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Managing director
Pindan

Photo: Attila Csaszar

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Relationships key to longevity

Two home-grown WA building companies are celebrating four decades in the business this year.

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AFTER 40 years in the building game, George Allingame doesn't get fazed by economic cycles.

Mr Allingame's construction company, Pindan, was established in 1977 and now ranks among the state's top five residential builders, and the top 20 nationwide.

In commercial construction, Pindan is ranked the 35th largest builder in Australia.

However, Mr Allingame said Pindan was a vastly different-looking company when it was established.

"There were only two of us when it started, so it's a fair bit different now," Mr Allingame told *Business News*.

"It's just a gradual progression really; the jobs have gotten bigger and as we've gotten more jobs we've branched out into other areas.

"We've sort of grown organically."

That organic growth has resulted in the establishment of 10 different operating divisions at Pindan, ranging from small to medium construction, contracting, asset management, modular building, property funds management, project marketing

and sales, as well as design and construct services.

Mr Allingame said the full suite of services was paramount to the company's longevity.

"We try and give our clients the best of the whole suite of project services, we manage the whole lot for them," he said.

"Our strategy really is to add value for clients in terms of early contractor involvement and all those sorts of things, and through development management we find deals that people are happy to work them up.

"But probably the best thing you can have is lots of good people working for you; if you can get them working in the one direction, then you're pretty fortunate."

Part of Pindan's success, Mr Allingame said, was recognising the state of the market and acting accordingly.

In recent months, Pindan has placed three projects on hold because of difficult conditions in the multi-residential market – one in East Perth, another in Bayswater and a third in North Fremantle.

"People who get hurt in busts are the ones who come in later," Mr Allingame said.

"Lots of builders don't actually make a lot of money during booms because it's difficult to get things done on time and that sort of stuff, so it's better to have a bit steadier market like we've had."

Mr Allingame said Pindan's next phase of growth would be largely driven by a partnership with Singaporean development giant Oxley Holdings.

Late last year, Oxley paid \$72 million for a 40 per cent stake in Pindan, representing a major restructuring of the group.

Mr Allingame said the partnership would give Pindan the financial strength to become a significant national player.

Pindan's growth during the past 40 years has to a large degree been mirrored by that of Osborne Park-based Georgiou Group.

Established by Peter Georgiou (who is still a director) in 1977, the group began life as a utilities contractor for subdivisional work, constructing sewerage facilities, power and water.

Managing director John Georgiou said the company gradually grew its capabilities in the utilities field and the jobs got bigger, but it wasn't until 2000 that Georgiou's growth really accelerated.

"In the early 90s we started doing general construction work, whether that was bridges or roads or concrete," Mr Georgiou told *Business News*.

"As the jobs got more complicated, the jobs got bigger and the clients more complicated, that's how the company grew.

"But it was really in 2000 when we

started branching out into Victoria, NSW and Queensland that the business had a real step change in the way it operated."

Georgiou Group is now a truly national firm, as a building contractor, a land developer and an infrastructure specialist.

In recent years, Georgiou has established an apartments arm, Georgiou Living, which targets boutique developments across the metropolitan area.

Mr Georgiou said the company had been so strong for so long because of its relationships with clients as well as subcontractors.

"We don't shy away from the harder jobs, but what really drives us as a business is we have a connection with our clients," he said.

"A lot of times our clients have these needs so we are engaging them early then bringing them our capability, whether it's dealing with complexity or it's dealing with a specific need they have.

"We see ourselves as a relationship-based business, so most of our projects are repeat work.

"Every now and then we might have a new client, but typically our work comes from the same clients.

"When they come to us they might be in the early stages of planning or it might be engineering or problem solving, but we like to engage with them.

"That's where I think we can show our true value – when we can get involved early and shape what the solution will look like."



"We see ourselves as a relationship-based business, so most of our projects are repeat work" - John Georgiou



"Probably the best thing you can have is lots of good people working for you" - George Allingame

RICHARD GOYDER
Wesfarmers Limited
Thursday 27 July
Hyatt Regency Perth

7:00am (for a 7:30am start) to 9:00am

Tickets: \$125
Subscribers: \$115
Table (10): \$1100

Richard Goyder AO

Join us for breakfast with one of WA's most distinguished business people, Richard Goyder AO.

How has Wesfarmers evolved under his leadership?
What's next for Wesfarmers as a global organisation?

Outside of his Wesfarmers commitments, Mr Goyder is an Australian Football League commissioner, and a director of the Business Council of Australia and the University of Western Australia Business School advisory board. In February 2013, Mr Goyder was appointed chairman of the Australian B20, the key business advisory body to the international economic forum, which includes business leaders from all G20 economies. He is also a council member of the Australian Business and Community Network. Mr Goyder was appointed a director of the Juvenile Diabetes Research Foundation (JD RF) Australia board in March 2016, and chairman of the board in June 2016. He is also the co-chair of the JD RF Australia advisory board. Later this year, he will step down as CEO of Wesfarmers and will become chairman of the AFL and Woodside, and a non-executive director of Qantas.

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