

A Firm FOUNDATION

The passionate and dedicated people working across Ellton Group have formed the foundations for its substantial success.

Images by David Benson

Since the establishment of its origins in 2001, Ellton Group has developed dramatically, expanding its offering from conveyor systems and bulk materials handling to mine services, mine hire, and energy. Mark Elliott, founder of Ellton Group, sat down with *The CEO Magazine* to discuss the diversification and evolution of this forward-thinking group.

The CEO Magazine: What inspired you to establish Ellton Conveyors in 2001, and how has the company grown and diversified since then?

Mark: The conveyor division was initially established to deliver consulting services in bulk materials handling to mining end users. The scope of services was limited at the time as I was still under a non-compete agreement with an international group.

In 1997, they had acquired my share in a sector-leading business in supplying underground mine conveyor systems. The business had been established in 1986 along with two other shareholders; and having grown a successful business as a team of three, we decided it was time to move on and go our own ways when we

were approached by an international player wanting to enter the Australian market.

It was not long after establishing Ellton Conveyors that clients that I'd had for many years came knocking again, and as my obligation under the non-compete agreement dropped away, we gradually expanded our offering. From a humble start-up with myself and two staff members, we've now grown into a significant business.

Following a start in consulting services, we moved into small design-and-supply projects, and then gradually grew into providing larger underground design-and-supply projects, again always in conveyors and materials handling. More recently, we've expanded to be a tier-one contractor in design and construction of surface bulk-handling systems, as well as underground mine conveyor systems.

We don't just focus on what we currently do well; we always encourage our team to look outside that and identify opportunities or market gaps where we can grow or steer our business. I guess part of that comes from hiring great people when they become available and

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allowing them to develop opportunities around their individual strengths.

What prompted you to form the Ellton Group three years ago?

Forming Ellton Group met two objectives. One was that there was a need for common shared services between the entities as we diversified the group, like group HR, safety, finance, and office facilities. These were common across the various entities, but we were adding businesses to the group as we expanded. So we started with Ellton Conveyors and then added Ellton Mine Services, Ellton Mine Hire, Ellton Energy, and Ellton Holdings. Rather than replicating those common functions, we created the group to provide those services so that each of the businesses could plug into this central group. It also gave us a structure for future growth so that as we diversify the business and take on other activities, we don't need to replicate those back-office functions.

The second reason for forming the group was that it provided a platform for succession planning. I'm the sole shareholder of Ellton Conveyors and Ellton Mine >



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Services, having started them; but my son, who is now a senior leader of the business, and his business partner are now shareholders and directors of the group. They have equity positions in new ventures as we acquire or develop them through this group structure.

Over the years and with these big changes, how have you shaped the culture and core values at Ellton Group?

I guess our philosophy is very much focused on the fact that our people are our business. It's a well-worn idea that the best people build the best businesses, but I don't think many managers or executives necessarily follow that natural, intuitive knowledge through to its logical conclusion. If you're going to have the best people, you've got to give them the resources they need, let them do what they do best, and try to stay out of their way.

As a business leader, I think my job is simply to meet the needs of

the teams I hire to be their best. I still set the broad agenda and direction, but if you're committed to developing a team of the best then you also have to listen to them and let them have a role in shaping the future of the business. Much of my role now is to provide the right environment for them to do their job well. Rather than leadership in the traditional managerial sense, perhaps I'm more of a captain/coach.

The other cultural factor that we're very strong on is communication. With a growing team, it's important that the team thinks and works holistically. We have very strong communication strategies, otherwise you end up with people focusing on what they're doing and creating silos. As one of those strategies, we have regular gatherings where everyone shares a cooked lunch. We're fortunate to have a lunchroom that's 220 square metres where we can sit the entire staff down together in a casual

environment and they can share conversations about what they're up to. Additionally, we have a slightly more formal monthly address by senior management, which includes backwards and forwards question time. Maintaining those communication lines is really important.

How do you attract and retain the right people?

We recognise that highly talented people have a choice in where they work. If they're going to want to work with us, then we've got to give them a reason. A lot of that is the environment that they get to work in, the way we engage with our staff, and those open communication processes. We make sure that our vision for the business is well shared and everybody understands what that vision is, and equally that our vision and approach match their goals before they join. Our processes and goals need to align with their personal ones.



we are working closely with EFIC, the Australian Government Export Finance and Insurance Corporation, which has been very proactive in supporting our export-related activities.

We're also looking at those sectors that are not coal or iron ore focused, because those two sectors have been through a pretty big ride in Australia. We're looking at other industries that can use our core activities in our traditional business, which is in bulk handling and aligned mining activities. We're also looking outside of that core sector for the future of the business and diversifying. For example, we have Ellton Energy now as a division of the group, which focuses on energy efficiencies in the commercial space and is a complete step away from mining. We're also evaluating other areas of fixed infrastructure and broader investment activities.

We'll stick to the methods that we've had to date which have proved successful—that is, identifying areas where we see opportunities, making sure that we've got the right balance of skills both internally and externally, and finding the best people to meet those skill needs. We try not to settle for anything less than the best people we can find. My attitude is very much that our people make our business. The point of difference between our business and any of our competitors is our people. We can all buy the same software and real estate; the only thing that makes our business better and more successful than anybody else's is our people.

I think our success and growth to date is a testament to the team that we've been fortunate enough to develop. This business has succeeded substantially on the foundations of not only a successful strategy but also a focus on identifying, engaging, and retaining the best people we can out of the talented people in this industry. We've done that, and I think the proof of that is the success of the business. •

Retaining good people comes down to three things. They've got to believe in the company's vision and share it, they've got to have a work environment that they enjoy, and of course the traditional rewards both monetary and personal.

How do you work with external strategic partners and suppliers to ensure success?

I would suggest that strategic partnering has been a key part of our rapid growth, allowing the business to scale quite significantly over the past few years. As a fast-growing business, we need to identify the right areas where we want to grow internally, versus the areas where we want to partner with people who have those skills already.

We've looked at partnering in some key areas—for example, manufacturing, where we've got a couple of key fabrication partners that undertake the bulk of our structural steel work. As we've moved into construction, we've formed strategic alliances with

people that provide construction labour and hardware, whereas we have the construction and project management resources to lead the projects. Strategic partnerships have been important because they've allowed us to create a complete offering without having to try and do everything ourselves.

How are you planning on diversifying and expanding Ellton Group's activities and businesses, both domestically and globally?

With the changing domestic markets—it's no secret that the Australian mining industry is a lot different to what it was a few years ago—we're certainly putting significant effort into developing offshore markets. Export projects are forecast to become 20–30 per cent of our turnover, up from basically nothing three years ago. At that time, we were domestically focused because there was so much happening. We're certainly putting a lot of effort into expanding our offshore business pipeline. As part of that strategy,

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