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‘Green’ technology paves the way for Alakona's growth

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Alakona President Betsy Wilson, with her sons Max, center, and Arist de Wolff, are using “green” technology and focusing on smaller projects to compete in Hawaii’s asphalt paving business, traditionally dominated by larger companies.

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Kauai-born brothers Arist and Max de Wolff returned to Hawaii a few years ago after graduating from Pepperdine University, intent on working in the family business — asphalt paving.

Though small, **Alakona Corp.**, the Honolulu company that their parents founded, had built a name for itself as an asphalt pavement specialist for commercial, government and private projects.

But the brothers knew they had to diversify to stay ahead in a game with fairly few players and just one core product.

After researching the latest industry products and trends, they invested \$1 million in supplies and equipment to manufacture a foamed asphalt base that is a “green” alternative to traditional hot-mix asphalt. It is 80 percent as strong as traditional asphalt, depending on how thick it is laid, but costs up to 50 percent less to produce, according to Betsy Wilson, who in addition to being the mother of Arist and Max is Alakona’s majority owner and president.

They called it Green Mix Hawaii and rolled it out last spring.

Wilson told PBN that it was a move to keep the company on a steady track for future growth.

“We thought there’s room for a pavement company that’s doing something different with asphalt maintenance,” she said. “Being dominant is not that important to us. We’re trying to just be a business that’s responsible.”

Alakona paid about \$500,000 for the German-made equipment, called the Wirtgen KMA 200. Using a cold process, it mixes reclaimed or recycled asphalt with foam to make the base — the heavy layer of material laid between the road surface and the ground — needed to keep roads durable.

The resulting foamed asphalt can be stored for up to a month, unlike hot asphalt, which needs to be used immediately after it is made, before it cools.

It also qualifies for innovation and design credits for LEED certification.

“Every year, thousands of tons of asphalt are removed from old roads and parking lots to sit in Hawaii landfills,” said Arist de Wolff, Alakona’s project supervisor. “Green Mix Hawaii recycles this asphalt, giving it new life.”

Initial response has been encouraging, but only a few private clients have opted to use the foam asphalt in residential driveways. Wilson said they’re waiting for city officials to approve its use on Oahu public projects.

Founded in 1982, Alakona has 23 employees and generates about \$7 million in annual revenue.

Commercial clients such as shopping mall owners and condominium developers account for half of Alakona’s business. State and city government and the military make up 35 percent while residential clients comprise the remaining 15 percent.

Alakona’s projects include paving work for Windward Mall, Costco at the Hawaii Kai Towne Center and the Bluestone condominiums in Lanikai. Its largest project was repaving the entire entryway, approximately 100,000 square feet, for Kamehameha Schools’ main Kapalama campus last year.

With much-larger companies Grace Pacific Corp. and James W. Glover Ltd. dominating the industry, Alakona has been successful by chasing varied but smaller projects that usually take as little as a day or, at most, three weeks to complete.

“We just do what we do, which is promote sustainability and use new and proven technologies,” Wilson said.

The company is not afraid to make long-term investments, even in the recession, that will position it for future growth.

In addition to operating out of 35,000 square feet of leased space in Mapunapuna, Alakona paid \$2 million in 2007 for more than 63,000 square feet of space at the Kenai Industrial Park in Kapolei, where heavy equipment and materials are housed.

It also spent \$350,000 on a new paving machine that covers more ground in less time.

Alakona is truly home grown.

Melvyn de Wolff, Arist and Max’s father and Wilson’s ex-husband, is vice president and chief financial officer and primarily oversees bidding and contracting on Alakona’s government projects.

Most employees have been with the company between 10 and 15 years, including three father-son teams.

“Some of them have grown up with the company, come to work over the summer and just stayed on, so it’s really been terrific,” Wilson said.

Small-business issue

Building a family business for long-term growth.

Strategies

- Find new ways to deliver the core product. In this case, “go green.”

- Research and invest in the latest technology and equipment.
- Expand your client base by pursuing private and public projects.

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