

Remote control

Owner-managed businesses (OMBs) joined Insider's round table where bosses revealed that the first barrier to growth was often surrendering control and sharing the bounty

Richard Wallace co-founder, LMA

Jacky Sidebottom-Every joint managing director of Glossop Cartons

Helen Tonks director, Hydraulics Online

Sara Wilde McKeown managing director, Influential

Jason Iftakhar co-founder of Swifty Scooters

Dominic Ball managing director, DCS Solutions

Dr Karl Bamford founder, Vodus Medical

Steve Pearce co-founder, TickX

David Roberts non-exec director

George Heppenstall partner, Directorbank

Aziz Ul-Haq director, LDC

Chris Thompson national head of employment team, Gateley

Bradley Russell director, Brewin Dolphin

When does an OMB need to boost its board with a non-executive director?

David Roberts When a business starts to grow it can have problems around strategy. A lot of strategic development is around the people at the top driving it forward. Any business going through growth needs good people directing it. It's about bringing in the skill sets. A lot of owner managers want to become more of a chief executive than a managing director, which involves turning the reporting structure on its head so it's not top-down, it becomes bottom-up. Putting in people that can sit on the board and challenge. Equally it's important to look after young, dynamic people, whether it's apprentices or middle managers.

Aziz Ul-Haq If a business is growing, there will be points where you'll think about expanding the management team. [At first], the owner is involved in lots of parts of the business. Then you start to separate and professionalise the business, whether its sales or operations people. If you're thinking of raising capital to grow it to the next phase, that's a natural time to think, 'have I got the right shape of business and the right shape of team?' Do you do

that 12 or 18 months before you hit that journey? Or do you try to shoehorn it in at three to four months? It's difficult to do something three to four months before something transformational. It's good to have external views. Whether that's an adviser, funder, non-exec, chairman, it's getting that balance to make informed decisions.

Bradley Russell Brewin Dolphin is a wealth management firm. We look after investments for private individuals and charities. I head up the entrepreneurs and OMBs team. We help protect them from anything in the future but also as they're growing, bring external people in. People often recruit from their own networks but when the business reaches a more mature stage, there's often an awkward moment when they think 'these people were great in the early stages because I knew and trusted them, but now I need the next level of experience.'

What is your growth strategy?

Sara Wilde McKeown In the next few years we'll need access to capital so we're bringing in a non-exec finance director. Our strategy is having people of a similar mindset. We tend to work with universities on placement years and we have a good record of recruiting once they graduate. I don't like bringing people in who have just done PR or comms. Maybe they've done media or journalism, but also people who have done broadcast or clientside work. You have a nice flow of what they know with other people and it starts to percolate out.

On Thursday afternoons, the staff run a programme themselves and invite people in for workshops. They can bring in film makers, authors, sportsmen. It keeps the creative stimulus.

How easy is it for smaller companies to get the right backing?

Karl Bamford Vodus Medical is a small company developing antibacterial

polymers. We recently brought in a new chairman. We are at Sci-Tech Daresbury and the Liverpool city region and Knowledge Quarter has exciting things going on. There's the science park, Sensor City, the School of Tropical Medicine. We want to tap into that knowledge exchange. You will never get the perfect person in your business. What you want is people who are flexible and in line with your strategy. It's not as easy to find people in the science sector as if you are in Cambridge. There they aren't talking about raising millions for companies but raising billions. It's a different mindset.

Steve Pearce We went on *Dragons' Den*.

The Dragons asked for a healthy chunk and we passed on the offers. It was daunting; I'd watched the show since I was a kid. We got lots of traffic, from a few hundred to 30,000 users. While the Dragons have a lot of experience, you can also find it elsewhere. We went on to raise ten times more than we asked for on the Den, from the former chairman of BskyB Nick Ferguson. He sold his first two businesses. We also had an investor who sold their business to Time Warner.

Jason Iftakhar Steve, how did you find these investors?

Pearce After we turned down the Dragons, our friends and family thought we were mental and we were rapidly running out of money. We threw ourselves at every round and networked as much as possible. No investor wants to invest in something that nobody else wants to; you have to engineer a situation where you have loads of conversations at the same time.

Talking of TV investors, how did you get Robbie Williams to invest?

Richard Wallace We were asked to go on *The X Factor* last year. LMA was the first choir to get through to the live shows and Robbie Williams was the mentor. My wife heads up the choir and theatre department. Robbie said to her, let's open schools all over the world together!



Standing (L-R): Sara Wilde McKeown, Dominic Ball, Bradley Russell, Aziz Ul-Haq, Steve Pearce, George Heppenstall, Jason Iftakhar and David Roberts. **Seated (L-R):** Dr Karl Bamford, Jacky Sidebottom-Every, Helen Tonks, Chris Thompson and Richard Wallace

And that was it. It has been amazing with coverage all over the world. LMA was Liverpool Media Academy but is now Love Media, Love Music, Love Arts. Prior to Robbie coming on board we brought in two other shareholders, [former Tesco boss] Sir Terry Leahy and investment manager Bill Currie. Twelve months prior to that we appointed a non-exec board. While Robbie is a great frontman, it's also the contacts he has.

What if you don't have such an attractive business?

George Heppenstall If you're an engineering business in Skelmersdale, it's different. Robbie's not going to jump at the chance to get involved. There are very exciting, or tech-orientated businesses, then there's traditional industries. If you can't find people through networking, the niche we've carved out is working with investor groups to ensure when an owner or a team is thinking about scaling up for investment, what individuals we need around the table to be credible. You need a compelling story and team to back it up. Often it's about whether one person is willing to share the spoils. That can be a tipping point. Sometimes you have to go offshore for talent. We are very proud of our northern roots, but we had to go to London to establish ourselves.

Helen Tonks We have a very unsexy business, an OMB my husband Malcolm and I set up 15 years ago. He was the hydraulics, I was everything else. There's still only seven of us. We have been built

on our values. That for us is all about being customer-centric. To date we've exported to 130 countries. We are newly appointed export champions and are overwhelmed by how well it has gone and we are punching above our weight. It is because we have got those values right. Recruitment for us is about getting the right connection, people who really fit with the company. I'm not bothered about the CV, I want to get to know the person.

Does this importance of team also extend to your supply chain?

Iftakhar We spent five years developing our supply chain in Taiwan and we have an amazing team of 30-plus individuals. What we are trying to do for our growth period is appoint a board and get in those top management individuals into the company. The electrification of our industry is huge. If we were based in America, we could raise millions but here it's completely different. We had a fleet at the Olympics and Kirstie Alsopp is one of our biggest advocates, she often tweets.

Jacky Sidebottom-Every Glossop Cartons has been established 37 years and started as a family business when I was 19. We've come to the point where we need to import talent on the board. The problem is with family businesses, they are your baby. You have to learn to let go. We need to build a board to take us to that next level. It's fine if they earn more than me. Manufacturing is not seen as sexy in the UK. But we have to recruit people or we will struggle.

How do you win talent over your competitors?

Chris Thompson We don't do it by paying more. We pay market rate. Gateley has always been strong but we won't over-pay. Our big news was we floated. Two years after that we were 50th by turnover, a mid-market firm. That made a splash. Our business model now is to stay 80 per cent core legal and bolt on complementary professional services to make up about 20 per cent of annual turnover. We don't have aggressive hourly targets or fee targets, yet we hit our targets year-on-year. I think our business model attracts talent too. Most of our employees have shares to some degree.

The days of coming in as a trainee and going to equity partner have gone. Law firms were a series of individuals fighting like hell with each other and putting as much in their back pocket as they could. Have we broken down all those old world barriers? Probably not. Is it getting better? Undoubtedly.

Dominic Ball DCS was a good company but had certain ways of working; a small business. We had to transition it to a medium-sized business. Talent is a problem, especially when the likes of Amazon come in. We use a recruitment agency. You need someone with that work ethic. We work in the SME market putting in Microsoft, Sage and warehouse systems. A lot of times we piggyback on brands like Microsoft, but we haven't yet spoken about who we are as a brand. This year we are talking about 'who are we?'. ■