

# Matt Ewen

## Engineering business innovation

Business owner, innovator, entrepreneur and exporter: at just 31, Matt Ewen's career trajectory may be stellar but his feet are firmly on the ground. The 2015 Water New Zealand Young Water Professional of the Year talks to **Vicki Jayne**.

**A**ccording to a careers questionnaire he completed at school, Matt Ewen was clearly destined to be an engineer – but he also realised he had a passion for business. Now, at just 31, the majority owner of Filtec is already firmly straddling both worlds.

Since making the step change from employee to co-owner via a management buyout in 2012, he has overseen rapid growth in the company's size, product offerings and market reach. With a strong R&D focus, Filtec (a specialist in water/wastewater treatment) has pioneered new products, taken on more staff, moved into bigger premises and started making inroads in offshore markets.

In June last year, Matt bought out his business partner and is now majority shareholder and managing director of a company with more than 50 employees that can boast a solid domestic workload and growing offshore presence.

Inevitably such rapid growth has involved the odd speed wobble. But, perhaps like any good engineer, Matt is designing in the sort of structural resilience needed to underpin future growth.

“After doubling in size over the past three years, we're now working on the systems and processes that will allow us to become the larger organisation we want to be,” he says.

So far, he notes wryly, it has been an “interesting” path. It's certainly been fast-paced.

Growing up on an Auckland lifestyle block, Matt always had a practical bent and a high school careers councillor helped provide the logical direction for his skills.

“I did an online careers survey which basically concluded that I perfectly fitted the criteria for an engineer and that was it. I set the subjects up, enrolled in uni and did a four-year mechanical engineering degree.”

But Matt also took into account his entrepreneurial bent and in his final year began a postgraduate diploma in business administration at night school.

“It gave me quite a unique sort of perspective on the engineering world – looking at it from a business perspective as well. It's important for where I'm sitting now – looking after Filtec and helping it grow.”

He honed his skills first at high-tech manufacturer Buckley Systems and then



F&P Healthcare before taking a role at Filtec – attracted by the fact it was a smaller company that offered more opportunity to exercise his business skills as well as his engineering nous.

His first challenge was developing a membrane pilot plant in Dunedin. The water filtration technology involved had been around since the 1980s but at that time had only recently evolved to the point where it was financially feasible for municipal water treatment, explains Matt.

“I was in my early 20s and looking after two projects worth a total of \$3.5 million. It was a good challenge and something I really enjoyed, so I gave it my all.”

By 2010, he’d grabbed the opportunity to buy a small shareholding in the company – “a big step for me”. A bigger one was to come just two years later when the company was put up for sale. Today, he owns 90 percent of Filtec with the remainder in the hands of long-time shareholder, Wellington manager Craig Freeman who Matt describes as a “real rock” to the business.

The past three years have been very full on.

“I was pretty green to begin with. If I knew then what I now know, I could have saved a lot of the problems we had in the first year,” Matt admits.

With a keen focus on innovation and no shortage of ideas, he is already enjoying the taste of business success. Every dollar made has been invested back into the business – building its fabrication and project management capability as a design and build contractor, its skill base and research capacity. But he has also been busy shoring up a steep learning curve with a solid framework of business know-how and investing in his own leadership skill to help make the leap from project engineer to company manager.

“What I needed was leadership and business administration skills. I understood the water treatment process very well – the engineering side, how to project manage and build plant. But when you have 50 people, you can’t be providing all those skills to the business – you need people you can trust to have the same or better skills in those areas.”

And while his business diploma provided some financial basics, the reality of running a business demanded much more.

“Coming from engineering to owning and running the business, you are very naïve. Suddenly the bank is talking to you about a whole pile of acronyms you know nothing about and you can’t seem ignorant in that position because they are trusting you with their funds. So financial competency was something I really needed to get a good handle on fast.”

What helped most, he says, was getting involved with business accelerator organisation, The Icehouse. Matt enrolled in its owner-manager programme which not only rounded out the skills he needed but provided a peer group he could bounce ideas off.

“This role can feel like a lonely place to be at times. There are many issues you can’t talk to staff about – and they’re not exactly good topics for social situations either. But when you have a roomful of 15 people in much the same position – then you can go for it. So it was a great forum. The organisation provided some great facilitators but the majority of the value was in the network it provided.”

The value of sharing knowledge also prompted him to put



together a local group of manufacturing business owners who meet regularly to discuss topical business issues.

“One of the things I’ve really discovered is a collaborative management style. At owner operator level, when making big decisions for the company, you can need to seek the opinion of the management team or board – because 90 percent of the time when you do that, you get a better result than if you sat down and made a decision on your own.”

The Icehouse also helped him formalise the company’s governance structure.

“I knew I wanted and needed a board – some experience to help with the challenges ahead. So I brought on the former CEO of TruTest Des Scott and he has been brilliant. I can’t speak highly enough of the effort he’s put in in terms of mentoring me personally and the business.”

Carol Campbell, a former Ernst & Young partner brings a strong financial footing to the board and the third member is Craig Freeman.

“The board has really given me stability in situations where I’m up against the wall and don’t know what the answer is – I can call on them. It’s been brilliant.”

As well as strengthening the business structure, Matt has introduced more structure to underpin areas such as innovation. With no shortage of new ideas, he has already created and launched four key products.

“We commercialised those in quite a short space of time because R&D is perceived as an overhead that’s not producing revenue so you tend to skimp on it unless you have a real strategy. We have been working with the Callaghan Institute and NZTE and are going to get a PhD student into the business. We’ve got a long list of projects we’d like to kick off but will just concentrate on a few of those to begin with.”

Those already commercialised have been finding markets not just in New Zealand but, increasingly, offshore. Filtec’s Automatic Valveless Gravity filters (AVGs) have, for instance, proved popular in developing countries.

“We’ve had success with them in the Pacific and were looking to Southeast Asia so NZTE did some research for us and suggested the Philippines.”

He went over, “found the company most like us” to partner with and now has a contract for regular supply of the units for

the next five years. “That’s a good start and hopefully we will develop other markets in Asia.”

The company has also picked up significant projects in Australia and anticipates having fulltime project engineers based Australia in the next six months.

The company is now taking a more team-based approach to innovation.

“Our team is out there in water plants every day and they need to identify what are the pain points for asset managers and owners of water treatment infrastructure and bring that back to the office so we can develop solutions that will help reduce operating cost and unnecessary call outs.”

The company’s mission statement is “making water safer where it matters most” – and that’s where its efforts are focused. It also has a clear set of business goals based around three things, says Matt.

First – as a business we need to be profitable, meet strategic goals and objectives and give our team a rewarding career path. Second is to give back to organisations that are in the industry it operates in – including Water New Zealand. One of his many commitments is being on Water New Zealand’s Rising Tide committee. Filtec is also a principal sponsor of Pacific Water & Wastes Association (PWWA), and involved in OzWater. Plus, the company employs a new graduate every year and takes on apprentices regularly – “We’re bringing young people into the business and training them up, I strongly believe this is what the industry needs.”

Incidentally, Filtec has a strong commitment to creating a great working environment for its team and he’s happy a recent third party assessment scored a satisfaction rating of 80 percent.

“Industry best practice is about 85 percent and the average is about 63-65 percent – so we’re reasonably happy with that.”

The third company goal is to give back to the community – a commitment that currently includes significant sponsorship of the Westpac Rescue Helicopter and donations to Ronald McDonald House, Oxfam Water Challenge and the Special Children’s Christmas Parties.

Looking back over a hectic three years, Matt has inevitably had some challenging moments.

“It’s been fun but there have been times when I’ve felt the business is consuming me – that I have no balance and am not keeping my head above water.”

That’s starting to change. The company is working through a lean principles process christened “project streamline” that has clear objectives and timelines – all tacked on the walls of what’s known as “the strategy room”.

To avoid future speed wobbles, growth has been deliberately scaled back while the company gets all its strategy and process ducks lined up.

Being awarded Young Water Professional of the Year at last year’s Water New Zealand conference was, says Matt, welcome recognition of what he’s achieved so far. “I guess you don’t often get told you’ve done a good job. I want to thank CH2M Beca for sponsoring this award which is a great contribution towards promoting the industry to the next generation of young water professionals.”

## **“I love seeing people’s career progression and seeing them enthusiastic about the business and the industry.”**

He says that one point of difference he’s brought into the business is that Filtec is now a total solutions provider.

“We can design a plant, build it inclusive of process guarantees and, at completion of the build, we can service the equipment in that plant to ensure it remains in its intended operational state.”

For him personally, the business is getting to a point where it’s both more enjoyable and more manageable. At the end of last year, he even took some time off to get married on Waiheke Island and enjoy an overseas honeymoon.

Asked what he enjoys most about business, his answer is instant: success.

“I love seeing people’s career progression and seeing them enthusiastic about the business and the industry. Internally, success is about having staff engaged and motivated; outside it’s seeing satisfied clients who enjoy the benefits of the solutions that we provide to the industry.

“Of course, there is financial success but if that was what I cared about, I would have scaled back and drawn dividends out of the business. So far, I haven’t drawn a cent out because I get much more of a kick out of building a successful organisation than I do a dividend.” **WNZ**

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