

Making a difference

How are companies able to keep ahead in a fast-moving world?

Directors met with law firm Rawlison Butler for a round-table discussion to identify some of the issues which have to be addressed.



What are the key characteristics of being able to sustain a market leadership position?

Glyn Woodage, Chief Executive, Harwoods: "Branding is extremely important, and it has to have a strategy behind it. With high volume, low margin products there is less chance to form a relationship with the customer. I'm not saying that selecting a volume brand to sell is a mistake, but it is more of a numbers game."

Michael Jenkins, Chief Executive, Roffey Park Institute: "Research suggests that successful organisations are those which are clear about their common purpose. They have the ability to ask the questions why are we here, what are we doing, and why are we doing it this way? And they aren't adverse to changing that common purpose if they need to."

Tony Hyams-Parish, Partner, Head of Employment Team, Rawlison Butler: "The key is having the right people on board who buy into the core strategy."

Steve Atkinson, Chief Executive, Systagenix: "A large influence in whether the common purpose can be executed is how well you communicate it to staff. A lot of companies think they have done it, but it can be an illusion that their employees have understood it. Directors need to go down to the shopfloor and ask the question, and then make sure the message is re-enforced."

Mark Duggan, Managing Director, Eezehaul: "Directors will be anticipating what the customer will want in the future, but the quality of delivery is down to how the vision is driven down to the staff. We pay relentless attention to detail."

Steve Atkinson, Chief Executive, Systagenix: "I think for us, we need to do more than keep ahead with product innovation; we have to be seen to be innovative. If you get momentum with innovation, it becomes a self-fulfilling culture."

Neil Harris, Partner, Deloitte: "A brand needs to have continual investment if it is to be re-inforced. Your people are key because you haven't really got a brand if its values aren't delivered. A company's brand values and strategy can't be too complicated, because if they can't be clearly articulated, they aren't going to be effectively communicated."

Brendan Connolly, Chief Executive, Moody International: "Whatever the brand or market sector, you have to get as close as possible to the client. Identify your top fifty employees, train them to be even better, and their commitment will trickle down the organisation."

Mark Duggan, Managing Director, Ezehaul: "Our business, logistics, is rarely a first career choice, but we've taken on five apprentices to create the employees we want rather than recruit people who have no real interest in what we do in terms of a career."

Sean Ryan, Real Estate Partner, Rawlison Butler: "Of course clarity is essential but I would add that the message needs to be aligned to the needs of the client; it's pointless creating an image and a set of values which you are happy and content with but which don't have any resonance with the client."

Sue Brand, Managing Director, Pembroke Group: "The umbrella is that the brand has to have integrity or it won't get anywhere; integrity is the basis of being able to build long-term relationships."

Geoff Edwards, Executive VP Operations, B&W Group: "Clearly consumer products are all about brand. We've been talking about communicating the vision to staff but we have to apply the characteristics, the values of the brand to everything. At the end of the day, a company can have all the vision statements it likes, but if they don't represent the way it does business, then they're valueless."

Mark Duggan, Managing Director, Ezehaul: "For any business, reaching a peak and settling there is an achievement. But finding the energy and the means to go further is what is really impressive."

What are the biggest challenges faced by a market leader?

Geoff Edwards, Executive VP Operations, B&W Group: "When a company sets the pace, the only thing they know for certain is that a rival will attempt to copy them. With the development of the IPOD, we've taken the opportunity to move into a new market segment. It would have been very easy to play to its low cost rules; more difficult is to go in and say do you know what, we're a premium brand, our product is higher quality and will cost twice as much. Because if you cut your standards to diversify, the perception is that your brand has lost its way."

Sue Brand, Managing Director, Pembroke Group: "Seventy-five per cent of people in residential care are funded by public money, and there is no national fee structure. In Brighton and Hove, £350 a week is paid for care, accommodation, and full-board. The major issue is to maintain standards despite financial constraints, and that means having to be entrepreneurial to develop a better private base."

Sean Ryan, Real Estate Partner, Rawlison Butler: "The challenge is a marketing one, to persuade the public at large that its best interests lie in bespoke rather than commoditised service delivery."

Brendan Connolly, Chief Executive, Moody International: "A market leader will make sure its internal processes are robust and will continually refine and adapt everything it does to raise the level, which means that competitors snapping away at your heels will fall away. There will always be competition, no matter how good a company might be, but you just have to make sure you're always ahead so they can never make the step up to your position."

Neil Harris, Partner, Deloitte: "It's about remaining true to what enabled you to achieve success in the first place. You need to remind the organisation from time to time, otherwise complacency sets in."

Stuart Evans, Partner, Head of Commercial Disputes Team, Rawlison Butler: "Globalisation has made copying and counterfeiting a huge threat. It has to be policed, no matter how time consuming, because of the cost and reputational implications to the brand."

Mark Duggan, Managing Director, Ezehaul: "It is absolutely vital to stay true to what got you there in the first place; that's your DNA. We're in a heavily commoditised business, so we need to find and demonstrate differentiation to make sure our customers are aware of the value we provide for the price we request. It's complicated to achieve, because what the customer appreciates can be something of a moving target."

Steve Atkinson, Chief Executive, Systagenix: "Don't take customer loyalty for granted. If the aim is to grow 10% but the company loses 3% of them, then you could say it needs to grow by 13%. And keeping existing customers should be easier than bringing in new business. I like competition - I'm extremely competitive - but celebrating success is an important element of getting everyone wanting to win."

Tony Hyams-Parish, Partner, Head of Employment Team, Rawlison Butler: "You've got to be clear about your message, your proposition, otherwise potential clients will be comparing apples with pears."

Michael Jenkins, Chief Executive, Roffey Park Institute: "One way to address competition is to actively look at potential partnerships where both parties will gain more by working together."

Glyn Woodage, Chief Executive, Harwoods: "A characteristic of a market leader is going to be the ability to re-invent themselves; they'll still maintain their style and approach, but they will be able to anticipate and meet changing market requirements rather than trying to resist them."

Really, how important is strategy?

Mark Duggan, Managing Director, Ezehaul: "It can be a grand title for a business plan, but the point I would make is that communication is again essential if the company is to follow it. We've introduced flash reporting so that people can see every week how they are performing."

Neil Harris, Partner, Deloitte: "Strategy can't be one-directional; there has to be the ability to take advantage of unexpected opportunity."

Steve Atkinson, Chief Executive, Systagenix: "A strategy should ensure that the company has a clear advantage in a particular space, so the starting point could be finding a niche. I believe in having a single-minded focus on trying to own a market space. For us, real opportunities could present themselves if a corporate decides not to focus on a particular brand and is prepared to sell, so our strategy has to have some flexibility. Implementing strategy can also give a company a competitive advantage because it knows it can take out costs where they have no impact on that strategy."

Michael Jenkins, Chief Executive, Roffey Park Institute: "We took the BHAG approach when we drew up our three-year strategy. Having a Big, Hairy, Audacious Goal will take us into Asia where we have now set up an office; it gives everyone a sense of excitement, a sense of having something highly ambitious to aim at."

Glyn Woodage, Chief Executive, Harwoods: "Our strategy is to gain more revenue from existing streams; there's no point in floating one idea after another if you don't capitalise on them. We measure on a daily basis our operating components such as enquiries per sales person, conversion, and if there is a need for improvement then we have the mechanisms in place to identify why and to do something about it."

Geoff Edwards, Executive VP Operations, B&W Group: "Our over-arching strategy relates to technology and where we need to focus new product development. Strategies tend to be non-numeric, and they need to be short and sweet, and easily adjustable. We also review the business plans of third parties we work with, our distributors, once or twice a year because if they falter it will have an impact on us."

Brendan Connolly, Chief Executive, Moody International: "Strategy doesn't have to be about a new direction; it can address what you are doing already and where improvements can be found. Resources need to be in place for strategy to be implemented; it doesn't happen by some kind of business osmosis. For a strategy to make a real impression it needs to be more far-reaching than people may have expected. In addition, a company needs a fast decision-making process because it has to be ready for that unexpected tactical opportunity which pushes it forward."

Neil Harris, Partner, Deloitte: "For a strategy to be developed and implemented, a company needs an open-minded leader who is engaged with all parts of the business; and it's vital that the company isn't fixated on the plan but the delivery process."

Stuart Evans, Partner, Head of Commercial Disputes Team, Rawlison Butler: "That process has to be flexible so that the company can take advantage of opportunities which abruptly and sometimes unexpectedly fall into its lap. Suddenly top quality talent is available - is the company able to react to that opportunity or does it get lost in deliberations?"

Geoff Edwards, Executive VP Operations, B&W Group: "We have a strategy to build the business, but that doesn't mean I haven't drawn up plans for a second dip."

Brendan Connolly, Chief Executive, Moody International: "There's an obvious conundrum. There are two real spending forces out there - government and the consumer. If globally government significantly reduces its expenditure, will the consumer make up the gap; probably not. Overall, it's still an opaque picture."

Neil Harris, Partner, Deloitte: "The international economy needs to be re-balanced. China, for example, needs a stronger domestic economy. But what I would say is that we haven't had the type of debilitating pessimism of the 1990s recession."

Glyn Woodage, Chief Executive, Harwoods: " We've had our best two years ever, but it doesn't feel like we have."

Chairman's Commentary

"I would say that drive and energy are the unspoken qualities which enable market leaders to stay ahead in a fast-moving world. The dynamism which the directors bring to their businesses is taken for granted, but it underpins everything we have been talking about.

"They all have this ability to focus on key components to achieve and sustain their market leadership - vision, team, innovation, brand, relationship management. But the over-rider is being able to draw together those qualities and make them part of the culture of the business so that the company can ensure it delivers consistently.

"Different specific market sectors will pose specific challenges, but market leaders recognise what really matters to the customer and communicate it well, internally as well as externally."

Tim Sadka
Partner
Head of Corporate
Rawlison Butler LLP

www.rawlisonbutler.com

References:

B&W Group - Bowers & Wilkins are worldclass manufacturer of hi-fi speakers for commercial, domestic, PC and iPod applications (the Zeppelin), with its 805 Diamond voted the European high-end loudspeaker of the year.
www.bowers-wilkins.com

Deloitte LLP - the UK member of Deloitte Touche Tohmatsu Limited, one of the world's top four audit, consulting, financial advisory, risk management and tax advisory firms, with offices at Gatwick, Reading, and Southampton.
www.deloitte.com/uk

EHC Skytrak - trading as Ezehaul, the logistics company is based in a secure 80,000sqft storage and distribution facility, which includes the capacity for 5000 third-party pallets, and is the first in the APC Overnight network to gain the ISO14001 accreditation.
www.ezehaul.co.uk

Harwoods Group - the largest independent motor dealership in the south of England, with a £250million+ turnover, representing Aston Martin, Audi, Bentley, Jaguar, Land Rover.
www.harwoods.uk.com

Moody International - global providers of quality assurance, inspection, expediting, procurement, ISO and QS9000 certification, and auditor training. www.moodyint.com

Pembroke Group - residential care home company committed to the advocacy of "positive approaches to ageing", and provider of training courses to give older, vulnerable people a better quality of care. The Pembroke Group has a key role in the development of the RDB Star Rating Scheme, a nationally recognised independent assessment scheme for care homes.

www.pembroketraining.com
www.rdbstar-rating.com

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www.rawlisonbutler.com

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