

**When lists of companies** which are “going places” are produced, they tend to be based four-square on turnover or pre-tax profit. But who are the real movers and shakers - companies which are determined to set the benchmarks in terms of innovation, sustainability for example, people management, service, quality, environmental considerations?

# Raising the bar

**This report, commissioned by Menzies**, the biggest independent accountancy firm in the south, looks at companies whose approach to business has ‘raised the bar’ and how their key characteristics and attributes give them an edge over perhaps larger, multi-national competitors.



Alan Wilson

## How to lead with radical change

**Since Bon Voyage** started some thirty years ago, the travel industry has radically changed - and arguably that's in some measure because of the way co-founder Alan Wilson has been developing his business.

"We've continued to keep ahead of the game by embracing new technology at the right time," he explains. "When we started the business in 1980, everyone bought their holidays then from a travel agent on the high street, but that year, retail price maintenance

was done away with - and the rug was pulled from under our feet. Once it went, companies were free to sell holidays for what they liked, and could negotiate better deals for a higher volume of sales. As a one-shop company which had been able to sell at the same price as Thomas Cook with 500 outlets, we suddenly couldn't compete. We decided to scrap our ideas for a chain of shops and instead focus on becoming a specialist in US travel, which was very unusual then.

"It wasn't that we were trying to come up with something innovative at the time; it was just a case of trying to make something work against the background of change in the industry. We'd chosen Bon Voyage as our name when we thought we were going to be a chain of the usual sort of travel agent, so it didn't really fit our North America focus; but in a way, it was so distinctive it worked!

"America was just the right product. Laker was launching, and there was a real buzz around the glamour of transatlantic travel. Rather than building our business on a local basis, we focused on national newspaper advertising, and people responded to fact that we specialised.

"We knew that in order to organise the business on a larger scale we had to reduce the time taken on each transaction, and in 1987 we became the first travel company in the UK to install Sabre, an airline reservation system. We still use it today. It had already been running efficiently in the States, and because we were specialising in American holidays, it made even more sense for us to go for it.

"We also had a website back in 1996, so again we were a very early adopter, although we had no idea what it would or could become at that stage. Initially you wouldn't book your holiday on-line - it would take too long to dial up for one thing - but we felt that having a website had to have a significance and we could see things were developing in the States. Our relationship with the States certainly made a difference in that respect as back then, not now of course, everything coming out of America was bigger, better and more dynamic.

"Even though we were riding the crest of a wave, we were still quite conservative in our way and grew quite gradually rather than really

going for it. Competitors were springing up; there were half a dozen companies that we had to keep an eye on. One of the things that kept us ahead was that we weren't just selling airline seats. From the early days, we decided to be the all-round US expert and started developing our own car hire and hotel deals. We recruited someone from a big tour operator who gave us an inside track on how it was done. For a little company like us to offer that made a difference, and stood us in good stead.

"What damaged a lot of competitors was when airlines entered the market and no longer relied on travel agents to sell tickets. People were suddenly able to go online and buy airline tickets, and travel agents selling seats rather than inclusive tours became vulnerable. It resulted in companies which relied on seat-only sales losing their place in the market, but we were selling an integrated arrangement, adding value by making all the arrangements for our customers.

"About three to four years ago, we decided to develop a separate online brand called Go America, which addresses the parts of the market that Bon Voyage had moved away from. I'd actually bought the domain name years ago, just in case, because I thought it might have potential. It's totally automated and allows us to sell at very low margins to anyone who just want a ticket, car or hotel. In terms of IT, it's quite complicated and has only been in place properly for just over a year, but it's turning in very good sales figures. Who would have thought that it's thanks to an excellent IT manager that we can sell and compete with anybody.

"Our main competition comes from our own suppliers - the airline and hotel websites. The power of the consumer, sitting at home with their PC, has become so great, we've had to grow into a different sort of world. We carry fewer people to North America now than we did ten years ago, but we offer them a very tailored, specialist service with Bon Voyage. We have been careful to position GoAmerica and Bon Voyage as two distinctly different brands and offerings.

"With Bon Voyage we've had to move up market. Sixty percent of our airline revenue is people travelling premium, which includes

premium economy and world traveller – so that tells you something about our clients. People want to talk to an expert travel consultant when they are making the more complex type of holiday arrangements that Bon Voyage specialises in, and research tells us that only one per cent of complex holidays are booked online. Our speed to market is still giving us an edge over the multinationals, who struggle to put out deals so quickly.

“We have flirted with other markets, and we do offer a selection of other long-haul destinations, but our ‘grandfather’ rights in the America market have stood us very well. Because of being in the US and Canadian markets for so long, that’s where we have our strongest relationships.”

[www.bon-voyage.co.uk](http://www.bon-voyage.co.uk)

## Redefining your very existence

Onwards and upwards - or the only way to stay in the game? For Rimor Engineering, a major contract win meant the opportunity to re-define their role in the marketplace.

“The company started with high precision machining thirty years ago, as a sub-contractor,” explains managing director Paul Mason. “Then, about seven years ago, we won an assembly contract which gave us the opportunity to move away from simply making the parts to being a solutions provider. Now we design, procure the materials, manufacture, assemble, test and deliver low volume, high-value assemblies.

In effect, we’re managing the supply chain for the customer, providing a single point of contact.

“We could see more and more companies wanting to outsource, and we put ourselves into a position to meet

those needs. In our view, no product manufacturer can be master of every process. They should be concentrating on their core competences and bring in a third party who can add value to the other tasks.

“We have to be able to integrate with a customer’s business, which is a different relationship compared to being a traditional engineering sub-contractor. That skill creates a barrier to entry - it isn’t enough to take a set of drawings and produce a batch of components. Being an extension of the customer’s business requires a different culture from being a sub-contractor. Because we’re independent, we have a decision-making process which enables us to get back to the customer very quickly. It helps us to take a long-term view as well.”

Being a solutions provider means that Rimor have a better chance of demonstrating overall value than a traditional sub-contractor in the face of competition from low-cost countries.

“Companies might say they are going offshore to reduce their production costs by 30-50%, but we can demonstrate that they’re not looking at the total cost of procurement,” says Mason.

“Price is always a key issue, of course, but it’s the total cost of procurement that should count, taking into account lead times, flexibility, exchange rates, and the cost of shipping. One of the key things that we’re majoring on is that the UK is now recognised as one of the best value regions in the world, and we’re actively looking at work in Europe too at the moment to exploit the weakness of the pound there.”

Today, Rimor occupies a 35,000sqft facility, and was one of the few engineering companies to have attracted 3i investment in its early days.

Turnover should be close to £20million by the end of this financial year.

“What also sets us apart is that customers come in here and see a professional presentation as well as the right credentials and plant,” suggests Mason. “To grow, we would

“...skill creates a barrier to entry”

look at an acquisition, but our interest would be in companies with a skill set we don't have here so we could add another wing to what we do. Our strategy is to continue to concentrate on the high value, low volume business, for customers in sectors such as motor sport, defence, energy.”

[www.rimor.co.uk](http://www.rimor.co.uk)

## More than one way to stay ahead

“We like to lead, to be the initiator, but the risk is that a competitor can come in behind you without having had to experience the pain of developing the product. The answer, of course, is to make sure you stay well ahead.” But Adrian Stafford-Jones, managing director of Albany Software doesn't just mean in terms of what the product is capable of doing.

“When we created our first BACS product, for a long time no-one else could offer anything the same. Of course, everyone eventually catches up, but it's a long timescale in software development so in the meantime, we've created new ideas to remain the leader,” he explains. “All we can do is to keep developing products that are ahead of the game and make sure that the customer knows that we genuinely have their interests at heart. I'm constantly analysing the market and looking out for good opportunities. You've got to get the maximum value out of your existing products though, so our approach is evolutionary. It's natural product expansion. If the opportunities aren't

related to our core, then we won't do it.

“I'm driven by challenges, which are different from the ones when we started the business. Now it's about keeping the company stable while growing at the same time. In a way those two things are at odds. One is about ticking over, while the other is about wanting to move forward. Some companies wanted to hide under the duvet because of the recession, but I saw it as another challenge.”

It was in 1999 that Stafford-Jones launched Albany Software because he could see an opportunity in the marketplace. “It started with three of us in my spare room at home, developing the BACS payment product and gaining an understanding of the marketplace,” he recalls. “The challenge was getting ourselves known, so our focus was on demonstrating the business benefits of our product rather than the technology. We knew we had to influence the influencers, and it worked well. In a short space of time, we were able to create both unique and effective products and a good sphere of influence.

“We've had several milestones in terms of changes of technology, but the most major one was in 2004/5 when we went through a massive transfer from one technology to another. It was driven by market change rather than customer need and meant we had to migrate the entire customer base in a very short space of time. So we had to ensure that it was done in a way that was valuable to the customer and they got positive benefits from it. None of our competitors had the volume of customers to migrate that we had, or the spread across the different banks, but because of our approach it developed some good partnerships between us, the banking industry and the customer.



Adrian Stafford-Jones

It's our approach, to put doing the 'right thing' above profit, and that works because it means you build a reputation and loyalty.

"The backbone of the company is the number of our small business users – we have the largest market share there. We also have an edge because we look after the customer - I know it's easy to say that, but it's amazing how many companies don't. A lot of it is about ethos, leading by example and showing staff how important it is. We've got a strong core of people here with the right attitude, and as a result we have a 96% customer retention rate; and with 10,000 customers, that's quite something.

"Some customers may not need technical support, so we've now instigated a system of pro-actively giving them a call, so that we're at least touching base with them. It's been revenue boosting and well worthwhile. We're now seeing the current crisis as an opportunity to get out and see clients, because they need to feel that we want to do the best for them.

"When we started we had all our eggs in the BACS basket, but we've now expanded into services and products that go around

electronic payments. Being independent does make a real difference too because we can make decisions that aren't based on having a short-term, or even a medium term gain."

**[www.albany.co.uk](http://www.albany.co.uk)**

"...strong attitude is at the core"

## Knowing the best way to maximise opportunity

They'd already made a name for themselves over twenty years. And then Strand Harbour Developments discovered a completely new way of doing business. Almost by accident, as managing director Fraser Whyte reveals.

"It happened really when we got approached by someone in trouble with an office scheme they'd taken on," he explains. "The whole project was a mess, but we came in and turned it around by making sure the building size and the lettable space made commercial sense. It was a matter of knowing how to maximise the opportunity. The client had more than covered our fee in just a couple of days because of the improved planning permission we obtained, so effectively they got the management of the project from design to completion of the building for nothing.

"There are other project management businesses out there, but they don't really introduce the commercial element into their thinking. The traditional project manager takes an actual scheme through to its conclusion, but we start with site appraisal and acquisition, and go through planning, procuring and managing the construction team, and then we can advise on disposal. This kind of work now accounts for almost 60% of our business.

"Also if someone with no property expertise has a site they want to capitalise on, and they are reluctant to sell it on to a developer, we provide a turnkey alternative. More developers are now trying to get into this area of work, but we've got the experience and track-record.

"One problem we have in taking a business forward with a new concept is that it can be very difficult to explain exactly what we do. Even though what we have to offer was

carefully thought through, we found that initially, it took us a while to sit down with the client and communicate it effectively. It would be fair to say that most clients probably still don't fully appreciate what we can do for them when they first appoint us, but then they do come back to us a second time. We've done two projects with a financial service company, for example, including a 60,000sqft call centre and administrative building.

"Obviously the main challenge today is that property development pretty much stopped in the UK, but fortunately, with our development management hat on we have been able to work on some good projects in other sectors that aren't subject to the vagaries of the commercial property market – at Portsmouth Grammar School, for example, and we've been retained to build a church. As a result we're now in talks with other churches and are exploring that area further.

"The focus for us is on what we call the three P's. In other words, we pride ourselves on being professional, particular and passionate. Being professional comes as a result of our long history of expertise in the business. Being particular is essential as most development projects these days are so complex that you have to be very careful to make sure they will be commercially viable. And our passion stems from a genuine interest in what we're doing. I enjoy what we do – I get up every morning wanting to come in and get a real buzz out of it. I like to see a building being used properly. No-one wants to see a big empty box or wasted space.

"We're a small team here, so if I'm running a project, the client gets to see me – not some small boy. We don't have any junior staff – everyone has at least twenty years' experience and is capable of taking a project all the way. That was a key decision of ours, four years ago, to only employ very senior people who can stand on their own feet without too much supervision. It's probably not very politically correct; we should probably be encouraging the next generation more, but we want to have the

highest calibre of people here because it's very important that I know that our clients are getting the best service we can possible offer them.

"Our culture is based on a thorough understanding of the job we do, and we still learn a little bit more from every job despite our experience. I would be disappointed if that wasn't the case."

[www.strandharbour.com](http://www.strandharbour.com)

## Game plan is to be alert to opportunity

What a time to be investing in the construction of a new headquarters building and more than £1million of new vehicles. Ian Lockett, director of Lockett's Travel, couldn't agree more. With a turnover of more than £12million and 100 staff, the family-owned company is reckoned to be the largest independent coach operator south of the capital - and he's making sure it's in a position to take advantage of changes in his market sector. And not for the first time.

"The company has never really had a game plan, except we've always been alert enough to rise to meet opportunities," Lockett explains. "The coach sector has traditionally been made up of a lot of smallish operators, and we've been one of the consolidators. Coach hire is only part of our business. We also operate as a tour operator and because our customers have come to associate us with being honest and helpful, they created the impetus for us to open an international travel business.

"I'd say one of the best assets this company has is the land it's been sitting on since 1936, which we own. Having the freehold has also given us financial security, so banks have always been prepared to lend to us when it's needed. At the beginning of 2009 we had to put down a 25% deposit to buy twelve new coaches for a contract, which the bank agreed to finance, despite the economic climate. And our fuel requirement,

for example, has doubled since January, and we've had to extend our credit line to meet that.

"The coach market is a strange one, almost a cottage industry, so just having the appropriate facilities and investing in an up-to-date fleet can keep you ahead. We pay a lot of attention to the 'unseen' quality too - such as what happens to our customers if a coach breaks down. We do a lot of training and have very experienced drivers, although it's hard to say whether we've done more training because we've grown, or grown because we've done more training! A lot of the other companies aren't big enough to have set up a training academy though.

"We won the National Express contract out of Portsmouth and Chichester to London and Bristol; the previous company doing it didn't have their own engineers but we do all of our own servicing and maintenance.

"Our tour customers appreciate the extra touches - like a door-to-door pick up service, in our own vehicles, which brings them to a departure lounge here. We bought Mercedes people carriers to do the job. Arguably it's all born out of laziness - I can't be bothered to deal with complaints so I'd rather offer a quality product!

"There's a lot of regulation in our industry - I'm sure everyone says that - but it is also a plus in that it's a barrier to entry to anyone looking at coming in. We've never thought 'we're going to plan to float in five years' time' for example, but we've realised that the company is now at the stage where we need to bring in some additional expertise. Are the people who have made it a success the ones who can take the business to the next stage? One of the characteristics of a company which is a market leader is the ability to ask itself the difficult questions and then make and implement difficult decisions."

[www.locketts.co.uk](http://www.locketts.co.uk)

## Not accepting any finite scenarios

“You might think there is only a finite number of scenarios, but it’s constantly looking for better or new ways of doing something that sets you apart,” says David Mulcahy, managing director of Merryhill Envirotec.

“In a hospital for example, we came up with a new shot blasting technique to remove asbestos

paint from a building before it was demolished. Doing that saved the client about £2million. We were the first to apply that technology. Down the line, I’m sure our competitors will have cottoned on to it too, but by then we’ll have more to shout about in terms of what we can do.

“This is a family business which started back in 1976 when I came out of the mechanical and construction industry and saw an opportunity for the removal of asbestos. Since then we’ve had good times, bad times and one nearly utterly disastrous time. We’ve taken on

David Mulcahy



additional skills and moved into new markets - fire and flood recovery work, building and contents cleaning, and oil decontamination.

“In the early 90s the company grew very quickly, but the recession then caught us unawares and we had to close one of our offices for a while. We re-started the company almost from scratch in 94/95. I was angry because I didn’t want to let the employees down, and I wanted to prove to the financial gurus in their palaces that they were wrong to lose faith in the market.

“I’d say I’m less entrepreneurial and more of a businessman now. I have a board of directors to take the pressure off me, and with the appointment of Paul Fox, our business development director, we’re working with more clients who aren’t simply driven by price. About 30% of our turnover is from longer-term framework deals now, but we’d like to see even more. It brings benefits to the client because they don’t have to spend time and money going out to tender on every job, and it brings us stability. It’s primarily the public sector at the moment that wants to lock into framework deals, but it will move into commercial, I’m sure.

“Because our business is highly driven by legislation and quality accreditation, we spend a lot of money on training. We’ve put our entire staff through a Health and Safety NVQ for example. We were also among the first asbestos removal companies who were interested in being accredited and to show that we want to be independently judged by the quality of our work. Today there’s a list of accredited companies to choose from, but going back just five years, most companies weren’t interested in it. Implementing high standards has an impact on costs, but we are focused on showing that we operate as an efficient, professional company.

“This is quite an odd market sector in that with asbestos it’s up to us to advise clients just how much needs to be done to make a building clean and safe. We want clients to have the job done properly – even if it’s not us that ends up doing it. It’s our duty, so to speak. There’s enough asbestos remaining in buildings to keep this company going for another generation

“Most companies in this industry are a similar size to us, with a £3million turnover, but three of them have a turnover of over £30million. I think our customers find it easier to talk to the top people here though, so that does help to develop our relationships. Not many companies our size are getting those framework contracts. We’re knocking out bigger companies time and time again. We’re the only asbestos removal company in Britain, for example, to get the contract to remove asbestos from the Olympic Park. The others were massive demolition companies. That demonstrates how our



approach means that a small company like us can compete at the highest level. Price wasn't the main consideration; we were assessed on our environmental, quality and health and safety plans – those are the standards which will enable us to sustain and develop the business.”

[www.merryhillenvirotec.com](http://www.merryhillenvirotec.com)

## Diversification or a bigger core?

There are times when a company can almost fall victim to its own success. But Steve Kimber, managing director of Southern Monitoring (SMS), spotted a possible trap - and made sure he found the time to do something about it.

Today, together with a sister company called Northern Monitoring, this is the UK's largest independent provider of monitoring services. “It was back in 1983, when I was working as an apprentice for an alarm company that I first noticed the need for a monitoring centre,” he recalls. “We opened our own as a separate company, renting a small room at the back, and business just took off. My motivation was that monitoring would provide a recurring revenue stream, but it was like pushing a snowball downhill for the next few years, the growth was so dynamic. Business was piling in so fast that the office was becoming like a victorian workhouse.

“In 1991 we took a strategic look at the business and went on a major promotional campaign. We had a lot of fun doing that and went to the trade shows with Lord Kitchener style logos, and sent out ‘call up’ papers so that customers could sign up. It was still an untapped area at the time, so it was a real opportunity for us.

“We also recognised though that we had to address some of the cultural issues that had arisen as a result of the ‘workhouse’ situation. To effect change, we went for Investors in People which enabled us to shape the business

and put the cornerstones in the right place to meet the requirements and expectations of our own customer base. And it would have been harder to have managed growth without IIP. What tends to happen when a company is growing fast is that all the effort is put in sales, and then suddenly you realise it's not hanging together behind you. To meet the IIP criteria, you need to have everything in place at the right time to sustain that growth. We've taken the formalised IIP process and incorporated it into our quality assessment so we can now audit it.

“We have also made a point of being very involved in the industry, which has enabled us to network and develop personal friendships with customers. For example, last October we sponsored the security excellence awards – the industry's Oscars - for the eleventh year running. There's a lot of stuff that we could automate, but then we'd lose an important element of the relationship we have with customers and engineers. One of our competitors outsourced to India and we know they lost business as a result.

“We don't want to try to become an ADT or Chubb; the next stage for us is to take our core monitoring skills into new sectors. We don't just monitor intruder alarms and CCTV but medical and environmental alarms, as well as monitoring lifts and lone workers in remote locations. We've also spotted a way of reducing the carbon footprint of domestic and commercial properties and monitoring it, for example, so there's interesting potential there.”

[www.smon.co.uk](http://www.smon.co.uk)

## Combining two very different dynamics

What makes Europe's largest caravan holiday village business different, apart from its size? It's the way in which managing director John Bunn has successfully combined the virtues of a family-



John Bunn

owned business with the dynamic of bringing in senior managers from corporate backgrounds.

“I’ve had to move to a new strategic level in the business now because with 300 full-time staff and an additional 300 in season, across four parks, Bunn Leisure has become too much for one person to run,” he explains. “I’ve brought in two other directors, from Kingfisher and BMW, to add a new dynamic to the business, but we still have honest family values at the heart of the business.

“Running a family business is not just a job; it’s about people’s lives. No other member of my family is actively involved, which is a luxury for me. I believe that one person has to make the decisions. My vision when I was made a director back in 92-93 was to make this the best caravan park business in the UK.

“What we have is the luxury of space and location. West Sands is the size of four conventional caravan parks, right alongside one mile of seafront on the south coast, where we get more sunlight than anywhere else. We have good communications, the best facilities of any caravan park in England and an affluent customer base, but the company had been a

sleeping giant for ten years. There was a decision back in 1980 to go owner-orientated with the caravans, though I can’t fathom why. It was the wrong move; maybe the company thought it was an easier option, but by bringing holidays on board again, it’s brought the park to life.

“The key challenge was to make the park desirable for holidays once again. We had to generate new interest, and we’ve spent £30 million since 1993 building new facilities. If you can keep the customers invigorated so they want to come back, it’s the mark of a good business. You have to offer something new on a regular basis, and keep the park looking smart. That said, in business you have to be able to manage expectations carefully; we don’t promise what we can’t deliver.”

His efforts didn’t go un-noticed. “A company called Bourne Leisure tried to buy us for some time,” says Bunn, “but I persuaded one of their key people to work for us instead. Basically, I looked at the ways Bourne were running their business and took the ideas which I thought would work here. To me though, it’s just good business sense to look at those competitors which are performing,

and then modify their ideas to meet what your customers want. I'm not sure anyone comes up with completely brand new ideas.

"I also went to the people who have been coming here for years, and talked to them, found out what they wanted too. In other companies, the guys at the top aren't dealing with the customers; they have to have managers on the ground, and are one step removed from it all. It gives us an advantage over our competitors that I'm on the ground seeing what's going on.

"I hate the idea of not succeeding. I'm ultra competitive; I once broke my shoulder playing polo in an attempt to stop the opposition scoring. I have made ten significant changes here, seven of which have been profitable, three less so, although they have brought a lot to the business; they weren't failures, but they've taken a lot more time and effort. I tend not to listen to people who say 'no, that won't work, we've tried it before. I'll look at how they've tried it.

"Staff appreciate it if the managing director is prepared to get his hands dirty. We've always paid above the minimum wage, so that we get people who want to be here; that means they are more likely to perform. I still want to improve internal communications. There are some staff I haven't seen for a month – and that's wrong. There are exciting times ahead and huge opportunities. There are people who no longer want to buy in Spain who will come to us, and more people are holidaying in the UK too. Our numbers have never dropped back."

[www.bunnleisure.co.uk](http://www.bunnleisure.co.uk)

## Knowing how to turn X into Y

Peter Coates-Buglear, chairman and chief executive of Newnet plc admits to an addiction - a prime reason in fact why the company is still ahead of its competitors after more than a decade. In May, the company was short-listed for four industry awards, more nominations than any other internet service provider, and

in March won the Best Consumer Broadband Award at a trade association event. For Coates-Buglear though, the real satisfaction comes from constantly trying to develop new technology.

"At times we will bring out new products, but find the market just isn't ready for them," he explains. "Our email spam filter system was an example of that. When we first brought it out, no-one was interested, as they hadn't predicted the way in which email would develop and the extent to which spam would become an issue.

"I am addicted to technology – and I come up with too many ideas, which I'm sure can be distracting," says Coates-Buglear. "We have a regular meeting with a major telecoms company, and I'm sure it's because they want to see what we're thinking of next."

Coates-Buglear started as an electronics engineer working for Marconi before setting up a business upgrading computers back in 1986. "Even as a child I used to breed tropical fish and sell them to local pet shops, so I suppose I had that entrepreneurial spirit from a young age," he muses. "I was driven to start my own business because I felt I could do it better than a large company, and avoid all the politics. I also wanted to have my own product, my own creation. I started Newnet in my house after a trip to the US. My son left school and joined me, and then our first customer ended up being an employee. I found myself working all hours of the day and night though and, even with just three people, we were turning over £1.5million.

"One of the turning points for the business was moving into a high-profile business park. It was an acknowledgement that we had grown, that we had become a 'proper' business, and I felt a real sense of responsibility. My motivation had always been the engineering, the technology, not profit. I've got as much money as I need now, and I don't need any fancy yachts, but at that point I had to acknowledge that it was a business."

Today the company also provides remote server hosting from nine secure datacentres, its own teleport (satellite ground station) facility, and has its own networks in Spain and South Africa as well as the UK. "The thing that's important in this business is reliability of the service and people like that about us," says Coates-Buglear.

“Customers will often come to us saying they want ‘x’ and we’ll say, ‘no, really you need ‘y’ – it’s very much about solution sales, which is where our technical knowledge kicks in. Otherwise the biggest threat to us would always be price. We simply can’t compete with the low-cost, broadband for a fiver type of competitor, but we can win business with technology which is one step ahead of them all the time. We were able to introduce download speeds of 24meg two years ago for example.

“I try not to be involved in customer facing. I’ve got people here who are better at it. I’ve never really thought about what sort of culture we have here, but I’d say it’s can-do and caring. We’ve gone through Investors in People, but mainly because it’s an accreditation that customers think a company ought to have it.

“To make the business bigger now, I’d probably need outside investors, but at the moment I’m not that fussed. I could happily step down now and hide in a shed and just think about technology.”

[www.newnet.co.uk](http://www.newnet.co.uk)

Mike Gawthorne

## Building catalyst for real growth

Having the right building to grow in can make a real difference to a company’s development, according to Mike Gawthorne, managing director of Advanced Resource Managers (ARM) the recruitment and training consultancy, founded in 1996 and listed in 2002 as the fifty-fourth fastest growing company in the Sunday Times Virgin Atlantic Fast Track 100 table.

“When we got our first significant contract, we moved into much larger offices, with a lot more space than we needed straight away,” he explains. “It meant taking just under 5000sqft, but within a short space of time we were already pushed for space, and taking on more. And we would never have grown in this way if we hadn’t made the move; it wasn’t typically the sort of place that a business of our size would occupy, but it gave us credibility and a more corporate feel. A building impacts



on so many elements of your business.

‘Paul Huntingdon, who is now executive chairman, started ARM in 1996 because he was disillusioned with the management culture in the company where he was working, which seemed to be focused first and foremost on money rather than the customer. Together with Paul Martin, now client relationship director, I joined in 2000 when ARM was purely an IT recruitment company. We worked all hours to make sure the clients got what they wanted. Our competitors would till be in bed, when we’d be up working with clients and candidates.

“Paul Huntingdon’s vision was to focus the business on the client, and for each client to have not just an account manager but a number two. That was a different to the model adopted by other recruitment companies at the time.

“The business started to snowball; now, with a turnover of £70million, I think even the founder pinches himself at times, and can’t believe that it’s become this big. Once I had joined with Paul Martin we started the engineering arm, and when we realised that the business was sustainable, we set out to learn from our customers what they needed strategically, and to explain how we could tailor what we did to meet those requirements. We soon had a major American-owned international business completely outsourcing their recruitment to us. It was a huge step change for us. I think our passion and energy came across though. We were also very honest, and said ‘we might not be polished sales people, and we aren’t doing flash presentations, but we can provide you with what you want’. We now act as a business partner for a range of companies – but we’ve turned work away when we didn’t think we could work closely with a company on that basis.”

According to Gawthorne, communication is what this kind of business is all about, but it has been one of the biggest challenges too. “When there are twelve of you, it’s easy, but it becomes much harder to keep the business united when it’s bigger,” he suggests. “Someone needs to keep their focus on everything operational in the company and as part of that responsibility I’ve looked at how we get the strategy communicated so that everyone

knows what we are going to do and what we’ve come from. It’s important that people know the company didn’t just happen to get to this size.

”At the back end of 2004 we brought in a VC, which was a big step for us, to go from the decisions being made by a group of us to having another organisation questioning us. We hadn’t expected it to be as full on as it was, but it was great for the business. Having someone come in and ask the question ‘why?’ made us look at worst-case scenarios in a way we wouldn’t have before. After two years though we did an MBO. Our vision was, and is, to float on AIM in three to five years.

“One of the key issues for a growing business is getting the right talent - and making sure it stays! The people here get very thorough initial training over a six-month period which is followed by continual learning and development. Our induction training includes mentoring and shadowing and we offer different career structures so that our staff can progress in a way that suits them. And at least we are able to invest in the people that we want without having to answer to a VC who would be wanting us to cut, cut, cut in the current climate. Longevity is the key to the growth of this business.

“I’m already looking for the next MD, although stepping away from the business would be a challenge. We have to delegate, but I’ve struggled with it massively – I just have to try and get my buzz in another way now.”

“The recruitment market has changed massively in that there’s so much legislation now,” says Gawthorne, “but that’s great for ARM because it’s created a level playing field and we’ve always been compliance led. It’s pulled things in line and ensured that the competitors are playing to the same rules as us. The only problem with being a leader is that competitors want to poach your staff – that’s why having a good culture here is so important, because that’s something not every organisation can offer.”

**[www.arm.co.uk](http://www.arm.co.uk)**

## What happens if Plan A just isn't big enough

“It looks beautifully planned, but we’ve grown from being able to take advantage of fortuitous events.” Actually, chairman Stephen Noar is being rather literal about the company’s achievements. It all started with the idea of having a big bag for the kind of household rubbish which usually requires a skip, which could be purchased from the local DIY store and subsequently collected by Waste Management Services aka Hippowaste after any length of time.

The company’s original business plan was a safe one - develop a market in Hampshire where it was founded, become profitable, and then expand into adjoining counties. What happened is that the retailers they approached liked the concept but said they wanted to take it on a national basis. “For them, it was just a question of stocking the bags. For us, there were huge service and financial implications to bring in a national fleet of collection vehicles even though we couldn’t be completely sure of demand, says Noar.

“I agree that independent companies ought to be able to react more quickly because they’re less likely to have such a formal decision-making process. But what a plc or established group would have been able to do is to invest millions to pump-prime a new market.”

What Hippowaste had though was a chairman with exactly the right kind of black book. Co-founder of Denplan, which he subsequently sold to PPP, Noar had taken an interest in Hippowaste because he was intrigued by the innovative nature of the concept. He hit the phones to raise £14million of investment from individuals.

“Because the DIY sheds said we had to go national straight away, it means that now it would be much harder for a rival to get in,” says Noar. “A retailer was only going to be interested in having one offering like this.”

When a director of a construction company used a Hippobag for a clear-out at home, he got in touch to see if he could use the service on some of his sites where there wasn’t really enough room for conventional skips. “What we learnt was that with a new concept, you introduce it to the market, and then the market tells you how it wants to use it,” recalls Noar. “Part of the art of management is to know how and when to maximise opportunity. It meant we had to move from being a distribution and logistics organisation, supporting the retailer who did the selling, into one which could also sell to the commercial user.”

What helped Hippo was the swelling tide of environmental legislation, in particular the need to segregate waste at source. Plasterboard could no longer be hurled into a general skip for example. There wouldn’t be enough to fill a skip on its own, but the smaller footprint of the Hippo Bag is a viable alternative. It also opened up a new market; the plumber setting off to replace a shower would pick up the kit from, say, Wickes or B&Q, together with a Hippobag. The Megabag version, which can take 1.5tonnes and is big enough for a bathroom suite, costs around £10.99 to buy from a retail outlet and £69.50 to be collected.

“But what is always frustrating with any new concept is that although you have something which will save the customer money, because they’ve always done it the same way for years without having to give it a second thought, they’re reluctant to consider change,” says Noar.

“Now we’re debating internally whether we’re a waste company or a specialised logistics business. We have a call centre, national coverage, a premium service offering, which means there should be the opportunity for brand extensions.”

One route could be to franchise further developments of the offering - what Noar describes as “renting out the brand to our commercial advantage.” In most towns there are second or third generation family-owned skip businesses who could add Hippo to their service offering, and Noar says it would be a pleasure to work with them.

At the moment, Hippowaste have six centres

across the country, but they're not fixed depots on long leases. "We'll take on some spare land at an existing waste transfer station for a year or so, which means we can move the positioning of our resource tactically," explains Noar.

The company is making more than 100,000 trade collections a year, but one of the biggest challenges for Hippo Waste has been getting adequate trade indemnity insurance, because the institutions see the construction industry as one of the most prone to failures. "The government could do more by introducing a trade insurance guarantee scheme," suggests Noar.

He's not actually a great believer in the owner-managed business necessarily being the best model for a sustainable business. "Usually it means you have an individual running the company who isn't challenged or is even prepared to be challenged," he suggests. "They just impose their views. But here, all our company charts are upside down. The managers are at the bottom because their role is to serve the team to help them deliver; the team doesn't serve the manager.

"What we need to manage is a healthy tension between sales and operations, so we don't over-stretch our resource or under-utilise it. Of course it's impossible to get that exactly right. Management is about getting it as little wrong as you can. When a company grows, it will become more departmentalised, but that doesn't mean people have to stop talking to each other."

[www.hippobag.co.uk](http://www.hippobag.co.uk)

[www.hippowaste.co.uk](http://www.hippowaste.co.uk)

## Difficult to emulate unique offering

Convinced at the age of twenty-two that he could improve on what was being offered at the time, Andrew Dunn set up what is now the luxury holiday company Scott Dunn.

"I never had any preconceived ideas about how a travel company should be run," he explains, "because I'd never worked for one when I set it up. Maybe some previous plc



Andrew Dunn

experience would have been helpful, but it might also have made me more cautious.

"It's unquestionably a unique offering which will set a business apart – because that's something no-one can easily emulate. We sell directly to our guests, not through an agency route, and they deal with staff that have supreme knowledge, not a call centre. We're more expensive, yes, but we provide value, quality, and service and once people have travelled with us, they book again.

"We have questionnaires to monitor guests' experience which goes onto a very complex spreadsheet and twenty five years on, I'm pleased to say that customer satisfaction is better than it's ever been. It's a cliché, I know, but in the service industry you really are only as good as your staff.

"People enjoy coming to work here, but then it's hardly high-pressure selling when you are taking about places you love to people who want to go on holiday! We've put in some retention policies such as a sabbatical after three years, so our staff can indulge their wanderlust, then come back – and we'll have staff trips, to Istanbul for example, to bring everyone together.

"I'm enthusiastic and will make things happen, but not all the ideas come from me



## Something comes before profits

Moving into the family business could be perceived as a safe or easy option, but for Gary Oliver of Trimline Interiors, who joined the family firm straight from school back in the 80s, it was a chance to realise what he saw as the company's potential and move it into new markets.

"Dad started the company back in 1965 to specialise in the fitting out of luxury yachts, but by the eighties he realised that he needed to diversify," he explains. "Getting business with the local ferry companies opened the door to the commercial market for us. The operators soon wanted us to take on more disciplines and go into turnkey contracts – it was a massive leap for us, but we pulled it off, and the following year was the best in the company's history. Dad would never have taken the risk by himself, but my brother and I were young and wanted to push ahead.

"In 1991 dad finally retired, and a year later we made the biggest loss in our company's history! There was a huge accounting error, but it was then I learnt that cash is king. And that making people redundant is the worst thing ever. We survived, but we vowed never to go through that again.

"We knew we needed to smooth out the peaks and the troughs of what was a very seasonal industry for us. In the late 90s we started looking at the Ministry of Defence. It costs a lot of money to get into new markets though and it can be a very long-term game, especially with the MoD, but being a family company has enabled us to make those decisions and stick with them. Fortunately for us, we approached the MoD at a time when they were reviewing procurement. They used to give absolutely everything to the shipyard to do, but they were wasting huge amounts of money, so we knew we could demonstrate how much value we could add."

The company has also moved into commercial work, such as the refurbishment of the 170 bedrooms at the five-star De

– I think the best ideas come from within the organisation, from people who are working with the customer on a daily basis."

According to Dunn, it's all about evolving. "You have to get better from one year to the next, even if it's something quite minor," he says. "I don't worry too much about what the competition are up to; I'm more interested in what finding out what else we can do for the customer and making sure we're meeting their requirements and expectations."

It's also about branding. What has made that stronger is Dunn's decision to lose individual trading names and bring the main offerings - luxury family holidays with childcare in places such as South America and Africa, twenty-three ski chalets in four alpine resorts, travel for singles without supplements - under the Scott Dunn banner.

[www.scottdunn.com](http://www.scottdunn.com)

Vere Grand Harbour hotel in Southampton, and the build and fitting out of the new duty free facilities at Norwich Airport.

“We’ve gone beyond being a cottage industry to being a business,” says Gary Oliver. “When my brother and I came in the company had a £1.5million turnover; when dad retired it was £4.2million, but last year it was £10.4million, and this year we’re forecasting £18million - our best ever, in the teeth of the worst recession in history!

“I put that down to several things. Firstly, our people, some of them have been here thirty-five years. Our recruitment, selection and induction processes are key in order to maintain the culture and teamwork. We brought an HR function into the business about four years ago, and it’s added huge benefits in making sure that happens, especially when you consider that we’ve taken on thirty-five new people in the last eighteen months. We also realise now that job descriptions and appraisals are critical.

“Secondly, we always put customer satisfaction before profit. If we’ve gone over our spend budget, we’ll still finish the job on time and to the agreed quality. That’s fundamental to good business. Our in-house capabilities are excellent too. We’ve retained control over the core elements of the ‘product’ - the soft furnishing and joinery. It all comes in and is packed here. It was always part of our business model that we controlled the final finishes.

“Mike, my brother, is the sales guy and good at relationships; I’m all about the systems and processes. It was a natural division and we complement each other well, and that’s a strength. Mike and I have equal voices in the company; it’s got to be a team game. I think independence creates a more stable environment – we’re not going to do anything to blow the family silver!

“We’ve had competitors trying to copy our business model, but we don’t see that as a risk because it’s harder to replicate the culture which delivers it. We’ve just appointed an innovations manager, which is unheard of for a contractor, but it was driven in part by the MoD actually asking us what more we could do for them.”

[www.trimline.co.uk](http://www.trimline.co.uk)

## Being careful doesn't mean sitting back

If it was a textbook start to a business, then the way IGT Industries have developed over the last twenty-two years is a chapter worth reading. Quite simply, managing director Nick Giles, Derek McLaughlan, the sales and marketing director, and technical director Vince Light were working at a company and decided that they could do it better themselves. They found a small building and put their houses on the line in order to set up their company.

“We grew from producing membrane keyboards for control panels into doing all of the electronics, and then started to produce the whole of the operator panel,” says Giles. “Then, about five years ago, when the Chinese got involved, we realised that we simply had to move into a more niche market, and lose the volume products. That coincided with customers wanting to outsource more, and we are now involved, for example, in making sophisticated sub-assemblies which enable the customer to reduce the time to market as well as their front-end engineering costs.

“We are also currently working on projects such as the control panels for the new train communication system being introduced all over Europe. We’ve had an order from Network Rail, which is a significant contract, and we’ve made the first panel for Netherlands Rail and it’s spread from there. Our world is moving in the same direction of the iPhone, which uses what is called a capacitive touch screen. We’re at the forefront of using that technology for capacitive touch control panels which rely on the electrical properties of the human body to detect which part of the display the user is touching and when.

“We’re still an independent company, employing sixty-five people, and some of our customers have been with us virtually from day one. If you mention our name to anyone who knows us, we’re perceived as being a quality company.

“Our approach to growing the business has

been to actively look at how we can add value to a customer – rather than just presenting a list of services and benefits. We also prefer to go to a major existing client and look at what else we do for them than rather going out to grab as many new accounts as we can. We prefer to devote the time to getting and then staying really close to our customers, to build up a relationship with them so that they become reliant on IGT.

“Another advantage of that approach is that our customers have moved us forwards. For example, Sony pushed us down the road of meeting certain environmental standards, which was painful at the time as a small company, but very worthwhile. Now other blue chip firms are coming to us for advice about what nasty chemicals might be in what.

“Our customers have already helped us to develop our international business, because of their operations overseas, but the problem is that although we can spot opportunities and move more quickly than our major competitors, we lack the resource to then market ourselves to the rest of the world. We need to be able to promote ourselves to a bigger audience.

“The key things we’ve learnt over the years are, firstly, that profit is king and chasing turnover is dangerous. The problem with the company we worked for before was that the MD there wanted to be the biggest, and grew too quickly. We grow carefully, knowing that we can resource everything that we do. We don’t want sleepless nights. We’re all longer in the tooth when it comes to making decisions. But you can’t sit back – you’ve got to keep the energy going. Secondly, we’ve learnt that you’ve got to be different and not chase the same markets as everyone else. Thirdly, control of your accounts is critical – otherwise you can’t control the bottom line. We stay very close to our banks and are very open with them. And finally, you’ve got to know what your peers are saying and thinking about you, how your key customers and suppliers perceive you.

“Customers will be monitoring us all the time – so if we fall down, if the factory doesn’t perform, we’re out. Everyone is looking at performance. We’d like to be bigger, and we had plans to take on a new building and more staff.

We’ve already highlighted niche markets to push into, but at times you like this, looking after your existing customers is even more of a priority.”

[www.igt-industries.com](http://www.igt-industries.com)

## Taking chance out of the equation

Virtually obliterated by consolidation, the mid-tier, privately-owned building contractor is still an endangered commercial species - although there couldn’t be a less appropriate description to use for Amiri Construction.

Formed in 2005, the plan was to get up to a turnover of £20million but working out of a single office location. In the last financial year, the company achieved £17.5million (up from £11million), with an average project value of about £1.25million.

“I’ve always worked in construction,” says managing director and co-founder Grahame Pettit. “I did my training with the Willmott Dixon Group and became a managing director at thirty-one. After that I went to run a company in Brighton which had been family run and was in a right mess. Then I felt it was time to start up my own contracting company, which I did with the co-director Kevin Lendon. We took it to a turnover of £23million before its acquisition by a UK top ten group. In 2005 we formed a second company together, Amiri Construction. A client has since summed us up as having the attributes of a large organisation, but the agility and flexibility of a small one – and I think that’s where we should be.

“We brought people with us from our previous company, which meant from day one, we’ve worked as a mature team and that gives the client confidence. I saw getting them to join us in the first place as a key challenge though. We structured a very good package for them, so that they had the same terms and conditions as they’d had before. One of the biggest highs for me was getting them to walk away from a big company to come and work for us, a start-up business.



Grahame Pettit

I feel really in tune with every job we do – not in a Big Brother sort of way, but because we have worked together as a tight knit team for a while and know every client personally.

“It’s not just the calibre and attitude of our staff that sets us apart from the competition. We work hard on our relationship with our subcontractors. We want them to come to an Amiri site and find it safe and with all the facilities they need so that it’s a good place to work. We also pay them what we say we will and when we say we will. If you deliver that, it goes a long, long way to creating a loyal, hardworking team, internally and externally.

“Finding the right investor was another key moment for us. Kevin and I knew that we had the potential to borrow against our houses, but that isn’t the way we wanted to start a business. We wanted more credibility. From the outset, our investor put in all the money that we asked for, and he’s always been an invisible presence to guide us when we’ve needed it, but without interfering in the day-to-day running of the business. We’ve just been working on the business plan for the next five years and he’s has made it clear that he’s in it for the long term too.

“We’ve always liked to diversify and not focus on one client type. At first, we promoted the

sort of work we’d done before as individuals, and a school and sixth form college we’d previously worked for came and put their trust in us. Then we pushed to get more of a foothold in the health sector. When we wrote the business plan we wanted about one third of the work to be government funded, one third to be competitively tendered and one third to be generated through our contacts.

“It’s all very well a company saying they’re judged by their last job, but you need to have measures and processes in place so that it isn’t left to chance. If you look at construction projects which went wrong, they’ve usually been going that way for a long time, but there’s been a culture of fear, which has prevented anyone from speaking up.

“I do monthly management reports because I always had to at the bigger companies I worked for, and I felt that we should do it here, to set out how we’ve done and how we are moving forwards. It’s timely and relevant because it’s a monthly document and much more useful than the political sort of reports that would have been written in the past. It has been a very useful discipline as well and we have a monthly meeting with the staff to get them to contribute.

“We’re also very careful with our overheads,

regardless of the economy. We've got a £17.5million turnover business running with two people in accounts. We are aware though that every strength becomes a potential weakness if it's overused – in other words, if you overwork your staff. You have to keep an eye on that when there's a recession. And we did still take our clients sailing in June, which has become an annual tradition for seven years now. Working on relationships is essential, and you've got to keep your company at the forefront of everyone's mind."

[www.amiriconstruction.co.uk](http://www.amiriconstruction.co.uk)

## Understanding how to build relationships

Can there be a single reason why a company is able to grow and prosper? Chris Evans, chief executive of medical product manufacturers Talley Group says it can be encapsulated in just a single word - reliability.

"Yes, it's become a rather clichéd line, but it remains crucial to really understand what customers want rather than make assumptions," he asserts. "When customers come to us and ask for something very specific, we'll probe more deeply because then we can deliver what they really need rather than what they think they want - which is essential if you are going to build a relationship with them.

"We're a third generation, family business. Myself and my brother own the group, supported by the operations director, and the FD. It was started by my grandfather who was a gas and air technician and developed the anaesthetic machines in operating theatres. Back in 1953, he became interested in pressure mattresses and thought he could do better than the US, the market leaders, were doing and so developed the first pressure relieving mattress in the UK. There was so much interest, we couldn't make them fast enough and we now export all around the world.

"In the sixties the company recognised that there was scope in the rental market, and we've continued to rent mattresses to this day. There

is sense in it because our products last a long time. We've pioneered standards to sanitise the rented products, and we wash the entire mattress where other companies may only wash the covers. What goes round comes round, because people will always come back to us.

"We now have a purpose-built facility and twelve satellite locations around the country. The business is as vertically integrated as you can get. We design, mould, and assemble in-house, which means we have complete control over the design, efficacy and quality. Our competitors all manufacture abroad and don't do their research and development in the UK. The single biggest reason for our progress is the reliability of our products. The actual price in itself isn't the only criterion when what you are making is demonstrably better

"We do punch way above our weight. Our competitors are big players, like Smith and Nephew, but we see our size as a real strength because we can react very quickly. We won a very large rental contract at the end of one year and had less time to complete than we initially thought, so this place was open every single day in January, just to meet the order.

"My brother and I have always had medium to long-term ambitions, so there's been a lot more investment over the last eight years than previously to keep ahead of the competition. When the business is run by someone approaching retirement, their goals are less long-term, but my brother and I see this as a great company and want to invest in it, move into some new markets and look forward.

"We will also do more R&D than we necessarily have to do, but it's a moral principle for us. As long as the overall company figures come through OK, we'll take a hit in one area if it feels like it's the right thing to do. If you're competing against larger rivals, you have to think 'clever'.

"This has been our best year of growth, which is the result of investment and having a that strong management team. Our FD has been in this industry for twenty years, and that's important. You need people with experience who understand the products. No-one is here just for the title either – we're very hands on. We don't play golf, we don't sail in order to bond – we're here!

"We are entrepreneurial and react quickly as a unit. For example, a few years ago we moved into

would care after being inspired at an exhibition in the US. By the time we came back home, the company was already working on our new product! It opened up a whole new market for us and the investment in technology over the past four years made us agile enough in the factory to cope. We've got an R&D team that could turn its hand to anything because of their expertise, but we'll look at everything carefully and consider the return before we commit to anything.

"We've now started another company, Talley Environmental Care, to distribute new medical cleaning products we have developed with a chemist. It's an alien environment for us, but we know we have got a new product that is world beating. We're driven by success and achievement, and it's very satisfying to feel we've moved up a step now.

'Resources are always an issue. We're putting in a company wide computer system and that's a £400,000 project in one year, but we have to invest in our infrastructure if we are going to be able to keep moving in the right direction.'

**[www.talleygroup.com](http://www.talleygroup.com)**

John Gavan

## Changing the colour of the sky

Its software analyses billions of transactions every day for potential fraud, and provides protection for one in seven of the world's mobile phone subscribers. Today, Neural Technologies is recognised as the world leader in risk management software. But it's knowing how to get the customer on board in the first place which has enabled the company to become a mover and shaker.

When John Gavan joined as managing director nine years ago, he could see the problem. "The business was very much smaller then, and making serious losses, but it had developed a unique range of products from its cutting edge technology," he explains. "But what we needed to do was forget for a while what the product was capable of achieving, and concentrate instead on what the customer wanted. The company was still focused on blue-sky thinking instead of capitalising on what it had developed. So one of the first things I looked at was installing our software but asking for payment only when it performed. A few months after we



began that initiative, a major telecommunications company in the USA signed up on that very basis, paying on performance. It became, and still is, a great marketing tool. It shares risk between supplier and customer and demonstrates that we really believe in our product and capability.

“We’ve made the latest list produced by The Sunday Times of the private companies achieving the fastest growth in profits over the last three years; which is why we’ve been in a position to make acquisitions and develop new markets. For example, we’ve now expanded the platform to address credit management, and the biggest private bank in India is now a client for credit card risk.”

The acquisition of Prime Creative Technology, a Hong Kong based company producing products to enable mobile phone operators to increase revenue, gives Neural the opportunity to expand further into Asia Pacific and to tap into PCT’s established clients. Neural already has offices in the USA, Chile, Malaysia, and India.

“The interesting discipline that Neural Technologies has had to adhere to is that we’ve needed to pay our way each year,” explains Gavan. “That puts an interesting perspective on everything. We’ve had to examine everything very carefully to decide which opportunities we follow. It’s made us very disciplined in our approach, and even though we have a sustained profit growth of 55% over the last three years, cashflow is always my major consideration. We’re 140 now in headcount, and in 2008 we picked up the Large Technology Supplier of the year award from the British Computer Society.”

But Gavan isn’t making the mistake of focusing on today’s headlines. “Of course, you never know that a company somewhere could be developing new technology which will appear without anybody else knowing about it - a major plc could have decided to throw a lot of money at developing it,” he muses. “I believe we are always under threat, but I prefer to be paranoid than complacent. We deal with it by always working on the next product, and looking to see if our technology can be used in other markets.

“Our products are very difficult to replicate – but our strength comes more from being able to give customers what they want. I know it’s hackneyed, but the proof is that we’ve not lost a single customer in eight years.

[www.neuralt.com](http://www.neuralt.com)

## Why methodology isn’t a constraint

“What movers and shakers have learnt from corporate environments is the need to have a methodology, because it means they have focus and control,” observes Adrian Price, partner at accountancy firm Menzies. “But,” he says, “the difference is that when they apply it to their own businesses with flair and personality, it isn’t a constraint.

“Movers and shakers understand the numbers but they don’t get bogged down by administration. They’ve got their head sufficiently above the parapet to spot opportunity - and do something about it.

“Movers and shakers tend to have a personal vision - the business is the tool. It means their companies achieve extraordinary things because they know what they are doing it for and the direction which needs to be taken. There has to be a starting point and a goal.”

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