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# LANE'S WORLD

Oroton's Tom Lane ventured beyond his family's A\$273-million business to start from scratch in an industry he knew little about, writes Chris Sheedy.

**A**t the campus of the Australian National University (ANU) in Canberra is a six-storey student accommodation building that contains 70 self-contained studio and one-bedroom apartments. These apartments are essentially prefabricated stand-alone modules made from corrosion-resistant steel that have been stacked and bolted together to form the building.

The modules were constructed on a production line in a manufacturing plant in China (the plant can churn out up to 25 modules per day), complete with plumbing and electrical fittings, carpet and soft furnishings, and then shipped to Australia.

When the modules arrived at the ANU site, the building was erected at a staggering rate of one storey (15 modules) per day. Each apartment was then plugged into the power grid and plumbing system and the whitegoods were rolled in.

The entire project came in on time and on budget, taking just 27 weeks to complete and cutting three months off the time of a comparable traditional building project.

"It's like a big boys' Lego kit," smiles Tom Lane, the founder and chairman of >



Tom Lane's new business, Quicksmart Homes, makes prefabricated buildings for the education, retail and hotel sectors. Lane is looking forward to having a huge impact on the building industry.

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Quicksmart Homes, the company that designed, manufactured and supplied the groundbreaking prefabricated building modules. "That was a record project."

Having spent the previous two decades working his way up the ranks at Oroton – his family's business – Lane knew little about the construction industry. In 2003 he had bought and renovated a "1950s shack" in Jervis Bay on the south coast of New South Wales. Lane says the experience awakened a new business idea.

He wanted to build an extension on the house, but it hadn't been as simple as he'd hoped. "My wife and I went down the typical architect/builder route, which was expensive and time consuming," he says. "Then I looked at what was available in a prefabricated model and all you could get was a tin shed. I thought that was mad."

With an idea brewing in the back of his mind, Lane continued to climb the ladder

**This page and following pages: Quicksmart Homes built the student accommodation building at ANU. Each apartment arrived furnished, carpeted, wired and with plumbing.**

in the family business and in 2004 was appointed general manager of Polo Ralph Lauren. However, two years later, with his passion for the business waning, his thoughts returned to his shack. "I had spent

a lot of time in Asia and Europe overseeing the manufacture of our fashion products, setting up systems to produce them in a top-quality manner," he says. "I realised that I could take the need for high-quality housing and meet it in a systemised way by establishing a production line that would allow for high-quality construction.

"I began to research the concept and found there was a demand for high-quality, low-cost and high-volume accommodation and nobody seemed to be filling that space."

Lane left Oroton at the end of 2006, and after two and a half years of research and planning he launched Quicksmart Homes in mid-2009. The ANU project, completed in October last year, was Quicksmart Homes' first. Its hassle-free construction was a testament to Lane's obsession with quality.

#### QUALITY COUNTS

Of course, growing up in the Lane family gave him little choice but to become a man for whom quality is important. Lane's grandfather, Boyd Lane, started a small business in Sydney in 1938 that imported high-quality fabrics; today that company is known as OrotonGroup. The group, which now owns the Oroton brand and the Polo Ralph Lauren licence in Australia and New Zealand, is valued at A\$273 million. The company has always been a family affair. Lane's father, Robert, ran the business for years, Lane ran the Oroton brand for some time, and his brother, Ross, is OrotonGroup's executive chairman.

Lane agrees it's a jump from belts and handbags to prefabricated buildings, but he says it felt like a natural progression. "I had to take a big, deep breath when I decided to leave the family business," he says. "It took a lot of soul-searching and a fair bit of courage to make that decision. Working in the family business was comfortable and there was quite a lot of status and pride attached to it, but I was running out of passion for what I was doing and needed to have a look at what satisfied me."



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Lane hadn't always held glamorous posts at Orotan. After attending university in Lismore to study business marketing and management, he was brought into the family company on the bottom rung.

"When you leave school you don't really know what the words 'marketing' and 'management' mean," he says. "I didn't know if I wanted to be involved in the family business when I finished, but university made me passionate about marketing and brand building."

So Lane's father brought the young graduate on board and gave him the decidedly unsexy job of belt salesperson, for which he travelled around to various department stores and counted how many belts were on each rack. It was during this time that Lane became hooked on the family business. "I became passionate about building the product and going out and seeing how it sold," Lane says. "I wanted to improve on these elements within a product development role." So he went to work in Orotan's factory and learnt how to make belts from scratch.

Lane moved on to oversee Orotan's product development and branding, which involved spending six months in Florence designing and developing products. When he returned to Australia in 1997, he became the company's general manager, leading a push to contemporise the Orotan brand. By the early 2000s, when he was appointed executive director of the new-look business, his plan was paying off, as the company experienced significant growth.

**BUILDING BLOCKS**

However, with his passion for the business waning, Lane left OrotanGroup in late 2006 to start the ball rolling on his new business concept. He had already flown to Asia to speak with factory owners about realising his plan to build ready-to-stack apartments. He began employing specialists with vast experience in construction; people who could fill in the



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gaps in his own knowledge of the industry. Finding the right people was made easier by some chance meetings. One was with an old builder friend, Tim Davis-Rice, who happened to be independently researching modular accommodation at the time and is now the production manager at Quicksmart Homes. Another was with a contractor, Rufus Harding, now the company's managing director, who had spent his career working in the modular field in the UK. The final appointment came when the team stumbled upon talented young designer Anna Biddle, who had worked with several major modular construction businesses around the world. She is now head of design at Quicksmart Homes.

#### TREAT 'EM LEAN

"We had a few false starts," Lane admits. "Our original concept was different to what we've ended up with. We were targeting the end consumer, but the flaw was the end consumer wanted something customised. So we decided to start targeting larger scale projects, developers and businesses that had a need for quality and consistency."

It was an inspired move. Quicksmart looks set to turn over A\$30 million in its first year and has almost recovered its research and development and operating costs.

"It's looking very good," Lane says, "but we've spent a lot of time and money setting up the systems and infrastructure to ensure we have a business that will endure. It's not a small-scale operation, it's a major business, despite the fact that we have just three full-time staff besides me. We keep it lean."

How can they achieve so much with so little manpower? Lane says he engaged the services of a manufacturing plant because his business model is based on his aim to not burden the company with unnecessary overheads. "We keep it flexible and use contracted staff when we need to," he adds. "Today, for instance, there are five people representing us in China, as well as other people in Australia, in areas such as accounting and sales and marketing."

The ANU job was the first of many. Since then, the university has begun work on another building that is 50 per cent larger than the first facility, using modules supplied, once again, by Quicksmart Homes.

Lane has been approached by three major organisations interested in buying, or buying into, the company. He has parked these offers for now, as he's looking forward to steering the business through this period of establishment and growth. Quicksmart Homes has more than A\$300 million worth of tenders in the student, hotel and aged-care sectors on its books, along with requests for its products from two universities in the US.

"The prefabricated market in Australia was worth \$1.8 billion last year," Lane says. "I'd be happy to get a nice slice of that, but our focus is always on delivering quality."

"When I first met with ANU, they asked me why they should choose me for the job, because I was new in the game. I assured them that I was not going to put my money behind something that does not reflect my commitment to quality. These values have been drilled into me by my family and their business and they are what will make Quicksmart Homes a success."



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