

*Coutts* | 



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## Introduction

Would there be a better appreciation of success in business if there was a proper understanding of its characteristics?

What is the DNA of a successful company? What keeps it motivated? Is it profit or in part does it come from a desire to make a difference? Is it the ability to develop a sustainable business of value (and with values)? And where do leadership, management style, people skills come in?

Definitely, it is clear that the whole modus operandi of a successful company is the antithesis of self-aggrandisement, as this second report commissioned by Coutts, the private bank and tailored wealth management advisers reveals.



Lee Biggins, CV-Library

## Discovering what needed fixing

“I didn’t go into business to make millions: my thinking wasn’t what can I do to make a lot of money. It’s like people saying their ambition is to be famous. I came up with an idea because I could see something needed fixing, and because of that the company made money.”

Lee Biggins borrowed £9000 to start CV-Library, with a policy of paying each bill the moment it arrived. For two reasons - it meant

he was completely focused on making sure that financially, the company was always on the right side of the line, and also it gave him leverage with organisations he was working with.

Straight from school, Biggins joined his dad carpet fitting. “Then the step-father of my girlfriend at the time offered me a job to run a property he owned on Nevis in the Caribbean,” he recalls. “But it fell through because he relocated to the Dominican Republic.” Putting down carpets in the home counties didn’t have so much of an allure after that, and Biggins had an idea he’d like

to work in an office, so he purchased a book on how to write a CV. But once he had put one together, how to get it out there? “I had to get in touch with every recruitment agency and potential employer individually,” he says, still with a vestige of incredulity. “I couldn’t believe there wasn’t a website where I could post my CV just the once and then anyone interested could get in touch with me.”

Methodically he went to Currys to buy a PC for £899, enrolled on a college course to learn about websites, and did some temping at recruitment agencies to see how they functioned. “Dad was a grafter; he demonstrated the value of hard work,” explains Biggins. “When we were on a job, he didn’t talk or have the radio on; he just worked.”

After six months, Biggins met up with a friend of a friend who knew all about website design and came up with a suitable home page for CV-Library. By then, Jobsite and three other companies had set up in his space, which slowed progress but Biggins had enough of a business after a couple of years to prompt TV Jobshop to offer £70,000 for “restricted” access to CV-Library’s database. A welcome boost to the coffers, but only in theory; before a pound was paid, they went bust. Their erstwhile managing director started up again and asked if a similar deal could be struck. “Only if we put on an additional £4000 a month to pay off the arrears,” replied Biggins, showing resolve. That was then. “Now we’re taking share off them,” he points out, “and in their newsletter they felt it necessary to write a piece ‘why we’re better than CV-Library!’”

One of his first employees was Rob Forkan, who was orphaned in the Tsunami, and has now gone on to set up the Gandy’s Flipflops business. “He had sent his CV in, and there was something about it which just caught my eye,” recalls Biggins. “He worked with me for seven years and on his first day just picked up the phone and started calling recruitment agencies to persuade them to use CV-Library.” While potential employees

upload their CVs for free; recruiters pay a subscription for access.

The recession proved to be the opposite of a stumbling block. “Our competitors were cutting back in the recession, but our business model meant we needed to take more people on,” explains Biggins. “Employers out there who were having to lose staff realised they needed to maintain a presence in the jobs market because they would be recruiting again at some time. They could use CV-Library because we’re a database; continuing to use job boards would have sent out mixed messages. And in-house recruiters took to CV-Library because when they’re under cost pressure, their focus is on agency fees. The recession put a lot of people on our database, but the truth is that nobody stays in a job for as long as they used to. Gone are the ‘golden watch’ days.”

Social media hasn’t really been a threat. “It can be disruptive, if only because it’s all about poaching,” says Biggins. “Someone on LinkedIn can receive an unsolicited approach about a job, whereas with CV-Library, people are approached because they want to change job or they’re looking for one.”

In 2013 Biggins bought out his partner of ten years. “Before he decided to go, we were getting big offers from US global businesses,” he explains, “and they wanted us to stay for four years which we were becoming very stressed about. We went down the road some way, just to learn how the process works to be honest, and if it had ended with a massive sum on the table we probably would have been tempted. But my view is that if your company is growing so well and has so much potential that someone wants to buy it, why sell? You should only do that if you personally can’t take it any further. The proof is that since buying out my partner, the company has exceeded the targets which we would have had to meet if we had sold the business.”

By then, Biggins had already invested £500,000 to develop Resume-Library, which is the US equivalent of CV-Library, as well as taking on a finance director and a marketing

director.” The aim is to for the US-facing venture to become a billion-dollar business.

Currently CV-Library are the number two in their sector, but going for pole position isn't going to be the consequence of trying to “land grab” every candidate. “That wouldn't be sustainable,” says Biggins. His measurement of sustainable success is that the company has doubled its revenue every two years and has done so for the last decade (£25million is the latest result).

Which prompts him to recall a recent conversation with his father. “Dad is still grafting in his late sixties so I said why are you still working; you don't need to leave me any money. He then said to me, but you could retire now, why are you carrying on? And the reason for both of us is that we look forward to Monday morning.”

According to Biggins, “too many businesses are bought and sold just for the spin.” The fundamental core of a business is to deliver profit, he says, but to be able to do that on a sustainable basis; that's real success.

“To achieve that you've got to bring in people you can learn off. I thought we had the best accounting system until my new FD pointed out all the weaknesses. It's not just a question of enabling the founder to spend time on the business. Fresh ideas don't just come from one person. I need good people who can contribute; they're not just here to take the day-to-day stuff off me.”

“The other important thing is not to dilute the product,” Biggins says adamantly. “Arguably we're throwing away the potential of £1million of revenue a year because we don't carry external advertising on our sites. That would be pure bottom line, but we believe it would clutter the sites and make them less easy for users. Also, some companies think they have to keep adding more products in order to grow, instead of staying focused and being patient. And the owners can come unstuck if they think outside investment is the way forward - the company succeeds but it isn't theirs anymore.”

Perhaps not surprisingly, an IPO has never

really made an appearance on his horizon. He explains: “If we were a public company and a country somewhere defaulted on its repayments, that would cause stock markets to fall. That would affect my company's market cap even though its true value hadn't changed. I'd be affronted.”

## Why numbers aren't the main measure

Though sales growth and profit are important, numbers alone are no longer the most important measure of success. That's according to Steve Gilroy, chief executive of management development specialist Vistage International. “Success can mean having time for family holidays, getting your children into university, your staff not having to work horrendous overtime,” he says. “What's the point in hitting goals if you're on your second heart bypass and have missed all your kids' birthdays? Is that success?”

“The world has changed since 2009,” he says. “People have come to re-evaluate what life is all about and there's been a considerable shift in the view of what success is. Though success for many people still means money and the lifestyle it brings, more and more business owners are coming to the point where it's not just about the cash.”

Gilroy says there is “real evidence” of a change in focus. “Big numbers are no longer the answer,” he suggests. “It's not just about working for fifty or seventy hours a week. Achieving sales and profit is not the only measure of success. You can have a small business which is incredibly successful and that's OK. For many people that's been a very different message but one that recently we've found much easier to get across.”

So what is it about? Gilroy explains: “Part of our mission statement is to enhance the lives of our members and that has come to the fore. It used to be more about being effective as a business leader. Now it's about having a blend of both.”



Steve Gilroy, Vistage International.

Styles of leadership have changed significantly, he says. “The old approach was direct and authoritarian. Now there are less Type A egos around and a less gung-ho attitude. It’s much more about being collaborative: coaching, asking great questions and listening, giving your team the goals and the tools they need, setting the boundaries and then getting out of their way. As they get used to being in control of their particular part of the business, they get more confident and you can relax your grip.”

“Our view is you absolutely need to be in this new place. A leader’s role is to set people up for success, not beat them into a certain

model.” There’s also a greater awareness among business leaders, thinks Gilroy, of their role in wider society. “There’s a sense of trying to put something back. Success includes community and social responsibility.”

But haven’t many businesses always had some form of community spirit? “Yes, but it used to be about the business owner being a member of Rotary,” says Gilroy. “Now, it’s much more visible; you often see the entire staff of a company repainting the village hall, for example. I have twenty-six staff and in the past year twenty of them have done some sponsored activity for charity and they’ll get a team together rather than just doing it on

their own. The more a business does in this area and the more it encourages staff to do, then engagement goes up, there's a buzz; it creates momentum and energy."

All this has meant more of a focus on well-being. "Well-being is a hot topic, both for CEOs and for their staff," says Gilroy. "Staff canteens, which used to serve traditional comfort food, are now about healthy eating, and more small businesses are signing up for corporate gym memberships."

Businesses need to sit up and take notice of changes like this, he believes. "Not least because employees are feeling more secure in the job market and feel they have more choices."

Which could mean them avoiding employers who operate "grossly unfair" practices like zero hours contracts. Gilroy can't understand why a reputable business would do that. "They create such a negative view of their company and brand. Why on earth would they want people talking about their brand in that way?"

So what's driving this change in attitude? Gilroy thinks that disillusionment with banks and politicians has made people question previously accepted ways of doing things. "It has made people question what they can rely on, what is really important."

As well as working with and advising senior business people – Vistage brings together successful senior executives and business owners into groups to discuss their challenges, evaluate opportunities and solve strategic, operational and sometimes personal issues - Gilroy has worked at CEO level in several businesses and set up and sold two businesses himself before joining Vistage.

He has experienced both the upsides and, perhaps more importantly, the downsides of success ("I had multi-million-mile status with airlines when I worked in the US, which was a lifestyle I was glad to say goodbye to") and he lost money on the sale of one of his businesses, so he has personal experience of the opposite of success.

"Your mistakes stick in your head a lot

longer than your achievements, and that was painful," he recalls. "I had to make redundancies and ship my family home from the US. Looking back, with the benefit of what I've learned since, of course there are things I would have done differently. It was hard at the time but I'm probably a much better leader as a result."

Gilroy says the experience taught him the truth of the saying "there are three sides to every story: A, B and reality, which is somewhere in the middle". He explains: "When you're young and hungry and keen to have fast success you can be clumsy in implementation and you don't ask enough good questions or listen. When you get older you learn to listen more and ask telling questions – that ability is part of the DNA of success."

He gives as an example the standard question that business leaders ask of their staff: How are you? "Nine times out of ten they will get the standard response 'I'm great', so it's a wasted question. You would be better asking 'What's going on in your world?' because it's a question that they don't expect, that forces them to think about an answer that will give value. It forces engagement. If you get really good at that kind of questioning you will be more successful in engaging with staff, suppliers and customers."

He expands on the point. "A leader needs to be always looking, always listening. Do you really know why people buy from you? The bigger you get, the harder it is to know that. You don't get the reality; you get a multi-layered, filtered view of reality." Walk the floor, suggests Gilroy. "Visit your top ten clients – and arrange the visits yourself, don't get the sales manager to do it – and go prepared with great questions.

"Weak leaders think they know it all, so they can feel uncomfortable about innovating and testing the boundaries of new ideas. Good leaders know that only two out of five ideas will work, and they'll innovate and test in order to identify those two."

One of the things Gilroy asks his own staff

is “what do you want to be when you grow up and how can we help you achieve it?” He explains: “By helping them achieve their goals it shows we care about their future, not just about their future as our employee. It’s often not about money but about some other goal. We hear people talk about karma, mindfulness, spiritual well-being. Business-people would never have talked like that years ago and some probably think it’s cuckoo land, or science fiction. But it’s really about being able to anticipate change before it comes. Being in business is intrinsically risky. Just because you have been successful for twenty years is no guarantee you will have a future in five years’ time.”

Effective leaders, says Gilroy, watch for that disruption and plan for it. “A good leader always knows what’s potentially coming and they balance the day job with planning for the future, planning how they will react to it. One of our workshops is called Disrupt or Be Disrupted. In other words, get ready or get out. Businesses which don’t do that get caught out; weak leaders are so engrossed in what they’ve always done that they miss what’s coming.”

Gilroy emphasises that he’s not suggesting jumping on every new bandwagon with the aim of being current. “We’re not saying take big risks, bet the farm on something new; we’re saying test an idea and if it works move slowly towards that new space.”

Vistage aims to be right on the button when it comes to identifying trends on behalf of its members. “We go to conferences, we talk to futurists, we read everything from *Wired* to *The Economist*. Part of our role is to identify the experts in something we think will be really important in three years, and maybe translate what they say into white papers that will stimulate members to reflect on the predicted changes. They might think it’s not relevant at first but many find it actually is.”

Vistage’s own five-year plan involves more growth in the core business. Gilroy intends to build the current membership of 1000 UK-

based CEOs to 1900 (there is also an online community of 20,000 members worldwide) by opening more branches around the country. The business turns over about £8.5million.

Some of this growth will come from a new generation of smaller companies, which takes us back to Gilroy’s earlier comment success isn’t predicated by size.

“Celebrity culture, the internet and things like the TV programme *Dragons’ Den* have shown us that it’s not just the big players who can build a global business,” he avers. “Barriers to entry have been removed; with technology you can do anything.” He cites Reggae Reggae Sauce creator Levi Roots, a *Dragons’ Den* success story, as an example. “He has one employee and sells £38million-worth of stuff. It’s a phenomenal model.”

The point, says Gilroy, is that small can be beautiful. “We’re entering a new phase where we’re seeing a lot of small, young entrepreneurs running at £1million-3million of turnover and having a great time. They’re not necessarily aspiring to go beyond that. We used to call those lifestyle businesses but they don’t necessarily view it that way. Many more businesses are small and specialist and that’s all they will ever be and all they want to be - but they are very successful.”

He knows Vistage face competition in the lively business training and networking sector but says the value-add comes from the mentoring and coaching. “Mentored learning - putting learning in context - is far more valuable than trying to do it on your own,” suggests Gilroy. “We’re not a clinic for sick businesses; we’re a gym for businesses that want to get fitter. So people who want to learn, who like a challenge, people who take a quiz then want to know the results, then argue with the results - they’re the ones we want to engage with.”

## What's important for chasing a dream

A business that started life less than ten years ago in a spare bedroom with less than £100 and a few free samples is now turning over £12million and has a famous chairman who's helping with plans to take it to £50million and beyond. Those facts alone could be seen as constituting 'success', but Charlie Hunt, founder and CEO of online bedding retailer Soak&Sleep has several other definitions too. "Apart from a short-lived blip a few years ago the business has been consistently profitable and has been debt free from day one," he says.

"It's important for anyone chasing a dream to chase it with sound finance. Businesses come unstuck if they're not properly capitalised because they can't trade through peaks and troughs. Success comes in a number of metrics, starting with the ability to trade profitably."

Hunt speaks from experience. He previously had a retail business in London, but ended up having to dispose of it in a 'distress' sale, thanks to its model of grabbing market share even at a loss - and also in no small part to a postal strike, which meant that a million Christmas catalogues were delivered at the end of January.

Before that, Hunt had worked for a shipping company, where he had often thought that "there must be opportunities for someone with enthusiasm and energy to make money in moving boxes from A to B." Pondering this, and the fact that the most profitable department at the failed shop had been duvets and pillows, "bits of the puzzle fell into place," he says.

Meanwhile, the emergence of Google ad words opened up online retailing as an option and Hunt decided to launch Duvet and Pillow Warehouse (later to become Soak&Sleep to reflect the addition of bathroom products to the range). The plan was to sell quality duvets

and pillows at a fraction of the high street price.

"I spent months out in China to visit factories and I didn't come back till I had found one that could make the products for me," he recalls. He returned with twenty samples, sold them within days, bought 200 more, sold those and then bought a container load. The business has since grown by 40% a year and now has its sights on global expansion and an eventual turnover of £100million.

Hunt says the failure of his previous business was an important learning experience and helped him get to the stage where he could even have such aspirations (turnover at Soak& Sleep is currently £12million). "It takes a lot of strength to pick yourself up and start again. I wouldn't wish it on anyone but undoubtedly I now understand the limits of what I can and can't do. I know how to negotiate with banks and how important cash flow is, for example. That experience created an even bigger opportunity so I wear it like a badge of honour."

Hunt thinks it's necessary to have a clear and achievable vision, strategic objectives and a business plan that actually works. "So often, people follow a model that is emotionally created rather than based on the cold light of financial reality," he says. "Although they take risks, entrepreneurs are actually among the most cautious of people. It's not the risk that differentiates the business, it's the vision to think big; the ability to manage the risks, not to take them."

Values are also critical to success, says Hunt. "Creating an evangelical following is all-important in retail and that means you have to be authentic and genuine. Businesses go off the tracks if their values have gone out of the window." He expands on this. "I bring to this business the way I live my life. I want to have a team which is fairly paid and suppliers who aren't having the living daylights knocked out of them to get a better price. Everyone needs to share in the wealth creation so I will not chase every pound at the cost of everything else."

“If a decision will allow me to go to bed feeling I’m earning a fair crust by providing an ethical product through being fair to everyone I’ve been dealing with, I can sleep at night. If you don’t have a business of values, you won’t have a business of value. And a business of no value is not a business because there is nothing to sustain it.”

Another element of the DNA for success, of course, is the right product. “You have to offer something that’s different,” says Hunt. “It’s no good thinking you will have a great business simply by putting more effort into something that’s already available. You have to be ruthless in making your product stand out – good price, great quality and great service. I challenge anyone to find a better pillow than ours,” he says to illustrate his point. “The Sunday Times did a blind test and rated it the best.”

Hunt says Soak&Sleep are different from many internet retailers, not least in their pricing strategy. The products come from the same factories that make bedding for well-known high street retailers, but sell for far less. “Consumers have been ripped off for years,” opines Hunt. “We’ve aggressively compressed the supply chain, cutting out the middle men, to create value for the consumer. Competitors hate me, but I take that as a huge compliment.”

The company also aims to exceed people’s expectations. “We promise delivery within three to five days but actually, it’s usually next day,” says Hunt. All this makes customers very loyal. “We have a low return rate and half of the customers will buy again within six months; we have the highest conversion rate [customers proceeding to a sale having landed on the website] in the industry.”

Good corporate governance is another aspect of running a successful private business. “It’s become increasingly apparent that if you want to attract the best talent you have to be seen to be serious,” says Hunt. “My strength is ideas and finding opportunities, not managing day-to-day. So if you want to create a team of great managers you need to

demonstrate to them that you have a serious board. Having a board with clout engenders confidence.”

Which is where former M&S chairman Stuart Rose enters the picture. “I was looking for a chairman and someone introduced me to him,” recalls Hunt. “He immediately understood the product, I fitted with his ambition to help entrepreneurs and it was e-commerce, which was where he wanted to go.”

Sir Stuart’s strategic skills fit well with Hunt’s more hands-on approach. “I sit in both operational and strategic camps. Stuart is totally strategic, looking at the big picture. He’s tough, he holds me to account. I’ve never had a boss before and he loves to be boss. He sits in that chair and gives me a hard time,” smiles Hunt.

Having Sir Stuart on board adds external value to the business too. “It opens doors,” says Hunt. “People say ‘if it’s good enough for Stuart Rose it’s good enough for us.’”

That said, Sir Stuart’s arrival in 2014 was rather a culture shock, he recalls. “I’ve always had a ‘reach for the stars and land on the moon’ mantra. Aim big. But Stuart would say that any target that’s not achievable shouldn’t be a target. Two totally different cultures; that’s the difference between a corporate businessman and an entrepreneur.”

For example? “Last year we kept missing the budget initially and Stuart was disappointed in me,” says Hunt. “I’ve learned to manage his expectations better as he hates surprises – except on his birthday! He likes things that are achievable all the time rather than dreaming of big numbers.”

An important part of Hunt’s role is leadership. “To be successful a business needs a driven leader,” he says, “someone who can create and motivate a team and make sure that team is totally with them. Businesses change profoundly and unless you have a glue that hold people’s emotions and goodwill together it won’t happen. Employees need to be inspired and I spend a lot of time sharing the dream with them.”

This approach stems from his personality. “I have in-built confidence, I’m very tenacious and inquiring” he explains. “I’m a thinker and a dreamer, I never see things in a conventional way. I’m totally transparent - there’s nothing I don’t share - so people trust me. If things are bad I’ll tell them. So when I say things are good they believe it. There’s no insecurity.”

“Going from £0 to £10million is very different from going from £10million to £50million and the key difference is the skill-set of management,” says Hunt. “Early on, you can get by through grafting and winging it but that approach is not scalable. You need the right structure so that the CEO is not spending each day firefighting.”

Hunt engagingly admits that he has had little formal training in many of the areas he’s involved in and is happy to delegate to those who have. “I have fingers in all the pies, but I’m a big delegator and I try not to meddle as long as KPIs are met. I surround myself with people more experienced than I am and who have a greater depth of knowledge. I soak up knowledge from them and I bring them together so the sums of the parts is more than the individuals.”

Soak&Sleep have expanded beyond bedding and bath products into mattresses, but plans to develop are geographical rather than further into other home products. “Bed and bath are huge markets and there’s room to grow,” says Hunt. “We want to specialise and grow globally. If we can disrupt the UK market, which is the most sophisticated - and one of the biggest - online markets in the world, there’s no reason why not. There’s a lot of low-hanging fruit globally.”

Hunt is planning to get turnover to £50million but has a vision for it to reach as high as £100million. “I was put on Planet Earth to do something different,” he says. “If I’m going to follow my dream it needs to be a big dream.”

That said, it’s hard to plan too far ahead. “People talk about five-year plans but the reality is that e-commerce changes so rapidly

that we can’t really predict beyond six months ahead with any great certainty, even with good management and discipline,” says Hunt.

But he believes Soak&Sleep are at the start of a huge transformation. “We’ve achieved only 10% of what I think is possible; there’s a long way to go. My chairman tells me pretty much every time I see him that £20million plus is where the business will change beyond recognition.”

## Changing the actual default position

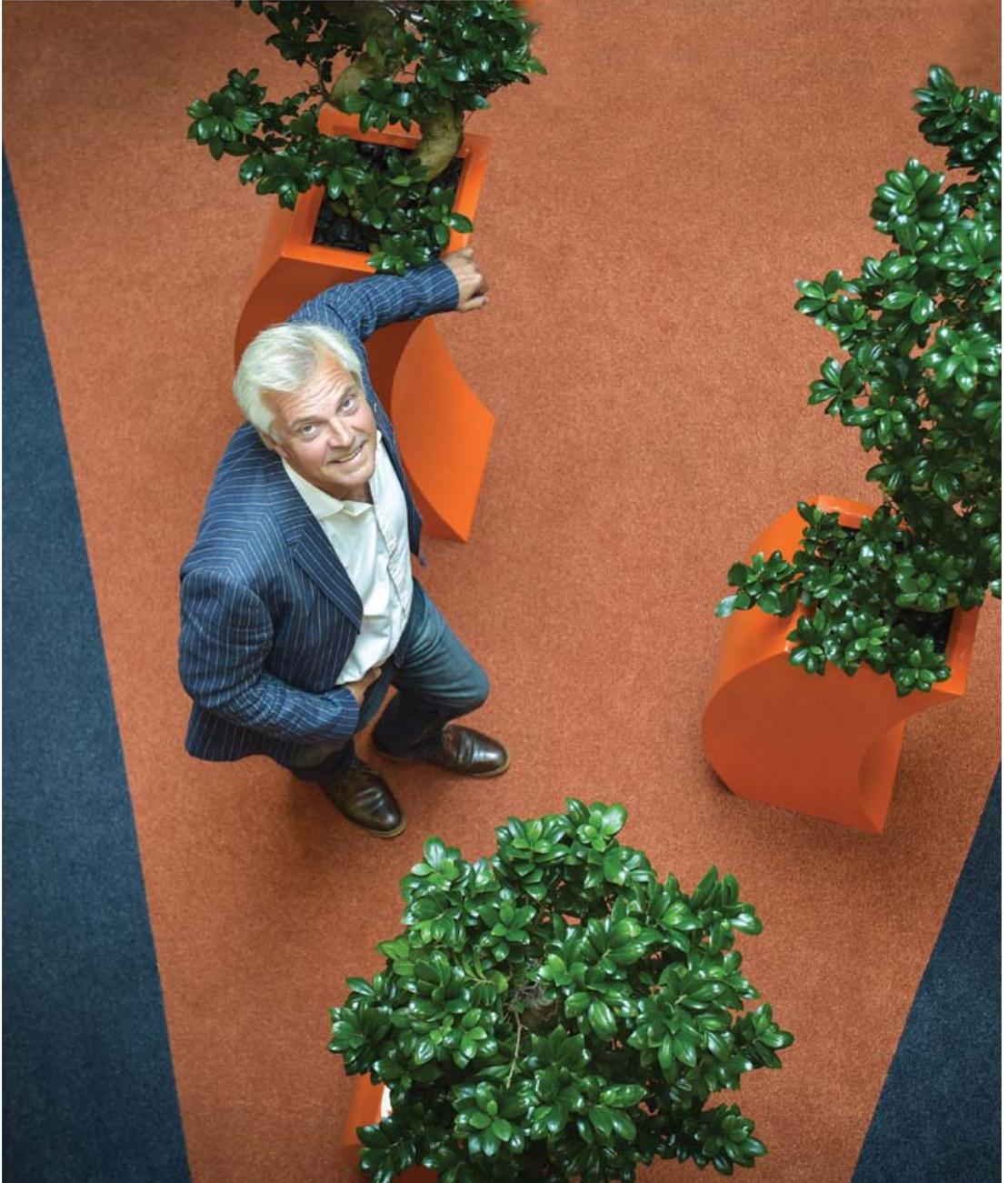
It’s all about context. When it comes to getting from one place to another, the default measure has always been the number of miles between the two locations.

“Crows fly in straight lines, but people walk, cycle, drive, and use buses and trains, which follow paths, cycle tracks, roads, and rails,” asserts Peter Lilley, co-founder of iGeolise. “So surely travel time could be more helpful rather than distance?”

For thirty years he was in media sales in the UK and also the US, and was a member of the management team which sold a \$42million business. Over here he was part of a company set up in 2001 to provide parish councils with websites. Then one of the developers, Charlie Davies, looked up from his screen and suggested that it would be a good idea if a location could be searched for by the time it would take to get there rather than distance.

Intrigued, they searched the web to see if that was possible, and found they could find out the time it takes to get from A to B, but only if they knew precisely their destination. Is there a Chinese restaurant within ten minutes of their office that’s open? The internet couldn’t help.

“We could see how a customer-facing application would work, but how would it make money? We didn’t think people would pay for the app, and it would be a hard, costly sell to individual local businesses to



Peter Lilley, iGeolise

incorporate into their websites,” explains Lilley. “So we flipped it. We would capture and sort destinations by travel time and licence the technology to information providers which already have the customers and the content. In other words, we would match their content to their audience more effectively.

“Here’s an example of how it works. On a property website it means someone looking for a building can identify the travel times to each suitable property from their office at a given time of day and using any mode, or modes of transport. The website designs its own screen, and iGeolise return the results instantly and accurately.”

In a trial run, Countrywide, the UK’s largest chain of estate and letting agents, measured the number of people who searched for a property by distance, and for every 100 who did, five went on to contact the estate agency. For every 100 who used the search by travel time function, fifteen made contact. One major consolidation site which gets paid by lead also tripled their conversion rate.

For a jobs board, candidates can search for a vacancy within a particular drive time, setting off at a specific time, while recruiters can search for suitable candidates living within so many minutes of their vacancy. Dating websites would be another market where travel time information might be more mission critical.

“What it means is that the user never has to leave your site to find out all the information,” says Lilley, who set up iGeolise with Davies, using his little black book to raise the finance. “The two of us have complementary skills - I’ve done sales, marketing, and business technology and Charlie has the technical knowledge, although actually he’s better than me at most things now,” he explains. “Five angel investors have 30% and we each have 35%. There are times when Charlie and I disagree about something, but what we don’t do is argue about it. If I can’t persuade someone who knows the business as well as I do and is just as passionate about it, that

something is a good idea, then perhaps it isn’t necessarily the right thing to do. And you have to believe in something passionately if it is going to be successful. That’s why it can be a lot harder to accept someone saying I don’t think that is going to work quite like you think it is. But it’s a reason why having two people and not just one running the business can work best.”

The company has some appealing quirks, like the business cards carrying job descriptions rather than titles. “If you can dream it, I can code it” reads one of them.

And Lilley and Davies have applied some lateral thinking to the notion that with a new product, you simply keep plugging away until there’s a breakthrough. “After you’ve knocked on 100 doors without success, the saying goes that you need to knock on another 100 because you need to put in the graft. But surely it makes more sense to see if there’s a way of tweaking the product so that the next call you make pays off,” Lilley says. “For us, the breakthrough came with the realisation that the customer will buy if you can make that vital adjustment. The real issue was that the travel time search was taking up to twenty seconds. It needed to be instant. So we found the way to deliver that requirement.” A mission-critical element which has been patented.

“With technology, find the value proposition and start selling as soon as you can, because that gives you the money and breathing space to carry on building,” suggests Lilley. “We realised that we needed to develop a market for ‘travel time’ so we have a portfolio of products rather than being a clever but increasingly vulnerable one-trick pony. Such as creating a relocation tool. If a company wants to consider the impact of moving premises, it would have to load up the home address of each employee and individually identify the distance to their new place of work; probably two days’ work for the HR department. With iGeolise that would take less than a minute to do.”

The product - and the measure by journey

time concept - has been put to use in the USA, Thailand, Switzerland, Australia, and Ireland, as well as being trialled in a dozen other countries. What determines how quickly new markets can be opened up is the speed with which iGeolise can collate all the granular information in a particular country - how long does it take by tram or bike from Centraal Station, Amsterdam to Dam Square for example.

“With angel investors we aren’t under pressure to provide them with an exit by a set date,” Lilley explains, “but do we build the business for sales revenue or to be sold? We don’t think it matters because we would have to do the same things to achieve either scenario. What we have to ensure is that the technology stays rock solid, that it’s scalable, that we’re delivering the right results to the customer, and that it works across multiple countries.

“We try not to put deadlines on people. A corporate would say that a project has to be delivered by such-and-such a date. I can understand why, because the whole organisation has to swing into action to make it happen, the ads have to be booked, and revenue needs to be generated before a particular year-end or the interims. We’d simply say we’ve got bright developers who have the mind-set to create or solve something as quickly as they can. We won’t set a deadline because we rely on them to deploy their best efforts.

“We’ve got to the starting line with the business, and maybe that in itself is success. Now we are in a position where we can make it a commercial success.”

## Different approach to achieve the goal

“It might sound an unusual way of putting it, but really, it isn’t about the money,” states Neil Pizzey. Success, explains the managing

director of Amazon Filters, is more about achieving a particular business aim.

Doing that should lead to making money, of course, but, he says, it’s secondary in a sense to what he calls “meeting the intellectual challenge” - presenting his product as a “problem resolver” rather than something of a finite value.



Neil Pizzey, Amazon Filters

That means, says Pizzey, identifying customers’ issues and addressing them, so that the price they pay is commensurate with the importance of the problem and the significance of the solution. Larger competitors of the privately owned filtration equipment manufacturer have got this approach off to a fine art, he believes, being able to sell filters for much more than their unit cost as part of a ‘solution’ that the customer knows will save them considerable amounts of money and trouble. “The big guys are great at finding new problems to solve rather than just supplying product,” observes Pizzey. “But there is no reason why we can’t do that as well - and better.”

One of the challenges is to get that knowledge transferred to the customer-facing people – those in sales, proposals, anything transaction related - so it’s not just held by those on the purely technical side.

“My nightmare scenario would be that we sell expertise that is poorly informed,” Pizzey says.

While the name Amazon suggests some magnitude, competitors include big global players like GE, such as Pall, as well as

smaller privately owned businesses like Amazon themselves. Plus there are the small traders importing cheaper products from the Far East (unlike Amazon, who manufacture mainly in Camberley).

“I’m not suggesting we have the time, capability or nous to turn ourselves into a GE but that’s not to say we can’t aspire to compete with them on a level playing field,” Pizzey suggests. Then switching metaphors, he argues that everyone’s on “a competitive ladder,” where “we attempt to do to the big guys what the smaller ones are trying to do to us”.

And that’s take market share. Pizzey says the key to this is partly technical proficiency: “We’re as much a knowledge sale as a product sale – we have to supply expertise.”

Another issue is being cross-sector makes it difficult to get a dominant position in any one industry. But of course that’s a strength as well as a weakness, he points out. “Having customers in different industries and with different aspirations means the business is complex to manage - we can be a dog chasing its tail - but I was glad in 2009 that we were sufficiently diverse to only have 5% of the business in automotive as that gave us a level of protection and meant we could actually grow through the recession.”

Turnover is £20million – accounted for by an average order size of around £700. The current five-year plan, which started in early 2015, targets significant organic growth. “It frightens the sales guys when we say things like this, but conservatively it could be £25million, and I hope £30million, in the five years of the plan,” says Pizzey.

That hoped-for additional £5million growth will come partly through new products being developed by a Polish university R&D spin-off that Amazon bought. “Given that we’re aiming for more innovation, some patents we have filed recently could be quite interesting,” he suggests. “The work has been around reducing the size of filters so installation and disposal costs are less. That could potentially revolutionise the game.”

But Pizzey is not one to get carried away with the excitement of a new idea. Quite the opposite as it happens. “The issue is will the product sell and do we have the sophistication to sell it? So we won’t build our business model from it. We want to make sure the underlying business is safe and build from that.”

Another product that could have “great mileage” is a new type of filter to make river water safe for drinking.

“It’s having some success on a small scale – the problem is selling it on a large scale. We’ve been spectacularly unsuccessful at that so far and I don’t quite know why,” says Pizzey candidly.

Which leads on to the question of whether moving into the consumer market could be an option. “One of our strategic plans is to consider other channels to market,” admits Pizzey. “Our channel is high cost as there’s so much consultancy involved. There are barriers to consumer markets (for example, companies already in the consumer drinking water market are also selling a whole portfolio of related products like descalers) but it’s interesting as it could be much higher margin. The filter you buy for your kitchen sink from a high street store for £10 does exactly the same as ours, which we sell for far less. Someone is making a lot of money.”

But he fears that getting sidetracked into such a market could be a distraction. For now, the five-year goal is to become a more significant medium-sized player in more of the world and to get more brand recognition. “We’re recognised in the trade, by peers and competitors, and by big private label customers, but not by filter users. I’d like to change that as it would allow us to gain trust and win business more readily,” explains Pizzey.

Which prompts him to highlight another non-financial measure of success: namely recognition and reputation. “Our over-riding aspiration is a combination of recognition from peers, customers and competitors and for our 150 staff to be proud of what they

do,” he says. “That would manifest itself in us having a great reputation and if we’re successful at that we will make money.”

Some 70% of production is exported and most of that goes to Europe. The company has partners in most export markets and now Pizzey has his eye on expansion in south east Asia, where the aim is to promote Amazon as an alternative premium brand offering a level of support and technical know-how at an affordable price. “But of course they’ve never heard of us there and we’re competing with companies they have,” he avers.

Pizzey is an engineer by background, and that, he says, informs what Amazon are about. “We have a motivation to supply the best and be recognised for it,” he explains. “It means our internal values are based on that. The strength of UK manufacturing is a willingness to challenge, not to take no for an answer or simply kowtow to authority. And, at its best, that’s a fantastic thing to have. There are engineers in other countries who know the boss is talking nonsense but they’re too scared to tell them so. I like to think I could take it.”

“We believe in individual responsibility,” he goes on. “I have no desire to stand over people checking what they’re doing. Our philosophy is to give people knowledge and the authority to make their own decisions.”

What motivates a business to keep striving for success? “Fear?” suggests Pizzey, pondering the question. “I feel that if you stop you wither away. I think if you say ‘we’re comfortable now’, you would go backwards. If you feel like that you should sell and let someone else take the business on and reach its potential.”

Pizzey says there needs to be an appetite for the lots of little things a business can do to exploit that potential. “We need to be more proactive in looking for more market opportunities – for example, who’s going to make the filters for the new investment in nuclear? As we get bigger that should become an easier approach to take.”

He also wants to be more innovative in

product design. “Being a me-too supplier would be too risky a strategy as there are a lot of cheaper me-toos in China. We’re ahead of them for now as we’re more proficient technically and service wise, which is helpful if someone wants something non standard.”

But there are limits to how innovative a business can be, he thinks. “The cynic in me is not convinced that technology always brings in something which is really much different from what’s gone before. Nano-fibres for example: same concept, just smaller; I don’t think it’s revolutionising anything. But I hope I’m not missing something radical and they don’t go down as famous last words,” he adds.

## Forced to find a better future

Being forced, in effect, by his bank to drop a big client during the last recession could have finished off Vince Caldicott’s company – but in the end he came out stronger and reckons the bank did him a favour by forcing him to seek out new business.

Surviving the loss of a huge part of his turnover by managing to replace the lost client with higher-margin work was in itself a form of success, he thinks now.

“I’ve probably learned more in the past five years than I did in the previous thirty years,” says the founder and MD of Premier Contract Supplies, which supplies sanitaryware and bathroom furniture to property developers, architects, interior designers and contractors.

“I actually think I’m qualified to run a business now, whereas before I always felt qualified, took it for granted perhaps, but probably wasn’t.”

Caldicott describes what happened. “We were growing fast but all our money went back into funding that growth and things were tight. But we were managing; we had our heads above water; there was a strong order book. And then the bank decided it didn’t

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The DNA of Success

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Vince Caldicott, Premier Contract Supplies

want to be in our sector and it forced me to remove the credit limit from a big customer.”

He concedes that the customer – a housebuilder – was producing little profit despite representing 20% of revenue, and margins on their business were very low. Even so, having effectively to drop the customer was a radical move. “I felt as if I was going through the mill,” says Caldicott. “It aged me ten years.” He had no choice but to go all out for new business, and managed to replace the lost customer with another housebuilder. It was one known for higher quality homes and the better margins he achieved made a “massive difference”.

Caldicott says the experience taught him an important lesson. “My cash management was always a bit vague but now I know every penny that’s coming in and going out. I manage cash to a much finer detail and I look at the real worth of any new business.”

One consequence was that Caldicott had to cut costs. “We would make a profit one month and a loss the next and at the end of the year we would break even or make a small loss. To survive the recession we either had to lose 20% of the staff or the staff had to take a 20% pay cut. That would immediately put us on the right side of the line.”

He chose to involve his staff in the decision-making. “We gave the staff the options. Some didn’t like either option, suggesting everyone should be put on a three-day week instead,” he recalls. “But if we had done that, service would have gone down the tubes.”

Eventually the staff opted for a pay cut, which pleased Caldicott, who really didn’t want to lose any of them. He recounts something a housebuilder friend told him. “He said ‘Vince, in the 1980s I had three suppliers of ironmongery. Two got rid of sales staff to cut costs, and one invested in his business by taking on the people the others let go. That’s the business which was still there and thriving at the end of the recession.’”

Caldicott adjusted pay back to its correct level at the earliest opportunity, and the experience taught him another lesson. “To

come out of the other end and give the staff back the money they had lost, and to see their response, that made me realise that the most important asset of a business is people,” he says.

One consequence of the temporary pay cut though was that Caldicott’s best salesman left, taking good customers with him. Caldicott says this was a real wake-up call, as he had always assumed that customer loyalty was primarily based on a company rather than any individual employee. Realising this isn’t black and white, he resolved to get his erstwhile employee back and as the economy improved he was able to persuade him to return with the promise of a directorship.

Things were picking up for Premier, and Caldicott next took on four people laid off by a business in Liverpool, opening a branch there. He took on an interior design team to tackle the London market, opened a branch in Bristol and set up an estimating department in Hove. The latter is a great place to operate, he says. “Graduates from the universities there love Brighton and want to stay there but there aren’t that many suitable jobs so I was able to get some really bright young people.”

Turnover, currently £20million, has been rising steadily by about £3million a year for the past three years; profits are in the six figures and rising. But a healthy set of accounts, though important, is just part of a bigger picture, suggests Caldicott. “Everyone looks at the balance sheet but it’s not just about that. The financials – and having a decent credit rating – are an enabler, a means to an end. Success is really about how happy people are to come to work here. It’s about trying to generate a sense of family where people feel connected and enthused and want to spend time socially. That’s why we put that here,” and Caldicott indicates the full-size snooker table, which cleverly converts into a boardroom table when needed.

“Knowing we have a profitable business and a healthy order book helps me to sleep better and enjoy life,” he goes on. “But my

greatest enjoyment is to see the staff happy in their work. I get a real buzz from that.”

Similarly, he likes to give something back through charitable giving. “If a business successfully generates wealth it’s good to share it. For example we donated a large sum to a Water Aid project, which the EU matched. If I can use my success to help others I feel good about that. And I think staff like to work for a socially responsible employer.”

That works in other ways, he points out. “A new client wanted a big credit limit,” says Caldicott. “I wasn’t sure, so I looked at his accounts and noticed he had given £50,000 to charity and I thought ‘I’ll give him an account; he’s not the sort of guy who would rip me off’. So there was more than one beneficiary of his giving.”

Another criterion of success for Caldicott is size. “It was always my ambition to become the biggest independent merchant in our sector and I think we have achieved that. There’s this view that money makes money and certainly having an increased volume of sales has enabled me to increase margins. Last week I got a £214,000 rebate from a supplier based on turnover – and I’m expecting another £350,000 this year. We never used to get rebates but now we can negotiate them – and they go straight on the bottom line.”

That has meant Caldicott could give the staff a Christmas bonus and take them on team-building weekends away. “One of the things I like to do is inspire people, give them a vision about where we’re going,” he comments.

He concedes his method of measuring staff satisfaction is not scientific and he’d like to address that. “I sense it in my head rather than measure it; is there a buzz in the office or is there a depressed feeling? At the last board meeting we were talking about how to encourage more openness and staff feedback, and I’d like to revisit that goal. We started doing appraisals at Hove, and the staff liked it. I think it gives them a sense of worth. It lets them know there’s a future for them here and

what it could be.” Caldicott concedes that the more detail-oriented side of HR is not his strength and with that in mind his intention is to take on a specialist at management level. “One of the things my uncle told me was that you can’t do everything with one pair of hands,” he smiles. “You have to use other people’s.”

Similarly, he has been sending his senior team on management courses, knowing that one of his personal challenges is his role as a leader of people. “Managing the managers, trying to get the management structure working cohesively, is very difficult. Managers are very passionate and strong characters and if you have two or three of them in a room it can cause friction because managers from different areas of the business don’t always share each others’ passion.”

Caldicott’s goals for the next five years include expanding through acquisition of an allied business. “I’m very excited about it,” he says. “We could easily hit £30million next year and £40million-50million is achievable in the longer term.”

Which is why Premier are continuing to target the top twenty housebuilders, with the aim of adding one per year to their customer list. And the company has a somewhat different approach to gaining new business. “We call it a three-way partnership – the client, the manufacturer and us,” explains Caldicott. “We work with the client’s designers very early on to develop a specification. Making that early effort, and this part of the process could easily be up to five years before the building project begins, means we can secure the best price for the spec, which will be protected by the manufacturers we have put forward. If we have no input in the design stage and just turned up at the eleventh hour, we won’t get the best price.”

Caldicott says continued success is about constantly thinking of new ways to develop the business. “I work three days a week in the business,” he explains. “The other two days I think of new ideas; I’m always thinking about opportunities to develop the

business. If you're standing still, not growing, it's a dangerous place to be. If you're one step ahead, competitors are chasing you all the time but that's fine. I would like to be able to look back and say things happened because we made them happen. We made the right decisions instead of simply reacting to someone else's initiative."

## Observation was a crucial measure

Being told by external auditors that his company had the best quality management system they had ever seen, that for Giles Verity was a crucial measure of success.

And then winning two Queen's Awards, export in 2012 and innovation in 2014, created "a big buzz" for Stanhope-Seta, suppliers of test equipment and quality control instruments to measure the product quality and consistency of petroleum.

Now managing director, Verity joined the company (founded by his stepfather in 1938) in 2001 after working in IT management for the BBC.

He describes how the two key attributes of product and people have been successfully combined to good effect. "With growth we saw that parts of the company needed more robust systems. When we first migrated to ISO9001 we were sceptical and didn't think it would give us anything except more paperwork. But we knew we had to make it work so we brought in a couple of good quality guys from outside to integrate it."

That decision proved to be "a lightbulb moment", says Verity. "When the auditors came they said we had one of the best QM systems they'd seen. They said other companies grafted 9001 on without really integrating it. That comment was definitely a measure of success. Quality management went from being something that was a process to our intrinsic way of working. We couldn't have sustained the management of growth

without having some of the processes we now have in place."

The number of staff grew from sixty to eighty while the business as a whole tripled in size between 2004 and 2014 on the back of major new product development and growth in the market. There are uncertainties around what the energy market will look like in future, but turnover is now £13million and is on track for three to five per cent annual growth going forward.

"In our industry customers look for anything that will give them greater automation and save money," Verity explains. "So we have to enable them to speed up tests from hours to minutes, achieve better accuracy, create less waste through needing less sample to test, and making sure their products are bang on spec. If we produce instruments that tick all those boxes we have something which is valuable and that the industry will stand up and take notice of."

Tests used to be manual, he explains, and could take four hours using equipment that cost tens of thousands of pounds. But new kit developed by Stanhope-Seta costs £25,000 and runs test results in fifteen minutes.

There are still a lot of tests which are done manually so there's plenty of opportunity for more of the same, and the R&D department at Stanhope Seta is the biggest it's ever been, with about six members from various scientific disciplines.

"You can choose just to stick with bread and butter or you can invest in blue-sky thinking and create something new that could be valuable to customers and will contribute to growth," says Verity. It's quite an investment. Typically, blue-sky development could take seven years from concept to prototype, through complex testing and standardisation and regulation, he points out. "As the world changes and new sources of energy emerge there are opportunities for new types of testing for new materials and to apply ultra-new technology to existing tests; there's stuff coming out of university research labs which could be converted to work in our industry."

Meanwhile, says Verity, new ideas, however good, need buy-in from the market. “You have to convince customers who are anxious to move forward yet are cautious – and for the right reasons, because, for example, they have to guarantee that when jet fuel is put in a 777 nothing is wrong with it. So if we’re going to change anything we have to do it through method and standards. If we go outside the box and try to do something completely new, it would mean having to persuade the whole industry rather than individual customers to sign up to it.”

For this reason many ideas come from the marketplace itself, with Stanhope-Seta attending meetings of standard-setting acronym-laden groups like ISO and ASTM, IP, BSI and DIN. “We’ll pick up on conversations when people say ‘if only someone could come up with a new way of tightening this process’. We spend a lot of time listening.”

That’s listening internally to their staff as well as to the customer. He continues: “We have learned that if you don’t, there’s a sense among the staff of ‘what’s the point’. If someone says ‘maybe we could do this differently’, we evaluate the idea, and go back to them to say ‘we’ll do it’, or explain why we’re not doing it. You only have to fail to give people feedback a couple of times and they will switch off.”

And, says Verity, that all needs to be accompanied by clear communication with staff. Information about all kinds of things – warranty returns for example – is displayed on screens around the building. “We monitor everything, the response from customers as to how they see us, on-time delivery, effectiveness of production, blockages in the flow of materials - everything. Everyone is able to see how well we are managing stock, quotes, whether customers are happy – it’s all there.”

Which brings us onto Verity’s second measure of success: people. “What makes the business work is that our eighty staff work as a team, and that makes a difference, because

it means if they spot something that’s not right or could be improved, they’ll make their input.”

One product that Verity thinks has good prospects for growth is a new test for traces of bio-diesel in jet oil, which has taken eight years to develop. Until very recently fuel distributors had to carry bio-diesel and jet fuel in dedicated tanks, as traces of the former can taint the latter, making it less reliable.

But the new easy-to-use test makes it possible to detect traces of diesel in the jet fuel, meaning the same tanks can be used for both (resulting in more efficient operations for the carriers); if any traces are found the jet oil can simply be returned for reprocessing.

Verity believes that ultimately a company’s success or failure in a niche market is based on how it is perceived. “Size is important but secondary; more important is customer recognition,” he suggests.

The aim is to grow market share. The biggest player has about 60% of the market overall, with the rest shared between Stanhope-Seta and a few other smaller players - though in some specialisms the company has a much larger share, for example in tests for jet fuel cleanliness (70%) and hydrogen sulphide (100%).

“We can be highly responsive but we have to pick projects carefully as we can’t afford to fail,” explains Verity. “There’s enough in petrochemicals to keep us busy for a long time but the market is fairly mature. Pharmaceuticals, plastics, confectionery and cosmetics are all sectors in which there is potential for our testing equipment. And new markets could include wind turbines and tests for new oils and compounds that have not yet been developed.

“Our industry thrives on innovation. The world needs new energies in the most efficient way and we are part of that: so if we don’t come out with these ideas we won’t grow and we’d become obsolete because test methods and technology will have moved beyond us.”

## When the answer is neither right or wrong

Creating successful buildings and therefore a successful architectural practice is about much more than design and technical skills, says Jonathan Hill, chairman of Scott Brownrigg. The process will usually start with questioning and evaluating the brief to identify how to deliver added value and to exceed client expectations.

“Architecture is not like mathematics, where there’s a right and wrong answer,” he explains. “We have an ethos that enables collaboration and promotes analytical and critical thinking. It’s about client empathy; understanding what they are trying to achieve and how can we deliver that.

“We draw what the client wants, then we ask ourselves if there is another solution that will deliver a cleaner, better, more valuable space that the client will find more attractive. We aim to nurture the bright, the new and the progressive; there might be alternative ways of designing a building that will add value. And it doesn’t necessarily cost more to design and manufacture something more beautiful.”

All the project designs are reviewed by the practice’s design research unit, whose remit is to assist in the “continuous improvement of design quality across the practice through observation, comment and critical analysis.” The idea, says Hill, is to exceed expectations so the client will recommend the practice and use its services again. “We’re always thinking is there a better way of undertaking this work? Quite often we can deliver something the client hasn’t initially considered. Most clients find this approach attractive and refreshing, and we like working with clients who have an open approach to new ideas.”

Though technical and design skills are of course crucial, Hill says the architect’s job isn’t simply about designing the biggest or best building. “What’s critical in a sense is relationships, offering commercially

astute and practical advice to clients and working collaboratively with the whole team, including contractors. It’s not about the scale of what we can do – the intellectual content is important. It’s about attitude, how our team handles the project.”

Hill credits television programmes about building design and interiors with raising awareness among the public at large as well as potential clients as to what can be achieved. “People are getting more wise to design – they’re aware of how the raw materials of space, light, and form can be used to make environments more attractive to live and work in and make us more connected to our physical environments.”

So here’s a challenge. How to create non-formulaic designs but at the same time achieve a consistent identity and vision across a practice that is increasingly international in its operations. It elicits a smile from Hill. “We all have individual tastes and we aim for project diversity as that enables us to be culturally and economically robust. A building designed by our Singapore team will be different from one designed in Guildford because there are cultural differences, yet both will have a meaningful design rationale and the same approach to delivery – what Scott Brownrigg is about. That requires a great deal of energy to make that happen practice-wide.”

To galvanise the whole practice, its DNA is expressed as a two-page “manifesto” listing the core values - ‘integrity, respect and trust; enjoying what we do; being sustainable and resilient; profitable participation; friendly and sociable; owned by those who work for it; client empathy; continuous evolution.’ The intention is to have clarity about the business’s goals. “The key questions are what are we trying to achieve, what can we do to help fulfil our aspirations and how do we encourage talent to flourish,” says Hill. “We have a desire to be considered one of the best, not necessarily one of the biggest, and that comes from the quality of our work and making the most of opportunities.”

These core values don't change, he says, but the firm's aspirations are more fluid; they could be part of the five-year plan, or something that takes more time (or less) than that. "Often it's not revolution, it's evolution – cranks of the cogs," says Hill.

The business can trace its roots back more than a century and now, with overseas offices in Singapore, New York, Zagreb, and Moscow, Scott Brownrigg are targeting work in countries which value British design. The aim is to become world renowned.

One of Hill's challenges as a chairman who remains a hands-on architect has been to create a corporate structure that allows employees to have a real say in the running of the business – hence the 'profitable participation' and 'ownership' elements of the core values. "Some architects can manage and some would rather not," explains Hill. "So we aim to give them the chance to be architects only or to have additional leadership or management responsibility. We've tried to develop a structure that allows them to develop a career path they are happy with, and enables individuals to contribute to the vision and direction of the business and share in its success of the business without being a board director."

So, while overall strategy is handled at board level there is also a management group that handles the day-to-day operations. The new structure has thirty-nine shareholders and is unusual in that from associate level in the practice there is encouragement to invest and participate in ownership.

"Architects do what they do because they love their job," Hill points out, "hence the inclusion of 'enjoying what we do' in the core values and a corporate aspiration to make the built environment better than we found it – architecturally, socially and morally. But for all that, it's important not to forget that architects are in business to make money, like everyone else. We're very alive to the importance of profit. It's not a dirty word. Without profit we can't invest for tomorrow."

Hill believes in acknowledging and

celebrating successes with staff. This could be something as simple as celebrating the grant of planning permission on a project by going for a pizza. Core values include the practice being friendly and sociable. "This is the breakout room," says Hill, indicating a snooker table, drum kit and guitars. There's an annual art exhibition featuring the work of staff, and charitable events have included raising funds to design and build a village in Africa. "It all helps build relationships between people from across the practice," says Hill.

Once a year the board go away for a few days to discuss the progress and plans of the business. "We talk about particular aspects of delivering the five-year plan – talent, design, capacity management, for example," explains Hill. Inevitably there is a busman's holiday aspect to the trip as the partners will look at interesting buildings while they are away. Most recently the destination was Rome, and Hill says the longevity of classical architecture is "fascinating and inspiring, even for contemporary designers." But he's quick to add that he's not keen on trying to replicate it, as he's occasionally asked to do.

"I think a building should be of its time," he says. "I've sometimes been asked to move more toward something traditional than contemporary and that can be disappointing if you want to push the boundaries of design. I don't think it's appropriate to copy a 400-year-old building, because the way we live now - the materials we have, the way we build, the way we live - is different. At one time it was probably thought totally inappropriate to build the Georgian town hall we now love among medieval buildings."

Sustainability, he points out, is an increasingly important part of an architect's work, says Hill, "but it needs to be embedded in the design process from the outset. If you take a design and then say 'let's make it sustainable', that adds costs." The impact of technology on building design is just as telling. "I remember the practice working on Terminal 4 at Heathrow in the 1980s, when

we spent £250,000 on buying 4k of memory,” recalls Hill. “From a client’s point of view technology means potential problems can be spotted at the design stage. And technology has enabled design that would probably otherwise not have happened. Hill cites the Gherkin in London. “Every piece of glass is different – it would have been extremely difficult to achieve that thirty years ago.”

The reference to the Gherkin raises the question: do architects tend to define success as building something iconic - the biggest, the tallest, the greenest, say? “They definitely want to work on interesting projects,” muses Hill. “Seminal work that is measured, crafted, challenging and original. But it’s not all about scale. We are advocates of substance over style and content over spectacle. I’ve had some projects that are quite small but attract great interest within the office because their nature is fascinating.” He gives the example of the hub building for a Surrey business park. “It wasn’t the biggest of buildings but it was a remarkable little gem because the client wanted something unique, and that adds real interest to our job,” says Hill.

The practice does occasionally get asked to create an icon. “We have to ask the client what they mean by that, because some iconic buildings are really style over substance,” says Hill. “Do they mean something like the Sydney Opera House, which is really just a shape with everything else fitted into it, or do they want something that stands out for other reasons? We will show the client a number of examples of buildings that might be regarded as iconic to find out what they mean by the term.”

If, then, success in building terms, isn’t about creating the biggest or tallest or most iconic, what is it? “There are different ways of answering that question,” says Hill. “One definition is simply a project that’s finished on time and to budget.” But he concedes that not all successful buildings were.

So he offers an alternative definition. “A building tends to be around for a long time; if I go back to a project twenty years later

and people are still using it, still enjoying it and it’s still adding value to the occupier, streetscape and the townscape, that’s a successful building.”

## Why ambition is always re-set

It’s human nature to strive for personal achievement of some kind, says Henry Braithwaite. In the case of entrepreneurs, that drive is ever present, and as they achieve one thing, their ambition simply resets to strive to achieve something else, he says. “A huge part of what drives us humans is status. Look at how many people did the London marathon. That’s one way of publicly achieving something.”

Another way is starting a business – which comes with its own step achievements and need for goal resetting. Braithwaite, co-founder of multi-million-pound B2B telemarketing company Market Makers, recalls a conversation he once had with the previously co-owner of Thomas Sanderson Blinds. “She told me when we started that business was like getting on a bull – you never get to the stage where the bull is tame and you can just get off it.”

Braithwaite thinks there could theoretically come a point where he and chief executive Paul Thomas could hop off the bull in question but human nature, in the way he defined it, would mitigate against that actually happening. “We’re not there yet,” he says. “Entrepreneurs want to do the business equivalent of climbing mountains and crossing oceans. You’re drawn to the challenge and you can never complete it; the challenge just resets itself.”

The main part of success, he thinks, is having a company culture where there’s a focus on developing people along with the business. “B2B telemarketing isn’t a numbers game. It’s about engaging, intelligent phone



Henry Braithwaite, Market Makers

dialogue that takes unqualified business prospects and converts them into high-quality sales opportunities. So to get the best possible outcome from every call you need the best calibre of individuals making those calls.”

The company has a policy of headhunting staff rather than advertising for them and working hard to retain them, one of the key reasons, says Braithwaite, pointing out Market Makers are the only telemarketing agency to be included within The Sunday Times Top 100 companies to work for, and has been for the past four years.

Another aspect of success? “Putting the focus on solutions, how to grow customers’ businesses, rather than just addressing their problems,” says Braithwaite. “Also, if you focus only on one offering, that will have a shelf life, so it’s important to spot changes in the market and adapt to them. If you look at businesses that have been around for a hundred years, only a small number of them, if any, are still providing the same service or product.”

A notable example of this is that Market Makers delivered only telemarketing at first before using new technological tools to deliver digital marketing too. They now, “uniquely” bridge both marketing and sales by providing lead generation through call centres and digital marketing through ‘Really’, their own marketing agency. “In our space we’re the largest organically grown B2B marketing business in the UK,” says Braithwaite, attributing the 40% per year rise in turnover partly to this diversification.

Braithwaite says that feeling part of a bigger picture in this way can be a motivating factor for staff and customers. “I’ve just got back from the US where a lot of businesses are quite worthy, saying they exist to make the world a better place. It’s supposed to be motivational to talk like that but it can appear a bit pretentious to cynical British people.”

“We just talk about this in a different way from the Americans,” he says. “What’s more acceptable to the Brits is a more toned-down

and honest version where the theme is helping the customer rather than saving the world. So rather than just saying we’re a telemarketing company it’s more motivational to talk about how we can help grow customers’ businesses. It’s re-framing what we do. People inside and outside are more interested in that conversation.”

But at the same time it’s important not to lose sight of the business’s core purpose and strengths, he adds. “When we think about how to transition the company it usually comes back to that core purpose. For example, clients used to say you guys have great telephone systems and you know call centres; you should do inbound call centre services as a logical extension. But actually inbound is totally different; it’s not about growing a business, it’s about supporting existing operations.”

That said in relation to core purpose, he adds a caveat: “There’s not much I do now that’s in common with what I was doing ten years ago. A start-up is entrepreneurial and energetic and everyone buys into that. As it grows it has to become more systematic.”

He thinks back over how the business has evolved. “The first third of the company’s life was fast paced, all hands on deck, entrepreneurial. The next third, having got to sixty staff, was about embedding processes, creating a strong business model. The latest third has been about being an established business, putting in place appropriate management structures and systems.”

The nation’s financial crisis came in the middle third. “We had a rule that we were not allowed to talk about it,” recalls Braithwaite. “It was outside our control and every time someone raised it as a reason for something they would be pulled up very quickly because it’s something that can become a self-fulfilling prophecy.”

Braithwaite thinks that in a sense the business is almost recession proof. “The idea that it’s been a smooth ride is far from the truth but we grew pretty strongly in those years because one of the things businesses

can't afford is not to spend on generating leads."

Market Makers take on maybe fifteen new people a month, having been growing steadily since being founded in 2003. During 2014 they grew from 290 to 470 people, including five full-time recruiters tasked with dealing with a recruitment "bottle-neck".

There are twice-weekly meetings of all the staff, which include motivational elements like 'knighting' ceremonies for newly promoted staff. "And when we promote people we talk about why we did, which reinforces the culture," says Braithwaite.

Fun is clearly part of it. "We have a big social calendar," says Braithwaite. "In the American office on Monday they had a lip-syncing contest; there's always something like that going on. In July there's a family fun day and we took everyone over to Cowes in August."

A three-year plan was reset late in 2014 and involves doubling the turnover. Contributing will be sister business Lead Forensics, which came about when Market Makers wanted a way to identify who had visited their website. The solution was to create their own software to do the job, which they were then able to commercialise - the software is sold to clients to identify prospects.

None of the competition for Lead Forensics' subscription-based software is focused so specifically on lead generation, a speciality that evolved naturally due to it coming out of our lead generation business, says Braithwaite.

The two businesses share offices but operate independently. Lead Forensics, which has 250 UK staff, also have offices in the USA. Expansion state-side is being staffed by UK staff who've been shipped out for the purpose; Braithwaite adds that they're enjoying it so much they "don't want to come back".

Braithwaite thinks part of the recipe for success is that the management team are in sync, that he actively likes spending time with his team. It's also been important that

he gets on so well with co-founder Paul Thomas, despite what Braithwaite describes as "changing priorities."

"We were both twenty-one when we started the business and in the past decade our lives have moved in different directions. I've got married and had three children but Paul's still single and free and he's quite happy to still be here at 10pm on a Sunday. I can quite imagine that changing dynamic could become awkward if you didn't have a really solid relationship with your business partner."

## Making things happen with tangible outcome

What is success anyway? For Christian McBride "it's fundamentally about making things happen and creating a tangible outcome."

The chief executive of Genuine Solutions Group cites getting onto The Sunday Times Fast Track three times, winning the international Green Apple environmental award, being named mobile accessory distributor of the year, and perhaps most notably, receiving the Queen's Awards for Enterprise in international trade. That, says McBride, fulfilled an ambition to prove the integrity of the business. "It showed we're not a fly-by-night; it helps us demonstrate and communicate our ability and stability."

The group comprises Genuine Solutions Limited, providers of mobile/smartphone accessories to more than 800 customers in forty-one countries, with in excess of 2000 product lines in stock. Genuine Solutions UK (GSUK) deliver environmental recovery services, and have processed more than 15million units, working to strict legislative guidelines and ISO14001 certification. The Repair Station carry out warranty and other repairs on branded devices, while Duel Services, definitely a diversification, deliver

plumbing, gas and heating, electrical and associated services to homeowners, landlords, small and medium sized businesses; and were named winners of The Times and The Sunday Times lettings supplier of the year award

McBride says clear leadership leads to success. “Direction and framework, being able to build a vision that people can understand and get behind, are important,” he says, going on to list the attributes of a successful leader, which he says is being supportive, understanding, empathetic, energetic, driven, leading by example, encouraging, rewarding, and inspiring. The attributes, he believes, which have helped the group grow to a £100million turnover, 130-person-strong business with operations across the UK and Europe since it was founded in 2006.

That’s been both strategy and opportunism on the way: “Business success is about taking advantage of opportunities while they’re hot, he maintains.” He certainly did that when, aged twenty-three and working for a company distributing phones and accessories, he saw an opportunity to disrupt the fast-growing but “complacent” market by creating a business specialising in accessory distribution, which he started from his mum’s spare room before moving to a start-up business unit.

A couple of years later, with the impending implementation of the EU waste electric and electronic equipment (WEEE) directive, he saw an opportunity to get involved in the recovery of used devices. “National retailers generate vast volumes of returns, and I saw an opportunity to revolutionise the market by introducing a recovered product range,” says McBride. “People buy them on price or because they like the ethos of a recovered product. Re-use is the best form of recycling. More than half of used smart phones accessories are now recycled and re-introduced. We all have a moral obligation to reduce our environmental impact. Anyone can write a message on the wall, but we live and breathe these values as part of a constant drive to better ourselves.” Which was a

raison d’être for gaining Investors in People accreditation.

The complete diversification, Duel Services, came about following an encounter with a small plumbing firm. “The owner was a very driven young man doing work for letting agents. That was a huge and scalable market but he was failing as he didn’t have the infrastructure to take it to the next phase,” says McBride. “So we bought the business and set about growing it into a leading property services provider. For me the success criterion was to take a completely different business and replicate the success we have in our core area. The intention is to grow that business significantly in the next few years with a view to a possible exit.

And McBride would like to make more acquisitions, possibly other diversifications. “It’s about evolution,” he says. “It’s important to keep moving and developing. We’re still a young business but we have a wealth of knowledge. We’re inventive, energised and organised and we look at things from a different view - but if there’s a solution to a problem we don’t try to invent a new one.”

He’s considering doing an MBA to reinforce his practical experience. “I have picked up a lot but it would be reassurance that I’m going to continue to do it right,” he says. “I was financially driven so I didn’t get the education I might have done.”

He also recommends finding a peer group, having joined an academy of chief executives. “We’re always being told the loneliest place is at the top.” That said, he advises: “Trust your instinct. You might feel you are going against the grain with certain decisions but you’re probably right.”

## How to avoid the all-consuming traps

“I sometimes think there’s too much emphasis on defining success financially in terms of share price, revenue, profit. You fall

into a trap where your decisions are based on getting to a certain level in a league table and that becomes all-consuming.”

For Chris Sykes, chief executive of global digital content, technology and innovation agency Volume, success isn't just about making money – it's about using one's creativity to the full, making a difference, and attaining recognition for it.

“I've never been money driven, though it's nice to have,” says the former graphic designer who set the business up with £2000 lent by his mother. “My goal was to create something; it was never about making the first million or growing a business to the point of being able to say ‘we have 150 staff’. That doesn't mean anything to me.

Sykes' beginnings as the leader of a serious business grew from “getting a lucky break from an opportunistic phone call.” There's been an element of luck and being in the right place at the right time, he says, describing how he got his first client, computer maker Dell. “I plucked up the courage to cold-call them in 1993 after taking a couple of swigs from my then girlfriend's bottle of Malibu, and they said great, we're looking for a designer, can you come in and see us? I said of ‘course, but probably not this afternoon!’”

Dell duly hired Volume to produce marketing literature in different languages and later asked the company to help create an online picture and resource library. Dell have since become part of the company's DNA, says Sykes. “Back in the day it was a commercially aggressive organisation, relatively speaking, with driven people who had high expectations. So that had to underpin everything we did, which meant we has to invest in technology to make our service for them even better.”

As that project took off, Oracle came on board as the second client (and now they're the biggest). It was also a challenge. “They were very demanding as an organisation but very loyal as long as we did a great job and added value,” says Sykes. “We would boot-camp our people on Oracle work. If

they could survive a couple of years on this account, anyone else's would be a walk in the park.”

Having Oracle and Dell as clients gave Volume real credibility and gave them the confidence and opportunity to move away from being a pure-play design agency to actually developing technology to fill gaps in clients' own systems; for example in the way they hosted websites.

Another example of right place, right time was getting the account of another global computer company. “We'd tried before to get into HP but hadn't been able to,” says Sykes, “but we struck lucky when they were planning to launch a major new innovation. Their internal team hadn't been able to deliver the website in time and they needed it finished within a week. We came in and said ‘we can sort it out’. Luckily we're good at project management and we have the ability to talk hard tech, which most agencies can't do.” HP approved Volume's application to be a vendor within hours – and subsequently hired the business to project manage the development of all their sprout.hp.com websites.

That kind of fast-moving problem solving is where Volume have strength, says Sykes, giving another example. “[Electronics company] Plantronics had a reseller event in Milan one weekend. We had created all the collateral marketing material and sent it out. Then I got a call while I was in the box with clients at Reading [Football Club] saying the lorry had been broken into and could we do anything about it. We mobilised everyone to get the materials reproduced and flown out to Milan in less than twenty-four hours.”

Sykes says that kind of responsiveness and problem solving has transformed Volume. Only a quarter of their work is now content (such as copywriting; digital, web and traditional design; 3D modelling and illustrating); the rest is spread among client services (running projects, campaigns and programmes for clients), technical (creating bespoke technology for clients' digital ecosystems) and learning/development



Chris Sykes, Volume

(developing training content). The business accordingly has four strands, each run by a different member of the executive management team. “The EMT members are all home grown,” explains Sykes, “They came in as bright young things and I’ve mentored them, taught them the right behaviours and given them autonomy,” says Sykes. “That’s a great way for people to learn. They’re the DNA of the business.”

Are Volume unusual in offering their palette of services? “The arrogant but accurate answer is that no-one else is doing it,” suggests Sykes. And a benefit is that each of the four areas provides an entry point for new clients. Some use only one of the four services - Standard Life, for example, use Volume just for training material – but the ultimate goal is to supply the whole range of services to every client, acting as a one-stop shop.

Clients sometimes ask for services outside the usual remit. “One contributor to success has been not to set out an over-rigid menu of services,” says Sykes. “We’re a can-do business – for example, though we’re not an events agency as that is low-margin, intensive work, we have run quite important events for clients. But it’s no good being dynamic if you don’t have a business model that is flexible.”

He learned the truth of this from bitter experience. A couple of years ago he was trying to take a step back in order to focus on international development and an eventual exit and decided to hire a managing director to run the business day-to-day. The result? “It nearly killed us,” he says frankly. “The new MD wanted to change the formula and that eroded our DNA. We were hiring new people without the revenue to support the growing head count, and operating costs spiralled out of control. Meanwhile, revenue was declining as the MD was taking the business down avenues that our clients weren’t interested in. Our client-facing staff were confused and so were our clients. I recalled explaining at the interview ‘you can’t muck with the formula’ but unfortunately that’s what happened.”

Sykes exited the MD after a year. The ability to react to resolve problems like this is another contributor to the success of a business, says Sykes. “Although on paper that situation doesn’t look great I see it as a success that we managed to exit people who were wrong for the business, without losing a client.

“We’ve worked really hard to elevate ourselves. Everyone here has to breathe energy in every meeting, whether it’s by instant messaging or face-to-face. I want the client to come away excited and enthused, and our people create that feeling.”

Sykes says that he has a “gut feeling as soon as someone walks in the room” when it comes to recruitment. “Developing and mentoring people gives me satisfaction. It might sound odd but it makes me really proud when someone comes in as a graduate and two years later gets a job with O2 or Microsoft. It shows that our business and our people are highly thought of. Not a week goes by when people don’t say they’ve been contacted through LinkedIn. That’s a compliment and I hold that as success.”

Generally if someone leaves it tends to be to move to London, but having been inculcated in the Volume way, they can find a new working environment troublesome, says Sykes. “One account manager went to a large paints company and I said ‘you’ll be back in a year’, and nine months later she was, saying it was boring, as it was all meetings and she was working with software that was two generations old. Another account manager recently came back after going to a smaller agency where she couldn’t get on with the indiscipline.”

So discipline is not inconsistent with being a creative agency then? “Our working environment is really fun,” explains Sykes, “with free fruit, bring your dog to work days, sports days, fish and chip Fridays, but we mould ourselves to the client’s culture. For example, the Oracle account is very process oriented and prescriptive, and they have to be comfortable with us.”

Staff performance is measured by the net promoter score system, with the reward programme geared to customer satisfaction. After twelve months in the job people can apply for ‘smarter working’ – which could mean working from home or adopting US hours. “No-one’s tallying the hours,” says Sykes. “I don’t care if people work only thirty, if they deliver what they would otherwise have done in a conventional working week.”

His management style has evolved over time. “I started this business when I was twenty-three and at that age you basically shout at people, but you quickly realise that the Alex Ferguson style of management doesn’t work in business. I’m very empathetic now. I don’t micro-manage. I empower people and give them a high amount of autonomy.”

For example, the things he needs to know from his executive management team are pretty simple. “At monthly catch-ups the first thing I ask HR is ‘have we got a happy workforce’? My question to the technical team is ‘what’s the most innovative thing we’ve achieved this month’?”

Sykes is still going through a process of trying to ease himself out of everyday management. He had the chance to bring in investors in 2014 (there are currently no external shareholders or investors) but felt the funding would have been too expensive. “The question I’m always being asked is ‘what will happen to you, Chris?’ But I’ve been working for years to get this business away from being ‘Chris Sykes Limited’. I’ve managed to extract myself from client relationships. I still own the vision for the business but the EMT will fulfil the vision. A business has to be seen as sale ready, and we get regular approaches from bigger agencies, but there is a balance between being ready for sale and people thinking I’m going to be off next week.”

Part of his vision is for Volume to be more of a global business (they already have a technology centre in Sri Lanka). He’d like to see the business having a significant presence in the US in five years - an office there can both cater for work for existing US tech

clients and attract new ones. “There’s a major opportunity for us there. I was over there the other month and there’s this new wave of bright young start-ups, wanting to be the next Facebook,” explains Sykes.

Meanwhile, Volume have become an IBM Watson Ecosystem Partner, one of only a handful in the UK. Because, says Sykes, “cognitive computing, machine learning and artificial intelligence are the next wave in computing and will change the way we do business in the future.”

## Ability to apply real energy

“What strikes me is that a recurring characteristic of a successful company is the ability to turn a crisis into an opportunity, creating success out of unlikely circumstances,” says Peter Burke, executive director, wealth management at Coutts & Co. “Facing a real challenge makes them focused, determined, and resolute, and the ability to apply real energy is a key factor in being able to achieve success.

“I see an ability to re-set the gauge. Point B has been reached so the objective is to move to C rather than bask in success and the possible consequence of slipping back to A. Successful companies know that it’s easier to slide than it is to climb.”

“Successful directors will have identified the difference between knowing everything that is going on and being hands-on. They will delegate effectively and in a way which enables them to inspect what they expect. It’s about having a handle on risk, knowing where it lies, and managing it. What may appear as high risk from the outside has been evaluated very carefully, and they will have identified the very worst thing which could happen before taking a course of action.

“Clearly there is a desire of founders of successful companies to be able to separate

themselves from the business at some time, although exit is usually more at the back of their minds than a driver. Money, I'm sure, isn't the main motivator. Three years ago it might have been mentioned as a way of keeping score, but now I hear that having a happy, engaged workforce, a company which is doing great things today with even more potential for the future is the reward owners seek.

“There is also a sense that successful companies are reaching beyond the employee to their families. And being recognised as one of the best places to work is an important accolade.

“Of course there is no hard and fast recipe for success. Yes, there are key ingredients which are required, but no formula which can be bottled.”

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