

Seek out the winning strategy to up your game

Whether you want to grow, pivot or restructure, Insider spoke to a panel of experts to give a play-by-play guide for rethinking tactics. The event brought together business leaders, restructuring experts and a leading economist

SPEAKERS

Jen Atkinson founder, Travel Seen

Tom Mathew director, Dunster's Farm

Frank Ofonagoro, North West managing director, Quantuma

Steve Noble North West managing director, Reward Finance Group

Helen Jude director and head of recovery & valuation, Landwood Group

Yael Selfin chief economist, KPMG

For entrepreneur Jen Atkinson, it wasn't about restructuring her company, but her own outlook – walking away and starting from scratch.

As the former chief executive of ITC Travel, she was one of the region's highest-profile business leaders. But for her, it wasn't working.

She said: "Up until the age of 44, everything I touched turned to gold. I was a girl from Leeds, got into marketing, ended up taking over a family-run business in Chester which was turning over about £40m, making a £1m loss. I transformed it to a £90m business making £5m profit. In three or four years. We attracted the attention of private equity, we attracted the media – we had a programme called *The Millionaires' Holiday Club* on BBC2. My dreams came true; I was travelling round the world having the most amazing time.

"When you are on that gravy train, everything is faster, faster, more, bigger. Let's create loads of stress and complexity."



Frank Ofonagoro

But, she said: "Before I knew it the car had come off the tracks. I had two babies, did a private equity deal, did M&A. And I completely and utterly lost the plot. It was too much.

"At the time, I was talking to female entrepreneurs telling them you can have it all. You can be a career woman, and you can have children, and you can conquer the world. The truth was, I couldn't.

"I turned into the worst version of myself. My way of handling stress was to speed up and become more demanding and to want more – until I drove everyone around me, and myself, insane. It became totally unmanageable."

Starting again

On top of the stress of the job, lockdown hit the travel sector particularly hard.

Atkinson said: "People learn lessons either the hard way or the easy way. I learnt it the hard way. Then my personal life fell apart, the pandemic hit. And there's no worse sectors hit than the travel sector."

This was when Atkinson knew she had to, in her words, "rethink, restart".

She asked herself: "What is a great business? Is bigger better? Or is balance, happiness, consistency, the most important thing?"

Tom Mathew and sister Hannah Barlow came into Dunster's Farm as the third generation of the family business – and changes were needed.

Tom Mathew explained: "Dunster's Farm was originally a family business, started by my grandfather. It was a run-down pig farm. It has ➤



Helen Jude



Steve Noble



Quantuma



evolved as a food service. We don't actually operate a farm anymore. We just deliver food."

Like many in family businesses, the pair had an early introduction to the firm, and got to understand its inner workings. He said: "I started as a child doing all the worst jobs and my grandad said I should have been paying him for the life experience!"

"As a 17-year-old, I did a gap year and worked in the business doing all the rubbish jobs. I was ambitious, questioned things, wanted to change things, but it was a family business and things were, 'we've always done it this way'. So I went off to university and became an M&A lawyer instead."

But he felt he had unfinished business in the family company.

"When I was 27, an opportunity arose for my sister Hannah and I to join the business. The business had a good name and it gave me a sense of pride. But I could see it needed a fresh attitude, culture, to be more ambitious, purpose-driven and look after our people."

Dunster's Farm had a £5m turnover when the siblings invested, and it's on track to hit revenues of around £20m this year.

It was important, Mathew said, to address both the front end (the staff) and the back end (the systems).

He said: "The systems were creaking. It was people as well as back-end systems. We went infrastructure and systems first. We ripped out the ERP systems and CRM system. We put voice-picking in the warehouse. We started to collect data."

A balancing act

For Atkinson, it was important to take time away from business – but not too long. She said: "I was licking my wounds which I called 'my time in my cave'. I'd had an awful exit from a business that in the pandemic was having a tough time. It was painful. I had been addicted to the glory. When it was all taken away and I was homeschooling it was a humbling moment. I'd had personal burnout. I needed time to reflect."



Jen Atkinson



Tom Mathew



Yael Selfin

She advised: "When things go wrong, people often throw themselves straight into something new and don't take the time to unpack and learn lessons and reflect. I was blessed to have a good network of people who pulled me out of my cave. Always keep a wide network."

Now, establishing Travel Seen, she said: "I started to think how we could have a platform for something new, taking the things that are good in the travel industry. It will be social media-led. That was the way I connected in lockdown."

"I could see it needed a fresh attitude, culture, to be more ambitious, purpose-driven and look after our people."

TOM MATHEW

"There's also the personal aspect. Am I balanced? Am I seeing my kids? Am I a good friend and colleague or am I driving everyone mental? I want to work with people I like. Support others on their journey."

In further advice to those in a similar position, she said: "You can never stop adversity. You live and die by the sword. Personal self-reliance. Be well-resourced and well-networked. Be aware of what's going on but the most important is being strong in yourself."

KPMG economist Yael Selfin warned that inflation is likely to reach over 9 per cent at its peak over summer but then moderate. She said disposable incomes are falling, adding: "Even though wages are going up, it's not as much as inflation."

She linked it to the Great Resignation and the struggle for companies to not only recruit but retain staff. She said: "We have seen recovery in hospitality. Concerns now are in industries like car manufacturing, because of the supply chain, and manufacturing as well as transport that are likely to be affected by higher energy prices."

The key to avoiding a recession is productivity, she said.

Plan for the unthinkable

Advisory firm Quantuma North West managing director Frank Ofonagoro advised companies not to leave it too late to seek advice.

Quantuma serves the needs of mid-market and corporate companies, as well as their stakeholders, advising on transactions, resolving business disputes, mitigating risk and managing operational as well as financial challenges.

He said: "Too many businesses come to me when it's too late. They think sometimes they alone have to solve their problems."

"The earlier you can seek help, the more options you have. If you come to me and say the cash runs out in two months, the options you have for either raising working capital, finding strategic debt, trying to embark on a turnaround, you've run out of road. There are a lot of headwinds. ►



I humbly suggest the mindset a lot of businesses needs to adopt is, whatever phase you are at, have that restructuring mindset of being comfortable with change. Things are going to happen. So the mindset needs to be, being comfortable with change, being able to understand the supply chain, contingency plans in case the unthinkable happens.”

Helen Jude, director and head of recovery & valuation, Landwood Group, urges businesses to look at the value of their assets even when times are good, not just when an emergency fundraise is needed. She likened it to de-cluttering the home: “During lockdown most people did home improvements or got rid of clutter out of their garage. The same should apply to business. You have some very high-value assets in your business. They need to be able to work to your advantage. People don’t realise how much is held in the property and the asset. Can you

make it more valuable? Can you improve it, can you release some equity from it?”

She gave the example of an engineering firm in Yorkshire changing its production line and wanting new premises. The plant and machinery, which they thought was worthless, the assets were valued, an auction was set up and it made £150,000 towards a £50,000 investment.

Cash is king

Steve Noble, North West managing director, Reward Finance Group, echoed the advice of seeking advice earlier rather than later.

He said: “Most of the businesses we deal with are owner-managed and that’s a very lonely place.”

He gave the example of a packaging business in Derbyshire, where the owner had nobody to talk to. The owner, he said, “had nobody to guide him”.

He added: “He was brilliant at

“People don’t realise how much is held in the property and the asset. Can you make it more valuable? Can you improve it, can you release some equity from it?”

HELEN JUDE

food packaging. He could sort out the production line, but how could he negotiate better? Not everyone has Jen’s self-awareness and a strong network.”

Banks, he said, may be the cheapest form of funding but they are, “the most vanilla” and can take the longest time to get there.

“Cash is king and you need to keep it flowing and explore all asset options. What can you leverage against?”

He said if you are telling a story of turnaround, often a credit score matrix will get in the way. “We talk about being a storybook lender. We listen to the passion and enthusiasm and what they want to do.

“If you are running your own business, the ability to talk to somebody and be challenged and get expertise and advice in the areas you want to talk about, or to be pressed on, then you will, more often than not, get to the right answer.” ■



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