

OPPORTUNITIES IN TOUGH TIMES

More from less as firms manage staff cut fallout

■ Ben Harvey

The big number of WA businesses that spent 2013 grappling with how to keep operations going after slashing staffing levels will this year need to find ways to squeeze productivity from the workforce in order to grow revenue, WA's leading management support organisation has predicted.

The Australian Institute of Management WA is preparing for an increase in demand from companies keen to learn how to ensure reduced staff loads operate at maximum efficiency.

Performance management, the often difficult-to-implement human resources technique, would become common.

"Last year, the key focus for many leaders and managers was on reducing and then stabilising staffing profiles as tighter economic conditions set in," AIM WA chief executive Gary Martin said.



Change: Australian Institute of Management WA chief Gary Martin.

"We saw many organisations downsizing and restructuring their operations in order to cut costs and reshape their businesses. A key management issue in 2013 was how to maintain existing operations with reduced staffing levels."

Professor Martin said 2014

would be characterised by a shift in focus to improve productivity by putting in place programs that ensured "employees have the right knowledge, skills and values to outperform their competitors".

"When resources are tight in organisations performance needs to be maximised, there's simply no room for under-performing staff in tight economic conditions," he said.

"When things are going well many organisations pay lip service to performance management. But with the need to ramp up performance which goes way beyond an annual discussion about a staff member's performance."

The skills crisis which has gripped WA business for the past few years has eased because of layoffs and companies that are able to recruit may find a greater

range of talent is available.

"In an environment of wage constraint it is likely that organisations will be able to secure the services of that talent at lower rates than in previous years," Professor Martin said.

"For those businesses that need and can afford new people, 2014 will represent a great opportunity to secure new talent."

The Chamber of Commerce and Industry WA's Paul Moss said overall job creation in WA would still occur, just not at the same rapid rates. "The tougher operating conditions mean businesses are looking at their costs and reviewing their operations to ensure they remain competitive," said Mr Moss, who is manager of employee relations consulting at the CCI.

"In turn, businesses will look to employ and retain people who are productive and adaptable to ensure they are in the best position to adapt to changes in the external environment."

Poison CDO case for trial

■ Ben Harvey

Australian hedge fund Basis Yield Alpha Fund has inched closer to getting its day in court in its bid to make Goldman Sachs pay for \$US67 million (\$76 million) Basis lost after buying toxic mortgages from the financial giant.

A New York court has quashed Goldman's attempt to have the case thrown out.

Launched in 2010, Basis's case is based on the allegation that Goldman committed fraud when it sold sub-prime securities it knew were junk in 2007 and then took positions against the assets during the global financial crisis hit.

Goldman was pushing for arbitration and for the fraud allegations to be dismissed. But five judges from a US appeals court rejected the Wall Street institution's claim that it had told Basis enough about the risk to avoid liability.

It is believed the trial will go before a jury.

Basis is seeking \$US1 billion in damages from Goldman.

"We welcome the appellate court's 5-0 decision and we look forward to putting our fraud claim to a jury once discovery has been completed later this year," Basis managing director Nick Reeves said.

Safety versus growth

◀ FROM P1

The achievement of financial targets, measured by an absolute return on equity, carries a 10 per cent weighting. The remaining 50 per cent is based on individual performance, measured against objectives.

Health and safety outcomes, measured against a range of targets, make up 20 per cent of the calculation at Rio. Financial measures make up 50 per cent of the weighting, with individual performance against set targets set at 30 per cent.

BHP's broad structure is similar, though the company includes some measurement of environmental and community incidents in its 20 per cent weighting for executive bonuses.

At BHP, financial outcomes are worth 40 per cent of the short-term incentive plan each year. Capital management and individual performance are each worth 20 per cent.

A death in December and a number of accidents resulting in serious injury did not prevent Fortescue's main measurement of safety outcomes improving during the last quarter.

The Fortescue safety bonus is tied to the achievement of a 15 per cent drop in the total reportable injury frequency rate at its operations. According to Fortescue's December-quarter report, its TRIFR across all operations was 7.1, down 6.5 per cent from the full-year average last financial year. Fortescue would need a TRIFR of 6.46 for the current financial year to trigger executive bonuses.

Simple idea helps Saleem find his calling

The man behind Track 'Em tells **Nick Sas** his burgeoning company has big global ambitions

Kashif Saleem remembers the day he arrived in Perth like it was yesterday.

Flying in from Pakistan in 1998 to begin his studies, he could hardly speak a word of English and had to practise what to tell the taxi driver for 10 minutes.

"And I still ended up saying something wrong," Mr Saleem said.

From there he combined study with hard work, which included stints as a cleaner in Forrest Chase and as a vendor selling *The West Australian*, until he graduated from university.

Fast-forward to today and Mr Saleem's story resembles something of a business fairytale.

The 39-year-old has his own company — which bears his name — employing 20 people to service the oil and gas industry.

He has dealt with giants such as Saudi Arabia's national oil and gas company Aramco — estimated as the most valuable company in the world — and has a contract on Chevron's \$60 billion Gorgon project.

And, like any honest businessman will tell you, it came through a combination of ingenuity, timing and a fair bit of luck.

"I was on a mine site doing software and the project manager



Mapping out big plans: Pakistani-born technology entrepreneur Kashif Saleem. Picture: Mogens Johansen

was telling me how they kept losing all this equipment on site," Mr Saleem said from the modest Osborne Park office of Saleem Technologies.

"He turned to me and said, 'There should be something' and I guess that was the lightbulb moment. So I started designing a system to help."

That system would become Track 'Em.

In a day-to-day scenario, Track 'Em essentially solves the eternal dilemma of losing your car keys — but on a billion-dollar scale.

It is a materials tracking system, using a barcode and GPS to keep track of all materials that come onto a mining or oil and gas

construction site. "Materials come from different parts of the world, hundreds of thousands of materials to construct something," Mr Saleem said.

"In a yard of 1km, it can be hard to find. So we give our clients pre-printed barcodes and scanners.

"They scan the object when it arrives and using Google maps they can pin-point where the item is."

"It is linked to a 3-D model, so as the site is building you can see its status."

The company won its first contract in 2006 and officially received the patent for the idea in 2012.

Mr Saleem happily attests that he often gets the "how come no

one else thought of that" line when explaining the business, but said sometimes the simplest ideas were not the most obvious.

He declined to reveal any revenue figures for the company, only saying it had "doubled" every year since its inception.

Looking forward, his vision for the company aptly embodies the drive that took him from a man who could hardly speak English to where he is today.

"My vision is that there will be two types of projects, one that uses Track 'Em, and the second type that wish they had," Mr Saleem said.

"We want to be the number one providers in Australia and the Middle East."