

Coles MD/CEO John Durkan Loses Plot on Retailing in Oz

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In a recent [interview](#) conducted by ABC business journalist, Ticky Fullerton, Coles MD John Durkan, threatened to increase the price of products in regional areas based on the excuse that the regulator's (ACCC) advice to government that it apply certain tests regarding non-competitive practices, for which major offender, Coles, under previous MD, Ian McLeod, has been hauled before the courts and fined heavily.



Whinging Pom, John Durkan

It seems that Mr Durkan's 'British' nose has been pushed out of place and instead of realising that things are done differently in Oz, he has made thinly veiled threats against the ACCC and the government in a feeble attempt to force them to comply with 'his' wishes, how terribly British of him to disregard local laws and Australian industrial practices -- neither the regulator, after being instrumental in Coles receiving approximately \$20 million in fines for breaching numerous local laws and trade practices, or current [politicians](#) are amused. Well, I know that Aussies, including the ACCC and government would gladly assist Mr Durkan by giving him directions to the nearest international airport, are you reading this Wesfarmers board of directors?

The offending MD at the time of the fines, Ian McLeod, who was clearly chasing personal bonuses at any cost to the company, was also a 'Brit,' who had been hauled before British courts for similar offences, a little research goes a long way, Wesfarmers. McLeod unsurprisingly is no longer with the company or parent, Wesfarmers. Notwithstanding that fact, Durkan, during the interview, stated in his own words that "Ian and I were joined at the hip," in reference to managerial policies/practices -- so has Coles learned its lesson, evidently not?

It should be noted that no other company has reacted publicly in such a crude fashion to the new laws. The very worst tactic any CEO could undertake is to make threats, especially in the form of undisguised blackmail and bully tactics, Mr Durkan. Threats to increase prices for consumers in certain areas are simply feeble attempts to force both the regulator and government to comply, nevertheless, foreigner John Durkan, has two chances of success, Buckley's and none. Would someone tell this clown in which nation he currently resides!

The ACCC is the best thing that has happened to the industry and threats will not alter the recommended changes to law, especially after clear evidence of numerous breaches by Coles, Mr Durkan.

In the past we have had occasion to bring certain Coles specific matters to the attention of Australian consumers. The offence in question relates to placing [ice intolerant vegetables on ice displays](#) as a marketing gimmick, however, doing so severely damaged and reduced shelf life of the ice-affected vegetables, how many times have Coles' customers discovered that lettuces, celery, and an assortment of Asian vegetables were blackened, severely damaged or made flaccid/inedible by unnecessary frost exposure AFTER the purchase? Well, it took Coles over TWO YEARS to rectify that simple problem and Durkan claims that customers are the most important factor in his business - well, he got that right but not in the way he intended.

Fullerton also made reference to the fact that Durkan has hired a disproportionate amount of 'Brits' to fill important executive positions in Coles. She also referred to the FACT that Coles is more concerned with "numbers," the bottom line, than anything else, like rectifying simple problems, as mentioned above. Furthermore, the top-down managerial style of Coles has resulted in all managerial staff adopting that perception (numbers come first), to the great cost of staff relations and customer relations, there simply are no excuses for the many internal staff problems and the appalling treatment of numerous customers by Coles' managerial staff; I refer to one example in particular, numerous other examples would exist in other stores due to a change in policy perceptions/directions.

It was recently made known to me that managerial floor staff of a leading Coles store unjustifiably abused a shopper for civilly assisting a female staff member with a heavy carton that fell from a loading cage. A complaint was made to the duty manager immediately after the incident but no apology for the outrageous abuse has been forthcoming for over one month. I believe the customer was forced to bring the matter to the attention of Coles' regional manager and the store manager and was given an assurance that an apology by the offender would be forthcoming, we shall see! However, this incident and others where customers have been unjustly accused of theft, etc. is the result of managerial staff focused on "numbers" to the exclusion of retailing basics and customer relations, which are the major factors affecting the bottom line, something the Brits in the company have clearly not considered.

The relevant managers at the time of the incident were desperate to contain the matter and none thought of a simple apology, only it seems how to protect their job tenure, such is what occurs when top down perverse management affects the entire managerial structure, a simple apology in the circumstances was clearly required and how any major retailer would not arrange it immediately is beyond comprehension, however, now that we know executive staff are focused on "numbers" to the neglect of essentials and are mostly foreign to Australian culture, are we surprised?

I personally described the incident to an AUSTRALIAN trainee manager at a Coles store and asked what the appropriate response should have been, his immediate answer was, "the very first thing is an apology ...," well, obviously, but how long will that attitude last under the directions of foreigners that clearly haven't got a clue about customer and staff relations in AUSTRALIA.

It appears that Coles is in desperate need of returning to retail basics if indeed the company wishes to protect its (obsessive) bottom line, and as we all know, competing supermarkets are just around the corner. Furthermore, when Coles' foreign management realise that it's PEOPLE, staff and customers, that are primarily responsible for their profits then perhaps CEOs like Durkan would be less inclined to make feeble and absurd, counter-productive threats.

