

MUNLAKE: Rather than be reactive, Mundy searches out the next trend

BY TAMMY WORTH | CONTRIBUTING WRITER

When Allen Mundy is asked to describe his personality, his response is, "I raise mules." It's an unusual answer but apt nonetheless. Mundy raises mules ("his girls") in lieu of horses because he said they are stronger, have more endurance and are smarter. And many might describe him in the same way - his clients and employees use the terms honest, hardworking, fair and straightforward.

"Allen is a rare breed, and I think that one of the first things I remember seeing in him is his maverick spirit," said Debra Niewald, chairwoman of the executive group of the local chapter of Vistage International Inc., of which Mundy is a member.

Mundy is a strategic thinker and a "galvanizing force," Niewald said, and he has a great ability to step out of his comfort zone and to take calculated risks. These qualities and more have helped Mundy run and expand Munlake Contractors Inc., his family's business.

Mundy took the reins of the general contracting firm, which was started in 1967 by his father, John L. Mundy, in 2005. Although it started as a small family company, Munlake had \$75 million in revenue in 2007 and projects \$100 million in 2008. Mundy said the five-year plan is to be at \$250 million by 2012, no small feat in an unstable economy.

But Mundy is somewhat accustomed to economic and industry up and downs. In 1982, the business switched from general construction to general contracting when the industry took a hit. In 1998, when the company was doing about \$40 million in revenue, an expansion and acquisition planned by Munlake fell through. In the fallout, revenue dropped by 80 percent.

After the acquisition fell through, Mundy said he decided that the company would have to grow on its own, rather than through buying other organizations. Now, he said, Munlake focuses on its employees, long term relationships with clients and sustainable growth. And his "controlled accelerated growth" plan seems to be keeping the company moving forward.

THEY CARE ABOUT WHAT THEY DO. THEY HAVE A CLIENT BASE THAT IS NOT DIFFERENT EVERY OTHER DAY

Mundy said Munlake focuses on 20 to 30 projects a year with a minimum value of \$4 million to \$40 million. And although the company works in many different areas, he said it has learned to ride the market. Munlake used to build motels, and as the hospitality industry has changed, the company now focuses on nicer hotels. When the restaurant industry slowed down, Munlake backed off a bit and is looking toward the growing pharmaceutical market.

"We identify the next need in construction or products, but we aren't reactive," Mundy said. "I figure it takes 24 months of developing relationships before taking any money from a client."

That 24-month courtship for Munlake includes: identifying a market, researching potential clients in the field, ensuring that the personalities and objectives of the clients and Munlake align, and instilling confidence with the client that Munlake can perform the work.

It's this kind of preparation and nurturing that helps the company retain its clients for the long haul.

Clifford Markee, Director of construction, Restaurant Real Estate Holdings, LLC

Clifford Markee, director of construction for Atlanta-based Restaurant Real Estate Holdings LLC, has worked with Munlake since 1978. Although Markee visits his job sites, he said he knows that even if he didn't, the work would be done correctly and to code when Munlake is on the job.

"They care about what they do," he said. "They have a client base that is not different every other day. If you don't have a base of clients, you are not going to survive that well in today's world."

Steve Kelly, Munlake's business development manager, said the keys to good client relationships are Mundy's honesty and commitment to quality. "One thing that really stands out is that Allen stands behind any product, and if the client isn't happy, he will fix it whether it costs him money or not," he said. "Allen is what keeps this company growing — his commitment to family, employees and clients. Allen treats his employees very, very well, and in turn, they treat clients well."

Mundy said that he has the most loyal staff imaginable, many of whom have worked at the company more than 10 years, though the industry tenure typically is two to four years. He said he does so by paying employees well and providing good benefits. Although it may cost more, it also costs a lot of time and energy to train new employees, he said. "You hire good people because they are available, not necessarily because you have something for them to do," Mundy said. "This gives them the opportunity to get acclimated to the company and get to know people. Companies too often are reactionary. If you are serious about growth, you hire ahead for what will take place."

Mundy is also very close to his family, with his father still playing a significant role in the company along with his brothers, John and Brian. He admitted, though, that the transfer of the company was not necessarily easy. As in many family businesses, Mundy said the first generation wants to protect the company, and the second generation wants to run with it.

When his father decided to retire, Mundy said he expected to train for a couple of years and take over. It was 10 years later when he finally acquired the company from his father. Mundy said his father finally felt confident that his personal wealth was protected and that his son had enough knowledge to lead the organization.

"John L. obviously comes from an older school, and he was very conservative. He didn't want to grow real big. He just wanted to have a successful business," Markee said. "Then Allen got into the program, and he has had an enthusiasm to grow the company and become big."

And now that Mundy sees his daughter's interest in one day running Munlake, he is able to look back and understand the desire to hold on longer than the next generation might like.

"I'm happy now looking back," he said. "It's easy to want to run before you walk. The longer the controlling generation maintains a business, the more long-term stability you have."

MUNLAKE CONTRACTORS INC.

Description: Munlake Contractors Inc. is a general contracting firm that works nationwide on various commercial construction and remodeling projects, including hotels and motels, restaurants, industrial, petroleum facilities and commercial tenant buildings.

Top executives: Allen Mundy, CEO; Brian Mundy, senior vice president; John Mundy, senior project manager

Revenue: \$75 million (2007); \$100 million (projected, 2008)

Employees: 58

Founded: 1967

Address: 1551 N. Courtney Road, Independence, MO 64050 Telephone: 816-254-5444

Internet: www.munlake.com