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Moving Forward

JELD-WEN Australia Executive Vice-President and Chief Executive Nigel Lapping discusses the importance of creating a cohesive and talented leadership team to ensure success at all times.

Images courtesy of JELD-WEN Australia

Having been at the helm of JELD-WEN (JWA), Australia's largest window and door manufacturer, for more than two decades, Nigel Lapping's passion for the role shows no sign of diminishing. Shunning adulation, Nigel prefers to reflect on the achievements of his management and staff.

In an industry that traditionally experiences high staff turnover, Nigel is immensely proud that JWA staff have made a long-term commitment to the business. "The average management tenure is eleven and a half years," Nigel says. "If you have a management team that has been at the helm for that long, you have a wealth of knowledge, experience, and depth. Our workforce of 3,500 people shows an average employment duration of six and a half years, which is equally impressive. I am very passionate about the welfare of our people, their job security, and their capacity to earn a good living."

Lack of scale and high costs of distribution are characteristic of Australia's young, isolated, and dispersed economy. "By any measure, JWA would be considered a medium-sized business at a local level; but on a consolidated basis, we are a very large entity and sit in the top 300. In our European and US operations, we have factories that produce more in a month than an Australian equivalent factory would produce in a year. With discrepancies in scales of that magnitude, it is inevitable that the

local management talent pool is limited, so you either import your needs or invest in your people to better equip them to perform at the level you require of them to be globally competitive.

"Attracting, developing, and retaining a skilled team is always challenging for any business, and despite the longevity of the JWA team, there have been many individual casualties due to the changes and challenges the business has had to face. I am pleased to say the residual by-product of these efforts has produced a strong, stable, competent team that would rate on any global platform."

Another challenge is the shift to the world of digital commerce and marketing, which has accelerated the scale and speed of business. "On joining the company in 1991, I was the only one with a mobile and laptop, with no-one to call and no network to connect to," Nigel says. "There is a whole generation today that knows nothing else, but there is also one that has had to evolve, which has been a challenge. Getting your systems right and working on a common platform is absolutely imperative to business cohesion and effective finance-management reporting. Your people's understanding of what they're doing is equally important. Developing management skills and providing employees with the tools that reflect today's world are crucial to your success."

The new housing industry has been the lifeblood of JWA, and Nigel has

recognised the imperative to direct the organisation to the more stable renovation and remodelling sector. Strategic acquisitions accompanied by organic growth have helped to smooth and maintain scale over the years, but with these acquisitions come new challenges. "Their integration generates many practical operational as well as human-resource issues. Investing in the organisation's infrastructure with integrated systems is only one ingredient. Forging a cohesive management team with common shared values and objectives is far more important."

Global exposure of Australia's manufacturers has intensified, with increasing competition from global imports. "The house is still built here, but more and more of the components are being imported. Australia must resist the temptation to place artificial barriers to global competition through industry protection," Nigel claims.

"Attempts to protect primary building commodity product manufacturers against global competition will be counterproductive in the long term. We are already seeing the downside to trade duties being placed on primary goods such as glass, steel, and aluminium extrusions with the influx of duty-free, fully finished, value-add products. Australia's shift to protectionism is hurting local jobs at the grassroots level, especially in industry supply chains that value-add, which is where employment exists. >

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“Instead of going down the protectionist path, Australia must maintain a sharp focus on encouraging and creating investment climates and tax incentives for businesses to innovate through capital expenditure. Innovation in the way we design, manufacture, build, and sell homes must be at the heart of efforts to meet the constant housing affordability challenge.

“Australia is one of the most expensive places to buy a house. It isn’t because the industry is inefficient or gouging its customers. Typically, profit margins are stripped to the bone. The culprit is the plethora of regulations, as new housing has become the tax cash cow for all levels of government. Much of this doesn’t improve the house; it just makes it less affordable. We must remove the handbrake as the cost impact has been severe. Regrettably, housing affordability has slipped as a policy

issue, and it has become all too difficult to deal with.”

Australia’s small population means there are speed limits on growth in the domestic housing sector. “Australia is fortunate to be ideally placed within the fastest-growing region in the world. Increasingly, growth opportunities will be to our north, which means that we will have to look at opportunities offshore.” With extensive business experience in Asia, as well as being fluent in Thai and Malay, Nigel is well placed to spearhead external business opportunities in the region.

Our national housing industry is a volatile sector and things could follow the same path as the US and Europe without government coordination at all levels. It’s vital to stay flexible during these times of uncertainty, and Nigel and his strong leadership team are staying focused. “Competition keeps us on our toes, and there is no room for

complacency. How well you relate to your customers and the service you provide is a key driver of success. JWA has a highly diverse range of clients, including very large project home builders, single-dwelling builders, renovation specialists, as well as retail customers. Understanding their expectations and exceeding them is the cornerstone of our business approach. Obviously, there is always room to do things better. Our customers operate in one of the toughest industry sectors; they want solutions, not problems, and JWA is positioned to provide these to them.”

JWA’s single-minded commitment to providing a quality product with high standards of customer service underpins the company and is the hallmark of the business culture. Its management team continues to inculcate this ideal throughout the organisation, ensuring JELD-WEN’s long-term future through the Australasian region. ◦

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