

COMPANY NAME:

Balmain & Co

LOCATION:

VIC and QLD, Australia

PRIMARY INDUSTRY:

High-end residential and complex commercial developments, social housing, education, civil and infrastructure projects.

BALMAIN & CO IDENTIFIES IPEX AS STRATEGIC PAYMENTS PARTNER

IPEX platform transforms project bank account payments benchmarks for better building industry outcomes.

“Balmain & Co wanted to resolve the challenge of project finance administration, plus establish best practice when it came to real-time performance management of projects and the business as a whole.”

Ken O’Connor, Director,
Balmain & Co

About

In just 7 years, Balmain & Co has built an iconic construction company capable of setting new quality benchmarks and exceeding the expectations of its clients. It has successfully expanded its national footprint from its Melbourne headquarters, launching a Queensland division. With an annual turnover of more than \$120 million and over 40 projects successfully delivered, Balmain & Co understands the importance of securing and administering project finances and payments. The company identified IPEX as a strategic business platform able to deliver greater confidence and peace of mind with the future management of its multiple site project payments.

Challenge: Reducing Administration Overheads

Balmain & Co implemented IPEX in 2020. IPEX is the first industry payment exchange launched in Australia. Balmain & Co moved from its central project bank account to an individual project bank account model by implementing IPEX. This would see it reduce its administration costs for overall financial management, reduce its risk profile by linking funds to specific projects and establish a best practice approach for project payments. Balmain & Co also gained a real-time financial snapshot for each of its projects, trusting IPEX for subcontractor and supplier payments. It extended its competitive advantage further.

Solution: Benchmarking Better Payments for Hundreds of Contractors

Balmain & Co implemented IPEX across multiple projects in Victoria and Queensland. This prepared it for new legislation for paying contractors in Queensland from a centralised project bank account under the Building Industry Fairness (Security of Payment) Act 2017. Today with IPEX onboarded across six projects to date in both states, Balmain & Co has provided greater payment security and certainty for around 500 contractors. With IPEX on-site, it gives greater peace of mind for contractors, suppliers and Balmain & Co-management when it comes to project payments.

“We had identified the need to set best practice ahead of incoming industry changes and new payments legislation with IPEX. Being able to streamline the management of project payments for each job, plus lower our risk and reduce our contractors’ need for trade creditor insurance is a win-win for everyone – all the way through to our end buyers,” said Ken.

RESULTS:



**Greater competition
in contractor project
estimates**



**100% accountability
matching project payments to
contractors and suppliers**



**100% real-time
traceability for
project funds**

Transforming Industry Convention

Balmain & Co previously did not have dedicated project bank accounts like many builders. When it was first introduced to the concept of IPEX, it investigated how a single payment exchange would streamline its administration and overheads – while it reduced critical project and reputational risks. Identifying how IPEX would facilitate cash flow across its business, it integrated IPEX into a project to measure its impact. The management team was also curious to see the effect of IPEX on its competitive advantage and industry reputation with contractors.

“Our goal is to always maintain our reputation for quality in everything we do as it underpins our brand. This includes how we pay our contractors. With IPEX, we have created a culture of payment security and have greater visibility into our financial position for projects and the company. There is no mix of project and company finances, and this is improving our financial management.”

Balmain & Co acknowledges that implementing IPEX has successfully educated contractors on how securing project finances is beneficial for every site they work on. Reducing project payment risks across the business helps Balmain & Co secure more competitive pricing from its contractors and opens up new opportunities within the construction sector, including more streamlined finance approvals from financial institutions and clients.

Rebuilding Financial Confidence

Balmain & Co realised a significant attraction of IPEX is the capacity to trace project finances on any project in real-time. This means the management team and clients don't have to wait a month for accounting software to reconcile project accounts – crucial if anything goes wrong. Today as a builder, it acknowledges IPEX has re-shaped how it completes project payments. It has positively impacted its brand and provided a new level of peace of mind contractors and buyers are seeking.

Using IPEX allows Balmain & Co to examine the financials of a project very quickly. It breaks each project down - overcoming the traditional hurdle of drilling down into one big bank account to check performance - and without paying for software and additional staff to provide answers.

The team believes IPEX holds builders accountable – and this will be key to the financial security of the construction sector. It effectively streamlines payments capabilities and re-invigorates the trust in project payments facilities to allow the industry to grow. In fact, it so strongly believes in the concept it has taken a minor shareholding position with the company.

“Based on our experience IPEX should be mandatory. It is now an integrated and essential part of our governance. It's delivering a new standard of providing trust downstream to our subcontractors and suppliers that they'll be paid and upstream to our clients and the financial institutions funding these projects.”

Book a FREE DEMO today at www.ipex.co to learn more about securing project payments with IPEX

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