

Turnaround winner can smile now

● Equipment hire company Australian Industrial Rental was formed in 2007 amid boom conditions and enjoyed rapid growth. And then, as the familiar refrain goes, came the global financial crisis. But AIR lived to tell the tale and has been recognised in the Turnaround Management Association's annual awards as the Turnaround of the Year for Queensland.

AIR chief executive Simon Mair can smile at the near miss now, "but at the time it was a scary ride".

AIR specialises in renting air compressors, power generators and light towers. In the 2008-09 financial year, even as the GFC was causing economic havoc, AIR recorded growth of 60 per cent on the previous year.

AIR debuted as a *BRW* Fast Starter company in 2009 but by the end of that year the GFC had caught up with it and the company's revenue was more than 50 per cent below target. The company was struggling to service loans with seven banks and several suppliers. "We started well and were becoming established in key strategic locations but then we were blindsided by the GFC," Mair says.

When AIR sought the assistance of Brisbane-based turnaround specialist Vantage Performance, one of the creditor banks was one week from appointing an administrator. Once Vantage was appointed, the decision was made to close AIR's NSW head office and assets were redeployed to the Queensland towns of Townsville and Mt Isa. "We've benefited from a very deliberate strategy to focus on opportunities in the regional mining sector," Mair says. It has since opened an office in Mackay.

Mair says the near-death experience and the salvage operation that followed taught him many valuable lessons. They included: to be prepared to say no to new work if you don't have the cash flow to handle the project; to be more astute with who you surround yourself with in the business; and to have the right systems and processes in place.

Vantage director Steve Hogan, who sits on AIR's newly formed advisory board, says the value of the business has increased from \$9.7 million to \$15.5 million since the turnaround strategy was implemented.

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