



# STICK OR TWIST?

## AROUND THE TABLE

- Jonathan Dunn** chief executive, BCMS
- Graham Miller** retired
- Mark Bond** chair, Vistage
- Lynne Hutcheon** director, Hutcheon Examination Services
- Caroline Jackson** executive vice president, patient services, mdgroup
- Greg Sutch** chief executive, Intralink
- Michelle Bailey** managing consultant, People Essentials
- Gert van Doormalen** chief executive, SAS International

## Becoming employee-owned must have felt like a stick or twist moment, why did you do it?

**Jonathan Dunn** We recently bought out the founding shareholders and already that's making a huge difference to employee engagement. We wanted to continue the DNA that was established. You are in business for so much more than profit these days. People that work for you need to buy into it and the employee-owned trust was a great way of fostering that. Everyone has a voice and is a stakeholder. It's only

With the economy becoming more turbulent, Insider's round table examined the specific challenges and opportunities facing business leaders as they look to grow and scale-up

been since July, but I am absolutely convinced it will work.

**Mark Bond** I used to be a director and chief operating officer at Vodafone. I also ran a digital marketing business, an airline business and a fintech business. Now I work with organisations like BCMS and Vistage helping businesses scale. I did a lot of M&A while at Vodafone, and the thing people always forget is culture. So many of the larger blue-chips who do M&A just see the numbers on a spreadsheet. Often we'd do three-year earn-out deals to keep the founder around to manage those issues.

## What people-related challenges are you hearing about?

**Michelle Bailey** I chair the Thames Valley branch of the CIPD. One

of the biggest issues is not only recruiting the talent you need, but keeping it. I was working with a construction company where new owners came in. They thought it was going to be great, they had lots of plans and believed the staff would come on board. But they didn't and it surprised them. Coming into a business and making assumptions just doesn't work. The tables have turned. It's no longer 'are they good enough to work for me'. It's prospective employees asking if this a good fit for them.

**Hutcheon** We provide statutory engineering inspections. We've had to look at different ways to retain staff. We give birthdays off with pay. We also work a nine-day working fortnight on a rota: everybody works an extra hour a day. The staff love it because it gives them a long weekend every other week. That's been running for five years. There are things we do that aren't financial, it's not always about pay.

**Graham Miller** You can't beat the big boys at that game because if you try to compete on pricing it becomes a race to the bottom.

"If you think the labour market is tight in the UK, just look at Japan and Korea where populations are falling."  
**Greg Sutch**



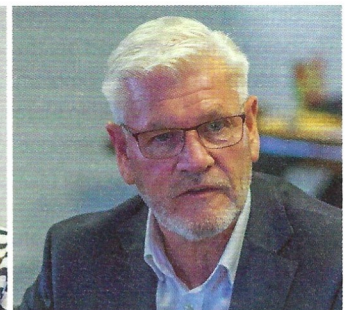
Jonathan Dunn



Gert van Doormalen



Michelle Bailey



Graham Miller



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I retired last year after selling my company. We were a small business but our customers were enormous. What the [selling] experience taught me is that you don't know your business until you come to sell it because you dig into the all the corners. In a successful business, you do look at things but perhaps you don't give them the eye that you should. The minute you start to sell a company, you look at it with different eyes, from the outside in.

**Greg Sutch** I led a management buyout in 2011; there were 12 people that came along with me at the time. We quickly introduced option schemes and now have 50 shareholders, all of whom are employees. For us, scaling is about

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**Graham Miller**

## Are businesses still scaling up globally?

**Sutch** It depends. We're in the business of helping companies go global and provide their services predominantly in East Asia. Most of our clients are later-stage, venture-based European, American and Israeli tech companies that want to sell their products and license their technology into that part of the world. You need to succeed in the international market to ultimately succeed as a business. We've seen very significant growth of between 30 to 40 per cent year-on-year in the last three years; we haven't had enough people. If you think the labour market is tight in the UK,

cent. So, the next thing is to move to the Midlands, and start to take on different counties, copying what we've done [here]. This time next year it will be fully operational.

**van Doormalen** Production in the US. Currently, we have enough capacity in the UK that can deal with growth. One of the challenges we have is our cost of production compared with commodity products. If you look at the people cost of producing glass wool, it's 12 per cent. Cost of sales is 6 per cent. So the total cost base is 18 per cent. For us it's at least double. Ninety per cent of what we produce is bespoke for a project, so it's very labour intensive.

**Jackson** We have pivoted but we're not stopping there. The area in



**Lynne Hutcheon**



**Mark Bond**



**Greg Sutch**



**Caroline Jackson**

systems and processes. We've got six international offices, all of them using different software systems. The business has got to the size where we have to consolidate the TopCo and that's become very challenging. We've got a comprehensive CRM system that we introduced three years ago.

**Gert van Doormalen** In a sector like accountancy, graduates love to work for firms like EY because they get an experience they will never get in smaller companies.

Similarly, when I was with Saint-Gobain in Paris, we would get the best students without a problem. But they would leave within three years. They have the experience of working in a big business on their resume, and they take off. What we have to do is tap into the schools to tell students they can get fantastic experience in local, smaller businesses.

just look at Japan and Korea where populations are falling.

**Caroline Jackson** We work in the clinical trials sector and our main focus is making trials more accessible. Eighty per cent of our revenue comes from the US. We've been able to retain staff because we've diversified our services. Our business has changed completely in the last seven years. We were an events company, and we used the internal travel company that we had to start servicing patients. We built on that and now flipped that so that only 5 per cent of our business is now events.

## What's your stick or twist moment?

**Hutcheon** Because of our central planning [process], we have a limit of six engineers we can manage. The next scale up for us is replicating the business 100 per

which we're working now, supporting clinical trials, there is a lot more we can do. There's technology we can add, data capture methodology, wearable devices. We're looking at our roadmap.

## If you could do it all again, what would you do differently?

**Bond** I was always too focused on the destination and not in the present. I look back now and think, it didn't make any difference if I made that target, or missed that target. I generally cared but I probably didn't spend enough time talking to people and giving people time. I was too focused on the numbers.

**Dunn** For a period of my working life I spent four hours commuting. I did that for far too long and for all the wrong reasons. I'm grateful I found BCMS, I wish I had found them earlier. ■