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Personal touch keeps Probuild in top form



TRADING ROOM

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WITH a burning ambition to create a career in the building industry, Phil Mehrten decided, at just 19, to take on an adult apprenticeship in carpentry.

It proved an invaluable move for the aspiring property builder.

"I thought one way I'm going to learn is to get out there in the field and do it with the guys," he said.

"It's going to be very hard down the track to instruct people if you

haven't done it yourself.

"I started off doing all the lesser things on site — counting how many bricks had been laid on a job and things like that."

That early learning curve, as Mr Mehrten describes it, has taken him to where he is today — at the head of his successful construction company, Probuild.

The company has completed more than \$3 billion worth of projects since its inception in 1987, and has been involved in a number of what became iconic projects across the country. Among them are the \$230 million Myer Bourke Street development in Melbourne and a new grandstand for the Victorian Racing Club at Flemington.

Probuild has completed every major stage of expansion and redevelopment of the Chadstone Shopping Centre since 1989, and has completed the design and construction of a \$240m project at 140 William Street, Perth.

The company's work in hand is worth \$1.25bn.

Mr Mehrten attributes the remarkable transition from a small building company to a national force with a string of blue-chip clients and prominent projects under its belt to being extremely measured with growth.

"We took on projects that we felt we could manage... mastered those, and then took the next step," he said.

"We go through a period of a couple of years where we consolidate and then we look through the next period of growth."

And that next period of growth would go from \$20m projects to \$50m projects to \$100m projects and now \$200m-plus projects, he said.

Starting off small and growing bigger had enabled him to grow into the business, Mr Mehrten said. There are a number of things he points to as key to the company's success.

One is that he is still the managing director and leads by example.

"I still work actively day in, day out and roll the sleeves up and will get out on sites," he said.

He also believes that there are no short cuts.

"For the first seven or eight years of this business, Wayne Judson and I were working seven days a week," Mr Mehrten said.

Mr Judson became Mr Mehrten's second business partner after his first partner and mentor Aldo Dujela was killed in a car accident three months after the two began the business.

Mr Judson has since retired and Mr Mehrten's business partner today is Ted Yencken, who joined the company in 1995.

As a 30-year property veteran, he has plenty of advice for up and coming property builders. One

important thing, he said, is to identify where there might be a gap in the market.

Another piece of advice was to have a goal early on — a short, medium and long-term plan.

“You may not always stick to your plan and there may be deviations, but you’ve still got to stay focused on the main game all the way through,” he said.

For example, with Probuild the aim as a business was to penetrate the tier-one level of builders, and he believed the company had been successful in achieving that goal.

By tier one, he means projects worth more than \$200m.

“That became a goal as we developed the business, as we were moving through the different phases, he said.

Probuild broke through the tier-one mark with the 140 William project in 2008.

Also, with a business, he believes you have to keep working at it constantly.

“You’ve constantly got to keep assessing what your business is doing at any given time,” he said, before adding that you also have to retain flexibility.

“In our situation, we were predominantly retailer builders,” he said.

“We took on two projects that changed the market’s perception of us.”

At the moment, he said, there was a lot of demand for residential property so Probuild was building residential. It has five residential projects under way, of which three are in Victoria, one in NSW and one in Western Australia.

Mr Mehrten said it was important to develop the people within your organisation to be well-rounded individuals who can turn their hand to whatever market you happen to be operating in at any given time.

But at the core of his message about Probuild’s success, he said, was its people.

“I know just about every person who works for this company personally,” he said.



AARON FRANCIS

Founder and CEO of Probuild Phil Mehrten in the company’s south Melbourne offices