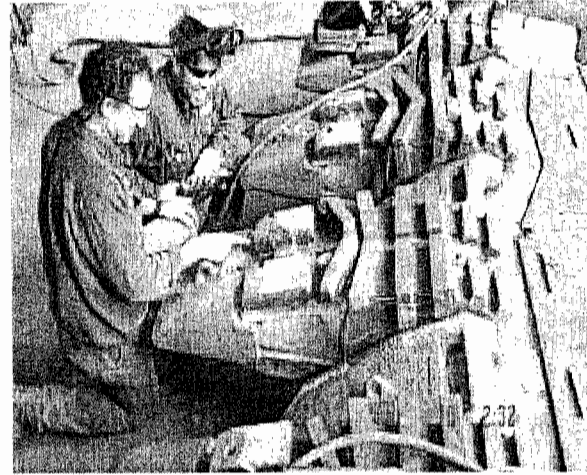


**PART 1 – COVER PAGE**

Business Name Australian Mine Services Pty Ltd  
 Address 32 Jackson Street, BAYSWATER WA 6053  
 MD Name Mr Ian Massara  
 MD Title Managing Director  
 Industry Manufacturing / Fabrication (ANZSIC – 286)  
 Date founded 23 January 2003  
 Web site URL www.australianmineservices.com.au  
 Applicant Name: Julie Smith-Massara  
 Position: Divisional General Manager  
 Office phone: 08 9279 2555  
 Mobile: 0419 922 670  
 E-mail: admin@australianmineservices.com.au



**PART 2 – THE FACTS & FIGURES**

	2003/04 ACTUAL	2004/05 ACTUAL	2005/06 ACTUAL	2006/07 BUDGET
Turnover	<del>\$2,434,752</del>	<del>\$6,000,751</del>	<del>\$4,705,200</del>	<del>\$6,000,000</del>

	2003/04 ACTUAL	2004/05 ACTUAL	2005/06 ACTUAL	2006/07 BUDGET
Number of Staff / FTEs	35	62	95	120

**PART 3 – WHAT ARE YOU**

Growth.

## PART 4 – THE GROWTH STORY

Australian Mine Services (AMS) has rapidly gained an enviable reputation as industry leaders in all forms of Welding disciplines for the Mining and Civil Construction Industries.

We specialise in the maintenance of Heavy Earthmoving Equipment both on-site and in Perth. Our core competencies include:

- Plant and Mobile Equipment Shutdowns
- Heavy Earthmoving Fabrication
- Bucket and Tray Rebuilds / Repairs
- Ground Engaging Tooling Supply, Design and Management
- Design and Drafting Services

Having both inherited entrepreneurial genes from our ancestors, Ian (my husband) and I were quick to recognise the emergence of a niche market in looking after the maintenance of Heavy Earthmoving Machinery and increasing its lifetime use.

Whilst we were excited at the prospect of introducing innovation into a seemingly traditional industry (as a couple we were infamous for doing things differently!) we respected the proven business start-up approach and set about selling our dream home that we had spent years building to raise the initial required capital.

In early 2003 with our second child only four months old and a lively two-year old son in tow, we moved into a cockroach-infested rental to make ends meet. Our family and friends seemed supportive at the time, but as they were reversing in the driveway of our new 'home' even we could lip-read the words 'what have they done' through their encouraging smiles!



Fortunately we were able to communicate our vision to the people that we had identified as key players in our strategic plan – firstly our largest targeted client (Rio Tinto) and secondly two key Senior Management personnel. This early planning resulted in the business being in the coveted position of securing major contracts within the first few weeks of starting.

Clearly these 'assets' got us off to a great start but we knew that in order to work towards our ultimate vision of taking the company to the global arena we would have to protect these resources. We understood that the simplest way to keep good staff was to make them proud of the company they were working for. We immediately set a clear set of cultural and ethical guidelines that have become the foundation for our business and human resource practices in all arenas.

These values have helped foster an innovative culture within the business that has already seen some of our clients enjoy multi-million dollar savings in the field of heavy earthmoving engineering (see attached Mining Monthly article). This has helped towards the progression of achieving national recognition – a key milestone in our globalisation strategy.

As I write this entry I can hear the ten line switchboard buzzing in the background, I can hear the office team laughing with the MD about his ability to manage and run a team of 95 staff but still not be able to work the fax machine and I can see the accountant at the desk across from me smiling at how we are on track to achieve our forecast budget of A\$20+ million. From my window I can see the sparks flying from the workshop where the boys are hard at work trying to finish a job early for any one of our clients who represent the worlds mining giants including BHP and Rio Tinto. When I glance at my watch I know that in ten minutes time some of our permanent 25 staff team at our Paraburdoo branch will be flying in for their break. Some will be returning after a week and others will fly to Newman where we are about to open another satellite office and workshop facility.

So how do I know AMS is a rising star? Well it's not easy when you try and spot a single one on its own – but when you are surrounded by 95 of them the picture becomes so much clearer.

## **PART 5 – HOW DO YOU VIEW THE CORNERSTONES OF GROWTH.**

### **PART 5A STRATEGY**

Our strategy is to be represented in different resource areas such as mining and oil and gas – both nationally and internationally. This will allow us to be insulated from the rise and falls within individual market segments and to facilitate room for global growth.

Our valuable formula lies in our technical competence in all forms of welding disciplines and maintenance of heavy earthmoving equipment. This is a direct result of intensive research and development integrated with practical in-field testing. By way of example, this unique breakthrough enabled AMS to shave five tones (approximately 10%) from a traditional excavator bucket whilst at the same time doubling the life of the bucket resulting in potential cost savings to the client of over \$3 million dollars per machine.

This service proposition was initially targeted to one of the largest mining companies in the world – Rio Tinto with a 100% success rate. Through a thorough understanding of varying mine conditions and equipment this technique was adjusted and has since been rolled out into other large mining companies including BHP.

In essence the valuable formula remains constant but is easily able to be adapted and applied in varying operational arenas.

Additional strategic attentions include constant reassessment of AMS's differentiation and positioning in the market. Other vital interlinking components include: intellectual property protection; the strict adherence to minimum gross profit margins; tight working capital management; and focused concentration on retaining the existing family business culture.

Best: Creating our strategies around our core competencies.  
Worst: Relying too heavily on one client in the start-up stages.

### **PART 5B CAPABILITY**

Capability was recognised as a foundation for sustained growth and has been our central focus for the last twelve months. As we approached the business crossroads we recognised that our existing resources would clearly not accommodate our global vision.

#### Systems and processes:

Whilst we had always placed a heavy emphasis on processes (all works had been benchmarked to Australian Standards) we needed to formalise this accreditation. Part-way through this year we employed a Quality Assurance Manager to help facilitate this process and our certification audit is now scheduled for November this year. This accreditation will provide our clients with continued confidence, allow for a competitive advantage in newly identified markets, and will provide a platform for our tradesmen on which to continue their innovation – an area AMS considers vital for successful growth extensions.

#### Infrastructure:

We also understood that our existing computer hardware and software would not carry us to the next stratum. We sought professional advice on the matter early this year and have now completed the rollout of the new hardware. The software update is in the customisation phase and we anticipate installation in January 2007. Both of these upgrades will ensure that AMS has the technological capabilities to sustain both forecasted growth and unexpected expansion.

#### People:

Our final capability delivery rests with our people. We reverse the traditional matrix and employ managers first and then build the team around them. Consequently we have our senior managers positioned in all required areas ready for the next growth phase.

## PART 5B CAPABILITY CONTINUED.

We also recognise that the business must reduce its reliance on ourselves as owners. We are now focusing on increasing the profiles of this senior management team and allowing them greater input towards our strategies.

Finally we are engaging additional middle management to focus on the day to day tasks. As we work towards finalising this structure the benefits are two-fold –our clients will have expanded networks to call upon and we may even be able to sneak away for that long awaited holiday!!

Best Capability: Strict adherence to back office policies and principles.  
Worst Capability: Occasional slow application of new legislation. Example: Workchoice Reforms

## PART 5C COMMITMENT

Two words summarise our commitment; passion and culture.

The cascading effect of driving passion and culture (soft control mechanism) first impacts the senior employees who then leverage that commitment to all employees. Like playing tennis the focus is on the game first (culture, leadership employees) knowing that the scorecard will take care of itself (turnover, profit and business value).

Our initial research told us that growth would drive value creation and this belief was (and remains) a driving force behind the business. Initially we focused the business towards sustaining growth for financial value, but later came to understand that value would be defined in many arenas including the business culture. Sustainable growth has and will afford AMS the opportunity to continue improving these values for all stakeholders.

Our commitment towards growing AMS into a global brand was evident from day one with the naming of the business Australian Mine Services. 'Brand Australia' has a great reputation overseas, particularly in the mining sectors, and we always aimed to capitalise on this hallmark.

Effective communication of these beliefs requires strong leadership and this is a particular area of strength for AMS. An intrinsic understanding of employee motivations underpinned the recruiting process and has enabled AMS to piece together a powerful combination of some of the most respected senior management personnel in Western Australia without the hefty price tags.

Our belief and conviction in the sustainable growth of our business is so great that we have made a commitment to all of our employees that we will not sell the business until we have all worked together to create an organisation that is respected and sustainable for many generations to come.

If our sole focus was on the financial success of the business we would have already popped the 'for sale' sign on the verge. We did not and have not planned our exit strategy. Instead we are now returning the unwavering commitment that our team made to us when they signed up with nothing more than the promise of working with a business they could be proud of.

Best: Reversing the recruitment matrix to employ Senior Management First  
Worst: Being intolerant of those stakeholders who were unable to quickly identify AMS as a rising star!!