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COLLABORATION

CEO and Executive Director of Arrow International Pty Limited Lale Ieremia reflects on the company's past and future, as well as the importance of sharing best practice between the Australian and New Zealand construction industries.

Arrow International opened in Dunedin, New Zealand, in 1984. The organisation expanded into Australia in 2000, opening its first cross-Tasman operation in Sydney before establishing the company's base in Melbourne. As a project- and construction-management company, Arrow International works closely with its clients to provide the best resources and management for every project it tackles.

Arrow International is part of the Arrow Group and has completed more than 900 projects, ranging from complex strategic planning to the construction and project management of multi-million-dollar developments in Australia and the Pacific. Arrow International's client-focused attitude coupled with its culture sets the organisation apart from the competition.

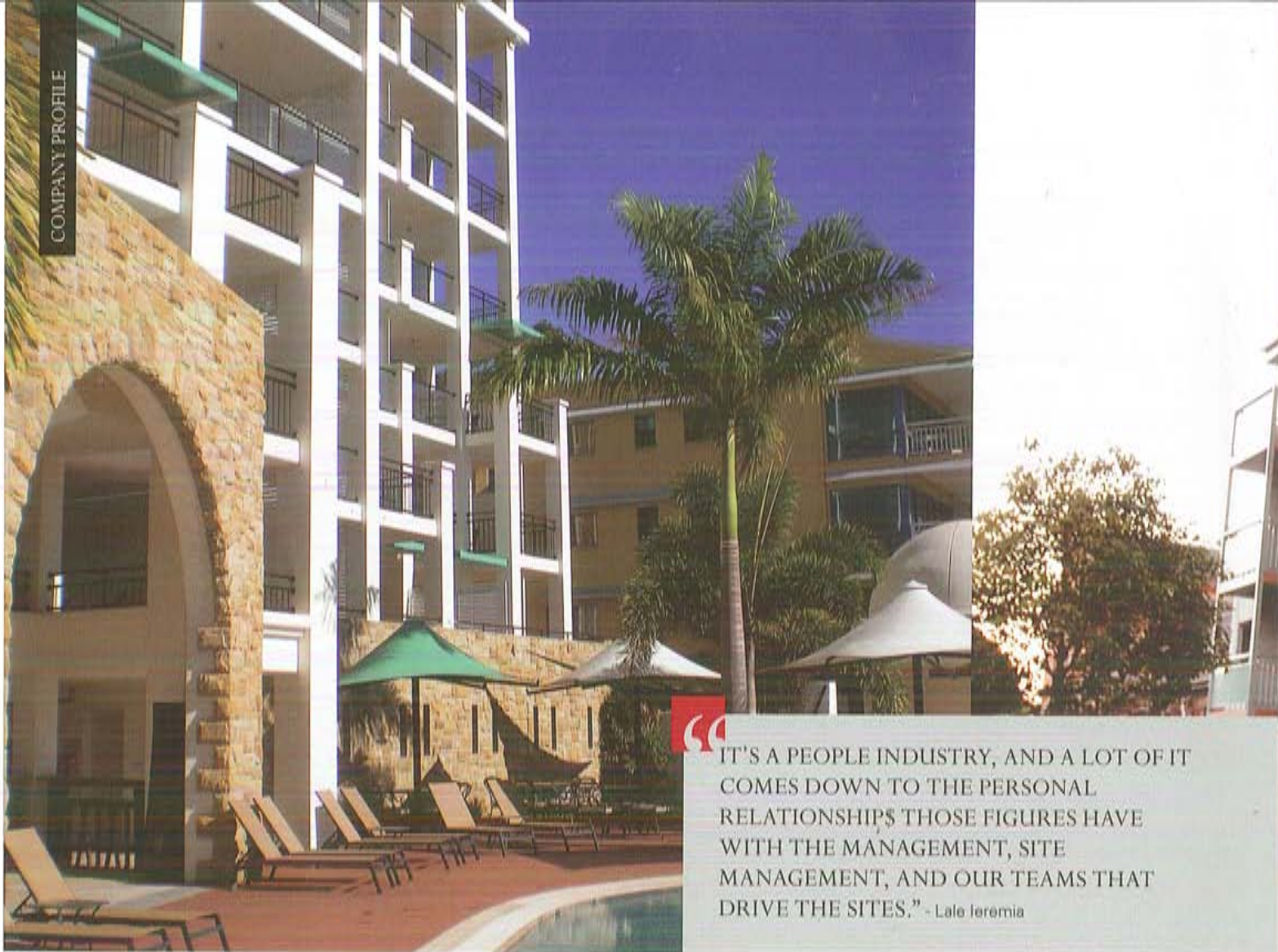
CEO and Executive Director of Arrow International Pty Limited Lale Ieremia discusses the company's history and direction, and the importance of collaboration between Australia and New Zealand.

The OAC Magazine: Can you give our readers an overview of some of your company's recent projects?

Lale: We're a tier-three-type builder, and our biggest jobs in Australia have been around \$55 million. In Melbourne, our key focus has been on accommodation buildings, social housing, and multistorey accommodation blocks that are part of the affordable housing programs for the DHS [Department of Human Services]. That's where we do the bulk of our current work. We have also completed projects in the education, retail, hospitality, industrial, and health sectors. >

"Working with Arrow on the first Tune Hotel in Australia has been a positive experience for Interpod. We have been impressed with the thoroughness and organisation of everyone involved. We look forward to completing the project and continuing the partnership."

- Cameron Monks, General Manager, Interpod Office



“IT'S A PEOPLE INDUSTRY, AND A LOT OF IT COMES DOWN TO THE PERSONAL RELATIONSHIPS THOSE FIGURES HAVE WITH THE MANAGEMENT, SITE MANAGEMENT, AND OUR TEAMS THAT DRIVE THE SITES.” - Lale Jeremia

We have recently started to focus on the interiors and refurbishment market where we have developed expertise working within operating environments providing decanting solutions as part of our normal construction to keep the client operational whenever possible. In a tight construction market, this area of work is quite buoyant.

We have been involved in projects across the group that have provided complex and first-in-the-world design and construction solutions, like the Forsyth Barr Stadium.

We are also reviewing technology by utilising 4-D planning that integrates time, cost, design, and risk-management software to gain a more comprehensive snapshot of our projects on both an actual and forecast basis. It's in its infancy, but it is very exciting.

What do you look for when choosing the right supplier or subcontractor?

It's a difficult market at the moment. It's pretty tight; there is not a lot of infrastructure work around anymore that was funded by the government. Consequently, the commercial construction

market is continually getting tighter, which means the pricing from subcontractors gets more competitive. At times, there is an issue around a real, solid due-diligence process with our subcontractors and suppliers. We prefer to use subcontractors that have a good track record and history with us, and we stay close to that select and prequalified group. We look for stability from a business sense. The other important thing is our relationships with key figures in those organisations. It's a people industry, and a lot of it comes down to the personal relationships those figures have with the management, site management, and our teams that drive the sites.

How does your company review and monitor construction and development progress?

Along with the project-control group forums, we conduct a regular internal checking process that utilises workers from other projects to provide an independent view of how we are performing and suggest any ideas to improve our current processes. We like to monitor projects using staff from a separate group.

With some of the larger developments in Australia and New Zealand, we use some

of our senior staff to provide different independent views, strategies, and ideas to improve our project performance and monitor risk. This cross-pollination of expertise has been fundamental to helping the business continually improve, innovate, and learn.

What can you tell me about the nature of the relationships between Arrow Group's different companies?

Arrow International Australia is 13 years old, and part of the Arrow Group established in New Zealand 28 years ago. Our biggest arm is in New Zealand, with almost 300 employees. Arrow International NZ Limited is busy with rebuilding work in Christchurch, and we're probably the third- or fourth-largest builder in New Zealand now. As well as construction, the group has a development arm that is busy with projects in Auckland and Christchurch.

The group has also been involved in turnkey and public-private partnerships [PPPs], which seem to be gaining more momentum in Australia as capital raising and risk isolation become more challenging for clients.



We try to be selective about the work we do in Australasia, given the relatively high-risk and low-margin construction industry we operate in.

We think it's an exciting time in the market in both Australia and New Zealand. Some argue that the industry in both countries has lost many of its specifically skilled and trained people to other sectors. But given the staffing resources we have been able to secure for the Christchurch rebuild, we are very focused on how we can use these resources more broadly in both our Australia and New Zealand businesses.

How does your company ensure the skill development and training of its staff?

Training and development is critically important to the survival and growth of our business.

As well as providing opportunities for staff across Australia and the South Pacific, we have recently started to look at a few external programs for our management teams that include organisations like the University of Melbourne and the Mt Eliza Business School. We are currently running



specific courses for our executive team through Mt Eliza, with a goal to deliver some of our best-practice objectives. As members of the Master Builders Association, we are also working through training objectives for the site management and labour teams.

There is a lot of work that happens between New Zealand and Australia with regards to sharing knowledge across the group, which provides us with opportunities to broaden our employees' project experiences where possible. We have a cadetship scheme in operation that provides some real on-project interaction with various mentors to help them gain practicality and experience.

Mentoring is another big part of our business. We find that all generations, not just the older and more experienced team members, are providing mentoring and training. Our younger generation reciprocates, especially in the field of information technology. It's fun to watch at times, but I think it is critical for organisations wanting to innovate from a grounded and experienced base.

What are the key values that drive Arrow International?

We share key values across the group. The values that flow across and underpin the whole organisation are passion, >



WE HAVE A LITTLE CATCHCRY IN AUSTRALIA THAT HELPS DEFINE OUR ARROW CULTURE: 'DRIVEN WITH PASSION, POWERED BY KNOWLEDGE, AND UNITED FOR SUCCESS!' - Lale Ioremia

integrity, and challenge, with each company developing its own meanings.

We try to be more selective with the opportunities we tender, and we look at our clients as hard as they look at us during that selection process. In order to be a true partner in any delivery solution, understanding the drivers of a client's project helps us bring real value.

There is a passion and a want to do the very best we can, and we have the integrity to stay open and honest with our dealings with clients, subcontractors, suppliers, and consultants. The challenge gets you out of bed every morning and motivates you to find a way to do what some say can't be done.

Arrow has a never-say-die attitude and a willingness to continually look for a challenge. We have a little catchcry in Australia that helps define our Arrow culture: "Driven with passion, powered by knowledge, and united for success"

What role does social and environmental responsibility play in your company's practice?

We take our social and environmental responsibilities very seriously.

We have a program with the DHS where we can employ tenants that live in the facilities we're working on, and we try to

find them roles in our team for a DHS project. On a couple of occasions, we've employed them for the longer term and taken them to new projects where they become full-time employees.

On our South Pacific side, we've been involved in helping out with the recent tsunamis that have occurred through the islands. A lot of companies have chipped in for the rebuild process with us. In New Zealand, teams continue to help their communities wherever they can in Christchurch. The business has given employees time to aid the various communities they live in, forming support groups and helping where they can.

On our environmental side, we have done a lot with green building and sustainable building in Australia. Through that process, we've become more environmentally conscious, not only in the construction of new developments, but also during the de-construction of buildings and infrastructure, especially in Christchurch.

When you come to our sites, you notice our sustainability efforts. A simple example is the removal of waste and the ability to separate it for recycling purposes, rather than a straight tip-into-the-big-steel-bins scenario. There is a conscious approach to try and get everyone to have a more structured approach to waste in construction, but as you can imagine, it's not always that easy.

What does the future hold for Arrow?

We see Australia as a fantastic place to develop our construction and development opportunities. We want to continue to build our profile around social housing and move into larger and more complex jobs. However, we still want to remain selective where we can and manage our project risk profiles more proactively. We are conscious that there are big risks out there and our organisation takes them seriously. We're not out for a quick buck; we're in it for the long run. We've got a 100-year company vision for the organisation, and we will nurture our growth with that in mind.

I think a vertically integrated organisation like ours continues to build through the growing cooperation occurring between our Australian and New Zealand businesses. A best-for-the-project mantra underpins our willingness to want to work together. Places like Christchurch need to utilise resources in Australasia rather than looking too far afield, which is critical to a successful and sustainable rebuild process. We work similarly, and opportunities are developing for our business to provide better, long-term training and career opportunities for our people. I think that's going to be fantastic development for the future if we remain open to it. In the short term, it's all about construction and continuing to build our credibility one step at a time. ♦