

thinkBIG²⁰¹⁰

Mackenzie Marine & Towage



Why not make it Australian?

Four years ago Sean Mackenzie, managing director of Mackenzie Marine & Towage, a commercial marine business based in Esperance, Western Australia, watched the bare boats that tow barges along the Bay of Isles and questioned why they were hired exclusively from Southeast Asia.

Sean translated this idea into a business venture, and now four years later the new division in his company has already achieved its targets two years ahead of plan:

'The division of vessels is called bare boat charters, this is on the hire side of our company. They are commercial vessels, construction, dredging, towing barges back and forth. So when we started that side of the business nobody in Australia was dry hiring vessels, everybody was bringing them out of Southeast Asia. That's where I thought "Why aren't we supplying our boats to the marketplace instead of bringing over the Southeast Asian boats?'"

Today, the company has 12 employees. Sean has grown his bareboat fleet from zero to six vessels in three years and will continue to expand the fleet:

'Well, we reached the target plan at the end of last year. We have our six vessels now and have two more under construction, so we've achieved exactly what we wanted to achieve. That was initially a five-year plan. We achieved the target in three years and right now we would just like to sit back and better analyse the market. We would like to put some equity back into the vessels for future planning and growth.'

Mackenzie Marine & Towage was founded nearly 30 years ago as a family business. The company secured its first tug service contract at Esperance in 1972.

Sean says the family has a long tradition in commercial fishing and marine life:

'It was a family business. My grandfather and father were both commercial fishermen and both had careers in tug services - then my father's brother also started in the industry and now myself.'

Succession planning

According to Sean, succession planning

underpins the strong position his company enjoys today:

'Our succession planning started when my grandfather retired from the company.'

'We didn't have anything in place at that time and my father and uncle then had to decide how they were going to pay for his retirement. Since then we have started working towards my father's and uncle's retirement, so we would be in a stronger position for the company.'

'When this time comes we know we won't be draining all the resources to help them retire.'

Today, Sean says the company's succession plan includes employees in key roles:

'We do that even as far as our staff are concerned, our office managers and supervisors. The idea is that if one person like our office manager does all the banking, we get somebody else trained up, so that if she should leave or if anything should happen to her, there's somebody else that can step into that role and keep things running smoothly. That includes me. Without me the business will continue to run because we've strategically planned for it.'

Sean sees long-term security as one benefit of planning his business, but the key benefit is the driving force of the vision that is set out in the plan:

'It's security. If you only plan on being in a small business for a couple of years then you probably wouldn't have to worry. But if you're looking for long term growth, it's beneficial for everyone if the business doesn't financially struggle because something happens or if somebody leaves who is strategic or key to the business. There should always be movement so you can keep operating.'

'Without a plan you don't have a vision into the future. You're obviously not driving your business hard enough if you don't have a plan.'

Relationship with RSM Bird Cameron

RSM Bird Cameron has provided services to Mackenzie Marine & Towage for 16 years. As a young leader of the business Sean appreciates the fresh, innovative approach of

his key advisor, Craig Ridley:

'They're probably the main advisors I use.'

'I'm fairly young and I've really only been driving the business for three years so I have relied heavily on my advisor, Craig, and he is fairly young too. He can see what I want to achieve and what I need to get there. He's able to help drive me to get to that point. I've been involved in the business for 21 years but only driving it for three years.'

'Especially as you start to grow and need to find finance and funding from other areas and how to benefit from the taxation system. We also moved from a family trust into a company. There was a huge transitional period there where the trust could no longer help us.'

"Without a plan you don't have a vision into the future."

Changing over was a huge challenge and without the help of someone who really knows what they're doing like RSM Bird Cameron, you're lost!

Sean has no hesitation recommending RSM Bird Cameron to colleagues and friends because of the firm's innovative approach and the accessibility of key advisors:

'I would be happy to recommend RSM Bird Cameron, most definitely. I've found them very forward thinking, very innovative in the way that they approach different problems. And they've always got the door open to you. It doesn't matter when you've got a problem, you can get a hold of them and they can help you out with it.'

The future

With the company's strategic positioning as a niche service provider to the Western Australian mining sector, Sean is optimistic about the future:

'I'd say very optimistic, simply because the area that we're involved in heavily, which is iron ore, mining and gas, that's going to rage ahead in the next five years. And now is the ideal opportunity to go ahead and take it with both hands and do something with it!' ●