

# The Inside Story - December 2010

## Welcome to the first Newsletter from Projects Queensland

Whilst 2010 has proved to be a challenging year for all markets and businesses based in Australia it has also presented many with opportunities to reassess how, and what has worked before does not always work so well now.

All markets have faced challenges and in most instances business profitability has shrunk and being rapidly adaptable to change is now the key to success.

For 21 years our focus has always been on charting a course driven by lower costs, faster rollouts, smarter construction techniques coupled with better and more efficient service – this focus has enabled us to weather past economic storms: And again through 2010 we have maintained our productivity by rapidly adapting to the changing economic circumstances.

Adhering to that old adage, 'Never think you know it all' has been of great assistance to us as we continually crave knowledge and strive to learn: As a result 2010 has seen the consolidation of Projects Queensland with plans to significantly grow the business



in our market sectors of retail, luxury homes and office fitouts.

I have spent some time during 2010 looking into the emerging Perth market and have 16 years of intermittent project experience in the luxury retail market.

Our first project was the Louis Vuitton Showpiece in King Street in 1994 and was a challenge given the flight time from our east coast headquarters. Now after 16 years of working in the "Wild West" we can observe this is the only property market in Australia that has not suffered a dramatic downturn.

The West is actually bucking the trend and booming. Did you know that the highest levels of millionaires per capita in our country live in Perth and therefore has the highest per capita retail spending? Yet surprisingly so few in the luxury retail market are represented in this captive market – perhaps this is just the distance and the perception that the east coast is the market place. As I said previously markets are changing and smart retailers are adapting.

Be assured that our team at PQ promote and believe in forward thinking, we remain focused and committed to our markets

and our partners. This in return results in better, faster, smarter, economic performance, yet always delivering the quality expected by our partners. Our commitment and attention to the success of our client investments is never compromised. At PQ you're in good hands.

This year has been a milestone for the company and now we are 21, I would like to thank all our clients, loyal staff, suppliers, subcontractors, architects and designers who have consistently supported us to successfully grow our business nationally and internationally in the high end fit-out business. Please accept a big thank you from me.

My best wishes to everyone associated with Projects Queensland – may you all have a safe and enjoyable Christmas and New Year celebrations with your families.

Brad Dunne  
Managing Director  
Projects Queensland

# CHECKING OUT THE BIG BRANDS 2010

by Manuel Pena,  
General Manager



In previous years we have travelled to Asia to see what some of our clients are doing with new design trends in their store fitouts. These visits have afforded us the opportunity to meet with representatives of the luxury global brands we work with and in some of their biggest markets.

In November we took the opportunity to visit that sensational hub of all that is retailing at the high end – Hong Kong.

On this trip I was with our Estimator and Project Administrator, Craig Stewart and Project Manager, Josh Turner. One purpose was to meet with an existing client as they prepare to open a subsidiary of one of their established brands on our shores for the first time. We were warmly welcomed by the design team and received an insightful briefing into the design specifications for this brand's planned store. For now it's all hush-hush – however all will be revealed in Sydney in March 2011.

As it transpired this was a welcome change to the luxury interiors we were accustomed to: Earthy tones and natural finishes being the direction in this case.

I can't emphasize how valuable the experience was for us seeing this new design concept coming into reality – especially in such a vibrant retail atmosphere. To see and touch all the elements first hand was extremely beneficial and we had the opportunity to discuss the details of the millwork with the manufacturer supplying the various pieces.

A standout experience was seeing the quality of the work and craftsmanship now coming out of China - it is impressive, but not more so than can be specified and produced by Australian

companies and craftsmen.

We can't always compete with this off-shore furniture on price but I know we can compete on quality - when you add the cost of importing we are not that far off the mark.

Our four day trip confirmed the major brands are all well represented and not only on the Island, but also on the Kowloon side and the facades are standouts - big is better and they are truly impressive.

The Asian population continues to embrace the luxury brands and it's clear to see everywhere. There are plenty of copies available at the markets but ironically it seemed the only ones buying there seemed to be Westerners!

I admired the oversize Panerai watch on the wrist of the diminutive, but friendly receptionist at the club lounge in our hotel. In the ensuing chit chat she confirmed she and her associates have a strong affinity with luxury brands. The piece she was wearing was a genuine article retailing here for AUS\$4500.

Our time was divided between briefings with other clients, some memorable meals and I must also mention the view from the 40th level of Lee Gardens in Causeway Bay was breathtaking.



# SOLVING CLIENT PROBLEMS COMPETITIVE QUOTES AND THE PITFALLS

Often we are invited to submit a price for a project only to discover the client is not able to accurately compare 'apples for apples' from the tenders received.

A lesser price can often be flawed with clients believing that the prices received cover all aspects of the project – from experience we know this is not always the case.

It is very easy to estimate a project based on the drawings and specification provided and rightly or wrongly, most

estimators approach pricing like this. How else can you cost a job one may ask?

At PQ we take a different approach. A quoted price should reflect all that is required to complete the job, not just what is drawn on the plans. We take our time to deliver a very detailed and specific quotation.

An experienced estimator should be able to accurately assess what is required to deliver a project so that variations are genuine and kept to a minimum.

Not only that, a quotation should be detailed and specific. For example, how can you be sure everything is included under the item 'Electrical' when all that is stated on the quote is 'Electrical - \$\_\_\_\_\_ .

With over 20 years experience we understand the client and his consultants find variation requests irritating, but unless you can be certain that a quote includes everything required to complete the project, variations are generally unavoidable.

Variations can also be costly

especially when something has to be done quickly on site so as not to interrupt a tight finishing schedule and it is no secret contractors see this as an opportunity to profit.

We recommend that clients insist on a broken down price as an absolute minimum. Alternatively a detailed scope of works goes a long way in explaining the various elements of a quotation. After all, everyone knows the old saying 'you get what you pay for'.

PQ Estimating Team

## NEW YORK STYLE SALES SUITE FOR NEW METRO PROPERTY DEVELOPMENTS

Bowen Hills is emerging as Brisbane's new property hotspot. Just 5km from the CBD, the epicentre of a major road and rail system, and on the doorstep of Queensland's biggest hospital, Bowen Hills is set to create a new inner city suburb with a scale and culture not unlike that of Greenwich Village – New York.

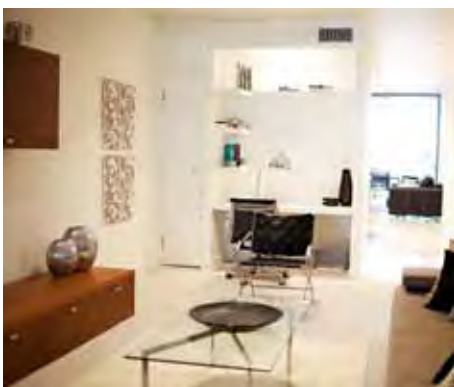
At the forefront of this \$31 billion infrastructure redevelopment is David Devine's new company, Metro Property Developments Pty Ltd. Metro Property Developments have acquired key locations within Bowen Hills for high-rise development.

The first site, The Chelsea, in Hamilton Place was launched in September 2010. David Devine's marketing department wanted something different, something that had that New York style and

chose an empty warehouse adjacent to the site as their sales centre. Prospects are greeted in style with a granite reception counter, panoramic lightboxes, custom-built display material and a full sized 2 bedroom apartment.

Wells and Partners Advertising, the display designers, needed speed, accuracy and quality only found in specialized shop fitters, especially those used to working with the top world brands, and that's where Projects Queensland came in. On a tight budget, and an even tighter deadline, Projects Queensland delivered all front of house material on target.

You can view The Chelsea display street in Hamilton Place, Bowen Hills, 7 days a week between 9am–6pm.



## SOME OF OUR TEAM:



### **Manuel Pena - General Manager**

Manuel heads up PQ as General Manager and for 21 years has worked to build the company into a leading one-stop-shop for the world's global retail brands.

On December 8 a leading Italian company advised Manuel the PQ bid was selected for their new 2011 Sydney store and the launch of their new range.

He also has another Italian connection - racing a '68 GTV 1750 Alfa. This passion and that of surfing with

his daughter Victoria takes up most of Manuel's spare time.

Manuel pays tribute to the dedication and enthusiasm his team brings to every client project:

"For me handover day is very special when the client can see we have owned the project and brought it to life from the plans - this is the great reward our business delivers."



### **Russell Baker - Production Manager**

Russell completed his apprenticeship on the Gold Coast with Manuel Pena and ran his own business for many years before joining PQ eleven years ago.

He brings a wealth of experience in high quality joinery manufacturing to the business. Mentoring production staff is an important part of Russell's activities and contributes to the winning philosophy in action at PQ.

On the weekends you'll find Russell fishing or watching his team the Titans do battle.

Like fishing and footy, Russell's other passions are looking after wife Simone and their three beautiful daughters. He is a board member of the AITC secondary college at Robina and surfs with Manuel and Brad when he can.



### **Brad Dunne - Managing Director**

For 21 years Brad has managed to navigate the Projects Queensland Interiors business as a company sought for fitouts by the luxury global brands for stores in Australia and overseas. And it all started in his Chirn Park laundry.

This feat of business navigation is easier to understand when you know Brad has raced on Maxi yachts and now sails an Etchell - all a difficult sail in the best of conditions.

Of course Brad hasn't managed this single-handedly and the next few Newsletters will profile members of the PQ team.

Apart from business Brad is kept busy with sons Bennett and Lachlan and at the breaks at The Spit and sometimes at Bali's Airport Reef.

## SOME OF OUR CLIENTS:

"David Jones Bourke Street is an absolutely fantastic representation of our brand. The store has set a new benchmark in David Jones refurbishments. Both Carolina Iannuzzi and I would like to thank both yourself and your highly skilled staff for all their dedication, professionalism and hard work that has ensured this outstanding result."

Grant Bambac, General Manager-Projects,  
David Jones Limited

"Projects Queensland has been an important strategic business partner for Louis Vuitton - the quality of their workmanship and professionalism will ensure their continued success."

Philip Corne CEO, Louis Vuitton Oceania

"After 2.5 years the major expansion of The Sydney International Airport has been completed on time and within budget. This is a \$500 Million investment to ensure Sydney International Airport remains a world leader. I wish to congratulate Projects Queensland on the successful contributions made, your achievements have been delivered with passion, dedication, and complete co-operation and for this we thank you."

Derek Larsen General Manager Retail  
Sydney Airport Corporation

"I have utilized the products and services of Projects Queensland now for over two decades for shop fitting and commercial interior projects. Over the past six years Projects Queensland has consistently been providing outstanding results for all of my up market, high end housing joinery. The professionalism and communication and of course quality and attention to detail ensures that I insist on their involvement in every project I undertake."

David H Denham, Architect