

COLLIERS INTERNATIONAL BEST GROWTH STRATEGY

Mainfreight

BOLDLY STEPPING BEYOND

Founded with one Bedford truck and \$2700 in paid up capital back in the 1970s, Mainfreight has demonstrated that it can successfully go the distance – from local carrier to global supply chain logistics provider with revenues approaching \$1 billion and operations in Australia, Asia and the United States.

When it comes to “stepping beyond”, few local companies have done it more boldly, the awards judges noted when choosing Mainfreight as the best candidate for this year’s Colliers International Best Growth Strategy Award. Under the visionary eye of founder and chairperson Bruce Plested, they say, the company’s performance has demonstrated “total consistency, total focus”.

Mainfreight started building its offshore business with a move into the Australian market in 1989, driven by a vision to provide a logistics/technology-based bridge that would allow customers to treat New Zealand and Australia as one market. That bridge has since become a network that extends around the globe.

Recent acquisition of US-based freight forwarder Target Logistics for \$77.2 million and the move to full ownership of its partner company in China earlier this year show Mainfreight’s plans for international expansion are truly on track.

This expansion is firmly based on an open people-centred culture that espouses an ‘anything is possible’ attitude, continual learning and a commitment to quality service. Mainfreight takes a ‘built to last’ approach to corporate strategy – basing all its decisions on the assumption it will be around for another 100 years.

In the year to March 2007, the company reported revenues of \$968 million – up nine percent on the previous year. Its target for 2010 is to have doubled its 2006 revenue of \$886 million and expanded its operations into other major markets including Europe, India, Southeast Asia, South America. And ensuring destinations are successfully reached seems to be this company’s forte.

JUDGES’ COMMENTS

WINNER

MAINFREIGHT

When it comes to stepping beyond, few New Zealand companies have done it more boldly than Mainfreight, under its founder and executive chairman Bruce Plested. As he says in this year’s annual report, “financial analysts and other scaremongers should stop discouraging New Zealand companies from expanding offshore”.

Mainfreight has focused on growth and global expansion for many years. Despite the complex and competitive nature of the freight and logistics business, the company has successfully moved into Australia, Asia and the United States with clear intention to expand further.

The company’s growth strategy is unequivocal and its successful delivery centred on people and performance. Its consistent focus is working for Mainfreight which this year hauled its operating profit up by 92 percent.

FINALIST

FLETCHER BUILDING

This high performer goes on building a bigger and more competitively weather-tight enterprise. Its growth strategy this year included finalising the purchase of global brand and world-leading laminate manufacturer, Formica which extends the company’s operating horizons into the United States, Asia and Europe.

Fletcher Building knows exactly where it has come from, where it is going and how it plans to get there. The company accepts that global diversification is exciting but presents governance and management challenges. History suggests this company is up to successfully managing the risks its future growth strategies present.

FINALIST

FULTON HOGAN

This once small South Island contracting company first appeared as a Top 200 finalist in 1998 and was named Company of the Year in 2002. Fulton Hogan is now seldom far from the reckoning when judges meet to evaluate the performances of New Zealand largest enterprises.

As the success of its consistent, considered and professionally executed growth strategy emerges, it’s back in contention again this year with a impressive performance enhanced by the successful one-off sale of its Enviro-Waste business.

Now it is building on its New Zealand experiences and capability with a growth strategy built on personal performance, depth of management, adding wisely to its portfolio of operating businesses and stepping beyond the South Island of New Zealand to reshape the topography of Australia.