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BUSINESS — ALUMINIUM INDUSTRIES.

Sgt Dandenong

Metal manufacturer beats path back home to quality



Jim Gallagher at the powder coat oven. 132952

Picture: STEWART CHAMBERS

SWIM against the tide is Aluminium Industries managing director Jim Gallagher's top piece of advice.

And he seems to know what he's talking about - his Dandenong South business is growing while "the rest of the market is stagnant".

"About eight years ago, we took the decision to migrate back to Australia," he said.

Extruded Products Australia founder John Villante was investing in new extrusion presses in Australia and Mr Gallagher joined him.

"It was totally counter-market," he said.

"Everyone else was still putting a Hawaiian shirt on and jumping on a plane to

China to do the deal of the century.

"We're probably stealing market share from people who are still totally reliant on imported product."

Mr Gallagher is about to build a new 800 square metre facility across the road and Mr Villante, based next door, is putting Australia's equal largest extrusion press on the land - a \$60 million investment.

"You swim against the tide - whatever they do, do the reverse."

He said Aluminium Industries was among the first businesses to establish relationships in China but things didn't go smoothly.

"It's like eBay - if you get 80 per cent of what you really want you're happy," he said.

"It's one thing to have a low cost, but it's a different thing to have better value.

"I felt that either we were very unlucky, in terms that we'd picked the wrong relationships, or everyone's got the same problem and I think the latter is the case.

"We'd have less than 10 per cent of our product now come from China.

"China is not the answer. It's part of the equation but it's not the answer.

"Being in proximity to our customers means that it's far quicker, quality's much easier to control, communication's so much easier, the financial side is easier, the logistical side is easier."

Aluminium Industries has changed from a metal supplier to a product and

component supplier since its beginnings in 1996, and employs about 110 people.

"There's a great sense of nervous energy around this business. We don't take anything for granted.

"If you haven't got that nervous energy you get complacent," Mr Gallagher said.

Committee for Dandenong launched the Great Southern Manufacturing - Making it Great ... in Dandenong project last November to correct public perceptions of the industry.

Successful companies will share their stories through video, digital media and advertising.

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- CASEY NEILL

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