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The CEO Magazine
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Building BIG

Responsible for some of Australia's iconic construction projects, Alfasi Group holds a strong position in the building, drafting, hiring, and property industries both domestically and overseas.

Images by Estelle Judah Photography

Avri Alfasi founded Alfasi Group from humble beginnings in 1980. Initially a steel fabrication and erection business, the group has since branched out into many specialised divisions and is accommodating a variety of markets both in Australia and internationally. Its four key areas of operation are steel construction, design and drafting, hire, and property, with a presence in Australia, Asia, and the Middle East. Avri leads the family-run business as CEO, son Saar runs the property sector and Alfasi Hire, and son-in-law Gill Dvir oversees the steel construction division.

Alfasi Group is constantly evolving and reviewing market trends in each of its divisions to ensure it provides a competitive product. "A

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key part of our success is our 'go get it' attitude," Avri explains. "We tend not to rely on one market, which is why Alfasi Group branched out interstate in the 90s and then later overseas. This philosophy is used in each of our divisions. We pursue the work and adapt to the local market. This is the reality of business these days, and ultimately it comes down to survival?"

Venturing into new territory has worked well for the company, and Avri admits areas are strategically chosen after ample research. "We don't hesitate to move from one place to another if that's where the business is," Avri says. "Five years ago, we would hire equipment around Melbourne. We then moved to Sydney, and we now have equipment in Gladstone, in Western Australia, in mining, and

so on. We expand to locations that are feasible for us as a business. Our strategy has been to avoid relying on one core business, in order to create or share revenue."

It comes as no surprise that Alfasi Group is already planning its next move. Forecasting growth opportunities, Alfasi identifies and scopes new opportunities thoroughly to determine viability. "Our strength has always been our ability to be geographically agile and adaptable to international and local market conditions," Avri says. "Like many family businesses, we have many opportunities to talk about business and where it's heading. At least twice a year, during our holidays, we spend a few days together and do a full review of the business: what we do, where we do it, how we can expand. We then summarise a >



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very general look-ahead business report. This review is something we've been doing for a number of years. Being flexible and constantly reviewing the businesses is one way we manage the challenges."

When Alfasi Group began in the early 1980s, it was a small family-run steel fabrication shop. Over the 10 years that followed, Alfasi had secured its place in the market. By the 1990s, many of its competitors had shut down and Avri recognised an opportunity to expand in order to boost operations. During that period, Alfasi Group's construction business established a specialised approach and undertook more interstate and high-profile projects that had complex steel, glass, and façade packages. "Gradually, it became evident that steel can be used more and more in major buildings and public facilities, and that became a niche market for us," Avri says.

In 2000, Alfasi Group stretched itself further. "We were reaching the stage where our business could only grow so much within the one country, so we began exploring other options. For two years, we conducted an in-depth investigation in Asia with visits to Hong Kong, Malaysia, Thailand, and Singapore." The company successfully bid on the main terminal building at Bangkok International Airport. "That was really our first major push into a large construction project in the Asian market," Avri notes. "Notwithstanding our major projects in Australia, this project allowed us to notably enter the market and prove our scale and ability to take on such a major project in Asia."

Alfasi Group executed this project successfully from 2002 to 2005. Post completion, it relocated its Asian headquarters to Singapore as its key new market opportunity. After a number of projects in Singapore, the company successfully bid on the Marina Bay Sands project. It was the largest project to date for the company in terms of steel and complexity, with



24,000 tonnes required. Alfasi also secured design-and-construct packages incorporating a major glass façade. "Our ability to source materials and manufacturing across Asia as well as our project management experience ensured this was a successful project for us. This was also showcased in Doha, where Alfasi Group worked for number of years on the VIP International airport terminal buildings with various structures, supplying 24 different trade packages other than structural steel."

In 2004, the business started its own steel shop-detailing division, Alfasi Design, providing valuable services to all of Alfasi Group's

projects both in Australia and abroad. This division has been fundamental to the performance of the group's projects and maintains its competitive edge. Alfasi Design was launched to overcome problems with an overcapacity in the industry, and over the years has become a strong market player. Draftsmen were sourced from the Philippines because of a shortage of skills availability in Australia.

During this period, another division was also formed as a stand-alone equipment hire business. Originally, this was based on hiring out surplus equipment; however, in the past 11 years, Alfasi Hire has grown to become one of the most recognised crane



and access hire businesses in Australia. It has machines in all states as well as branches in Melbourne, Sydney, Brisbane, and Darwin. Alfasi Hire has also supported the group's various projects in Asia, not only supplying equipment but also expertise and innovative solutions. It is now one of the group's key businesses: "A few years ago, we only had a few machines and now we have more than 1,500," Avri says.

In more recent years, Alfasi Property has been established to undertake various development projects outside of the group. It has already undertaken a number of transactions and created sufficient funds to run itself. Alfasi Property will be a central part of Alfasi Group's growth strategy in the coming years.

While growth has been what has enabled Alfasi Group to achieve its success today, it has also been the greatest challenge, according to Avri. "With growth comes

challenges in control, quality, risk mitigation, cashflow, human resources, and myriad additional issues, as well as its own risk to deal with. There have been several periods in the growth of the business when we have undertaken one too many projects, and that has cost us both time and money. This is always a temptation, in contracting in particular, where you have what seems to be a great opportunity to add to your workload. We have learned to exercise discipline and self-control in our business, as well as sometimes saying no to a project or contract that you have worked hard to win."

Alfasi Group has been fortunate to be involved in some truly iconic construction projects such as Melbourne's Docklands Stadium (formerly known as the Telstra Dome), the MCG Northern Stand, and the aforementioned second Bangkok International Airport Terminal and Singapore's Marina Bay Sands. Similarly, Alfasi Hire is



involved in nearly all major building projects on the east coast and is represented on every one of the current LNG projects around Australia from Wheatstone to INPEX, and in particular the Gladstone projects, which, when combined, represent the current majority of resource construction in Australia.

"We are currently engaged on the Darling Harbour Live project in Sydney, which at 17,000 tonnes of steel is the largest project we have been involved in in Australia," Avri notes. "We are also working on another exciting project in Hong Kong, the West Kowloon Terminus project, which is an architectural masterpiece. It incorporates steel with various other elements to produce a unique public building and terminal to fast-track trains from Hong Kong to Shanghai. We have also recently been awarded a new contract for a high-rise building with 72 levels of 30,000 tonnes of steel structure in Hanoi, Vietnam."

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Avri says Alfasi Group has to be conscious of different cultures when operating in international markets. "Every country has its own culture, its own way of doing business, its own corporate and tax legislation, and you must adapt effectively to these or there is no point being there. For example, working with large Japanese contractors like Takenaka can be very different to working with Sands Corporation. The latter were not only Americans employing expats but also the owners and operators of their project. Australian contractors can be different again. It is fundamental to also understand the nature of the competitive environment at all levels—the client, your competitors, and the suppliers—to ensure you invest your time and efforts to benefit your business—not just because it appears that everyone else is going there or there is an abundance of work, because this can turn out to be a 'mirage'. The culture of the staff from country to country and working in Asia is also important. You must employ staff from various countries for various roles, and this too has to be managed carefully."

Alfasi Group has a team of more than 300 employees both in Australia and overseas working for it in a variety of roles ranging from

project managers, project engineers, designers and drafters, quality assurance, OH&S supervisors, and steel erection site management. Staff receive both external and internal training, and often attend international industry conventions and exhibitions to ensure they are apprised of the latest trends and technologies. Being a family-run business also means management is hands-on, with a relatively flat structure.

Avri attributes a number of factors to the long-term success of the business. "First, we are accessible and respond quickly when our clients need us. Obviously, that is very important in everything that we do. This is true even though we do business in different places; if you want to do the business there, then you must be physically available and present. That's something that's important to our clients, and therefore we need to remain focused on that to maintain our reputation. We are committed to being a company that provides first-class service.

"You need to demonstrate that you are a true professional with the highest standards in what you do, and that is very important to us. One of the key values in our business—we do an induction with every new employee, and that is

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about reinforcing our high commitment and delivery to our clients.”

Another priority paramount in Alfasi Group’s operations is ensuring all equipment in the Alfasi Hire division is fully serviced and in the highest working order. The Alfasi brand is synonymous with high quality, and that is applicable in all divisions of the business. Long-term relationships and an unwavering commitment to customer service and delivery are also a priority. Lastly, Avri and his staff always approach business dealings with not only a commercial sensibility but also by looking for innovative and flexible ways to deliver a better end result and product to the client.

To help it achieve these goals, Alfasi Group collaborates closely with key suppliers, subcontractors, and other partners to ensure success. From the inception of the early steel business, it has been one of the brand’s key philosophies. Staff are also made aware that they too uphold this commitment to excellence in their day-to-day dealings with clients to ensure that being a ‘client of choice’ is a key part of their role with the suppliers they interact with.

Furthermore, embracing technology and innovative solutions is important for Alfasi Group. “We are constantly investing in new technology and innovation, not only in equipment, which is constantly evolving, but also our operating software for that business,” Avri says. “We have ambitious plans to evolve this business technologically to be very customer oriented in its technology offering, emulating companies like Uber, where eventually everything

will be mobile, utilising apps and GPS. Our design detailing business is constantly updating its software platform to be able to perform its complex projects faster, and our steel business has invested a significant amount of time and money in developing its own proprietary steel-tracking software that will now allow it to track every member from drawing to site installation across countries and in real time.”

Looking ahead several years, Alfasi Group aims to be more globally focused, with a number of large-scale steel construction projects already in the planning stage. Its hire business will be truly national, with branches in all states, and it will endeavour to be the largest division in terms of revenue and profit.

“Our next focus will be for the Alfasi Group to deliver several projects particularly in the commercial property space,” Avri concludes. •



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