

SMALL ENTERPRISE

BUILDING A BUSINESS THE OLD-FASHIONED WAY

Mark Stewart has no time for management theory. Business keeps him far too busy

BY TIM TREADGOLD

MOVING up from a trade to running a business was once a traditional route for many small business people. Today, the pathway to management success is more likely to be via studies in accounting, commerce or the law.

Not so for Mark Stewart. He is doing it the old fashioned way. The Perth-based 26-year-old has taken his apprenticeship in carpentry and created a business that is budgeting for a \$1-million turnover this year. On the way up he has created jobs for 10 employees and has been chosen as a role model in a video produced by Western Australia's technical training authority on how to shift from the trades to management.

Stewart says he cannot see anything special about what he is doing. That is perhaps because he's too close. Without studying fashionable management text books he has learnt the fundamentals of business the hard way and applied those lessons in everything he does. "I never argue with a customer," he says. "I always over-deliver on what I promise. And I've learnt the difference between cashflow and profit."

It sounds simple but there are many much bigger companies that have lost sight of these business basics.

Stewart's business is a typical small building and project management service. It takes on work such as a shopping centre maintenance, painting and repair jobs. Growth has been spectacular since he hung up his sign as Classic Contractors just three years ago. In year one, turnover was just \$82,000. In the year just

ended he had grown 10-fold to \$850,000 with work on hand indicating the magic \$1 million mark will be passed this year. And all from a start in 1995 on the strength of a \$3000 credit limit on his bank card.

The dollar amounts might still be small, but the trend is impressive. So much so that Stewart was asked to tell his story when the Technical and Further Education authority in WA produced a video to inspire secondary school students to consider trade training because of its potential to provide a bright business future.

In hindsight it can be seen that he was always likely to develop a business. His first "venture" was as a 13-year-old with a lawnmower in Kwinana, an unfashionable industrial suburb south of Perth. "That's where I learnt how to hustle for business," he says. "If I didn't have a job I would just knock on the door of someone with a long lawn." After leaving school at the end of year 10 Stewart went into a carpentry apprenticeship with Thiess Contractors. He learnt his trade but he also learnt enough to know "that I never wanted to work for wages, I wanted to run my own business".

Armed with enough trade skills to be effective, he would take his "hustling" to building sites, asking the builder if there were odd jobs that needed doing. Later, he advanced the hustle principle to visiting local councils, getting details on building permits and striking early in the piece to earn himself more work.

His big break came with a maintenance contract at Kwinana Hub shopping centre. It was Stewart's job to undertake small repairs for the centre's management. He learnt some more valuable business lessons, which he now passes on to employees. "First job of the day is to clean the area next to the centre manager's car park," he says. "If she finds it dirty, I know I'm in for a rough day."

Stewart says balance sheets mean little to him — but he's learning. "I do know what cashflow means, and that's the key," he says. He has also never been taught the principles of quoting for a job. "I used to work out what it would cost and add 20%. It's that easy." Impressing clients and winning business is also part of his simple formula. Buying 15 seats at an annual social cricket match and a box at one of Perth's local football clubs are low-cost marketing tactics that tell customers that he wants their business and will work to keep it.

THE FUTURE:

Stewart has big ambitions. His business heroes are Perth's biggest builder and corporate tough guy Len Buckeridge, transport magnate Lindsay Fox and waterfront reformer Chris Corrigan. "Even when times were really tough, Corrigan never flinched," he says. It seems that Stewart, in his own untrained way, is doing exactly the same. If he keeps that eagle eye on the cashflow he may one day give Buckeridge a run for his money. And Len would probably love it. ■

Mark Stewart: "I know what cashflow is, and that's the key"

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Always admit to an error. A painting contract in the small south coast town of Newdegate was botched and Stewart was called down to explain what had happened. He says: "I took one look and said immediately, 'I'll fix it'. The manager was lost for words and so impressed that I then picked up a maintenance job on five houses in another town."

