



Building excellence

An interview with **Florian Moldoveanu**, founder of Pilon Ltd, a successful UK construction company and new BRCC member

By **Cristina Irimie**

As a Romanian national running a very successful business in the UK, what drives your success and makes you different to your British competitors?

Our vision is to provide excellence; to be proud of everything we do. We achieve this by understanding our clients, understanding talent and using technology to our advantage.

We sell to other businesses.

We understand our clients by staying close. We study them and identify those that we believe have the right values and strategies.

We understand what makes talented people tick, what they want and try to create opportunities for them to achieve their goals whilst helping the company achieving its own. One of our unique core capabilities is our understanding of the immigrant work ethic. As an immigrant, I know that most people that leave their friends and sometime family to go to another country. They are driven individuals who want to succeed above all else.

We value and nurture that in our business and provide a place for Romanians who are good managers and good construction people to get acclimatized to the system and the level of professionalism required in the British construction industry.

We encourage them to come and work in an environment which resembles home, but operates at the highest western standards of health and safety, management procedures, training and development, which ultimately makes them all more employable.

Everyone who joins us is inducted into our way of working. At this stage we notice which skills they need. Some of them are self-employed or subcontractors. Furthermore, we offer training programmes, most of which are free of charge, thereby building and improving their skills, as well as their understanding of English.

“Our philosophy is about excellence, talent recognition and talent management”

I think we offer a good deal; we will invest in you to help you get better at what you do, to become more employable and in return, we want your best effort on everything you do in our employ. Our business concept means most of them are willing to come back when we have new projects starting. They are motivated to deliver the best.

We are enablers for people to better themselves and help the company grow, during the process. We are enablers in helping people become self-motivated, creating an environment where they feel they want to do better, rather than us keep pushing them to do better.

In terms of how we differentiate from our competitors, there are two main points. First, our philosophy is that every person wishes to grow and to improve their abilities and skills, regardless of their age and background, and that

nobody wants to end up in a dead-end position. So we try to provide the proper environment for them to develop and achieve their maximum potential.

The company targets and attracts talent amongst employees and as a result of years of expertise we have created the Pilon Academy.

Secondly, one of the main differences is our true understanding of the necessity to apply modern technologies. Innovation is almost synonymous with that belief.

We have developed a culture where people think about this in relation to what is on the market. We have our own fully fledged IT department with both hardware and software engineers, people who write code for us and have developed our own enterprise resource planning (ERP) system, which has been a great help in becoming more efficient, especially in the last two to three years. This has enabled us to actually grow the business profitably during a recession.

These two things – our ability to recognise and nurture talent in a structured way, and our ability to apply modern technology – sets us apart from the competition. These things help us deliver excellent service consistently across the board, and in a way that allows us to scale up the business safely. And when you achieve that, clients want more of it and are willing to pay a premium for excellence. And yes, even in a recession as we have proved to our people and our competitors. That is Pilon at a glance.

Many businesses downsized or failed in the economic turmoil, yet Pilon has seen impressive growth for the past three years. How did you manage to achieve that?

The danger to a business during a recession is trying to sell to whoever is willing to buy without a proper understanding of what their values are, and whether or not they bring any added value to their clients. The moment you stop bringing added value, or for that matter, being perceived as not bringing any, your product becomes nothing more than

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Interview with Florian Moldoveanu, founder of Pilon (*continued*)

a commodity. It is a sure bet that you will only end up winning if you're the cheapest. That erodes profits, which in turn erodes the ability to invest in people, systems, new projects and so on – in other words, everything that a successful business is about.

We stood firm by our vision of delivering excellence. We did not compromise our core values when it came to delivering our products and services. We thought very hard about what clients and markets go for in a way that ensured we were selling to people and companies who appreciated the value we bring to them and are therefore willing to pay for it.

No matter how tough times are, people want to buy excellence and they will pay more for excellence. That is our philosophy and we really worked hard prior to and throughout the recession, to deliver that.

Our record of customer satisfaction is proof. We ask every single client on every single project to score us against six key questions on a monthly basis. Over the past three and a half years we have continued to score 90% or above. We do everything we need to, to make sure that we deliver excellence.

We do not focus on actual growth, or in that respect on profits. Of course we have budgets and we measure every project against budget – every smart business does that – but our philosophy is not about turnover or profits. Our philosophy is about excellence and about talent recognition and talent management. We believe by doing this our turnover will grow because, I repeat, clients will want more of it and our profits will grow as our clients will pay a bit more for it.

What role does CSR play in your business?

We are kind people at heart, not pure pragmatic capitalists. We truly believe in giving back.



Florian Moldoveanu: no matter how tough times are, people want to buy excellence and they will pay more for it

We help a number of charities both here and in Romania. We are very selective because we believe in making a measurable impact. Even when we were a small company we were supporting the Romanian Charity Trust in London, of which I am a trustee. The charity helps Romanians in need here, and we have continued to donate to this particular charity for the past seven years, through two recessions, month after month.

We also take individual cases that come to us through the business and through our employees. Our members contribute a lot to these causes and the business always doubles up what is being raised. We also contribute to Cancer Research, Hospices of Hope and a few other charities.

All in all, we have always contributed to charitable causes because we believe in them. Nobody ever forced us to or recommended we do so, or even acknowledged us for doing it; we do it simply because it is part of our beliefs.

Many British investors in Romania consider the Romanian workforce to be one of the country's greatest assets. Is the Romanian workforce also an asset in the UK?

Yes. It is clearly our core and most important asset. The vast majority of our tradesmen and women are Romanian nationals.

How many workers do you employ?

Right now, close to 500, plus approximately 80 in management, 50 of which are Romanian.

What makes them different?

It's the immigrant mentality that I, you and all these guys have. We are a great nation but a lot of us are either different or become different the moment we decide to travel 2,000 miles to a different country, sometimes leaving friends and family behind, to better ourselves because we want achieve more in life than the set of cards we were dealt with. Ambition is the vital element that we understand and nurture here at Pilon, and it's great. It makes me proud to be Romanian.

As a successful business leader, how would you define successful leadership these days in Britain?

Successful leadership? Just be involved. Offer a vision and a direction to an organisation and be an enabler. Stay involved with it, continue to evolve that vision, refine it as time goes by and the challenges and opportunities change with the business environment.

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Interview with Florian Moldoveanu, founder of Pilon (continued)

Start by providing a vision that is meant to empower people to deliver a sustainable organisation. If you can do all that, then in my view you are a modern leader and it is your duty to get on and do it. If you can do all that, give me a call. I might have a job for you!

What are the biggest challenges facing Pilon in these uneasy times?

There are a lot of challenges. What is going to happen to the eurozone? What is going to happen to the euro and what is going

to happen to Europe as whole? How is it going to affect Britain and the British economy? And if the euro stabilizes, then there is the US with its massive debt. And China with all its internal political issues – division between the rich and poor could break China apart overnight. And if China breaks apart then how will it impact on the western world?

Overall, bar a disaster like that, I think Britain sits in a very good place geo-politically. It is in a special situation between Europe and the US and it is run by smart people.

How you deal with it as a business person and a leader is by staying on top of it, getting involved. I am involved with the British Parliament and am part of my local Conservative MP's support group. As part of various groups, I get a chance to meet members of the Government, such as Vince Cable and other politicians, and try to understand their thinking and offer them feedback and suggestions.

We also belong to major bodies within the construction industry. We advise the British Safety Council on health and safety matters and also the

Federation of Master Builders on training and development matters.

If you enable a culture that brings the most talented and the smartest guys together, you have a better chance of successfully navigating through the obstacles ahead. That is what we do here. So we are fairly confident about our future.

Could you name five things you would like changed in the UK?

I mentioned that the country is run by smart people. What they lack, though, is a strategy to get

us out of the current situation. They are very good at keeping us as safe as possible, but we need a vision about the future and that's yet to come across. The opposition is not challenging enough at the moment, so firstly I would like the Government to get their vision in place once and for all. They have tried with the autumn state-ment but it was just a half-hearted effort.

Secondly I would like to see the

opposition get smart. It is time for them to mature, challenge the government and put their vision across, which they don't do. If they manage to achieve these two things somehow, then we would be in a much better position as a nation.

Thirdly, I believe there is too much red tape, too many government or pseudo-government departments knocking on our doors and making our lives miserable at times. I shall give you an example: the Construction Industry Training Board (CITB) was set up in the 1970s by the

government to collect money from construction companies and distribute it across the industry to support training initiatives. It was created at a time when construction companies didn't believe much in training and development, and it was right then.

But now it is a different matter. We invest a lot of money on training and development of our people. The time the CITB takes from our business by coming and doing audits every year, which we also do ourselves, is amazing.

Fourthly, we would like to see credit coming back into the market because it is a basic need for businesses to grow. It is true you can grow a business organically in the beginning. But we are kind of reaching the end of that. We have grown by selling more of the services we have developed, but we came to a stage where we have sufficient mass and brand value on the market to enable us to put together some great partnerships and deals that would make us to grow

substantially more, creating more jobs and investment in return. But we cannot do it without access

to credit. We can continue to grow on our reserves, but there is a limit of what we can do. Credit was always the enabler of business growth and economic growth. We lack credit in this country and I don't really see anything being done about it.

Lastly, I would very much like it if certain politicians and newspapers would stop blaming issues on Romanians and Eastern Europeans. We are a great nation and a great asset to the British economy and employers. It is very upsetting to read negative stories in the press, often with no grounds or backup. (continued on page 19)

“We deliver excellence consistently across the board and in a way that allows us to scale up”

“Ambition is the vital element that we nurture here at Pilon”

Romania energy policy: much ado about nothing *(continued)*

captive by crony managements and opaque regulation, will be scared off.

It is still unclear if the government will allow generators to keep the money raised from IPOs to fund modernization of assets, or whether these funds will be swallowed up to reduce the budget deficit. And the timing for IPOs is bad. IPOs are unlikely to be successful, given the weak market conditions. Recall the failure last year of the Government's attempt to sell a residual package in Petrom, Romania's most successful company.

The professional management idea is good in principle, but it is largely window dressing. The Government has the means to impose strict targets on

today's management if it wishes. Incompetent management is only partly to blame for the inefficiency of the sector. Political interference and cronyism are just as damaging.

Furthermore, the selection criteria and targets to be imposed on the new managements are still undefined and where they are defined, they are unclear. And in any case, the impact of new management will be limited by the fact that profitable generators like Hidroelectrica prolonged most of the long term contracts until 2018 at prices well below the average prices on Opcom.

Instead of the measures outlined above, the Government should resume privatisation of coal and gas-fired assets immediately.

It should liberalise the market and do its level best to keep investors sweet. And it must restart projects blocked by the Government's own mistakes.

These are very difficult decisions which need to be taken quickly. Parliamentary elections later this year will make it that much harder to embark upon the changes described. And so we should expect that 2012, like 2011, will be yet another critical year in which nothing critical gets done.

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Interview with Florian Moldoveanu, founder of Pilon *(continued)*

And the five things which you absolutely love about Britain?

I like the people. I remember when I first came here I went to central London as a tourist. I stopped somebody to ask for directions and the person was clearly in a rush. But he stopped and took the time to explain and when he realized that I was a foreigner he slowed his speech so that I would understand. I had the same experience many times afterwards, which says something about this country.

I like the social mindset. Everybody has access to healthcare and a roof over their head, no matter what. The ambulance service is fantastic. Fair enough, the NHS is still crippled at times, but the concept, the philosophy behind it is what I respect and love. Of course there are always going to be people who take advantage of the system, but I still love the philosophy. The system needs to be improved and I think the coalition government is doing something about that.

Generally, British people are professional

and respectful. I've been asked on various occasions whether, as a Romanian, I've had problems or cultural clashes. I haven't and I don't feel treated differently. What people are after, especially in business, is for you to deliver on your promise or sales pitch. In my business, I am now surrounded by British people who integrate superbly with our Romanian colleagues. I like their openness to other cultures and to foreigners.

Lastly, I like the countryside. I live in a quiet village, which is always green, and the people are very friendly.

I also like the weather, as it is mild with no extremes. If you want extremes you can always go on holiday. The weather here is great for a construction business as it helps continuity; you do not have to stop work in winter because of freezing temperatures, or cut days halfway through in the summer because people can't work in the heat. Not many countries have this type of weather.

Furthermore, I like the schooling system and the fact that it is one of the safest countries to bring up your children.

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BRCC NEWS & VIEWS



Our Approaches

- Client Focus ✓
- Professionalism ✓
- Investor in People ✓
- Training & Development ✓

Environment

At PiLON we're committed to minimising the environmental impact of all our operations. We comply with all relevant environmental legislation, regulations and approved codes of practice, and strive to reduce our contribution to pollution of land, air, and water.

Health&Safety

Health and safety is front-of-mind at PiLON. We're proud to be a holder of The Certificate of Commitment – Platinum Award, from the Construction Skills Certification Scheme, and also of an International Safety Award with Merit from the British Safety Council.



Building a better future

We're like no other company in the Business.

We're constantly challenging ourselves to improve, in key areas like health and safety, training and development and the environment.

We strive to be ahead of clients' expectations at every level, from operative to top management.

Our Romanian heritage gives us the conviction that every individual has a right to a decent home, education and healthcare – and the chance to build a successful career.

People are at the heart of everything we do. PiLON's senior management team encompasses the disciplines of estimating, business development, contract management, surveying, financial control, HR and training and development. Together they bring a varied wealth of experience and are committed to providing a high level of customer service.

PiLON takes great pride in our personal development initiatives for its entire staff. It is our aim to give all our staff at whatever level in our business every opportunity to develop, grow and share in the success of our company.

PiLON has been shortlisted for the Specialists Awards 2011, in the Training category.

PiLON is a multi-trade subcontractor specialising in refurbishment and building for the social housing, education and healthcare sectors. We work mostly within London, the South East and South West of England and Wales.

Since our inception in 2004, our business has grown to £16 million turnover. We've refurbished more than 18,000 properties with more than 50,000 tenants in situ.

We are installing 1000's of Solar PV system across the country and are proud of our involvement at the forefront of the green economy.

Our founder Florian Moldoveanu came to the UK in 1999 looking for business opportunities. His business acumen, coupled with the strong Romanian work ethic within PiLON, has helped him build a company which is known for quality, reliability and commitment.



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