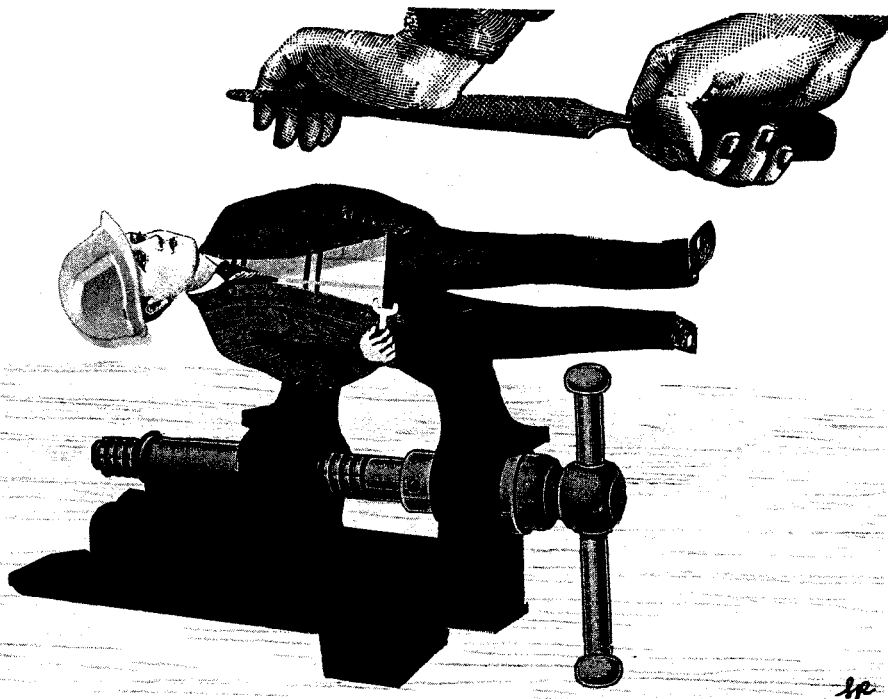


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ENTERPRISE

THE BIG JUMP

Keeping a successful business running takes more than just a good idea – sometimes it means dancing with the staff. **Report: Joanne Neely**

● Tony Romano shivers at the memory of those grim days at the end of the early 1990s recession. In 1991, he joined the ranks of the unemployed when the truck-body manufacturer he had worked for since leaving school went bankrupt. Romano found another job but he was not happy there. “Everyone was in it for themselves. Nobody worked as a team. I needed a job but I didn’t need that.”

After six months in the new job,

Romano made a plucky proposal to his former colleague George Mitrousis: “Why not start our own company?”

Romano had more than 10 years’ sales and administration experience; Mitrousis knew all about truck-body production. “It was impulsive but we were both excited,” Romano says.

In September 1991, Alltruck Bodies began business in a leased 700-square-metre factory with four staff. Ten years later, Alltruck bought its present 6700-square-metre site at Dandenong, south-eastern Melbourne.

As recession turned to boom, Romano faced a new problem: finding apprentices. “When the business began, there was a lot of choice and we could afford to be selective about employing staff.” By 2003, an advertisement in the local

newspaper attracted just two replies. In response to their staffing problems, Romano and Mitrousis hired their first general manager, Russell Gordon, in 2004. Gordon immediately focused on developing an apprenticeship program. He forged closer links with Kangan Batman TAFE and established an in-house training facility.

Gordon contacts aspiring apprentices’ families. By learning about employees’ individual backgrounds, he can better tailor jobs for them. Alltruck’s apprentice drop-out rate has decreased by 25 per cent since Gordon began his highly personalised strategies. Alltruck has 15 apprentices, compared with seven when Gordon started.

Gordon’s best sources for apprentices have been ads in the local newspaper (with a distribution of no more than a 10-kilometre radius) and a simple A-frame board displayed on Alltruck’s busy street frontage. “This often attracts the attention of parents who drive past and pop in to pick up an application form for their son.”

Remembering the place he left to start Alltruck, Romano has tried to create an open, responsive workplace. Monthly safety meetings are preceded by a general meeting at which employees can air any concerns. Apprentices can do this through their supervisor or in person.

Romano believes that his direct personal involvement in the business makes employees feel comfortable about approaching him with any problems or ideas.

The labour shortage is forcing businesses to be more innovative about how they attract and retain staff. Alltruck has taken such an approach, and so has construction company Boss Homes on Queensland’s Gold Coast.

Boss Homes was founded in 2001. As the company grew, it developed a voracious appetite for staff. Boss’s managing director, Ian Anderson, believes that for Boss to grow, it needs committed staff and, in return, staff need long-term career paths at the company.

Anderson believes the building

industry skills shortage has come about partly because construction is not seen as glamorous or stable. This perception has not changed much since the 1970s when Anderson was a teacher in Melbourne. Many people looked down on students who were practical rather than academic, he says. "Guys who excelled at woodwork were considered non-academics and were termed blue-collar workers. You were considered a failure before you even started."

If Boss could offer a career path and recognise each student's talents, it could tap a valuable pool of labour. But how would it do this?

Anderson's practical solution was to set up his own school, applying the knowledge gained from more than 30 years in the construction business as a builder and architect. In 2005, Anderson opened the Boss Institute of Advanced Technology at Burleigh Heads.

Boss plans to employ many of the institute's graduates either directly or through its network. It receives the usual government apprenticeship training incentives to help cover costs. Students from outside the Boss network pay their own way.

"We'll put 20 kids through a cadet program with us over two years. The idea is they will be the best entrepreneurial cadets the building industry has produced and every one of those kids will get a job," Anderson announced in 2007. The program will cost \$1 million over two years.

Anderson forecasts that the Boss Institute will help his business by raising productivity, providing trained labour for new projects, and increasing employee retention by providing better career paths. "We expect that it will help our bottom line by more than 20 per cent," he says.

The recession of the early 1990s drove Alan and Margot Spalding of Bendigo, central Victoria, out of their first furniture-supply business. Alan, a cabinet maker, was devastated and considered farming emus. With children to feed, Margot swallowed her pride and went to work as a sales assistant at a local furniture retailer.

As she watched customers select and buy furniture, she saw the possibility for a niche that she and Alan could fill: a line of high-quality, Australian-made product with clear, attractive branding. The design and quality workmanship had to appeal to

customers who wanted contemporary, Australian-made furniture. They would supply only to retailers, cutting out the time-consuming distractions that had plagued their first business.

They chose a name – Jimmy Possum – and the business was launched in 1995. The Spaldings have not looked back since, but growth brought new pressures and decisions. Should they abandon their business model – of simply being manufacturers – and set up branded Jimmy Possum retail outlets? Could they sustain the close-knit, family business culture as it grew?

Their first retail outlet – at Fortitude Valley, Brisbane, in 2001 – took three years to get right. But then it boomed and has since tripled in size. It was a timely move as retailers began to desert Australian furniture makers for low-cost imported product.

"If we hadn't opened our own stores, there would be no Jimmy Possum now," Margot says. (Jimmy Possum has six stores nationally – in Bendigo, Melbourne, Sydney and Brisbane – with a seventh set to open in Adelaide.)

Finding and retaining good staff is a key issue in a very tight employment market. Margot is a believer in FISH!, the philosophy based on the positive outlook of workers at the Seattle fish markets in the United States. FISH! seeks to foster playful workplaces where staff can authentically express themselves and delight customers.

"We have no casual staff anywhere in our business – and we never will. People need to know what their hours are and how much they will get in their pay packet at the end of every week. If we go through a quiet period, there is always something else useful they can do," Margot says.

When the business was smaller, the Spaldings regularly invited staff members to parties at their house. These days, throwing a party takes a lot more planning. Last Christmas, Margot and Alan flew employees and their partners to Bendigo for a big party featuring dinner for 250 and music from house band Jimmy and the Possums.

"It got manufacturing and retail together," Margot says. "It was amazing to see cabinet makers dancing with retail managers and accountants." BFW