

Cleaning up in the export markets

For more than 20 years Cleanevent has been winning big contracts cleaning up after prestigious sports, arts and entertainment events around the world, based on its willingness to go the extra yard for its clients coupled with the use of the latest technologies. By **Nicola Card**

WHEN THE RAIN descended on Wimbledon last year — not exactly a novelty — it was Cleanevent's staff who could be seen on TV quickly covering the grass courts for protection. With their all but ubiquitous presence at big-ticket sports and entertainment events across the world, the global team of 10,000 does everything from cleaning to setting up furniture, maintaining car parks and line-marking sports grounds.

Founder and Executive Director of Cleanevent is Sydney born Craig Lovett, now responsible for international events procurement and business development strategy. He cites two springboards for Cleanevent's expansion: securing the 1996 Atlanta Olympics and, a few years later, Gandel Shopping centres.

The story begins 21 years ago, when after a six-year stint as a policeman in the Air Force, Lovett settled in Melbourne, selling sweeping and scrubbing machines for a US manufacturer. Flemington racecourse, home of the Melbourne Cup was in his sales territory. "I was trying to sell them equipment, and it was before the days of multiple use of venues in that Flemington had no trade shows or functions, just race meetings.

"They loved the equipment but could not justify the purchase and said if you can find a good sweeping contractor we will use them. I searched the market and found that 'good contractor' did not exist. So, with a business partner, we purchased

the equipment ourselves and started a contracting business. To their word, they awarded the contract to us. That was more than two decades ago."

The "uninspiring" name of Western Suburbs Power Sweeping gave way to Floor Works and then in 1990 Cleanevent was created. "In the early days I was the primary driver of business expansion but once we gained some traction it really became a team effort. My brother Paul was a major help in the embryonic years," Lovett commented.

Early on most of the cleaning contracts were for buildings around Melbourne, with some in Sydney and Brisbane, but Cleanevent reached Atlanta, the US, before it did Perth and Darwin. "I only went over for a look; I had no offices over there and no intention of doing business. However after that visit we returned with a contract for the Atlanta Olympics and the Cleanevent team has since taken care of the Sydney 2000 Olympics, Salt Lake City 2002 and Athens 2004. Beijing is a case of watch this space," Lovett said. Each Olympic Games represents 1.4 to 2 million man hours cleaning by up to 2500 staff.

Among other events taken care of by Cleanevent over the 21 year journey include: The US Open tennis, Sydney Opera House, Sydney Royal Easter Show, Gandel/Colonial shopping centres, Melbourne Show, Melbourne Commonwealth Games, NASCAR and Indy car events globally, Calder Park,

Formula 1 Grand Prix, the Melbourne Cup, Royal Ascot, Concert for Diana, various flower shows, ballet, music festivals, subways, rock concerts, markets, zoos and museums.

The company's big break in retail services occurred in 2005 when sister company CleanDomain secured 16 Gandel shopping centres. It now cleans 68 shopping centres globally. And the outfit proudly takes care of "36 of the most prestigious properties in the world.

"We were ready for this break" Lovett said. "We had successfully completed a global restructure at end 2004 early 2005, rolled in a refreshed team to complement the existing one, invested heavily in HR, and continued the development of our systems. We really wanted to become leaders in what we do and not just one of the pack."

Today about 50 per cent of Cleanevent turnover is in international markets. "The 1996 Atlanta Games was the tip of the iceberg; we had only just broken into the export market. At that stage our annual turnover was just four million dollars.

"These days our Australian business is a real force, but the UK and more recently the Middle East are really quite attractive business locations for us. The Australian work ethic shines through over there. Australian companies are palatable and the work ethic clearly transferable; we assist the client base via a share of the ►

operational risk, so business is thankfully rising exponentially.

"We have proven we can transport our operations and we do that through our culture, which is proven in Australia and works well across the world. I know it is a cliché, but it really is a team effort at Cleanevent group. The CEOs of each of the business units around the globe are truly responsible for their own business success. We have offices and chief executives on four continents: Jason Brock in Orlando, the US; Australian expats Tom Gibbons in the UK and John Panteli in Doha, Qatar; and Chris Katsiavos here in Australia who heads up our combined operations including CleanDomain which he started from ground up when was launched in 2005."

Cleanevent's corporate office structure is relatively trim, with multilingual Group CEO and Managing Director, Nicko Mavro, the leader of the Cleanevent business globally, supported by a number of regional boards and local executive teams, and Group Finance Director Ivan Dalla Costa driving global treasury, banking and fiscal leadership. "We scored large when Mavro joined the team. His numerate knowledge of business combined with excellent contacts provides exactly what we needed to go to the next level."

With Lovett reticent on the issue of the business revenues, it is believed that the Cleanevent group enjoys revenues of \$135 million and a target of \$175 million for 2008/09 is not impossible. Impressive growth, but not without its bumps.

Despite healthy turnover of \$22 million in 2000, the year 2001 heralded a major financial setback when Cleanevent was dumped by the bank that had wooed them away from their previous creditor. Over the following 19 months Lovett traded cash and re-mortgaged the family home, remaining driven by his "firm belief in the brand". He then secured equity partner the Jagen group, backed by Victorian based Bori Liberman group which is headed by Justin Liberman.

The company remains Australian, with the top management team all based in Australia. Lovett describes the Liberman family as "the greatest partners an aspiring entrepreneur could have". Today the



Craig Lovett, Founder and Executive Director of Cleanevent

Libermans have a significant (60 per cent) stake in Cleanevent; Lovett and Mavro hold the remainder of the shares.

The global Cleanevent team of 10,000 is, perhaps surprisingly, "one hundred per cent direct employed labour, with almost no sub-contracting. This is the secret to our success and the culture of our business. The competitors just don't get it. It's better having permanent staff as they take ownership of and pride in their work. And through us they get benefits such as insurance and Workcover benefits."

"Our lead product is qualitative not quantitative cleaning, and we deliver a fixed price solution. Cleaning and waste are our lead services but then we raise the bar, where we can value add to compete against others. We might offer to set up furniture — as far as the table top, ie tablecloths — or to maintain the car park. We are always taking on more and more. Our productivity is at its greatest during the busiest times.

"At some of the rugby stadiums we have been responsible for ground signage and the line marking, we have set up goal posts, changed the fence signage and taken care of merchandising tents. We're

always looking for the extra angle, we find out what is biting a client and we take care of it. We'll go ten steps beyond cleaning. Anyone can be in business at a certain level but if it is to grow it needs to go well beyond the present services.

"Our model works well for our clients and event organisers as it eliminates their need to search for other providers. We are a one-stop-shop providing low-tech, labour driven services. We leave escalators, lifts and audio visual equipment to hi-tech crews."

With a global staff of thousands, Cleanevent cleaning management is very much hi-tech, supported by the use of computers, sophisticated specialised software, training systems and operating process. Every bin placement and waste collection strategy for events involving millions of spectators is preplanned and checked when events are in progress. Detailed management debriefings and planning sessions conclude the day's event to maintain the work flow and pace.

A peak moment for Lovett came in 2006 when Cleanevent secured a 10-year contract to clean Sydney Opera House, which hosts more than 2000 events annually. "It doesn't get more iconic than that," he said. "The Opera House has class, culture and diversity. It hosts ballets and operas through to the final of Australian Idol. We are extremely proud to be the official provider for services in this facility, a world recognised icon."

He constantly emphasises the importance of team effort and company culture, so was proud when picking up the Governor of Victoria's Export Award last year — the fourth times in seven years. Every few months Lovett addresses conferences in Australia and overseas as a motivational speaker, saying the business journey starts with personal discipline, as he charts his rise from the "rags" of Sydney's western suburbs. ●

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