

Classic result for monitoring system

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DRAWING inspiration from successful Western Australian companies such as BGC, Classic Contractors managing director Mark Stewart has worked to adopt a similar corporate model to grow his business into an integrated building, painting and maintenance company.

Mr Stewart, a carpenter by trade, started Classic Contractors in 1994. The business now incorporates three divisions, each introduced in a staged process between 1996 and 2000.

Mr Stewart said the structure of the organisation allowed it to remain profitable if one area experienced a drop-off in business, or if the company was in between jobs.

"If one area slows down, the other areas kick along," Mr Stewart told *WA Business News*.

His father, Robert Stewart, who has more than 25 years' experience in the financial planning industry – including eight years in senior management roles at Sealcorp – is the company chairman and has been a valuable mentor to his son.

Mr Stewart said his father had influenced some of the business systems and processes, particularly in the area of monitoring and measuring.

"He was big on measuring things, and that's rubbed off on me," he said.

Mr Stewart said it was important for each business manager to be across the progress of the entire company and, to this end, holds a weekly strategic management meeting to provide a forum for each manager to bring their particular issues to the table.

Not only does this provide for open lines of communication between business divisions, it



MEETING TARGETS: Mark Stewart says he and his managers hold a weekly strategic meeting to provide a forum for each manager to bring their particular issues to the table. **Photo: Gemma Howard**

PROBLEM SOLVING

COMPANY: Classic Contractors

BUSINESS: Provision of maintenance, building and painting services to the private and public sectors.

PROBLEM: Manage large-scale projects more efficiently and cut recall rates.

SOLUTION: Develop and implement monitoring system to allow projects to be measured and problems easily identified and rectified.

also works as a brainstorming session for the management team to come up with business ideas, or bring in a different perspective to solving problems.

"We try and be proactive rather than reactive. We'd rather nip things in the bud, rather than wait for it to explode," Mr Stewart said.

"I want everyone else to know what's going on in each area; that's why we come together regularly."

The need to have good systems and processes in place became clear after an early negative experience for the business, with a \$900,000 project coming in more than \$50,000 over budget.

Mr Stewart said the cost blowout served as a lesson in how to manage large-scale projects efficiently, and started the process of developing the company's strict monitoring systems, which remain today.

"I was in my mid 20s, and taking out \$50,000 is a lot of money. It was a big learning curve," he said.

"We've been there, we've tasted it and we're not going back there again."

The company implemented

an effective system of measuring each job – details of each project are entered into a 'job card', located on a centralised system, including what products were used, the amount of product used, which employees worked on the project, and the time taken.

If the client raises any concerns, the company can go back and pinpoint exactly where and when the problem occurred, making any changes necessary.

Mr Stewart said the new system had been vital in significantly cutting the amount of recalls, ensuring all jobs were completed correctly the first time.

The company also adopts its own unique recruitment strategy, hiring employees based on character, and training candidates up to the appropriate skill level.

"Employ for character, train for skills," Mr Stewart said.

Last year, Classic Contractors reached an annual turnover of \$5 million, up from \$4.2 million the previous year.

Mr Stewart said the company had experienced, on average, an increase in turnover of \$500,000 each year.

Classic Contractors last month was awarded top prize at the Dulux accredited painter of the year awards.

The award recognised the company's business management and planning, organisational structure, sales and marketing campaigns and environmental policy, in addition to actual painting ability.

Mr Stewart said his long-term goal was to grow Classic Contractors into a turnkey operation, allowing it to run efficiently without the need for his direct involvement in every aspect of the business.