



# Built TO LAST

Hawkins CEO Chris Hunter hasn't been afraid to think big as he leads the 60 year-old construction company into a new era of growth.

Chris Hunter has not one, but three copies of Jim Collins' classic management text *Good to Great* on his desk.

"Is it just the fashionable book of the time? I don't think so. I think it is brilliant. But trying to achieve that goal, to be great, is challenging," he says.

Hang on a sec. Is this really the head of a construction company I'm talking to? I thought they were supposed to be hard-boiled bastards, more interested in squeezing another dollar out of their wafer-thin margins than chin-stroking over highbrow management doctrines. It's not an industry exactly renowned for its visionary leadership.

But MBA-qualified Hunter, chief executive of Hawkins Construction, is an unusually big picture kinda guy among builders. He might be only 42 but he learned early on in life to take a long term view.

At 18 the sports nut – he denies he was a "young fogey" – took a year of leave without pay from quantity surveyors Rider

prepared to risk. So I made the call to stop, which was a bit of a blow for the old confidence."

It might have been painful at the time, but it was a formative experience for Hunter and taught him to think big.

"In hindsight a year off and one attempt wasn't enough. I was too young to think soundly about it. When you have spent such a short time on the world, a year seemed like a lifetime but the reality was it was too quick."

Of course, Hunter doesn't get a lot of time to play golf these days with three young daughters to keep him busy.

Hunter's wife Jane Freeman, the former CEO of Bank Direct, is one of the country's most respected professional directors, sitting on the boards of Air New Zealand, Pumpkin Patch and Delegates.

His family also helps him look further out than the current financial year.

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Hunt to have a go at being a golf pro.

A Wellington College old boy, Hunter was serious about rugby and golf: "I wasn't necessarily the brightest kid on the block. Academia was second to sport," he admits.

In 1983, his handicap was "down to scratch" thanks to good hand-eye coordination and a determination to succeed: "I did practise a lot."

But it was a tricky time to try and make golf a career, and he didn't know if he had the X factor. "At that time there were no Michael Campbells doing what he's doing. I looked at the club pros who didn't make it and what they tended to do was become shop keepers at golf courses. I just thought earning \$30K a year to work seven days a week was not a nice scene. And it looked a hell of a lot harder overseas than I was

and their children'. I sometimes wonder whether we as a country are thinking too small."

No surprise Hawkins brands itself as "creating a lasting impression."

His thinking does set Hunter apart from others in the construction industry, which, rightly or wrongly, has a reputation as being operationally focused.

"The construction industry is a low margin high turnover business. There are few companies that think strategically and they tend to be the bigger companies that are publicly owned and have the disciplines that come out of public ownership."

So would Hawkins ever list? It's unlikely, Hunter says. "It's a unique industry and shareholders can live with the ups and downs but sometimes general

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investors can't. That makes it hard for someone like me to do the things that can accelerate our business and really make it hum."

Hawkins certainly has been humming under Hunter's leadership. The privately-owned company, part of the McConnell Group, has grown from a \$140 million to a \$350 million business in the past four years and has diversified its revenue streams into interiors and infrastructure. (As a private company it does not reveal its profit figures).

Hawkins Construction has won the contract to refurbish Charter House for Westpac's call centre and erect a new nine level building, most of which will be the bank's new headquarters, at Bluewater's Britomart redevelopment. Hawkins Interiors was responsible for the

Team New Zealand base while Hawkins Infrastructure was part of a consortium which picked up the contract for the geothermal power station at Kawerau.

"In the years he has been with us what Chris has done has been nothing short of transformational," McConnell board member Sandy Maier, one of the country's most respected professional directors, says.

Hawkins' parent company, McConnell International, despite being family owned, has a blue-chip board which looks more like a public company with a line-up including Maier, former cabinet minister Richard Prebble, veteran commercial lawyer Arthur Young and Staples Rodway managing partner John Waddams.

"We're very conscious of the importance of corporate governance," the group's

managing director David McConnell, who shoulder-tapped Hunter, says.

McConnell's own corporate background sets him apart from more insular construction company executives; he is a former director of SOE Mighty River Power, he studied at the Kellogg Business School and has worked for elite consultants Booz Allen.

In Hunter, he says he saw someone who was a good thinker but who also understood Hawkins' values of integrity and doing the right thing, "a no bullshit approach".

"Chris is good at keeping promises; very conscious about what promises he makes and conscious of delivering on those," McConnell says.

McConnell also rates Jim Collins and says *Good to Great* is like a Bible in the company, particularly for the way it brings the human element into business; recognising construction is not about bricks and mortar.

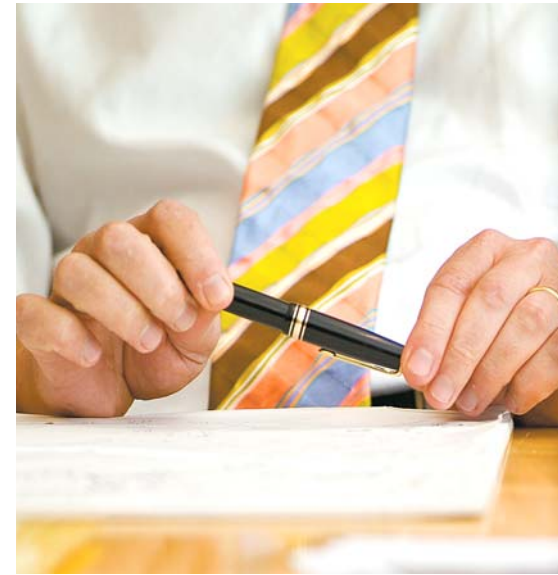
"A lot of people think builders just build buildings but we are a service company and it is about the quality of the service as much as the quality of the buildings." He found Hunter shared his philosophy: "I think you're attracted to people who think a bit like you."

The changes at Hawkins touched on practically every aspect of the business from identifying talent, changing internal systems and financial control models, improving health and safety to streamlining the cashflow and subcontractor arrangements. Chris is a dynamic leader," Maier says.

Before Hunter took over, 85% of the company's revenue and profit came from Auckland, but he has broadened its reach so 50% is now from outside Auckland, "to recession proof the business".

Maier says the changes don't contradict Jim Collins' edict that successful companies stick to their core competencies. "These are pretty natural line extensions - we are not wandering far away from our traditional business," says Maier.

Most recently the company has moved its corporate head office to inner-city



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Auckland from Manukau - a practical move that will see the company based in the deal making hub.

Even if he didn't become a teenage golf star, Hunter is still a fan of goal-setting. After giving up on golf he set himself a deadline of only four months to become a senior first rugby player - a goal which he achieved.

"You've got to set your sights really high." A stint playing club rugby in Kent in England followed as well as a job working for a futures broking firm in the City in London. "On my first day I got to the end of the day and thought, Jesus, I'm not into this. It turned out it was the day of the stockmarket crash and that's why it was bedlam."

His next goal was to conquer a senior role in the building industry. Returning to New Zealand in the grim times of the early 1990s he worked for a mate, Mark Cooper, whose company was one of the first apartment developers in Auckland. Things were tough, but that provided more lessons.

"In terms of strategies for Hawkins I am always thinking of those times and how we protect the company going forward in terms of sustainability. You have got to set the company up so that it's

easy to have as low a fixed cost base with as much variable cost to ensure flexibility for the cyclical nature of our industry."

Later Hunter moved to Mainzeal, running its interiors business and working as its Auckland area manager during boom years where the firm's projects included Eden Park's ASB stand and the Botany Town Centre.

He was enticed to Hawkins with the chance to nurture a business and be a change manager. "I'm not the greatest maintenance manager, mainly because of boredom. I can do it but I like the excitement of taking a company and growing it into something special."

The change is not over yet. Hunter is interested in coming up with some fresh thinking on public private partnerships (PPPs).

"We have a bunch of strategies that I can't tell you about. One of them is investing in human knowledge around this issue and preparing ourselves to be able to pounce."

Hawkins benchmarks itself against its Australian competitors rather than local rivals, an approach that makes it aim high. "We think Sydney is one of the most competitive and advanced environments for contractors and we can learn a lot

from them. You go to Sydney and you see all the projects they are doing, and how many are PPPs and you see their city going ahead," Hunter says.

"I still haven't got a clear answer as to why we can't start entertaining [PPPs] here. The only thing I hear, rightly or wrongly, is that the government has a cheaper cost of capital."

Hunter is too self-deprecating to say he aspires to be a level five leader (a term Jim Collins often uses to describe the top of a five-tier hierarchy of leadership characteristics, someone who embodies a "paradoxical mix of personal humility and professional will.") But I can't help wondering if this CEO would have been a household name as a golf hero if he had stuck it out for longer than a year.

"I think I made the right decision for golf to just be for fun. Besides, I enjoy nurturing businesses. Fixing up a company that's not well, or starting a new company or taking a company and growing it into something special, those are the things that get me going." sqm

*Story by Deborah Hill Cone, an Auckland journalist and columnist. Photography by Mark Heaslip.*

## » HAWKINS: THE BOTTOM LINE

The glamorous Auckland War Memorial Museum grand atrium was a fitting backdrop for one function to celebrate Hawkins Construction's 60th birthday celebrations. After all, Hawkins had built it - creating 8500m<sup>2</sup> of space over seven levels topped with a copper and glass dome and bound by an historic landmark building.

But it wasn't the company's only birthday party. Another gathering at the company's birthplace, Hamilton, reunited more than 600 past and present staff who had travelled from the US, Australia and all over New Zealand to celebrate.

Hawkins Construction has built some of the country's most famous buildings, both on its own and in partnership arrangements.

It's not possible to walk around Hamilton without seeing Hawkins' buildings which have stood the test of time, including the city council chambers, the city's major theatre and Waikato Hospital.

But the company has come a long way since 1946 when Fred Hawkins founded FT Hawkins in Hamilton with partners Bill Nash and Cliff Thompson.

Its work can be seen all over New Zealand as well as overseas. More recently Hawkins has been behind the construction of buildings for the country's biggest companies including the Air New Zealand office park on Auckland's Fanshawe Street, the Fonterra/Qantas offices and DB Breweries modern head office.

Other landmark Hawkins' constructions: Ascot Hospital, the Television New Zealand building, the Carlton Hotel (now Rendezvous) and extensions to Auckland International Airport.

Its overseas projects include the Hulhule Resort Hotel in the Maldives, the Walls Icecream Plant in Vietnam, the New Zealand Embassy in Vietnam and the Denerau Golf Club in Fiji.