

# Green grow the profits for sustainable fitout pioneer



## TRADING ROOM

SARAH DANCKERT

IT is understandable that a fitout company like ISIS would deck its own halls with all the environmentally sound and employee-friendly bells and whistles one could need.

But according to executive director Gerard McMahon, embracing sustainable office principles is not just about attracting customers, it has also had a direct impact on the sustainability of the company's balance sheet.

Staff retention at the refurbishment and building outfitter is up and a recent survey put employee satisfaction at 92 per cent.

"The cost of staff churn is enormous," McMahon says.

He estimates the cost of losing a good person at up to one and a half times a good salary.

"It's a big hidden cost, but most businesses don't get it," he says.

As well as a company gym, a table tennis table and a couch-laden breakout area, ISIS staff also have access to an employee equity and profit-share plan.

The translation in dollar terms is clear. The company's 2010-11 accounts show pre-tax profits were \$3.56 million for the year from revenues of \$409m. Over the 2010 financial year, ISIS won \$508m worth of contracts.

ISIS has built 30 per cent of all Green Star office interior projects in Australia, including 37 certified or registered Green Star projects, representing a combined value of more than \$150m.



STUART McEVOY

ISIS director Gerard McMahon has found a winning formula by being kind to the environment and looking after his staff

And while the company has other clients who are not so focused on the environment, "most of the premium fitouts we are undertaking now are all five-star Green Star," McMahon says.

ISIS clients include Macquarie Group and ME Bank.

"We built most of our own fitouts during the GFC. Some people thought we were mad, but because of that, along with our investment in business development professionals, we're now fantastically positioned to take advantage of the upswing," McMahon says.

The company's Melbourne office, complete with a green wall with flowering plants, was last month awarded a five-star rating by the National Australian-Built

Environment Rating System, and it is hoping its Sydney office will be awarded a six-star rating.

McMahon says the Building the Education Revolution program was good for the business because it kept his competitors busy. "The tier-one, big builders tend to drift back a bit when there's no new build. But (during the GFC) they were busy doing the schools. So we actually increased our revenues through the GFC quite significantly."

However, the company's margins suffered during that period, despite remaining in the black.

"Costs have come down quite significantly because there are more products available now," McMahon says.

But it's not just green projects

ISIS has a hand in. The opulent interiors of high-end tailor Henry Bucks and the Langham Hotel, both in Melbourne, as well as the colourful fitout at the Sydney Children's Hospital in Westmead, were all done by ISIS.

The company has work under way for top-tier law firm Allens Arthur Robinson in Melbourne and recently completed the refurbishment of the Marriott Hotel in Surfers Paradise and the Hilton Hotel in Brisbane.

McMahon concedes that while most businesses have an eye on sustainable practices, sometimes it's not the chief reason a client has selected ISIS to do its business. The company's ability to work in occupied space and protect client revenues during the

fitout is often the primary reason ISIS wins tender after tender.

Currently, one of the projects ISIS is chipping away at is the refurbishment of the gaming floor of The Star casino in Sydney.

"The Star had budgeted for a downturn in revenue during the refurbishment, but they have actually increased because of the way we have programmed the works," McMahon says.

"We are experts at working in occupied premises," he adds.

When it comes to table tennis, however, McMahon admits his expertise has been surpassed.

"I used to beat some of the young blokes when we first moved in, but now they are all giving me a whooping so I don't play so much."