221 2144
Telex: 82137 W226, 911 Theobald Road, London WC1C. Telegram: Clivity 846

a few years later, were to become very important planks in the JL Lennard business. Rovema provided form-filling and sealing machines of the type used to fill and seal bags of rice, coffee and snack foods. Krones provided labelling machines and later filling machines used for such products as bottled beer and soft drinks. Demand for the machines was so great that JL Lennard sales staff had secured three orders on the strength of the information in the Krones brochures. Not wanting to sell a product before he had the opportunity to thoroughly inspect it, Bob stopped the salespeople marketing the machines until they had been delivered and inspected.

GROWTH OF JL LENNARD BETWEEN 1915 AND 1960

Year	Sales	Employees
1915	£56,000	9
1920	£128,000	14
1930	£183,000	13
1940	£149,000	12
1950	£299,000	15
1960	£730,000	20

With the 1960s came the rise in consumerism and advertising that in turn placed increased importance on the packaging and appearance of products. This was favourable for JL Lennard and its staff of about 20, comprising a number in machinery operations, two salesmen in Sydney (one of whom, Bob Cowley was still with the company in 2004 as national manager pharmaceutical equipment), one salesman in Melbourne, accountant Henry Lobelson, Bob Boekemann and support staff.

In the 1960s and 1970s pharmacy-related business was a substantial part of the company's activities, representing 74 per cent of total business in 1960, 55 per cent in 1965 and 50 per cent in 1970. Then, in 1972, came the blow that Bob had been expecting: after 85 years, CSR withdrew its agency for industrial alcohols. Bob Boekemann believed the business to be seriously threatened. In fact, the loss of the CSR spirit business wiped out \$2 million—two-thirds—of JL Lennard's expected revenue in that year. Clawing back this income took years of hard work in securing new contracts.



Some of the vast range of products packaged by a Rose Bros carton-forming machines in the 1940s and 1950s, imported and sold by JL Lennard.

But, as 1972 brought near disaster on one hand, it bought new opportunities on the other. That year saw the election of the Whitlam Labor government and the dawn of an era that, while bringing a credit squeeze, also ushered in a wages explosion with the introduction of minimum weekly rates, leave loadings and other employee benefits. In turn, this prompted many companies to revise their ratio of employees to machines. Upgrading from, say, semi-automatic machines to fully automated machines—which had appeared financially unjustifiable—now, because of higher wages, was a justifiable cost saving. For JL Lennard this entailed a mini boom in machinery sales that turned 1973 from an apparent catastrophe into one of the company's best years.

Bob undertook another trip to Europe during which he opened up discussions with a number of German manufactures who were gaining an increasing reputation as producers of top-quality machinery for packaging. By the year 2000 some 85 per cent of JL Lennard's import of packaging machinery came from Germany while the remainder was sourced mainly from Europe. On the printing side about 80 per cent came from Japan.

The year 1972 was a watershed in another way for JL Lennard: the company moved from the cramped building it had occupied since 1912 to a larger and more open premises in Artarmon. A major catalyst for the move was the proposal by the

A modern high-speed packaging machine for products such as flour, sugar and pet food, manufactured by Fawema in Germany.



developer LJ Hooker for the construction of the site of the Gateway building. But another major reason was that JL Lennard had outgrown the building in Reiby Place, which, while close to connections, could no longer accommodate the business. JL Lennard had moved increasingly into machinery sales and it was impossible to park trucks and offload bulky equipment comfortably in narrow Reiby Place.

At this time, also, Bob was becoming increasingly concerned about the structure of the company and was anxious to reorganise it so that he had more authority to run the business. Through the trustee company he approached the other shareholders—his mother Evelyn, who owned half, and his three sisters, who like himself had each inherited one-eighth. He proposed that, given his active role in day-to-day management of the business, he should increase his share to 50 per cent. As with many family-owned businesses, other members of the family—motivated by financial reasons or out of a sense of involvement, loyalty or pride—wanted to retain their links with the company. While these sentiments can contribute to the strength of a family business, the influence of arm's-length members can be a constraint on the person charged with running the business and whose concerns are profits and performance.

After several years and many discussions of the options available, in 1976 Bob secured a restructure of ownership so that he held 50 per cent of JL Lennard Pty Ltd,

with the other 50 per cent held by the families of his two now-deceased sisters and his third and youngest sister Jocelyn. The board comprised four directors: two from the Union Trustee Company, one of whom was chairman, Bob Boekemann as managing director and John Lamble, a stockbroker, his long-time friend and mentor. The second director appointed by the trustee company was Ron Davies, who in 1982 became chairman of JL Lennard.



The year 1976 was another big one for JL Lennard. Apart from achieving corporate status, it also branched into what was to prove, from the start, a highly successful diversification. The graphics and printing division of Carmichael, a printing machinery company and part of Dalton Industries, was to be closed, and a friend of Bob's recommended he talk to its manager, Jack Fraser. A synergy between the two businesses was clear from the outset. JL Lennard acquired the agencies it wanted from the division and Fraser came too. From its first day the division broke even. Among the agencies the graphics division secured from Carmichael were Katsura, a leading Japanese manufacturer of printing rollers and the world-renowned New Mol dampener covers, and Fujikura, Japan's largest manufacturer of offset blankets. Much of the rapid early growth of the division was a direct result of the wide acceptance these products received in the market. Other important agencies that made a significant contribution during these early years were Folex prepress materials from Switzerland and Anchor pressroom chemicals from the United States.

Also in 1976 a third generation of Boekemanns entered the company when Bob's son David joined as an accountant. David, 26 and educated at Shore, had deliberately decided not to start working for JL Lennard directly after finishing his commerce diploma at the New South Wales Institute of Technology (now the University of Technology, Sydney), but instead left to gain relevant work experience overseas. It would have been difficult for him to acquire

Bob Boekemann with a Rovema form-fill and seal machine at the Packprint Exhibition in Sydney, 1970.



suitable training in Australia because the only sources would have been competitors of JL Lennard. He spent time with four of JL Lennard's leading suppliers in Europe, working on building the machines they made, and in the United States he worked in a sales office to learn about that side of the business. With this experience under his belt, David was ready to respond to a suggestion of his father's that he fill the vacancy left by the departure of the company's long-serving accountant, Henry Lobelson.

In 1979 JL Lennard celebrated its centenary. Bob Boekemann said at the time:

We pride ourselves in being Australia's foremost importer of packaging and graphic arts machinery.

We have specialised in the supply and servicing of packaging machinery for the past 50 years and in graphic arts machinery since 1976. Today we pride ourselves on being Australia's foremost importer of equipment in these two fields and on the after-sales service we provide. We are particularly proud of the reputation we enjoy for ensuring that all equipment we deliver is installed to the customer's satisfaction.

JL Lennard was not alone in changing structure, direction and culture during the 1970s and 1980s—the machinery for packaging industries in Australia was also changing. Competition from additional players seeking agencies, as well as the entry of several Australian companies to the manufacture of machinery similar to that imported by JL Lennard, plus continuing specialisation, meant the business was confronting an increasingly volatile market. However, as before, JL Lennard proved counter-cyclical, with sales not only rising during good times but holding steady or increasing during the recessionary times—the explanation being that, during booms, companies tend to focus on areas such as turnover, whereas downturn gives pause for thought and reassessment of methods and efficiencies.

Also in 1983 JL Lennard opened an office in Brisbane, a move that was to greatly increase the company's business in Queensland. While the total staff numbers fluctuated with the number and size of projects undertaken there was a core of employees, one in packaging sales, one in graphic sales and two warehouse and support staff.

Bob Boekemann's 44-year involvement with JL Lennard came to an end with his death in 1988. David moved to buy out his cousins' and aunt's shares so that he

would hold 50 per cent of the business, with the remaining 50 per cent (the estate of his father) held in trust by his mother. In his view it was a vital move. He had strongly believed that it was time to take a serious commercial review of the disparate shareholdings among family members and the resulting divided re-sponsibilities. As often occurs with family-owned companies, the time had come to assess the long-term viability of the business and to decide whether the spread of family involvement was a benefit or a hindrance. A frank assessment revealed that a combination of family commitments, loyalties and pride hobbled Bob in his attempts to run the business on strictly commercial, accountable lines. If the business was to grow and prosper it was essential that it should be organised along commercial lines, with profits and losses strictly accounted and priority given to productivity. After many discussions, the cousins and aunt decided to sell. Free of competing loyalties and commitment to extended family members through their involvement as co-owners of the company, David was able to concentrate fully on the business.

In the early 1980s Krones, a long-established, major supplier to JL Lennard, diversified into manufacturing filling machines. JL Lennard followed and began selling the new product, a step that took the company into the business of providing ancillary equipment such as conveyors. It also started supplying electronic control systems and taking responsibility for testing and commissioning the equipment.

The degree of the company's involvement in setting up the machinery it supplied had grown to the point where it was essential that its project managers were on-site to oversee the operations. JL Lennard no longer merely sold a piece of equipment. This change evolved largely because of increased demands from customers for specialised mechanical equipment. JL Lennard had to move to meet the demand and provide the expertise and service.



Bob Boekemann in 1975, the year JL Lennard celebrated its 100th birthday.

This Timson T48A bookpress is similar to others supplied to Australian book printers by JL Lennard Graphics.



Since the late 1980s the company has been moving increasingly into 'turnkey' projects, where it supplies not merely a machine but a whole production line; it is also involved in consulting, engineering, design and servicing. Gordon Berger, national manager beverage equipment, who joined JL Lennard in 1988, explains: 'We take a customer's specifications for their machinery, put together a comprehensive engineered package and assume total responsibility for the supply of components of the line, installation and commissioning, and then hand it to the customer as a finished line.'

Demand for this level of service is increasing as large Australian companies follow the trend of dispensing with the overheads of running their own engineering departments in favour of buying in expertise as needed.

Major lines installed by JL Lennard include two at Kodak in Melbourne for packaging film, one at Kraft for peanut-butter packaging and a large line at Carlton & United Breweries' Queensland Brewing. Says Gordon: 'A manufacturer can come to us and buy virtually everything needed for the packaging line, and these lines today are computer controlled, representing the latest technology.'

The CUB project, at the former Power Brewing plant, was a major work for JL Lennard. Twelve months passed between initial discussions with CUB and the deal being signed. The job began with an order for a Krones machine capable of filling and steam-sterilising 1,100 bottles per minute. Demand for a new brand of beer, Carlton Cold, grew to such an extent that CUB had to restructure its production line and accelerate output. JL Lennard became involved in the filling, labelling and bottle conveying part of the packaging, rather than just providing a machine. At peak activity JL Lennard had six German staffers from Krones working on the project, as well as almost a dozen locals.

Such major installations consume considerable time, generally two years from conception to final commissioning. JL Lennard provides after-sales service, assistance with maintenance of the line and a spare parts service. All of that, says David Boekemann, is future growth for the company.

A manufacturer can come to us and buy virtually everything needed for the packaging line.

GROWTH OF JL LENNARD BETWEEN 1915 AND 1960

Year	Sales	Employees
1970	\$3 MILLION	24
1980	\$4 MILLION	36
1990	\$12 MILLION	40
2000	\$35 MILLION	100

In June 1991 the printing and graphics division was formed into a separate company, JL Lennard Graphics Pty Ltd, under general manager Norm Fizell. Norm has been with JL Lennard since 1983. Six months later JL Lennard formed a joint-venture company with Katsura Rollers to examine the potential for manufacturing rubber offset printing rollers in Australia. The medium-term objective of the company, Katsura Rollers Australia Pty Ltd (60 per cent JL Lennard and 40 per cent Katsura), was to begin manufacturing by the mid-1990s.

The first stage of this took place in 1997 when JL Lennard Graphics came to an arrangement with Australian roller manufacturer, Brissett Rollers, to produce rollers made with Katsura’s special compounds for Lennard Graphics to sell into the Australian market. This was an extremely successful partnership and in 2000, the year of the Sydney Olympics, it was taken to its final stage when an important agreement was reached between JL Lennard Graphics, Katsura and Brissett Rollers that gave Brissett Rollers exclusivity for the manufacturing and marketing of Katsura rollers in Australia. Rollers produced now by Brissett with Katsura’s compounds are widely used by many of Australia’s leading printers.

In 1995 JL Lennard Graphics moved into the offset plate market when they gained exclusive dealership in Australia for the unique Toray Waterless Plate from Toray Industries in Japan. This product represented outstanding growth potential



A successful alliance. Executives from JL Lennard with members of Katsura Rollers (from left to right): Bill Sutton; David Boekemann (managing director); Ron Davies (chairman); Ron Wood (company secretary); Junzo Katsura; Akio Yasukawa; Sumio Ogaawa; Annabel Boekemann; and Norm Fizell (general manager).



A selection of machines sold by JL Lennard Food Equipment.

for JL Lennard Graphics and this was quickly realised with the adoption of waterless printing by a number of major printing companies.

As a significant importer JL Lennard is conscious of being vulnerable to accusations that companies of its calibre contribute to Australia’s large and chronic current account deficit but, as David Boekemann points out, the company imports products that are used in Australian manufacturing. ‘The only way they can manufacture more is to import these products, so it’s productive equipment,’ he says. And he emphasises a dramatic increase in companies’ attention to the packaging and appearance of their products. Cosmetic appeal is very important for export markets, particularly Japan, and Australian companies are buying equipment to satisfy that requirement. ‘The quality-control side of manufacturing

has lifted dramatically in Australia in recent times,’ David says. ‘Companies are manufacturing for the Asian market. Australia has realised the importance of value-adding. If we can process and package products such as food and beverages here, instead of sending the raw grains and fruit to be processed elsewhere, we stand to gain much more. There are many food industry companies that don’t even supply the local market but are purely exporting.’

Coincidentally, many of the suppliers with whom JL Lennard deals are family businesses with similar backgrounds. Katsura, for example, established in 1899 and manufacturing and selling lithographic printing rollers, is run by a fourth generation of the Katsura family. Silverson of the United Kingdom, founded in 1948 and supplier to JL Lennard since 1958, is a family-owned business specialising in making quality high-shear mixers for processing and manufacturing industries around the world. In Germany, JL Lennard deals with Krones, founded in 1951, a major supplier of sophisticated filling and labelling machinery used by breweries, soft-drink manufacturers and wineries and in the food, chemical and pharmaceutical industries. Other German family firms with whom JL Lennard has been dealing for many years are, Fawema, which produces packaging machines for flour and sugar, Glatt which

manufactures fluid bed granulators and driers and Multipond which manufactures multihead weighing machines. In the UK there is Timsons which manufactures book printing presses and has been in business for over 100 years, as has Fujikura Rubber which commenced business in 1901 in Japan and supplies printing blanket to JL Lennard. It was also early in the 1970s that JL Lennard became an agent for the New Zealand family-run firm John R. Hunter, manufacturers of liquid-filling machinery.

In late 1994 an opportunity arose to purchase a company involved in the importing and servicing of food equipment. Following the success of Brasilia coffee machines over the previous few years, this was a market which greatly interested David. It was also an opportunity to expand and diversify the business. In mid-1995 JL Lennard purchased a 70 per cent interest in Taylor HPL Pty Limited. The other 30 per cent was held by an old friend of David's who was based in Brisbane and became Managing Director.

Taylor HPL was a leading supplier of food service equipment in Australia and had been in business for around 20 years. It had in fact purchased ice cream cone baking machinery from JL Lennard in the early 1980s. The company was based in Brisbane with branch offices in each state. It employed 110 people at the time of the sale and had an annual turnover of approximately \$18 million. Taylor HPL represented Taylor Equipment, manufacturers of soft serve ice cream machines, Lincoln Food Service Products which manufactured conveyor ovens used for cooking pizzas and Henny Penny Corporation which manufactured fried chicken cooking machines. All three companies were based in the United States' mid west.

The machines that Taylor HPL sold were very well established brands that had been in high demand during the exceptional growth of fast food chains in Australia during the 1980s and 1990s. Their major customers included McDonalds, Pizza Haven, Hungry Jacks, Eagle Boys, Pizza Hut and Donut King.

However, it soon became apparent that the company was in very poor condition. It had chronic cash flow problems caused by bad management, excessive staff levels and lack of



Herman Kronseder, seen here at the Packprint Exhibition in 1970, is the founder of Krones AG and has been dealing with JL Lennard since 1968.

An example of a company's diversity, this Krones Topmodul machine was supplied by JL Lennard to Tooheys Brewery, Sydney.



sales, its reputation in the market place, with both customers and suppliers, was not good and there were many outstanding accounts and service issues. Finally, several decisions were implemented that eventually turned the business around. The first was the decision to change the name of the company to JL Lennard Food Equipment. The company then merged the offices of JL Lennard and JL Lennard Food Equipment into the same buildings in two states: A new building at St Kilda in Melbourne, and a new building and head office at West Ryde in Sydney's north west. This all happened simultaneously, in June 1997. It was a massive task but one which went very smoothly and by early July both offices and warehouses were in full operation.

In September 1997 David appointed an internal administrator to run the operational side of the food equipment company, which was still mainly based in Brisbane. The previous management was removed and over the next few months Barry Woodruff, Group Controller, the administrator and other staff worked long and hard to implement a dramatic staff restructure and an expense reduction program.

The company then acquired the remaining 30 percent of the shares, moved the head office function to Sydney and commenced a long term process of integrating the staff of JL Lennard Food Equipment into the well-established corporate culture of the JL Lennard company.

While this was happening, David focused his attention on the sales and marketing side of the business, making some key appointments and establishing a number of new agencies. It was at this time that JL Lennard became Australian agent for Leventi, a major Dutch combi and bakery oven manufacturer. This agency appointment helped secure a long term contract to supply Leventi bakery ovens to Coles supermarkets. Finally by June 1999, JL Lennard Food Equipment was making a reasonable profit.

In early 1999, Matthew Challinor, was appointed Sales and Marketing Manager of the Food Equipment company. This meant that there was now an experienced food equipment manager to run the business on a day to day basis and the company began to perform in a far more efficient and professional manner. Matthew was appointed General Manager of the Food Equipment company two years later and he believes that the recruitment of quality chefs, and others with a catering background, has added great value to the company's sales force. 'Staff with a restaurant background add more market experience and flair—and their passion about products enables them to drive business into new areas,' he says.

A major opportunity for JL Lennard Food Equipment lies in its business with fast food and restaurant chains and supermarkets in Australia which are continually on the lookout for new concepts and products to offer their customers. When new concepts are ready for market, this can result in a national 'roll out' of many hundreds of machines. Major roll out programs have included Leventi ovens at Coles Supermarkets, McFlurry blenders at McDonalds and Brasilia coffee machines at Donut King as well as Lincoln ovens at the pizza chains and Taylor soft serve machines at a number of fast food chains.

Service also plays a vital role in the food equipment area and the company employs a number of specialist service technicians to ensure the continuous operation of all equipment sold. There are also over 80 service contractors around Australia to support regional customers. The structure of this support group, which includes service managers, technical support and spare parts, is almost unique in this country and is one of the major reasons for the success of the company.

In December 1999 an opportunity emerged for JL Lennard to incorporate important manufacturing and engineering functions into its operations. In that year Brisbane-based Austro Engineering and Installation, a stainless steel fabrications and engineering company, went into receivership. JL Lennard was aware of Austro's excellent reputation in the industry for workmanship, and the two companies had already done a significant amount of work together in the beverage industry. In April 2000 JL Lennard purchased the assets of Austro and employed the existing staff. At that stage Austro was involved in the manufacture of conveyors, some small jobbing work and also labour hire; however, the business had been badly run down.



In September 2002 the company was renamed JL Lennard Engineering and was moved into the new building in Mansfield, Brisbane, into which JL Lennard had moved eighteen months before. This building was 2000 square metres in size and therefore had plenty of room to accommodate an engineering workshop. Later in 2002 there was also a significant management restructure within JL Lennard Engineering. The old managers departed. A new Engineering Manager was appointed, assisted by a specialist site manager and an installations manager, all of whom had extensive engineering experience. With the new management in place the company now offers, in addition to bottle and carton conveyors, stainless steel tanks, metal detector conveyors and various fabricated items such as cheese presses, chocolate tanks and stands for food machinery.

'It has given us a manufacturing base combined with a solid engineering base. It allows us to value-add to the equipment we buy from our overseas suppliers and creates more opportunities to assist all our customers. Importantly, given our company's overall strategy, it allows us a greater involvement with many of our customers and broadens the services we can offer, particularly to major projects,' says David Boekemann.

Across the Tasman, in early 1998, the Krones agency for New Zealand became available and Krones offered the agency to JL Lennard. In April 1998 KSL Packaging Ltd was founded to represent Krones and Steinecker (a brewhouse manufacturer owned by Krones). At the time the business was formed the name JL Lennard, originally started by Julius Levy, was still being used in New Zealand and

was not available for use. Therefore the initials KSL, representing Krones, Steinecker and Lennard, was selected instead.

Grant Snell was employed as Sales Director and, with considerable financial, sales and service support from JL Lennard in Australia, the company has grown to a staff of five with sales of around NZ\$2 million annually. KSL now represents many of the same agencies represented by JL Lennard and has become one of the major packaging machinery supply companies in New Zealand.

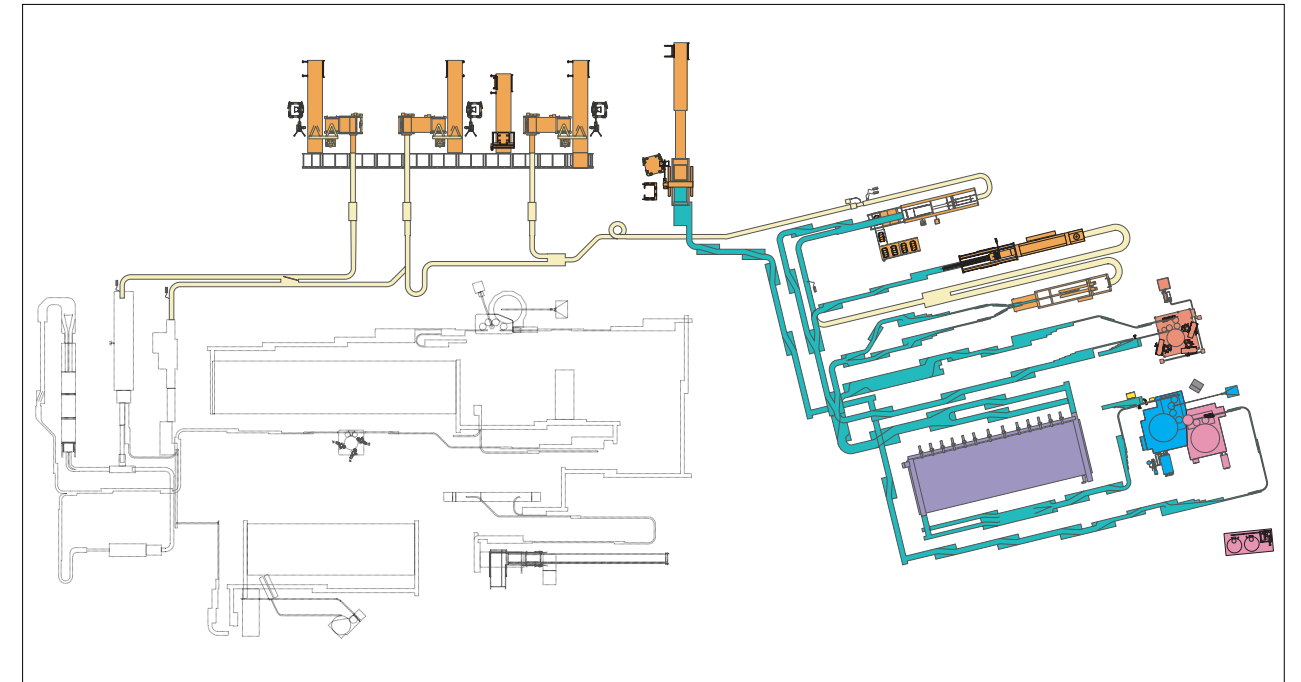


Ricegrowers high-speed rice packaging lines.

In 1995, during the purchase of the food equipment company, JL Lennard changed banks to the Bank of New Zealand, which specialised in providing a range of services to medium sized companies in Australia. The support of such a bank was vital at this time and the facilities offered enabled the company to purchase a number of properties and assets over the next 10 years. ‘They went out of their way to provide us with an excellent level of funds and service. The success of JL Lennard over the past years has been very much due to the fact that financial facilities have always been available when required’ says David. It is significant that over this period of time JL Lennard’s total asset base increased from \$6 million in 1995 to \$21 million in 2004.

As it looks to the future JL Lennard is the leading supplier of packaging and bottling equipment to food, brewing and soft-drink companies in Australia and New Zealand and the completion of several large projects has consolidated JL Lennard’s pre-eminence in delivering turnkey projects for its customers.

Ricegrowers, a company based in Leeton, packages and sells 90 per cent of all rice grown in Australia to local and overseas markets. The company needed an upgraded packaging line and placed an order with JL Lennard in December 2000. By July 2002 the equipment was operational. The finalisation of this \$8-million project represented JL Lennard’s largest complete turnkey project in packaging. Five high-speed lines to package different sized bags of rice were designed, engineered and supplied by JL Lennard. The company also integrated the conveying and control system manufactured by JL Lennard Engineering into the



A layout of the Krones high-speed turnkey bottling line at J. Boag & Son brewery, Launceston.

project and assisted in commissioning the equipment and training the operators.

Tony Dinallo, New South Wales packaging manager at JL Lennard sees the project with Ricegrowers as a watershed event: ‘It drew key resources from within the business, training a core professional group of people who can now move to another project with considerable experience and confidence, he says.’

In 2002 SIG Pack Systems offered its agency in Australia to JL Lennard following a falling out with its existing agent. This was a highly flattering and significant proposal as SIG, based in Switzerland, is one of the most prestigious packaging companies in the world, specialising in high-speed biscuit packaging and confectionary wrapping lines. SIG’s major customers in Australia were Arnott’s Biscuits, Cadbury Confectionary and Simplot Australia. This appointment by SIG gave the company enormous credibility and future potential in the market.

On the bottling equipment side of its operations, the Visypak project represented the largest single project JL Lennard has undertaken in its 125-year history, costing in excess of \$20 million. In June 2002 Visy Industries ordered three PET bottle blowmoulding lines, primarily to manufacture Coca Cola bottles following its purchase of the business from Coca Cola Amatil. The first line was delivered from

Germany in September 2002 and, weighing almost 200 tonnes, was transported to Sydney airport in a huge Russian Antonov AN 120 aircraft.

In another major project, the company supplied and installed a Krones high-speed turnkey bottling line at J. Boag & Son's Launceston brewery. At the time Boags was celebrating 123 years in the brewing business. JL Lennard Engineering manufactured all the bottle and carton conveyors at its Brisbane facility, emphasising the important additional capability the company was now able to offer.



JL Lennard has spent considerable time carefully integrating staff of the companies it acquired into the JL Lennard group. Operations controller Barry Woodruff says this was important to the company's continuity and development. 'Staff at JL Lennard are conscious of the Lennard family within the business. We worked to imbue newer staff members with the JL Lennard corporate philosophy and that is now very much embedded within all staff levels across the group.'

It takes more than the owner-manager to make a company such as JL Lennard operate effectively and successfully. The business is by nature erratic and demands flexibility and an ability to keep up to date with, on the one hand, new machinery developments and, on the other, customers' needs for increasingly specialist equipment and service. This has influenced the mix of staff expertise within the company. In past years many were in sales and had some technical ability.

As JL Lennard moved toward its 125th year David Boekemann was taking on people with technical expertise, project management skills and strong engineering backgrounds. Controller Barry Woodruff has noted that David's leadership of the company is now well supported by a strong management team.

The expansion of the JL Lennard group is now represented by skilled, experienced staff specialising in food equipment, graphics and packaging machinery in Sydney, Melbourne and Brisbane. There is also engineering and



The first Visypack line arriving by Antonov.



SIG high-speed wrapping equipment.

manufacturing in Brisbane, food equipment sales and service staff in Adelaide and Perth, and KSL Packaging in New Zealand.

Over the years many have contributed to the pool of technical abilities and skills offered by JL Lennard. Norm Fizell is justifiably proud of the stable team he leads in JL Lennard Graphics, which, he believes, enables the company to build up a greater degree of trust with clients than is

possible when the workforce is constantly changing. 'It says something about the attitude of management of a company when people are happy to stay,' he says. 'We firmly believe in the ethic of hard work but believe people should enjoy themselves while working too.'

A very special long-serving employee was Samuel Broome, who joined JL Lennard in 1966 and retired 25 years later in 1991, a period of service made all the more remarkable because Samuel was 66 when he joined the company and 91 when he retired. 'He was a great inspiration to others in the company,' says David Boekemann.

David takes great pleasure in the fact that, out of 120 staff, 33 people have remained with JL Lennard for at least 10 years—one-third of all staff. Of these 33 people, 14 have been with the company 15 years. It is also a measure of the company's business emphasis that one-third of all staff now provide customer service, which has contributed to the reputation JL Lennard has built up for trusted customer support.

JL LENNARD STAFF, 2004

Administration, warehouse and spare parts	24
Sales	45
Service	40
Engineering	6
KSL Packaging—NZ	5
TOTAL	120

David's commitment to staff development has meant that JL Lennard now supports four ongoing apprenticeship positions, three in food equipment and one in engineering. 'When apprentices are about to graduate another is ready to take their place,' David says. 'Apprenticeship training is something that is very close to my heart, and I feel very strongly about the importance of apprenticeships in Australian industry. The four ongoing apprenticeships are this company's contribution to industry training and, I hope, an example to others,' he says.

Two major events marked the lead up to JL Lennard's 125th year of operation. The first was that Annabel Boekemann, Bob's wife and David's mother—and a past director of the company—passed away. This meant that David was now the major shareholder in the business as well as its chief executive.

The second was that the company had expanded to the point where David realised another change was needed. In mid 2004 he moved its Sydney operations to Silverwater in western Sydney, which are now housed in 4,500 square metres of office and warehouse premises, a 50 per cent increase in total space.

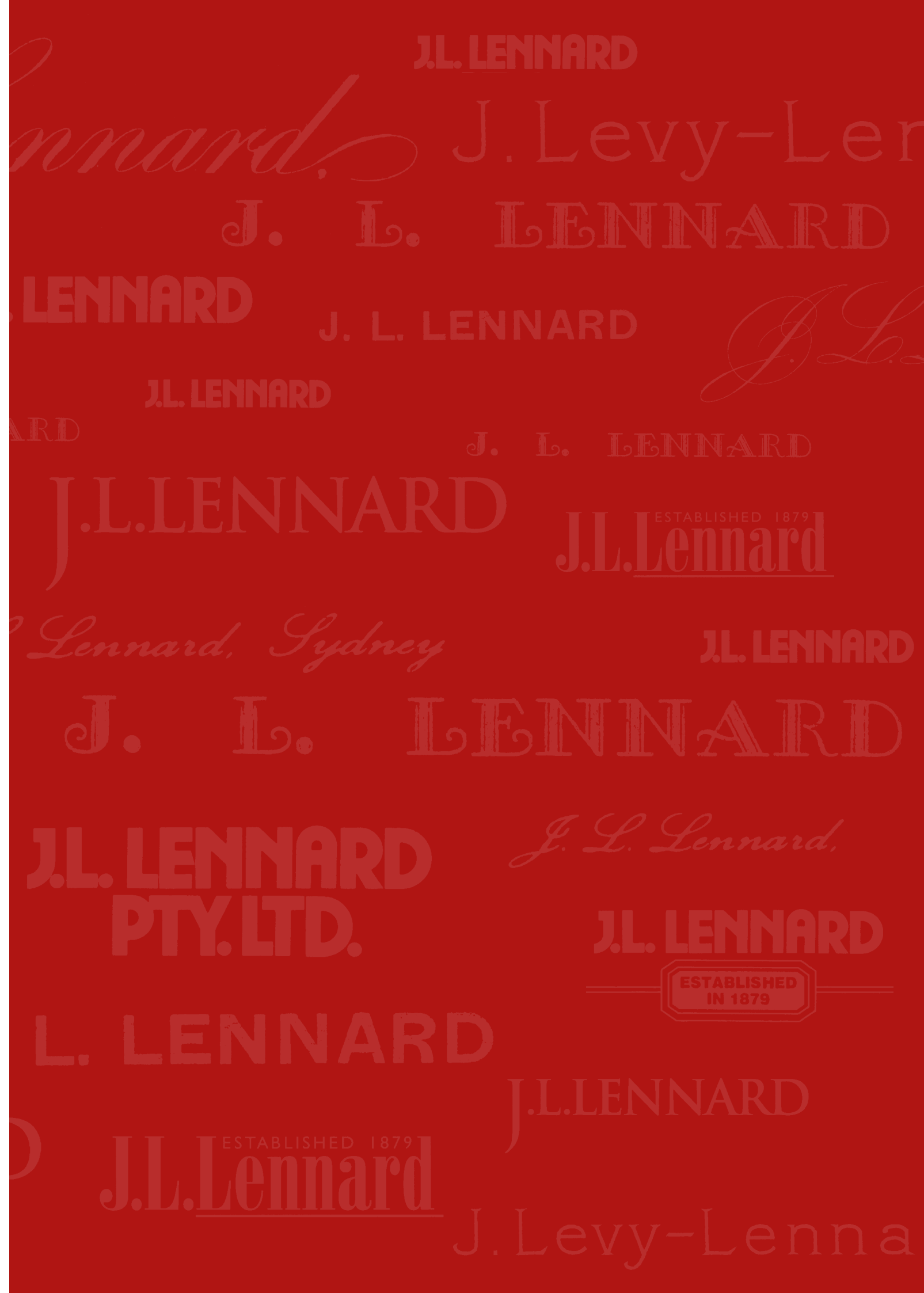
JL Lennard has been supplying quality products to industry for 125 years. As a family business it owes a debt to the small number of key individuals who guided its fortunes over much of that time.

JL Lennard has, however, moved with the times. The company recognises that, today, industry demands that its preferred suppliers have professional, experienced technical and trades people for sales and service, as well as project management and engineering support to provide total solutions for its business needs. This expertise is now well and truly integrated into JL Lennard's workforce.

Importantly, David Boekemann has also recognised that the continued success of the family business relies on a modern corporate structure and has put in place strong management and organisational disciplines that will see JL Lennard prosper over the next 125 years.



JL Lennard Executive Management Group, 2004. Left to Right: Norm Fizell, Matthew Challinor, Barry Woodruff, David Boekemann.



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