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Local Roots

With more than 1,500 employees working in regional and remote sites and offices across Australia, Morris Corporation is building strong leaders and reaching out to local communities.

Images by Fullframe Photographics

When Rodney Molla became CEO of Morris Corporation in 2012, he took the company's values to heart and immersed himself in the business, travelling to each site to work, prepare meals, clean rooms, and check-in guests.

This approach exemplifies the spirit and attitude of Morris Corporation's staff from senior level to its employees across Australia. *The CEO Magazine* spoke to Rodney about how Morris Corporation is serving its clients and doing its bit to alleviate the pressure faced by energy and resources companies as the resources boom slows.

***The CEO Magazine:* What is your professional background leading up to and including your current position?**

Rodney: I joined Morris Corporation in October 2012. Prior to that, I was managing director of Chubb Fire and Security, which is a division of United Technology, and I held that role for four years. Before that, I worked for a number of businesses in food and beverage manufacturing. I was CEO of Mrs Crocket's Kitchen, I worked at

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- Rodney Molla

Goodman Fielder and George Weston Foods, and I started my career at Lion Nathan where I worked for 12 years.

I did a bachelor's degree in applied science, an operations degree, and a Masters in Business Administration.

So you've worked in quite a number of multinational companies?

Yes. Mainly food and beverage manufacturing comprised the first 20 years of my career, and then in the past seven or eight years, I've focused on CEO and managing-director roles.

Throughout your time at Morris Corporation, what have been your greatest challenges and how have you overcome them?

I think Morris Corporation has grown solidly over the past three to four years. When I joined the business more than a year ago, the company was, and still is, growing significantly and spectacularly. It has literally tripled revenue over the past four years. Trying to settle the business down and continue to improve with all that growth has been one of the key challenges.

Trying to maintain control through systems, processes, and people capability has been a key challenge in my time here, and it's fair to say that it's been developing very nicely—turning all that growth at both top and bottom line to make Morris sustainable so we can continue to develop and mature over the years ahead.

In the first six months of my time here, we focused on those issues. However, with the resources construction boom really starting to slow down, a number of our resources clients are getting very cost-focused and that's filtering down into our business. We were a little insulated from that in the first six months that I was here, but, in the past six months, the downturn in the coal industry in Queensland has been very challenging for us. Additionally, the slowdown in gold and iron ore, and general construction across the countryside, is really introducing cost pressures and margin pressures into our business, as it is for all mining-services companies.

Many mining companies expect the same service for a lot less money, and their focus has become singularly directed towards cost. They're still looking for a few other differentiators, but they're >





"Partnering with Morris Corporation requires prompt reaction to new challenges. We are always preparing for further expansion, and our ability to maintain a full supply-chain interface with Morris staff and logistics partners ensures high service levels are met." - Marcello Cabrera, GM, Prime Laundry

very single minded on cost, particularly in the coal industry in Queensland as that's recently become very cost-focused.

What initiatives or strategies do you have in place to help alleviate these pressures?

We form real partnerships with our clients. We show our clients that we're working hard on value creation in our business and making sure we're not passing cost inefficiencies across to them.

Once we show them that we're being as efficient as we can be, with procurement and labour productivity and those sorts of things and passing those efficiencies on to the client, then they're relatively comfortable with where we are. From the outside, if you don't give them that information, they'll just think you're sitting on your hands and not really helping with their processes.

That's been a key part: showing value and communicating openly with our clients as to where we are. On the internal front, it's about making sure we are driving for value in our business: driving through the procurement area of our business for reductions and efficiencies, driving through our labour productivity side, and driving through our overhead side. We think about how we can continue to be productive out of our business.

Luckily for us, we still have revenue growth, so the business is continuing to grow and develop, which helps drive efficiency. We've just got to make sure that efficiency is filtering through.

That's fantastic and it's an achievement in itself in this economic climate. When *The CEO Magazine* spoke to your predecessor, Fiona Berkin, in May 2012, she said that Morris Corporation had doubled revenue on average every year

since 2004. The fact that growth has actually tripled in the past few years is amazing, isn't it?

It's literally tripled over the past three or four years. It's pretty big: We're now heading towards \$300 million in revenue this year. Four years ago, the business revenue was less than \$100 million.

With the economy the way it is at the moment, that's definitely a significant achievement.

Yes. The economy has its own challenges, but we're managing to deal with those as we go through the process.

As CEO of Morris Corporation, how have you managed to unify the vision and direction of the company?

I'm a big believer in communicating with the people in the business. I actively work to engage the business. For us, we're a very decentralised, remote-site-

based organisation, so I work on actively holding regular teleconferencing and communication sessions at least quarterly with all of our sites to communicate how the business is performing, where we're up to, and what's going on both in our world and in our clients' world. That's one thing I'm very determined to do.

You've got to make sure that you listen to your clients, so I'm very engaged with how they are feeling and what they're planning. That's key to making sure you can unify where your company is going so you can understand where your clients are going.

I've done a lot of work on leadership capability. I'm CEO of the business, but you can't run the company totally from head office, so I have to make sure that our leaders—in a very decentralised sense and at all levels of the business—are capable and equipped to actually drive the

business the way I want it to be driven. I've done a fair bit of work on leadership capability, and we're about halfway through a leadership program, which we're pretty happy with.

We also have to make sure that everyone knows what makes Morris Corporation tick. We are a service-based hospitality and facility-management organisation, but it's important that people are aware that client service, great food, and a strong focus on clients' needs are what really sets us apart. I just want everyone to be aware of what makes us who we are.

What are the underlying principles in Morris Corporation's overall philosophy?

We're not a large multinational; we're an Australian-based business, born, bred, and driven out of Australia, so we feel we can better respond to local clients' needs. Yet, on the other side, we're >



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not a small, backyard micro-business either.

We fit nicely between a small business and the big global multinationals. We find we take that space very nicely, which fits our clients' needs, we think, better than most of our competitors. Providing great customer service and focusing on remote-facilities management and remote hospitality is the critical component that sets us apart from our competition.

Having said that, you've got to make sure you're delivering great value for money, are a true safety culture, being open and honest, and showing our value creation to clients. We're almost an open book in terms of where we get our costs from and where we get our margins from. We're very clear on how they get value from what we do.

The other thing is that we really do understand remote-industry challenges—things like fly-in fly-out issues and drive-in drive-out challenges—because all of my staff

tend to work on those bases as well as all of my clients' staff. I think we really understand how remote working and remote living have to fit together. We provide a home away from home for all of our resource company staff.

What prompted Morris Corporation's decision to sign the Australian Employment Covenant, and how has it impacted your business?

We signed it a few years ago. The Australian Employment Covenant works for us on two very significant levels: it's great for the individual and it's good business. It really does give Indigenous Australians opportunities. We're a big believer in giving people real opportunities to attain a job and not just complete a training program. I think that's the difference in how we approach the covenant.

We've now got more than 130 Indigenous Australian employees on our payroll, which is around 9 per cent of our employees, and we want to increase that number to

around 170. We're really taking it seriously. We think that creates opportunities for Indigenous Australians who have been either unemployed or stuck in training programs and not really getting meaningful employment.

The other reason we do it is that it's just good business. We're working in remote and regional areas in Australia, which is a lot of native title-owned land, and it's just good business to work with the local and metro-based Indigenous Australian communities. A number of our site operations are actually run as a joint venture with local Indigenous Australian landowners, and that joint venture then creates opportunities for employment and further commercial engagement from the group, as well as being really good for our clients in terms of what they're looking for.

I feel we're effectively leading the pack in Australia. It's not easy; it takes a lot of time and effort and a lot of talking to people. It takes a fair bit of money and investment to get it started. We were moving slowly on the covenant in the first year or two after we signed it, but, in the past year, we've really driven it forward and it's doing great things for us now.

You're also very involved in community outreach and local events, aren't you?

We have a community program called Sustaining Our Communities, where we like to make sure we're involved in the communities we work in. We do that on three levels. At the local level, if we have operations in a town or region, we get involved in that community. That could be through supporting the local football club or supporting the local swimming team or the local library. We do a range of local sponsorships and community-support programs in towns across Australia.

We also operate on a national level with charities. We're a key contributor to the Australian >


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Cancer Council. They have a variety of fundraising programs like Australia's Biggest Morning Tea and Daffodil Day. We encourage our various sites and offices across Australia to get involved in those initiatives. They can choose which ones they get involved in, but it's something that we can do on a decentralised basis to contribute to the one overall cause.

We're involved in groups on the Indigenous Australian level nationwide like the David Wirrpanda Foundation in Western Australia. We've got a variety of things that are linked to our various Indigenous Australian joint ventures, like where we give school-based traineeships and the opportunity to work in our business.

Another thing that we're doing is working towards Green Table certification. It's an environmental certification

aimed purely at the hospitality industry like restaurants, hotels, and motels. We were looking at how we could benchmark ourselves through environmental credentials. We're now moving towards Green Table certification for a number of sites we own and operate in Queensland by doing things like water-usage control, power-usage control, separating waste streams, and recycling. They're being introduced across our Queensland camps right now.

It seems like Morris Corporation is a very well-rounded organisation.

We have a good social conscience, and that's ingrained within our culture. Obviously, we're a business and we've got to make money and return funds to our shareholders, but we have a lot of really good programs that ensure we look after the communities where we operate as well.

"We enjoy working with Morris Corporation to supply their manchester needs. The great relationship we have built means we are able to supply items at short notice that are tailored to Morris' requirements. Thanks to the excellent communication provided at all times."
 - Neil Moreton, General Manager, H Polesy & Co

How do you collaborate with your suppliers and strategic partners to achieve success?

On the supplier front, you've got to have shared accountability. I think our suppliers realise that if they give us poor service, poor cost, or poor quality, then it's going to filter through to my end customers, and, as a result, I'm going to be in trouble and they're going to be in trouble.

Shared accountability for the end goal of what we're trying to do in serving my clients well is critical. I continually talk about that to my suppliers to make sure they understand that I'm not the end of the process; I'm just the middle. I've got to then use their goods and services to supply to my end clients in a good way, so the sharing of vision and understanding is pretty key to ensure they recognise that.

I think you've got to make sure that you've got some formal key performance indicators around that as well with your suppliers, so they've got some metrics to determine if they're performing well or not, whether that's delivery

"We're involved in groups on the Indigenous Australian level nationwide like the David Wirrpanda Foundation in Western Australia."

- Rodney Molla



in full, cost performance, or quality performance. We work on that with a number of our suppliers.

It's also a matter of making sure that they deliver value. It's not necessarily about giving me the cheapest price, as long as they give me value and look for ways, whether it's in order quantities or delivery frequencies, to deliver better value to me.

What does the future hold for Morris Corporation?

We've got to keep moving forward and looking after and serving our resources- and construction-based clients; that's what we've got to keep focusing on. As we grow, we've got to maintain our strong focus on the customer and ensure it remains an integral part of the business.

We've got to keep working through the challenging times in the resources industry. It's going to be

at least another 12 to 18 months of our resources clients primarily focusing on costs, maybe even a little bit longer in some of the sectors. We've got to be very focused on how we maintain margins as we continue to serve our clients well. That's going to be a key component.

Since our business is about hospitality and facilities management, we've got to continue to build good local leadership. With large decentralised businesses, you need strong leadership on the ground. We need good leaders in all the sites and towns in which we operate. I'm going to continue to put a lot of effort into people capability and leadership capability to keep our business moving.

A lot of executives *The CEO Magazine* speaks to say that it does come down to people, quality, and strong safety standards. Would you agree?

Yes, definitely. With the standards that we keep in the business, whether its safety, quality, or financial performance, if you don't have the right person at the local level who understands those standards and actually lives those standards, then you're wasting your time.

That once again comes back to everyone across the organisation having a clear vision of where you're going and what's expected.

Yes, that's correct. For us, due to the fact that we run a very remote business and I don't have everyone sitting in one factory or office, we've got people literally scattered across Australia. If they don't understand what I'm trying to do and what the business is trying to do, then we're going to be heading off in competing directions. It's important to get them all aligned and understanding the direction we're heading in. ◦



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