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1945 – 1987

By: Ray Smith, November 1989

The first New Holland machines, two Model 75 balers, arrived in Australia under wartime Government lend lease arrangement in 1945. However, the foundation on which New Holland Australia was built commenced a year later when Doring Implements was formed to import and retail the Model 76.

From a small office located in a suburb (St Kilda) of Melbourne, Victoria, Doring, owned and managed by New Zealand born Basil Horne, imported product through Henry R. Jahn, New York. Although Horne was an associate of Cecil Taylor, who, at about the same time started a similar operation in New Zealand there was no company or known financial connection.

With the arrival of spares for the first shipment of six Model 76 balers in 1947, a move was made to "larger" premises – a single fronted two story shop front building in the busy nearby suburb of Prahran. Doring used these premises as their HQ thru to 1953, when 6 acres were purchased some 20 miles from the centre of Melbourne (Dandenong) on the main highway to the rich agricultural area of Gippsland. An assembly and parts building fronted by a large showroom and office complex was built, complete with a wall-mounted mural painted by famous Australian painter William Dargy. A sign across the front of the building "The Home Of New Holland" reinforced the strong bond, based on trust and loyalty that had developed between company and clients. This valuable relationship with owners (mostly strategically located contractors (custom operators)) developed through dealing direct and being given first rate field and parts service. Owners were made to feel part of the small NH "family" pioneering grassland farming in Australia. This environment, personal contact, service back-up and supply of quality product formed a solid foundation on which the Australian New Holland name was built – a quality image that grew to be respected throughout the industry.

Over the life - time of the Doring Group (company purchased by NH in 1955) very little was spent on media advertising. Promotional dollars being directed towards providing owners and potential owners with service and wide ranging product and general grassland farming information – activities which identified NH as contracting to the growth and strength of the Australian agricultural industry in the post war years. A period which saw extensive renovation of native pasture, sowing of grass and legumes, and significant expansion of flood irrigation in grazing areas. The area being sown to wheat and summer crops was also rapidly expanding.

Consistent with this promotional approach was the appointment of an agronomist (Paul Nyssen) adding further visible commitment to "family" support and the industry in general.

This sales strategy would appear to be somewhat similar to that used in USA where no doubt like Australia all field staff could recite the entire dialogue of the film "Green Promise" – backwards! (Don't know about America, but in Australia Carl Bender was as well known as Clark Gable.)

In later years (around 1960) New Holland people were actively involved in founding of the Australian Grassland Society, which remains active to this day.

By the end of 1949 around sixty Model 76 balers had been sold in Australia. Although cumbersome they gave excellent service. With the majority being used for contract work, large distances were covered resulting in enormous life - time road mile tally, claims of 150,000 bales a year were not uncommon as climatic conditions permitted baling well into the night. Durability of the NH product became known and, although population was small by 1950 the NH name had been reasonably well established in the potential baler market areas. Competition was also active. The wire tie John Deere, MM (Twin City), and the Australian built wire tie Massey were making inroads into the straw and commercial Lucerne (alfalfa) producing areas. IH were also making headway. Consequently Australia didn't hesitate to import the Model 80 wire tie immediately it became available. The parallel release of the high performing Model 77 baler gave a great start to the 1950's.

Although very few were sold, Models 600 forage harvester and Model 90 rake were also added to the Australian line at this time.

In the following three years 1950-1951-1952 approximately ninety Model 80 and one hundred and seventy five Model 77 balers were sold, bringing the total Australian NH population to around three hundred and twenty five units by the end of 1952 and an estimated 25% share of the automatic baler market.

Prior to Doring's move to Dandenong in 1953 all assembly and pre-delivery was performed by field service staff in the "off" season. Most of this work was carried out in trucking yards or similar areas located close to the port of entry wharf, with Melbourne - Sydney - Brisbane being the most used.

As Doring continued to sell and service direct to owners, who usually paid for their machines well in advance took delivery and arranged their own transport from the assembly point.

On one occasion an owner arrived in a swirl of dust, advised that he was there to arrange pick-up of a Model 80, proceeded to pay in cash, £3,890 all in £10 notes!, commented his truck would arrive shortly then departed as swiftly as he arrived. The bewildered and somewhat nervous service man, who had received the cash, later learned that this new owner was involved in some illegal gambling racket, necessitating cash transactions. It was subsequently suggested that this incident gave rise to the notion that to own and operate a very early Model 80 baler, "you didn't need to be a gambler - but it helped"! Of course when the early bugs were ironed out, the Model 80 went on to play its part in establishing NH as being "the Rolls Royce of Balers".

The practice of service staff assembling balers at port of entry then moving out to start-up and field service continued through to 1953 when the release of the Model 66 rendered this procedure impractical. In addition Doring had been steadily broadening the product line by adding Meyer mower conditioners, Fox forage harvesters, Nicholson and Blanch Lely rakes, Caldwell brush cutters, Kraus and Schaeffer ploughs and finally in 1953 Claas combines and Hopto back-hoes. Although volume was not great (approximately 40 Claas combines were retailed), all of these products assisted in supporting the five satellite stores that had been set up in key areas, and the appointment of dealers which commenced late 1953.

Understandably the distribution of these products was discontinued when NH purchased Doring in 1955, however the selling and servicing experience gained played a significant role

In the first five years of operation (1955 - 1960) sales volume of product increased from £1.5m to £3.5m. (Total sales revenue in '55 - '56 reflects collections from non-NH product).

The growth reflects increased baler sales (reaching approximately 1000 pa with the release of the Model 68 baler) and the introduction of the Model 55 rake, Model 44 mower, Model 440 mower conditioner and a line of Australian designed bale elevators.

To meet manufacturing and marketing needs, an Australian Engineering Department was established by Guy Woodward who spent three years in Australia on temporary loan from US engineering Department. Guy arrived with his family late in 1955. In conjunction with establishing the new department, Guy carried out some supportive field test work on American projects, in particular the Model 68 baler. His first Australian project was to design (for RH drive trucks) the Model 470 bale loader (with small modification later known as the Model 471). A machine that has the rare distinction of being continually in the product line virtually for the life of the company, as it remains in the Australian line today, some thirty-four years later. The dedication and standards set by Guy had a lasting positive influence on the entire organization. He established a department which later under Joe Pellen went on to provide the product line and machine quality so necessary for success in a small, demanding, competitive market.

In 1956 (the year Melbourne hosted the Olympic Games) Al Hunsicker and his family made temporary transfer from the US baler plant in New Holland. Al worked in Australia for approximately four years. During this time he introduced similar quality control procedures as used in the US and generally made a valuable contribution to manufacturing management in the difficult environment of rapid growth and short production runs.

By 1960, full impact from the release of the Model 68 baler two years earlier, was having unprecedented effect on the Australian baler market. This marvellous compact machine and its big brother the Model 78, were setting new industry standards. Backed by the famous "Life Time Warranty", the Model 68 lifted market share above 50% (reaching 67% at times in subsequent years) where it has been maintained to the present day.

Branches had been progressively opened in Sydney, Brisbane, Adelaide and Perth and managers appointed. Sales and service were organized to handle the increase in volume.

With the retirement of Harold Hess the 1960 - 1965 period started with all Australian Management. A situation which lasted through to 1983.

Unfortunately E.W. Williams died suddenly in 1962. George Delp immediately appointed Company secretary Charles Veith Managing Director, a position held until appointed to Managing Director Sperry Rand Australia in 1970.

With revenue growing from £3.5m to £5.6m the period 1960 - 1965 was one of steady profitable growth. The baler and haytools lines had been expanded with the introduction of SP (self propelled) baler the Model 1280 (Australia became the largest importer of SP balers), linkage rakes and mowers 57 and 450, 404 conditioners, Model 33 crop choppers and crop carriers. Under Charles Veith's progressive leadership every opportunity was being taken to

expand the line to ensure steady growth in the relatively small Australian market of 200,000 farmers.

Engineering was active developing a line of granulated fertiliser broadcasters, Models 205, 206, 207, slashers (brush cutters) Models 60 and 72 and a mower guard to efficiently cut subterranean clover which dominated most of the southern pasture being cut for hay - a project which attracted keen interest from Larry Skromme and Bill Vutz of US Engineering at the time.

Without doubt this period of the sixties ushered in the greatest single boost the Australian product line and subsequent volume received throughout the lifetime of the company, availability of combines resulting from the New Holland purchase of Claeys - Belgium. The M103 combine was immediately evaluated under Australian conditions, it performed well and after small modification was released in 1964. Twenty-eight units were retailed in the first year, a rice model was added in the second year (1965) when ninety-nine units were retailed. The extra volume generated being of particular benefit to Brisbane and Perth Branches, through which the potential for hay and forage machines was limited. Due to geographic location and port facilities these branches were subsequently developed as additional combine assembly points a function which continued up to the takeover by Ford.

The grinder-mixer was introduced in 1965. A timely release as world grain prices tumbled in the late sixties and the feeding of grain to fatten cattle grew in popularity. To maximise opportunity an Australian designed twin mill (hammer and roller) was successfully released.

In the period 1965 - 1970 other products added to the line included bale wagons, 469 mower conditioner, speedrowers, M135 and M140 combines.

Introduction of the grinder mixer and mower conditioner (later fitted with Australian designed knife guards) added further to the any products partially manufactured and fully assembled in Dandenong. The plant by this time having been more than doubled in size with the purchase of neighbouring properties. The prime incentives for local manufacture being to minimise Australian Government import duties (New Holland was the only manufacturer of automatic balers in Australia) and reduction of freight costs. Import shipping costs and damage were also substantially reduced, in later years by chartering suitable vessels to carry combines and other product from Europe and USA. Australian production of square balers peaked in 1967 when one thousand two hundred and seventy five Models S69 and Model 281 balers were produced. Production in excess of one thousand units (with market share of 60%) was sustained for the next few years with the introduction of the Model 275 baler. However apart from a brief lift in 1973 and 1974 sales of square balers dropped sharply to around six hundred units in the depressed years of 1971 and 1972 (commodity prices and poor seasons) and never recovered. The number of farms was also dropping - down to 170,000 by 1985.

In the 1965 - 1970 period sales increased from \$5.6m to \$10.3m. This increase largely reflecting the introduction of the combine harvester (eight hundred and three "M" series sold by the end of 1969).

During 1969 the Australian designed and built Model 96 rotary hay mower was released. This fine machine, a credit to Engineer Ian Vale and Eddy Peters who developed the machine under the direction of Chief Engineer Joe Pellen, had a number of innovative features that set

new industry standards. This unit filled a large gap in the Australian cutting market remaining in the product line to this day.

Jack Scott, who in addition to the responsibility of Controller had a number of manufacturing functions reporting to him, was appointed Marketing Director in 1968, the position he held up to 1971 when he was appointed Managing Director.

Jack (who on Ray Smith's retirement in 1981, became the longest serving member of the Australian Company) made a tremendous personal contribution to the New Holland organization. Always ambitious, he was a skilful manager with great vision and a charisma that made him a highly respected leader. He made his business to personally know all employees, both in the plant and branches, all dealers and as far as possible politicians, farmers and other key people in the industry. His contribution to the Australian manufacturing and agricultural industries was significant.

In 1968 marketing introduced American style MDO (Maximum Discount Orders) meetings with dealer principals the target audience. With a high level of professionalism, these meetings (held annually up to 1981) conducted in each branch location were developed into a very potent motivational / communication tool. This activity not only set the marketing scene for the ensuing twelve months but also provided the opportunity to maintain the very valuable top management dealer relationship that had developed in earlier years. A relationship on which field sales and service staff were able to build, and strengthen the image of New Holland as being a good company to do business with. The respect that dealers generally held for the company and its people gave New Holland an extra edge over competition – particularly valuable in multi-franchise dealerships.

When appropriate, meetings using MDO material, and the President's message was made to all employees. To some degree continuing the "family" environment but weakened as numbers of employees grew, established in earlier years, unions were established, and the company lived through the heart breaking times of retrenchment resulting from poor seasons and spasmodic industry depression. One such period was experienced in the early seventies, caused by both seasonal and economic factors. Some losses were recorded by NH. Sales volume (shipments) of \$9.3m in 1970 dropped by 50% in 1971 and about the same again in 1972. Under the then Marketing Manager, Don Ormandy, special retail plans (SP71) were successfully introduced to clear dealer floor stock, making way for rapid recovery from 1973 when shipments of \$6.5m were made. This was the turning point and shipments of \$18m were recorded in 1975.

From 1975 steady annual increase in shipment volume was achieved reaching \$59m by 1982. This dropped to 45m in 1983 rising to a company all time high of \$74m in 1984.

To achieve these figures, New Holland Australia – a short line company in a very competitive market, found it necessary to take every opportunity to increase market share and to investigate all avenues of profitable entry into other markets. In the main this was carried out from the early seventies under a product manager, product committee system a concept that served New Holland profit centres worldwide, extremely well.

Backed by a strong marketing department under Ray Neyland, a very enterprising, productive engineering department under Joe Pellen, a responsive manufacturing department under Ian

Vale and significant supportive action in all areas from the LAFE (Latin And Far East) office under Ossie Marburger, Australia with Jack Scott at the helm expanded steadily throughout the seventies and early eighties. Quite an achievement given the various extremely difficult problems faced by the industry (not all depressive) at times during the seventies and through into the eighties.

Over this period with little opportunity for significant growth available in hay products (over 50% market share was achieved and maintained with the round baler) a number of initiatives were taken to maintain volume. Manufacturing capacity was used to sub-contract for other manufacturers and entry into the industrial sector was explored with the sale of a few skid steer loaders. However, the real area of expansion opportunity was with combines, base units (1500 series) were being released with potential to put the Australian organization in all segments of the grain and seed harvesting industry - providing suitable headers, cabs and attachments were made available.

The experience gained by fitting the largest available, 19' and 22' Belgium headers to the "M. series and the harvesting of extremely abrasive rice, developed a degree of expertise in Australia which resulted in significant input being made into the combine design area. Recognition of this experience base, gained the necessary support, including work on the Zedelgem test track, for Australia to design and build headers with suitable hydraulics, air-conditioned cabs, and cleaning attachments as necessary to meet the needs of the Australian market. All of these projects were successful. Australian designed 23' headers were released with the 1500 series in 1973 making possible the entry into the southern cereal growing (mainly wheat) market. A segment dominated by the Australian combine manufacturers Horwood Bagshaw, David Shearer, Massey, and IHC. Coming into direct competition with the local manufacturers finally established New Holland as one of the leading Australian manufacturers. The "Australianising" of the rugged high capacity Belgian base units matched with a suitable header was readily appreciated by the Australian farmer.

In 1975 with three base units 1530, 1545 and S1550, over three hundred combines were sold, gaining a 17% market share of the self propelled market. Although falling rapidly pull type combines were continuing to take around 40% of the total Australian market at this time - all locally designed and manufactured. Subsequent Australian projects resulted in the release of 25' and 30' headers and a revolutionary "Harvestaire" attachment for use in the lower yielding wheat areas of Western and Southern Australia. All of these projects fully supported the exciting release of the US designed revolutionary TR70 combine. Released in 1978 the TR was successfully marketed alongside the more conventional Belgian machines in all segments of the Australian market, except rice.

Over the period in which the company operated in Australia the highest number of combines sold in any one year was in 1976 - four hundred and sixty two units with a market share of 22% and in 1979 - four hundred and thirty six units (includes one hundred and eighty one TR units) with a market share of 27%, a figure that made New Holland number one on the Australian market. A very significant achievement given that all of the European and US manufacturers, particularly John Deere were very active.

The release and manufacture of the model 850 round baler in 1975 and the introduction of the TR70 combine in 1978 brought the total product line to the maximum level achieved

in the subsequent development of NH Australia. Experience with mower conditioners (the first sold in Australia), rakes and combines, proving to be of particular value.

1953 was a very important and somewhat dramatic year. The Model 66 baler had arrived, bristling with unrivalled features. A small very efficient baler offering substantial sales opportunity into the new small baler market being developed but not satisfied by IHC with their B44. Doring was moving into premises with manufacturing potential. Dealers were being appointed. Staff were well motivated and the Australian agricultural industry was generally buoyant. Doring was keen to start partial manufacture. Through Vic Despard, NH management attention was being drawn to Australia, when the man at the helm Basil Horne was involved in a serious car accident, his capacity to continue as manager was in question - this at a time when management and financial resources were already under stress and the 1954 sales plan for two hundred and twenty Model 66 balers, one hundred Model 77 balers and fifty Model 80 balers, was well advanced.

The Doring situation and the excellent long term prospects offered by Australia - a young vital country with a strong agriculture, stable Government and a history similar to that of the USA, were well known to Vic Despard who recommended the acquisition to his New Holland management colleagues. (Acquisition of Doring by New Holland Machine Co was completed in April 1955.) Vic (later to become Vice President International Operations) played an active role both before and after the takeover. Ably assisted by John Cooper and Paul O'Brien, his international operations department made a significant contribution to the early development of Australia.

Unfortunately Basil Horne was unable to return to the day-to-day management of Doring. George Swensen, an American colleague of Henry J. Jahn managed the company from mid 1953 to 1955 when the takeover was finalized. Under his management partial manufacture of the Model 66 baler commenced, appointment of dealers continued, and sales objectives were achieved.

In the latter stages of negotiations with Doring, Company President George Delp visited Australia. Following a very long, difficult session at Basil Horne's home in Melbourne, Basil offered to drive George and his lawyer back to their hotel. With a flat battery the car was reluctant to start resulting in George and his lawyer (who was not a strong man) pushing Basil around the streets of Melbourne at 2.00am! - Apparently the President's enthusiasm was only temporarily dampened, as the decisions he took during this visit ensured that the new company got off to a very efficient smooth start.

Late in 1954 American Ed Wegman was engaged to evaluate and recommend on the Doring assets. His short but important involvement was completed shortly after management responsibility passed to NH.

The birth of the new company, New Holland Australia, saw Australian E.W. Williams appointed as Managing Director. He was a successful businessman having recently sold a Victorian based family business engaged in food processing and canning. He immediately appointed the management team:

Charles Veith - Company Secretary,

Alan Sanderson - General Sales Manager (responsible for all marketing functions)

Joe McMurdoe - Production Manager (ex Doring), and

as his private secretary -Mollie Wormold (ex secretary to Basil Horne and George Swensen).

With the exception of Jack Frankcom (Parts) and Fred Dummett (Assembly Shop Supervisor) all of the middle management positions were held by ex Doring people - Jack Scott (Accountant), Barry McDonald (Sales), Bill Riggs (Service), Ray Smith (Assistant General Sales Manager), Paul Nyssen (Sales Promotion).

As with any takeover the new company had its teething problems, with reconciling inventory and receivables (Doring had some units out on consignment), key people resisting change, etc. However these negatives were quickly put to rest as the excitement and enthusiasm generated on the shop floor and in the field (including owners and dealers) flowed through the entire organization.

The decision to discontinue marketing other than NH product was assisted by Henry R. Jahn setting up a company in Melbourne (Jarman) who took over most of the discontinued lines, and by Arthur Holloway and Brian O'Donahue (two ex Doring employees) setting up a new company, Alfarm, to sell Claas combines. The product line at the start of operations in 1955 - Model 77 / 80 / 66 balers and 601 / 610 forage harvesters, generated approximate sales revenue of £1.5 million (Aust) with estimated baler market share of 30%. A good start considering IHC and Massey were active with well established dealer networks, and practically every other brand available in the USA and Europe was being sold - Case, John Deere, AC, MM, Jones, Selopian (a poor copy of the Model 76) and Welger being some of the more notable.

With plans to build seven hundred and fifty Model 66 balers, manufacturing (or production as it was known in 1955), secured the services of Ray Wolf from the US baler plant. He spent some months in Australia advising on assembly and shipping methods, introducing the very efficient "vertical" dealer pack for balers which proved to be of enormous value for many years.

At about the same time Harold Hess from US domestic credit department arrived to introduce sales policies and credit plans similar to those used successfully in USA. The new dealer agreement and terms and conditions released at the time put Australia on a course to successfully establishing a good, loyal dealer network, which was maintained throughout the life of the company.

Harold remained on the Australian staff until he retired in 1959. Acting as General Manager for a period during an illness suffered by Ernie Williams, his wise council, knowledge and general approach to management benefited all who worked with him. Harold lived in Australia until his death in 1966.

Stan Davis joined the company in 1957 as Credit Manager. His handling of the sales plans and terms and conditions as introduced by Harold Hess made one of the strongest single contributions to the early success of NH in Australia. His personality and practical approach helped marketing to build a dealer network that made possible the ready acceptance of new sales plans and products as the line was expanded. The mutual respect between Stan and the field resulted in an excellent collection record and a happy relationship that lasted up to his retirement in 1974.