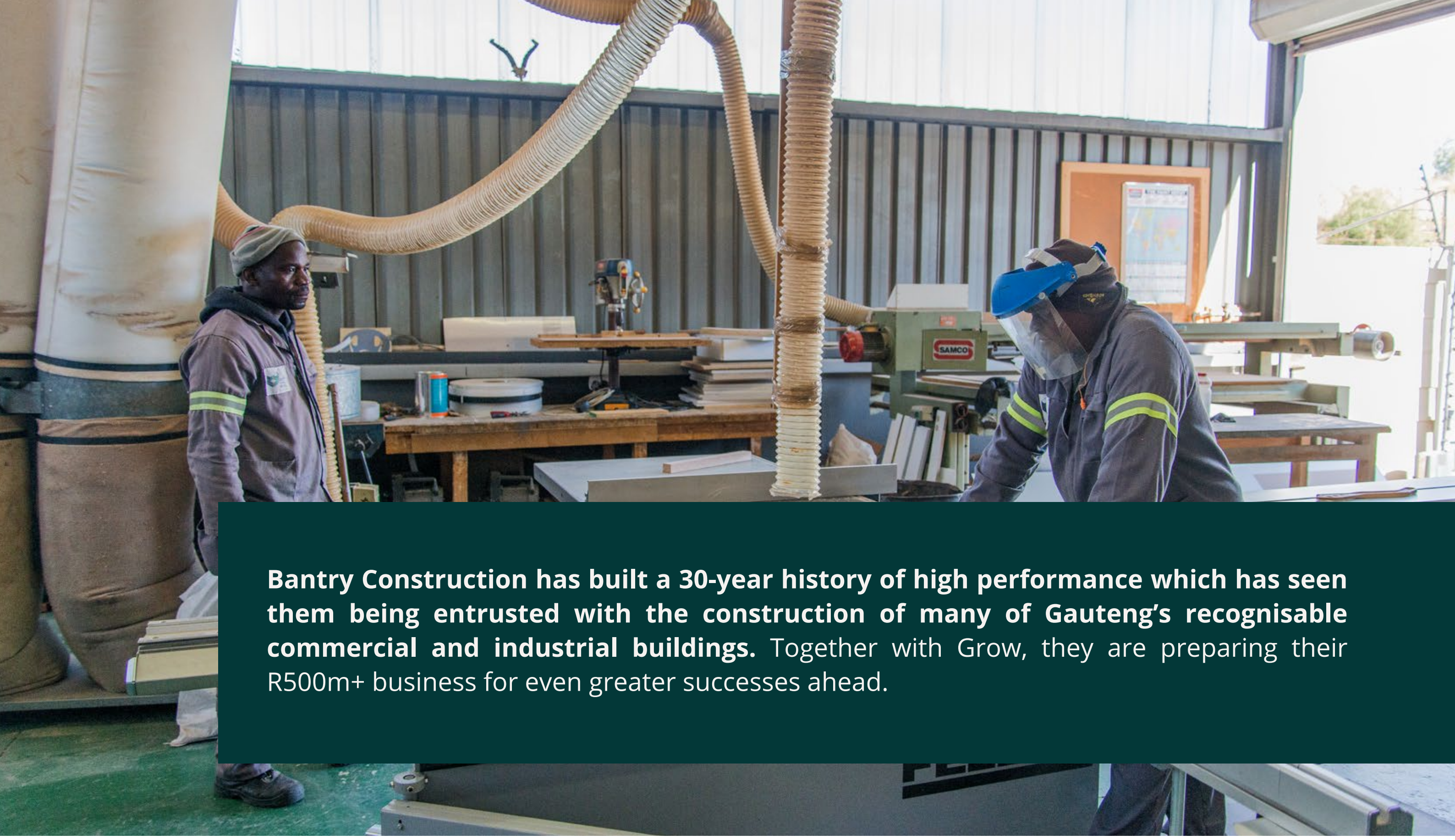
grow

Bantry Construction

Weathering the storms of a cut-throat industry amongst rife competition



Bantry Construction has built a 30-year history of high performance which has seen them being entrusted with the construction of many of Gauteng's recognisable commercial and industrial buildings. Together with Grow, they are preparing their R500m+ business for even greater successes ahead.

Developing a strategy for profitability and growth

The building industry has struggled to recover from the knock-on effects of the 2008 financial crisis. Despite this, Bantry – a construction company situated in Florida, South of Johannesburg – continues to weather the storms, turning over more than R500m per annum.

The company specialises in the construction of industrial, commercial and retail facilities, and is characterized by a close-knit team of approximately 200 skilled and semi-skilled individuals that are dedicated to excellent service delivery. They've been entrusted with the construction of numerous buildings across Gauteng, including the Takealot Warehouse in Pomona, a Clicks Distribution Facility in Centurion, the Broadacres Shopping Centre, the Vodacom Innovation Centre, and extensions to a Sasko Bakery in Aeroton.

Since starting with its primary business of construction 30 years ago, Bantry has also added related subsidiary businesses to its portfolio, including a property development business as well as specialist joinery and sundry metalwork divisions. The company also owns its own plant machinery, which are serviced in-house in a dedicated workshop.

Handing over the reins to a younger generation of leaders

Peter Wagener, since establishing Bantry Construction in 1988, has built a strong reputation for himself and the company in the building industry. He remains an important part of the business but is now handing over the day-to-day management of the company to a team of young, ambitious Directors who will take the business even further: Colin Erikson, Konrad Pretorius and Charlotte Mushwana. In fact, it was the need to establish and hand over the reins to this new leadership structure that led Bantry to seek out the services of a business coach.

"Myself and Colin had taken over and weren't quite sure who would be the MD, or who would fit in where, as we had always run the business jointly all the way through. We thought we needed some form of coaching", Konrad said, "We looked at a couple of other coaching options and when we met up with a coach from Grow, that made sense to us – we were very happy with what we found."

Developing a strategy for profitability and growth

Since the start of their journey with a Grow coach, Bantry has been focused on optimising efficiencies and profitability within the business. "Our bottom line was to improve our profitability and to create structure with this new team," Konrad said. "We were working very hard and getting minimal results and we wanted to have a life beyond our business and spend more time with our families." So, the team started by developing a plan of how they would achieve their desired levels of efficiency and profitability, which they outlined in Grow's One-Page-Strategic Plan (OPSP) tool.

The tool would help the business gain the structure it needed and get the leadership team aligned towards a common goal in order to help them gear up for their next level of growth. It is supported by quarterly strategic planning sessions, where the team reviews the progress they're making against the goals and priorities in their OPSP. The quarterly sessions also help to keep the team focused on executing their strategy and keeps them aligned despite the day-to-day operational demands of the business.

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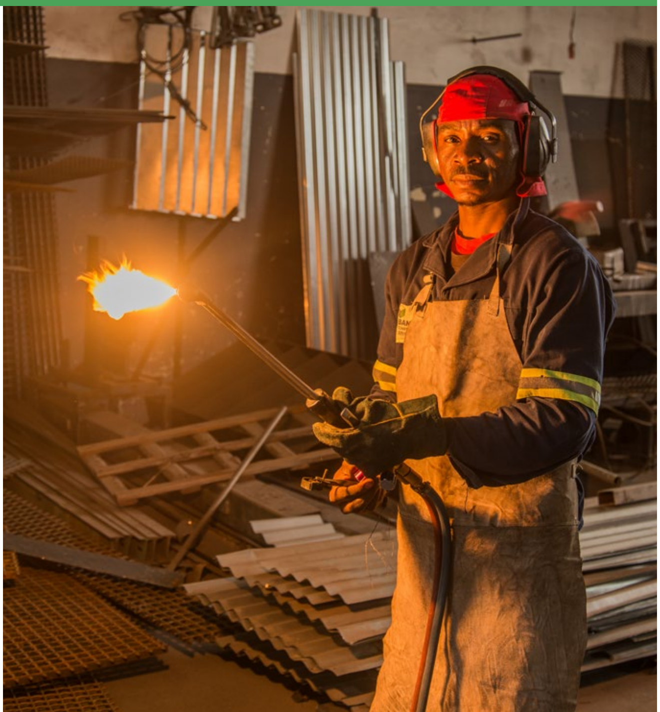


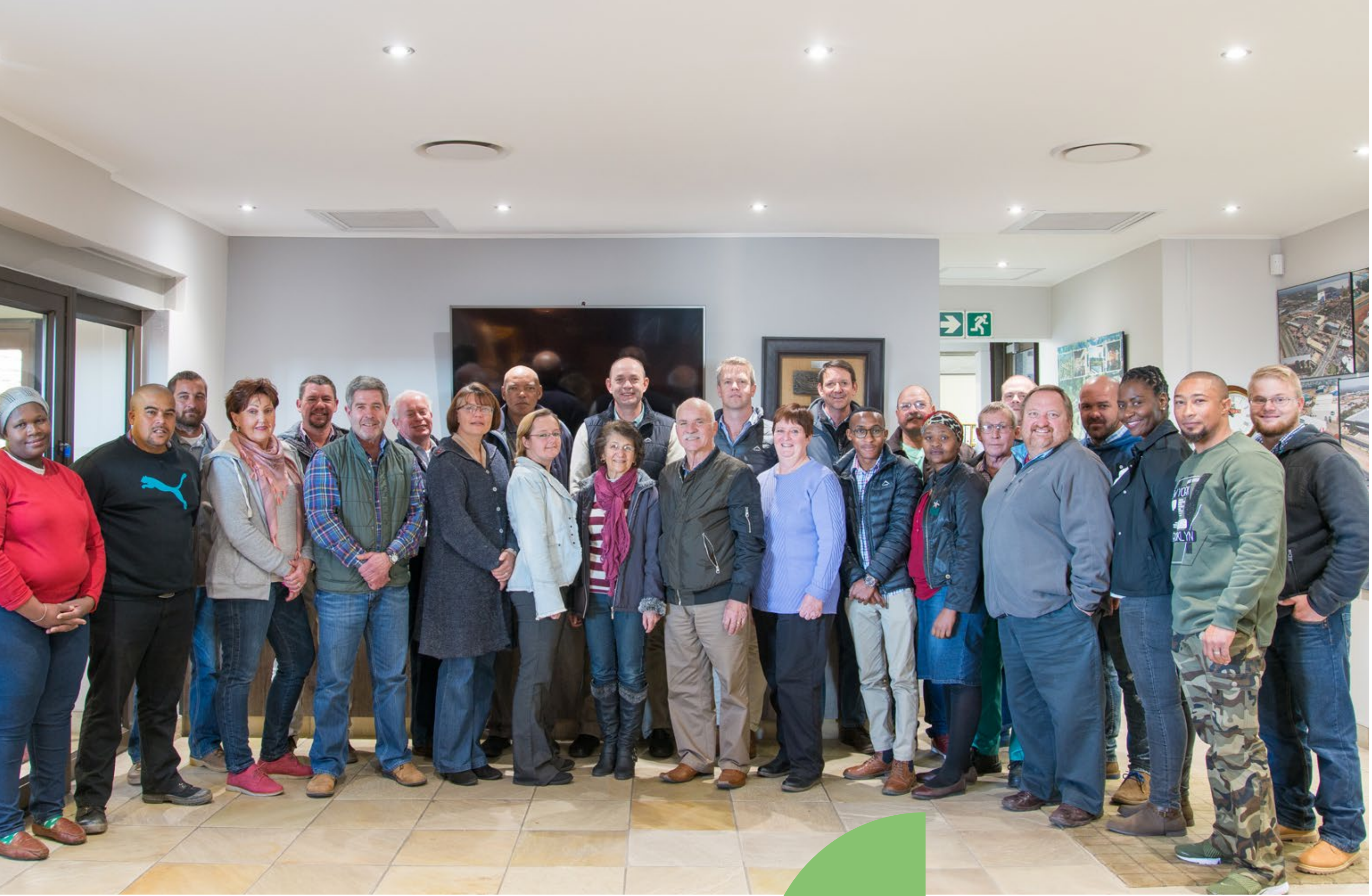
The importance of clearly-defined roles and accountabilities

The team also worked on developing a Function Accountability Chart (FACe), which outlined the different functions in the business and who would be accountable for each of them. This is when they realised that two of the Directors – Konrad and Colin – were spending considerable amounts of time at construction projects and had no time to work on plans and strategies to grow the business.

Before coaching, Colin and Konrad had similar roles in the business and shared responsibilities by splitting projects between the two of them. The FACe has enabled them to separate the business into an operational side as well as a financial side – both of which have people assigned to clearly dedicated roles and accountabilities. Konrad is the Managing Director and oversees the operational side of the business and Colin heads up the Financial Department, which sources 80% of its data from the Quantity Surveying (QS) Department that is being managed by Charlotte.

The team appreciates the role that coaching has played in helping them settle into their new roles and build alignment in the team. "Being the Managing Director, there is a lot more responsibility on my shoulders," Konrad said. "But I'm a lot more positive and willing to push for our goals because we are a team that's working very well together, and our thought patterns are aligned in what we want. There's also a sense that we are in it together as a team so that has made my role a lot easier in that regard." Charlotte has also benefitted from coaching, saying, "Having joined as a young director, Grow has helped to bring out my individual contribution as the QS (Quantity Surveying) Director which is very much linked to the financial status of the business."

They're also happy with how they've managed to build a more transparent business, saying that this has helped them charge forward towards business goals with confidence. "Having set the goals together as a team, and then setting up our roles in how to achieve the goal has really helped because in everything that you do, you always know what part to play", said Charlotte. "Also, now that the goal has been set by everyone, the commitment to achieving it is unquestionable."



A year dedicated to the cleaning-up of financials

In the construction business, project finances together with managing the quality of build and the time spent on a project are very important determinants of success. But Bantry initially had little visibility of the financial health of the business. So, after establishing clear roles and assigning Directors to each of them, the team then worked hard with their coach to bring a lot more discipline to the finances of the business, focusing on understanding the numbers behind each of their building projects. This helped them be more agile in attending to any red flags and problems that arise and has given them a better sense of the health of their business.

Reflecting on this, Konrad explained, "We used to rely on how much money was in the bank and what our annual financial statements said. Now, we have project-specific cost reporting which we've implemented on every project. We've got monthly cashflow and income statements and are busy drawing up our budget. We have a whole range of financial reporting tools, which we didn't have before."

Charlotte explained why it was so important to have worked on project-specific costing as a key priority in their first year of coaching. "In the past, as a quantity surveyor, you'd perform a project and have no idea where you'd end up in terms of profit. It would be by luck that we'd end up in the positive because we were not necessarily tracking the cost as in-depth as we are now. We now QS better because we are tracking the costs and the finances of the company."

They've also worked on achieving sound cashflow management by ensuring that they close out practically completed projects quicker, so that they get paid by their clients on time and in full. In addition, they've become tighter around their debt collection process. "We don't have business degrees, so it has helped to have someone come in and show us things we'd never even thought of," explained Charlotte.

Building structure into other areas of the business

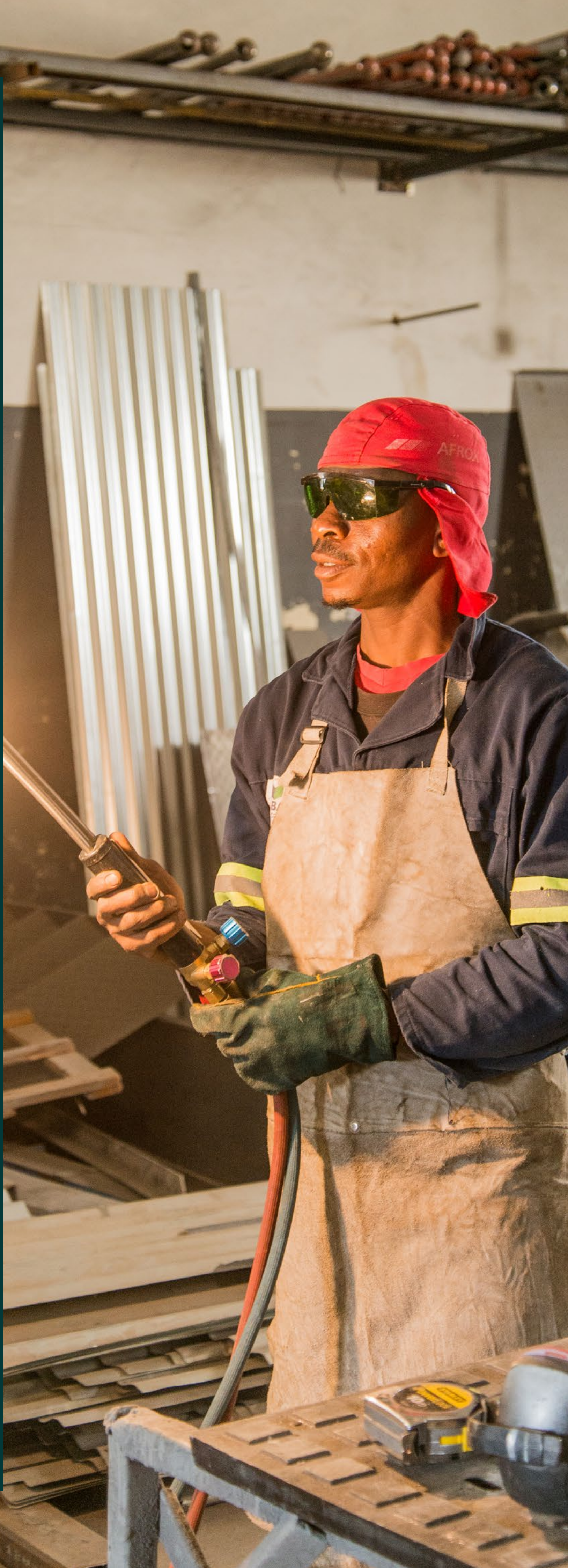
Konrad expressed that they had very little reporting capacity and data available to inform decisions in other areas of the business – not just finances. Thankfully, this has now changed. **"From an operations point of view," he said, "we now have more frequent meetings and operational reviews for each project, to monitor not just the finances of the project but the quality as well."**

Charlotte added that, "It being a family business, we wanted to have a lot more structure in how we ran the business in terms of hearings, leave days, bonus systems etc.

It became very difficult to make certain decisions without any paperwork or protocol to guide us. So now we are doing better in terms of labour laws and are implementing changes that will put us in a better position regarding how we handle any labour matters that come up within the company."

Under the leadership of Konrad, Colin and Charlotte, the lessons from coaching have been carried over to the rest of the team. They worked on solving the communication barriers between foremen on different projects and created a more collaborative environment. In the past, teams would often hold on to idle machinery and labour at their sites so that they would have easy access to them when needed.

This resulted in there being a shortage of machinery and labour at some construction sites, which would cause the need for the hiring in of additional equipment, and the use of outsourced labor to fill the gaps. Konrad ensured that teams instead became a lot more transparent around sharing underutilised machinery and labour and helped the foremen to understand that this would be to the betterment of the firm as a whole.



Gearing up for record future performance

It's no secret that the world of business is becoming increasingly tough and complex. The building industry is particularly disadvantaged by its susceptibility to the full brunt of troughs in the economic cycle. New building projects are few and far between, driving profit margins down amongst an oversupply of contractors. This has seen many construction businesses exit the sector in recent times, as the economy struggles to recover to the growth levels seen prior to the 2008 financial crisis. "We're finding that a lot of our competitors – 20 to 30-year-old companies – have had to take the knock of bad profits and losses over the years. There are multiple companies going insolvent every two to three weeks. So, we have to be a lot more efficient with how we manage our plants and labour. We have to track things a lot more accurately, and with the cost reports we've implemented, we can now see which jobs are the right ones for us to take on."

The team is now at the final stages of setting up a sales and marketing plan to differentiate themselves in the market. They have established a clearly defined core customer and the ideal/core projects the business desires to work on. After having spent the past year transitioning into their new leadership roles, putting their growth plans in place, cleaning up their financials and building a more collaborative culture, they plan to improve profitability by 2% in the coming year – a significant goal for a business turning over in excess of R500m a year, and one they are now well positioned to achieve.

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When things don't seem clear, it's time to **find focus.**

When you're at the top. Everyone's looking to you for the answers. You're the leader, thinker, decision maker, mentor, planner and doer. Sustained growth and scaling up weighs on your shoulders. Yet, so many questions ruminate in your head.

When you are feeling stuck or overwhelmed yet committed to a sea change, you need a thinking partner to help you see the wood for the trees. An impartial sounding board with years in the seat and war stories to share. Don't lose sight of the bigger picture, and don't do it alone.

Grow. Helping businesses find clarity and the confidence to lead with it.

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Build your business with **clarity and confidence.**

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