



Quality, Determination and Commitment

The Economic Update caught up with AX Holdings Chairman, renowned entrepreneur Angelo Xuereb. Mr. Xuereb spoke to Martin Vella on a wide range of topics including the construction industry, innovation, MEPA, his approach towards business growth and organisational culture.

EDITOR'S NOTE *Angelo Xuereb is the Chairman and Chief Executive Officer of the AX Holdings Group of Companies. At a very young age, he demonstrated an inclination towards business, and attributes his exceptional and enterprising career success to four simple but strong words – Creativity, Efficiency, Challenge and Determination.*

CORPORATE BRIEF *The AX Holdings Group of Companies, founded 37 years ago, has developed into one of Malta's leading private companies giving a major and direct contribution to the national economy. It is a dynamic group which is heavily involved in tourism, construction, development, project management, real estate, quarrying and sea terminal operations.*

TEU: What makes Angelo Xuereb different and stand out as a leading and dynamic entrepreneur?

AX: A man with vision, a hard worker, efficient, and determined, I lead from the front, with a hands-on approach. I take calculated risks, but I keep my feet on the ground. I am always hungry to learn more in my business fields.

TEU: What are the top three things that separate you from your competition?

AX: Quality, understanding the client's objectives and giving them my personal views on their plans. I treat each client's project as if they were mine. Besides being frank with them, I establish good communication and maintain agreed time-frames.

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TEU: What have been the key components to your success during the years?

AX: Firstly, I kept close contact with my employees; I respect them because I was one of them 37 years ago. Secondly, when I employ new management, I give a lot of weight to their loyalty, trustworthiness and experience. Thirdly, my approach to business negotiations is to create a win-win situation, meaning to reach a good deal for both parties.

TEU: You describe creativity and innovation as key ingredients to your success. Innovation being the concept of ‘design’. How broad and challenging is this concept when applied to leadership?

AX: Progress is derived from VISION - If you stay “put” the business will stay “put” (static). If you are ahead of your competitor, then your business moves faster and retains the competitor's edge. Allow me to mention success stories such as Suncrest story, Precast Factory GPC, quality projects such as Valletta Waterfront, The Palace Hotel, The Victoria Hotel, Capua Hospital, and The Verdala Mansions. These developments all had an edge on their competitors when they were established. Challenge brings with it hard work, determination and rewards. I believe in what Sir Winston Churchill once said, “Kites fly highest against the wind not with it”. Meaning

the rewards are greater when overcoming the continuous difficulties a person has to face in the course of business growth.

TEU: Your name is synonymous to the construction industry. Where does the construction industry stand today and how can the local construction industry be improved?

AX: There has been great improvement, but there is still a long way to go. Over the years I came up with many new ideas and many were implemented, such as:

- Stone dressing in quarries, rather to onsite which used to be a huge inconvenience to neighbours.
- Transportation of stone on pallets, rather than tipping the stones on site.
- Pre-cast structures and prestressed industrial beams manufactured in a modern factory.
- Hoarding to construction sites - (still not yet to my satisfaction).
- Health and safety standards (not yet to my satisfaction)
- Importation of foreign skilled workers who introduced new technologies to the concrete sector.
- Limited construction periods in touristic zone.
- The concept of Public Private partnership for major Government projects.
- Closing of disused quarries with Construction and Demolishing (C&D) Waste.

There is still much to be done, especially with regards to QUALITY and Health and Safety measures; re-use, recycle and reduce construction and demolishing waste; and better road construction.

TEU: Do you still think that Government uses the MEPA Board as a smokescreen to hide its own decisions?

AX: For main national infrastructural projects, the answer is "YES". The Government should not hide away their objectives. We elect a government to govern in the best way it deems fit for the country. Therefore certain decisions must be taken by Government and not by MEPA. The public would judge the Party in Government by its performance. A political party is there only for a relatively short period, and therefore time is of great essence. Infrastructural projects cannot wait too long for a permit. Excessive delays may lead

to a loss of EU funds and other opportunities. National infrastructural projects must be decided by the Government in principal, and then should request MEPA to see that these are developed in the best possible sustainability. Here I can mention Smart City, the new Parliament building, the Opera House, City Gate, reform of Public Transportation, the new Power Station, new public schools, yacht marinas and the public sports centre. For other applications by the private sector, the answer is "NO", the Government should allow MEPA to operate independently and remain autonomous. In order to reduce certain unfair treatment with regards to delays, MEPA should consider processing the applications by date order and not by priorities.

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TEU: Dreamers are achievers. Do you still dream about the construction of a golf course?

AX: Not anymore I still say I was right, but probably there is no one in Parliament who plays Golf and cannot understand the importance and multiplier effect for the tourism industry! Our country is small and can never compete with large countries to attract mass tourism. Even from a marketing point of view, we cannot sustain it, let alone the pressure on our infrastructure during the four summer months. We must be selective to attract niche markets throughout the whole year. We need tourism that appreciates our unique history among other special attractions, and can pay better room rates. Malta has a lot of potential but requires enhancement which does not require a huge investment. We have to be creative and involve the private sector in infrastructural projects on the Public Private partnership (PPP) concepts. I always consider Malta to be the unpolished jewel in the Mediterranean, all we need is to polish it and let it be the envy of our competitors.

TEU: What is it about the culture of your organisation that has made it a place where employees want to stay?

AX: We understand that a high percentage of the works has to be carried out by the workers

and therefore we appreciate their efforts. We provide constant training and listen to the workers and understand their views. We have also introduced incentives to employees, like awards for new ideas, issue monthly newsletters, organising yearly social activities and organise twice yearly staff parties. We give our employees a handbook to understand the organisation and what is expected of them. On one hand, we manage by offering incentives and handing directions on the other. You have to understand that what may seem common to us, may be not so common to the employee. Therefore we need to guide them.

TEU: The next generation of your family has entered the business. Is that important for you?

AX: Yes, because all three decided to follow up in my three sectors, this encourages me to continue working hard. Richard who has an MSc in Construction Management from Manchester University is heading our construction division, Claire who has a Masters in Hotel Management from the Glion University in Switzerland is heading the Hospitality division and Denise who recently obtained a MSc in Project Management and Administration as well as a MBA in Paris, is heading our Business Development at Head Office.

We do not always agree, but I believe this might be due to the generation gap. My experience with my father was the same. Practical experience takes years and is not easily understood by the newer generation. Sometimes it is a natural reaction that if we do not share the same vision as others, we resist new ideas. I react differently. Very often when I face uncertainty, I mostly give the benefit of the doubt to the young generation. ■

Angelo Xuereb's main achievements

- Growth from a very modest beginning to one of the leading groups. From 2 workers in 1974 to 550+ today
- Diversification
- Managed to act in time when a business plan went wrong
- Retaining a humble status, mingle with everyone and listen to all
- Earned respect and admiration of the general public vis-a-vis his actions