

# Meeting the Growth Challenge

COLL ELECTRICAL

[ PAT COLL, FOUNDER AND PROPRIETOR ]



**THE COMPANY** *Coll Electrical has specialised in electrical engineering contracting since it was established in 1986. The company offers a high-quality service rather than a cheap option and has successfully maintained long-term relationships with clients. A strong feature of the company is the calibre of its workforce which is highly skilled and motivated to deliver the best quality service to its clients.*

## PRODUCTIVITY CHALLENGE

The challenge faced by Coll Electrical revolved around sustaining rapid expansion. Meeting this challenge meant dealing with a number of issues including the recruitment and retention of skilled staff in a tight labour market, managing people effectively and dealing with increased compliance costs. Three barriers to increased productivity were identified – poor quality of workmanship and materials; wastage; and the availability and rising costs of goods and services.

However, the biggest threat to profitability and productivity was the growing competition from other sub-contractors who undercut their competitors by using inferior components and employing cheaper labour.

## MEETING THE CHALLENGE

Coll Electrical employed 15 staff in its early years and only had mediocre growth up until 2001. Pat Coll, founder and proprietor of the business, initially took on a lot of the management responsibilities at Coll Electrical. This is typical of a small business where management often finds it too risky to let go and delegate tasks to staff. The result was overworked and inefficient management systems.

Pat was then approached by the Electrotechnology Industry Training Organisation (ETITO), which was interested in piloting a particular approach with the company. ETITO did an analysis which identified that a major problem in the growth of the business was the management practices being employed.

The pilot resulted in the company getting in touch with Investors in People (NZ). Coll Electrical was invited to become accredited to their organisation and went on to develop a business programme focusing on increasing productivity and addressing recruitment and staff retention issues.

Employees responded to these initiatives enthusiastically with the result that the business has grown substantially in terms of profit, turnover and staff numbers. The business programme involved:

- The implementation of a detailed career structure
- Increasing the amount of training and development
- Increasing the level of staff autonomy and responsibility
- Introducing core competencies and performance reviews
- Regular increases in wages and conditions
- Creating an enjoyable, social and supportive working environment.

The new business programme also saw the introduction of improved administrative and accounting systems, contract management systems, human resources procedures and cost reviews for each completed job. The management structure of the organisation changed so that key staff were delegated more responsibility in the daily running of the business.



**If you create a positive culture within your company, people are happy to be there and they want to do good work for the company.**

*Pat Coll, Founder and Proprietor*



Pat delegated more responsibility and focused his efforts on strategic matters. He worked on developing leadership skills in the business by implementing a detailed career structure for staff. This in turn built the relationship and trust between management and employees, allowing employees to undertake a job without having to be micro-managed by their manager.

Efforts were also made to make the work environment more enjoyable and supportive. Social events, such as barbecues, were held which allowed staff to relax and get to know each other better in an informal setting.

Since introducing these changes, Coll Electrical has enhanced its reputation for delivering efficient, cost-effective and high-quality work. At the same time it has fostered a supportive work environment that provides opportunities for its employees. This environment makes Coll Electrical an attractive place to work for employees, which has paid dividends for the employer in a time of skill shortages.

Measuring and reporting practices were also improved. To promote a 'best practice' approach and high-quality workmanship, workers are encouraged to contribute innovative ideas on controlling costs and wastage, and improving quality. Managers have a good knowledge of the company's finances, and jobs that have exceeded budget are reviewed in order to identify where improvements can be made in future.

Coll Electrical has not only adopted flexible human resources and management strategies that differentiate it from its competitors, but it also seeks to be innovative and apply the latest technology. Networking and collaborating through industry associations, as well as utilising management



consultants and accountants, have all assisted in enhancing the company's credibility. These improvements have fostered long-term business relationships which have resulted in profitable jobs.

#### KEY LEARNINGS

- Good leadership involves delegating work and responsibilities to staff at many levels. This reduces pressure on management and allows for better decision-making and management procedures.
- Providing staff training opportunities and clear career pathways helps attract and retain staff. Allowing staff to think independently and creatively leads to improved communication and innovative ideas in tackling work-related issues.
- A positive team culture and regular financial incentives work wonders for team morale and can help significantly in retaining staff.



**I haven't found anyone with a better name or done better work for anyone else. I'm happy.**

*Adam Usmani,  
Electrician*



#### RETURN ON INVESTMENT

Target group	Benefit	Value to the company
EMPLOYEES	An open, inclusive workplace Financial incentives linked to performance Flexible learning opportunities and work hours Employment practices that are family-friendly and encourage cultural diversity Flat management structure	Free exchange of ideas and knowledge Greater workplace productivity More highly skilled and committed staff  Can attract and retain staff in a highly competitive labour market True partnership between management and staff
MANAGEMENT	A workforce focused on creativity and new ideas Highly effective teams	Leading-edge, world-class export products developed  Staff are recognised as being the company's biggest asset

#### BECOMING MORE PRODUCTIVE

Lifting productivity involves exploring all the ways your workplace could do things smarter and better. No matter what your business does, or how big or small it is, there are a range of way you can improve its productivity, including:

- Building leadership and management
- Organising work better
- Networking and collaborating
- Investing in your people and their skills
- Encouraging innovation and using technology to get ahead
- Creating workplace culture
- Measuring what matters.