Suffolk Limited 2019

Continued growth, but at a cost?

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Foreword

We are delighted to introduce the Grant Thornton and Birketts Suffolk Limited 2019 report, the 18th year we have focused on the performance of the Top 100 privately owned businesses in Suffolk.

It's been another interesting year since our 2018 report. The lingering uncertainties over Brexit remain, compounded now by a general election. On a global stage, a US/China trade war still looms and tensions are high in the Middle East. The underlying UK economy remains fragile with modest GDP growth and there is the potential of a recession and/or disruption to trade depending on nature of the Brexit deal achieved. However, UK employment is high and interest rates remain low with future rises likely to be phased in over a long period of time.

Against this backdrop, many Suffolk businesses have quite rightly focused on retaining their talent as well as increasing their workforce, however this has not come without cost. An increased Suffolk Limited headcount has translated through to strong top line growth, however the associated cost has had a detrimental impact on overall profitability.

Despite a more mixed performance this year, it is right to celebrate the tremendous achievement of the Suffolk business community in delivering yet another set of solid results.

Overall, businesses in Suffolk are performing well in an uncertain market showing great skill, resource and commitment to deliver dynamic growth. We wish all of our Top 100 businesses continued success in the coming financial year.

About Suffolk Limited

Now in its 18th year, Suffolk Limited is a key event in the county's business calendar.

What is Suffolk Limited?

The survey analyses the financial performance of the county's leading privately owned companies. This provides a yardstick against which the county can assess its economic performance and businesses can benchmark themselves against their peers.

This year's report also contains a review of the highest growth businesses in addition to our core analysis of Suffolk Limited's recent performance.

How is Suffolk Limited compiled?

Suffolk Limited 2019 has been compiled using the most recent publicly available accounts as of 4 October 2019 and is based on those businesses which are both owned and managed within the county. Inevitably, there is a time delay between the availability of the data used and the presentation of this report.

The report gives a fascinating insight into how Suffolk Limited has performed during a period of ongoing political and economic turbulence and provides a snapshot of the health of the county's economy.

Excluded from the survey are a small number of the county's largest businesses where ownership is overseas, management and strategic decision makers are based outside the county or are listed entities. The most well known of these is Greene King plc. This has been done to ensure results are not unduly skewed.

Total turnover in the Top 100 has increased with the turnover threshold for companies to be included in Suffolk Limited 2019 rising from £14.9 million last year to £15.5 million this year. There were 13 leavers and joiners in Suffolk Limited this year, leaving 87 'continuing' companies featuring across both years.

Suffolk's Top 100 companies

1 Turners (Soham) Holdings Limited
2 East of England Co-Operative Society Limited
3 Maritime Group Limited
4 Marriott Holdings Limited
5 Hopkins And Moore (Developments) Limited
6 John Grose Group Limited
7 Besana UK Limited
8 One Group Construction Limited
9 A.J.N. Steelstock Ltd.
10 Hughes Electrical Limited
11 DCI Group Holdings Limited
12 Green Label Foods Ltd.
13 Breheny Group Limited
14 Sanctuary Personnel Limited
15 Portcrest Limited
16 Muntons (Holdings) PLC
17 Toppesfield Limited
18 The Barnes Group Limited
19 Adnams PLC
20 Thompson Investments (London) Limited
21 Notcutts Group Limited
22 Vertas Group Limited
23 P. Tuckwell Limited
24 Sealey (UK) Limited
25 John Banks Limited
26 Chevalier (2015) Ltd
27 DON Construction Holdings Limited
28 Chassis-Cab Limited
29 Ridley Godfrey (Holdings) Limited
30 Hammond Road Garage Limited
31 A.W. & D. Hammond Limited
32 Birketts LLP
33 Omar Group Holdings Limited
34 KDM Timber Limited
35 NGB Construction Limited
36 Sdsdab Limited
37 University of Suffolk Ltd
38 VMS (Holdings) Limited
39 Robinson Young Holdings Limited
40 Heathpatch Limited
41 Sackers Limited
42 East Coast Community Healthcare C.I.C.
43 Precon Products Ltd
44 IP Telecom (Holdings) Limited
45 Tattersalls Limited
46 Jack Brand Holdings Limited
47 Industrial Water Jetting Systems Group Limited
48 Adventure Forest Group Limited
49 Opus People Solutions Limited
50 Lawson Partners Limited
51 The Bartrum Group Limited
52 Perrin Group Holdings Limited
53 Taylor Made Joinery Interiors Limited
54 Lignacite Limited
55 Seven Asset Limited
56 Turners (East Anglia) Limited
57 Moores Refrigeration Controlled Transport Limited
58 MR. Fothergill's Seeds Limited
59 H.G. Gladwell & Sons Limited
60 Permastore Group Limited
61 Ichiban UK Limited
62 Cecil & Larter Limited
63 Glasswells Limited
64 R.H.Claydon Limited
65 Troy Central Limited
66 Brooks And Wood Group Limited
67 Logistic Planning Services Limited
68 Basetek (Holdings) Limited
69 Catmj Limited
70 Recroot Limited
71 Bennett PLC
72 HBS Electronics (Holdings) Limited
73 Nationwide Metal Recycling Limited
74 Mel Aviation Limited
75 George Baker Group Limited
76 Architectural Glazing Limited
77 Brinor (Holdings) Limited
78 Wisdom Toothbrushes Limited
79 The Yonder Digital Group Limited
80 Cheveley Holdings Limited
81 HTG Investments Limited
82 Seven Resourcing Limited
83 Movac Holdings Limited
84 Glochair Holdings Limited
85 R P Valves Limited
86 Peal Estates Properties Ltd
87 Micropress Printers Limited
88 Caladanian Ltd
89 Seven Lincs Limited
90 Ancient House Printing Group Limited
91 Roger Skinner Limited
92 P.H. Betts (Holdings) Limited
93 Lacons Holdings Limited
94 Starke Industries Limited
95 I&C Holdings Limited
96 Allied Mechanical Services Holdings Limited
97 Henbrandt Limited
98 Frederick Hiam,Limited
99 Herrco Cosmetics Limited
100 Specflue Limited

Findings - headline results

Representing Suffolk's 100 largest companies, Suffolk Limited has continued its growth journey in respect of turnover, however, this has not translated into a similar increase in operating profit, with this figure declining.

Turnover and profitability

The results for Suffolk Limited show that the county's largest privately owned companies have had a mixed year in terms of turnover and profit growth.

The aggregated accounts show that turnover is up on the prior year by 7.2% from £5.2 billion to £5.6 billion. In total, just under 70% of the companies were able to increase turnover, very similar to each of the last two years. The largest turnover growth in monetary terms came from Maritime Group Limited, increasing turnover by just over £50 million from £255 million to £305 million. In percentage terms, Peal Estates Properties Limited saw the largest increase in turnover of 146%, growing by £10.3 million from £7 million to £17.3 million.

However, profitability has clearly remained a struggle with less than half (48) businesses increasing profit before tax (PBT), compared to 51 last year. In a similar vein, only 54 companies saw an increase in their EBITDA in the year, the largest increase coming from Besana UK Limited increasing EBITDA by £5.7 million, an impressive 72%. As well as three EBITDA lossmaking businesses in this year's Top 100, similar to the previous two years, there were also nine companies returning an operating loss with retail and wholesale and food and agriculture businesses making up the majority of this pool.

Average cost of capital remains low at 3.3% whilst interest cover, a measure of the adequacy of a company's cashflow to cover interest payments and expressed as a measure of EBITDA, remains extremely healthy at nearly 13 times.

Suffolk Limited has seen 13 new entrants across a range of sectors, many of whom have experienced strong growth in turnover during the year.

£5.6bn
Turnover

7.2%
Turnover increase from prior year

£15–£415m
Turnover range

£440m
EBITDA

£273m
Operating profit

2.5%
Decrease in operating profit

Employment

Total employees have risen by 7.8% to 35,964, implying improved productivity given the increase in turnover, and average remuneration rising by a staggering 14% from £24,989 to £28,604.

This cost pressure is likely to have played a major part in contributing to the decline in profitability as companies are increasingly forced to pay higher wages to recruit and retain key staff.

35,964
Total employees

7.8%
Employee increase from prior year

£28,604
Average salary

14%
Average salary increase from prior year

Balance sheet

A net increase in fixed assets of 13.3% is strong evidence that many companies continue to invest for the future.

Total debt has risen by more than £380 million (57.6%), indicating both an active lending market and a willingness of companies to increase borrowing, albeit still within comfortable levels of gearing.

£1.8bn
Fixed assets

13.3%
Fixed assets increase from prior year

£359m
Cash

53%
Gearing

57.6%
Debt increase from prior year

£1.05bn
Debt

So what conclusions can we draw from this report?

In summary, whilst there have still been some stellar performances, it feels that economic challenges, ongoing Brexit uncertainty and underlying cost pressures have finally taken a toll on the largest privately owned businesses in the county. However, turnover continues to grow, balance sheets are largely healthy and investment in fixed assets may be evidence of renewed growth ahead.

Sector review 2019

An analysis of the results by sector show two sectors (food and agriculture and manufacturing) presenting a decline in turnover and EBITDA. The remaining four sectors have all had increases in both turnover and EBITDA compared with the previous year.

Top 3 sectors by turnover

- Transport and motor retail
- Retail and wholesale
- Services

Top 3 sectors by EBITDA

- Property and construction
- Transport and motor retail
- Retail and wholesale

Suffolk Limited comprises six sectors

25 Retail and wholesale

25 Services

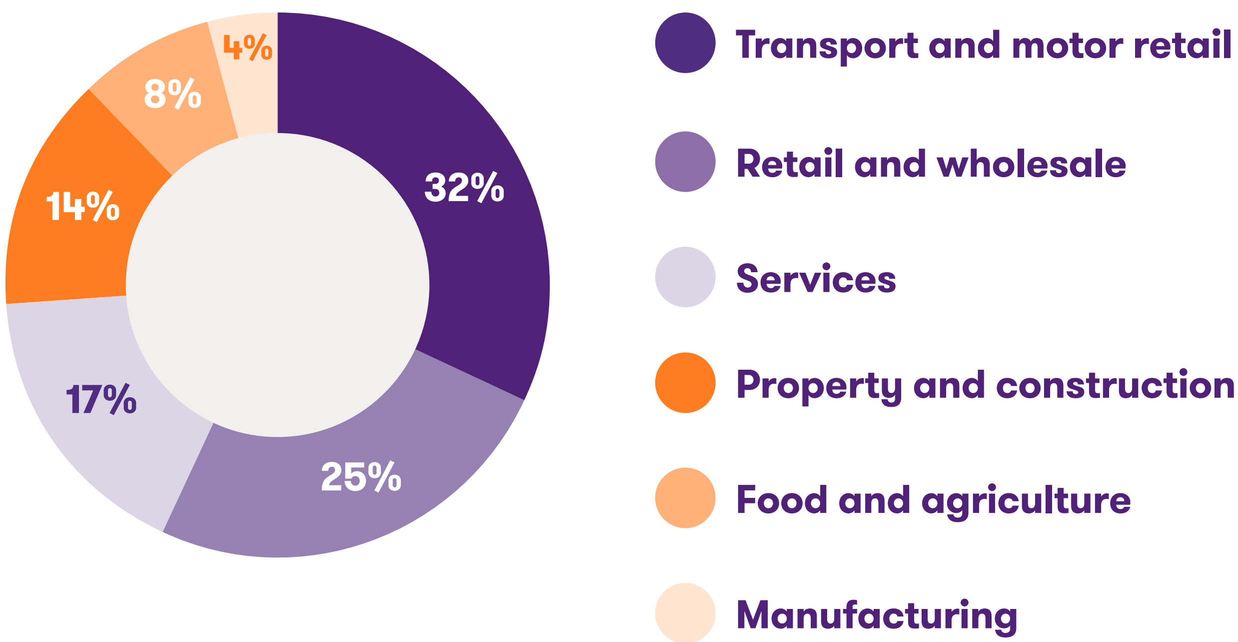
19 Transport and motor retail

12 Property and construction

10 Food and agriculture

9 Manufacturing

The chart illustrates turnover share by sector



Retail and wholesale

Retail and wholesale now has to share the largest sector position in terms of the number of companies (25) and is second in terms of turnover share (25%). The sector has demonstrated strong turnover growth of 14.3% and an even stronger growth in operating profit with a 29% increase on the prior year. KDM Timber Limited shines in this sector with an impressive increased turnover of 26.3% and operating profit increase of 51%. This has seen them climb four places in the Top 100 to number 34.

The retail industry continues to be one of the lowest geared sectors in Suffolk Limited at 35%, however an increase on the prior year's gearing of 23%. We are continuing to see the retail sector under pressure with Brexit having an influence on spending and the continued growth in the online market pulling buyers away from the high streets. The sector continues to have the lowest average wage however this has increased by 16% on the prior year. As the sector is more accessible for part-time workers it is not a surprise that it has the lowest average wage.

25
companies

£1,395m
turnover

14.3%
turnover increase

£58m
total operating profit

28.9%
increase in operating profit

9,921
number of employees

£22,335
average wage

35%
gearing

Services

The services sector now holds the joint top spot in terms of the number of companies now within the Top 100 and has various movement with some leavers and joiners. Overall the sector has seen a very healthy increase in turnover (25.3%), this being the largest increase of all the sectors, driven largely by the increase in the number of companies now in this sector. Vertas Group Limited and Toppesfield Limited both saw strong revenue growth (34% and 33% respectively).

Operating profit for the sector overall also saw a strong increase of 4.2%. A new entrant to the Top 100 last year, I&C Holdings Limited has continued to present significant growth in terms of operating profit and revenue (667% and 234% respectively), this success being achieved by securing high value contracts and continued investment in the renewables and energy sector. The number of employees has grown considerably with a further 2,265 entering in the year to support the growth of the sector's businesses. The average wage within the sector remains at the lower end of the scale, however this is as expected for the industries.

The sector has the highest gearing at 80%, a considerable increase on the prior year (45%). Service businesses are sourcing more available debt on the market with the intention of growth via this investment.

25
companies

£943m
turnover

25.3%
turnover increase

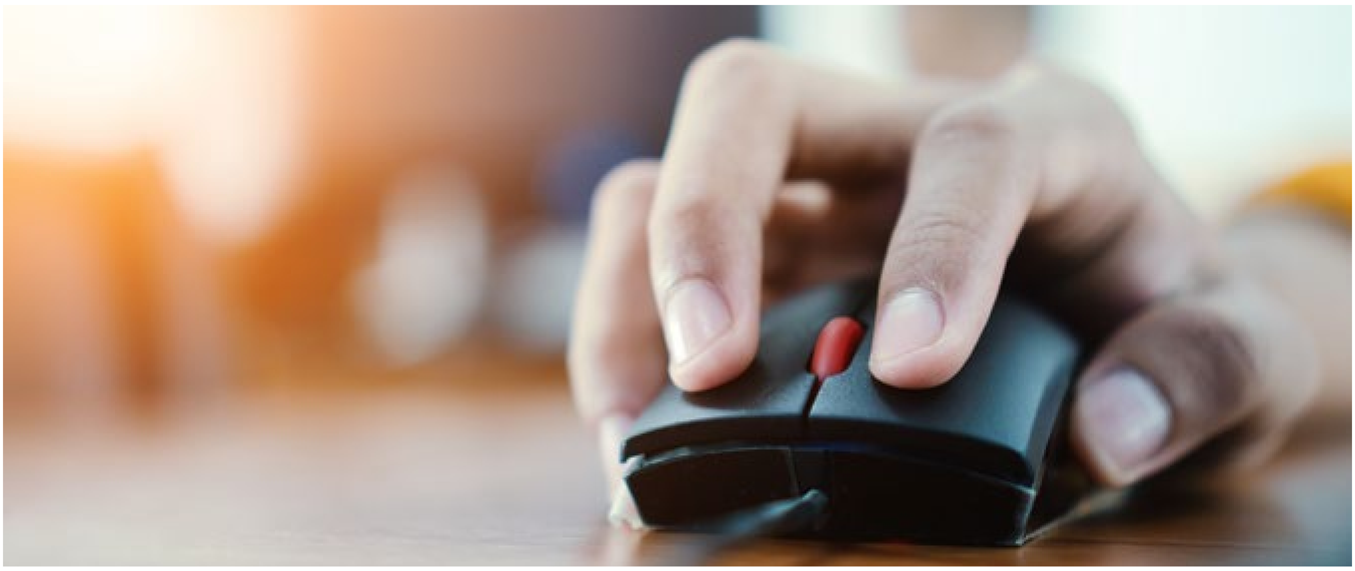
£50m
total operating profit

4.2%
increase in operating profit

10,302
number of employees

£23,596
average wage

80%
gearing



Transport and motor retail

The transport and motor retail sector continues to have the largest share of turnover amongst the sectors (31.7%) and has seen comparable growth of 3% in the year. The sector welcomed Seven Lincs Limited into the Top 100 which saw an increase in turnover of 21.4% on the prior year. Other companies within the sector that have had in excess of 20% increase in turnover are Maritime Group Limited, DCI Group Holdings Limited and Portcrest Limited.

Turners (Soham) Holdings Limited continues to be the largest company in the sector and holds the number one spot in the Suffolk Limited Top 100 for another year. It has increased revenue by 4.5% and operating profit by 4.3%, both exceeding the sector average results overall. The sector continues to be one of the most competitive with the lowest operating profit margin overall (3.6%). However there are still a number of entities within the sector returning operating profit margins in excess of this average; Turners (Soham) Holdings Limited, Maritime Group Limited, VMS (Holdings) Limited, The Bartrum Group Limited and George Baker Group Limited.

19 companies

£1,773m turnover

3.0% turnover increase

£63m total operating profit

1.6% decrease in operating profit

9,129 number of employees

£36,369 average wage

49% gearing

Food and agriculture

The food and agriculture sector has seen a tough year with a slight decrease in turnover of 1.2% and a considerable decrease in operating profit of 40.6%.

Green Label Foods Limited continues to be the anomaly in the sector with statistics that paint quite a different picture to the average. Their latest filed accounts show sustained turnover growth with revenues of £109 million and a healthy operating profit due to strong sales and investing in new products.

Employee numbers are down by 617 on the prior year although this is to be expected with the declining revenue. However the average wage has seen a considerable increase of 36.2% which has had an influence on the declining margins in relation to operating profit. Businesses are under pressure to retain the workforce even with the decreasing turnover.

The sectors gearing level at 72% is higher than the overall average (53%) demonstrating the companies demand for the available lending.

10
companies

£479m
turnover

1.2%
turnover decrease

£19m
total operating profit

40.6%
decrease in operating profit

2,350
number of employees

£30,299
average wage

72%
gearing

Property and construction

Continuing the trend of previous years, the property and construction sector has demonstrated healthy turnover with a small increase of 0.9% and increase in operating profit of 4.3%.

Hopkins and Moore (Developments) Limited sits at the top of this sector and has continued to grow revenue by a further 9.7% this year and operating profit by 12.7%. Both of these statistics being above average for the sector overall.

The sector is benefiting from the government Help to Buy scheme and we should see this continue with the scheme extension to Spring 2023.

This sector has however seen a significant step up in gearing of 28% when compared to the prior year.

The employees within the property and construction sector receive the highest salaries within the Top 100 for another year with an average wage of £42,072, an increase of 11.6% on the prior year.

12 companies

£801m turnover

0.9% turnover increase

£72m total operating profit

4.3% increase in operating profit

2,570 number of employees

£42,072 average wage

78% gearing

Manufacturing

As in prior years, manufacturing is the smallest sector within Suffolk Limited in terms of turnover (3.7%) and number of companies in the Top 100 (nine).

The sector has seen a decline in turnover of 18.2% and a disappointing decline in operating profit of 54.2% this year.

The company that continues to standout is Nationwide Metal Recycling Limited which increased turnover by 27.8% and increased operating profit by 22.9%, resulting in a margin increase of over 10.7%. Along with Sdsdab Limited, these are the only two companies in the sector which have increased operating profit on the prior year.

Gearing is unchanged from the prior year and this is the only sector within the group that has not seen an increase to gearing levels, standing at 35%, despite a reduction in total debt in the sector of £1.7 million.

9 companies

£207m turnover

18.2% turnover decrease

£11m total operating profit

54.2% decrease in operating profit

1,692 number of employees

£30,680 average wage

35% gearing

Growth index

The numbers within this year's Suffolk Limited report once again show growth across the county. We have taken a closer look at where the greatest growth is being seen within the Top 100.

Whilst there are clearly some spectacular individual success stories amongst the companies that make up Suffolk Limited, it is useful to analyse the extent to which the fortunes of the overall population are changing.

Last year we highlighted the fastest growing companies across the Top 200 list. Four of the companies within the 100 to 200 2018 report have showed sufficient turnover growth to enter the Top 100 this year, being:

- Seven Lincs Limited - £14.1 million to £17.2 million
- R P Valves Limited - £14.0 million to £17.5 million
- HBS Electronics (Holdings) Limited - £13.5 million to £21.4 million
- Starke Industries Limited - £7.4 million to £16.3 million

This year, only two companies showed growth of at least 100%, compared to four in the prior year.

Of the top 25 fastest growing companies, there has been a total increase in turnover of £283 million, ranging from £50.3 million to £2.6 million. Interestingly, of the top five fastest growing companies, four were new entrants in 2019.

The split across the sectors for the top 25 growth companies shows that the strength of services, transport and motor retail and retail and wholesale remains.

6
Retail and wholesale

6
Services

6
Transport and motor retail

4
Property and construction

2
Manufacturing

1
Food and agriculture

Of the total growth of £283 million, transport contributes £110 million, nearly half of this due to a strong year from Maritime Group Limited, followed by services, contributing £77 million. Food and agriculture only contributes £2.6 million to this growth, and this comes from one company, Caladanian Limited, which has shown a strong year of growth at 18%.

The range of sectors covered also points again to the diverse nature of the county and how it is not reliant on one particular sector to provide growth and opportunity.

There are some stand-out performances in the 2019 report. The 13 companies listed below were able to grow EBITDA 50% or more. We congratulate them all on such a splendid achievement.

- Movac Holdings Limited
- Seven Lincs Limited
- Starke Industries Limited
- Sdsdab Limited
- Robinson Young Holdings Limited
- Ancient House Printing Group Limited
- Brinor (Holdings) Limited
- I&C Holdings Limited
- Green Label Foods Ltd
- Besana UK Limited
- Basetek (Holdings) Limited
- KDM Timber Limited
- Portcrest Limited

Top 25 growth companies in the Top 100

Peal Estates Properties Ltd* | I&C Holdings Limited | Starke Industries Limited* | HBS Electronics (Holdings) Limited* | Vertas Group Limited | Toppesfield Limited | Cheveley Holdings Limited* | Sackers Limited | Nationwide Metal Recycling Limited | KDM Timber Limited | R P Valves Limited* | Portcrest Limited | The Barnes Group Limited | Seven Lincs Limited* | DCI Group Holdings Limited | Precon Products Ltd | Maritime Group Limited | Omar Group Holdings Limited | Caladanian Ltd | Chassis-Cab Limited | Hammond Road Garage Limited | A.J.N. Steelstock Ltd. | Brooks And Wood Group Limited | Birketts LLP | Permastore Group Limited

*New entrants in 2019

A closer look at Suffolk success stories

This year we have spoken to a number of Suffolk success stories to hear more about the companies behind the numbers, providing insight into key trends being seen across the Suffolk market.

Ant Group

John Hensley, Founder and CEO of Ant Group, a fast growth Suffolk business, speaks about the group's story so far and its plans for the future.

Company profile

Headquartered in a world class sales and logistics facility in Bury St Edmunds, Ant Group manufactures and supplies innovative packaging, production and clean room consumables to the electronics, aerospace, automotive and pharma industries across the globe.

What do you think are the key reasons the group has achieved high profit growth over the last few years?

As a group, our agile nature has enabled us to move the focus on sales and business towards where the world's technical manufacturing hubs are. These markets change and grow with technology advances and market demand – Ant Group has always supplied the solution for satisfying 'just in time supply' chains for advanced manufacturing businesses, since it began more than three decades ago. We spend a lot of time listening to what the customer needs and evolving our processes and supply chain to deliver beyond their expectations at any global site. Right product, right place, right time.

Have there been any specific differentiating factors in the business that contributed to the group's growth?

Ant Group works with its customers to ensure consistent growth and strives to provide solutions on: reductions in component purchase spend, inventory management, carriage and supply chain management costs, rationalised supplier bases, single point supplier contacts, same-day/next-day and timed delivery, streamlined documentation processing and ongoing cost saving alerts – all pointers which make us more agile as an organisation with demonstrable growth in the past and for the future.

The organisation is currently trading in over 60 countries with 780+ active customers. With a multi SKU offering sales opportunities delivered through a highly-skilled global sourcing team supplying world-class manufacturing, Ant Group is an ISO9001 certified organisation.

How important do you believe the culture of your organisation is to the group’s growth?

Culture is more than a word to Ant Group, it’s fundamental to our success. Many of our team have been at the company for 20+ years; during our company-wide 2019 employee survey, 88% of employees felt proud to work for the company. We have adopted company engagement platforms like Jostle intranet to improve and streamline communications, and empower every member of staff with a voice. We use Reward Gateway as an incentive scheme as well as a healthy in and out work benefits, offer flexi-time to working families and provide financial counselling and ongoing continuous professional development across marketing, sales, finance and business management.

What does the future look like for Ant Group?

As we continue to build further on our success the global opportunities within our space are excellent, it is of course not without its challenges, but we are confident that we can overcome them.

Burland Technology Solutions Limited

Richard Vass, Founder and CEO of Burland Technology Solutions Limited, an award-winning Suffolk company, speaks about the company's journey to date and its ambitions for the future.

Company profile

Headquartered in Great Blakenham, Burland Technology Solutions Limited is a top provider of power distribution solutions and energy-saving devices for offices, trading floors, data centres and retail environments.

What do you think are the key reasons for the company's growth over the past few years?

From the outset we have used our knowledge and experience to bring to market the solutions and devices that were needed by industry and over the last few years:

- we have stuck at the quality end of the market and avoided the "race to the bottom" on price; and
- we have continued to lead the way on new product development, which has typically allowed a period of higher margin sales before competitors catch up.

Have there been any specific differentiating factors in the business that have contributed to the company's growth?

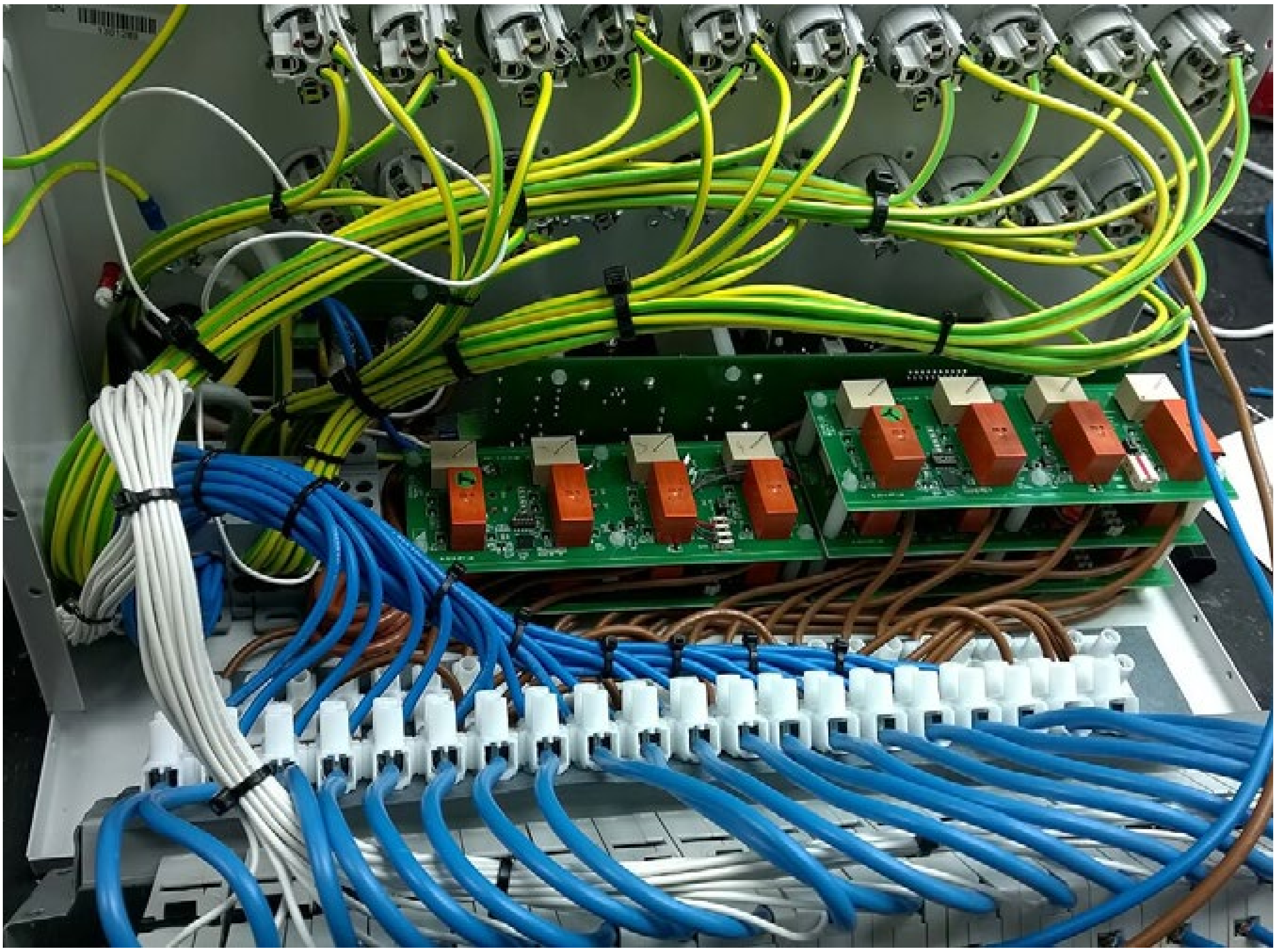
There are three key differentiating factors that I would say have contributed to our growth. The first is that we have patents (IP rights) over much of our product range, which has helped to maintain our margins. Secondly, our longstanding reputation for high quality and product longevity has helped to retain customer loyalty. And thirdly, we have gained great market credibility from being the winner of two Queen's Awards (the Queen's Award for Enterprise: "International Trade" in 2016 followed by the Queen's Award for Enterprise: "Innovation" in 2019) – especially in the international markets the company operates in (which account for c.40% of the company's sales).

How important do you think the culture of your organisation is to the company's growth?

Essential! As a business we look to promote from within wherever we can, believing this is a key part of our culture – and it has usually worked out well. We're also passionate about ensuring staff feel they "belong", for example by taking them along to industry, regional "black tie" and other events. As well as this, we provide huge flexibility around working hours to help our staff achieve work life balance and make the most of key life events (the office was even a day crèche for six months)!

How does the future look for Burland Technology Solutions Limited?

We are bringing out many more new products – and that, together with unlocking some new overseas markets, should help drive growth and success for the company and its people.



Erben

Sasha Erben, CEO of H Erben Ltd, now operating as Bruni Erben, one of Suffolk's fast-growing family companies, speaks about the company's history, its recent acquisition by Berlin Packaging and its ambition for the future.

Company profile

Head quartered in Hadleigh, Bruni Erben is a leading supplier of glass, closures and machinery for the spirits, beverage, food, pharmaceutical and home fragrance markets, with operations in California and South Africa.

What do you think are the key reasons for the company's growth over the past few years?

Since taking over the reins from my father in 2000, an increased client centric focus has resulted in steady growth for the company. Understanding the client's needs is key and making sure that we have the right suppliers in place to enable us to deliver the actual product they require, supplied in the way they want, has been paramount.

Have there been any specific differentiating factors in the business that have contributed to the company's growth?

Being a hybrid packaging supplier, it has been vital that we are able to add value to our clients in different ways. To date we have focused on delivering the highest level of quality, with first class logistical services and technical back-up.

How important do you believe the culture of your organisation is to the company's growth?

The culture of the business and its people are at the heart of everything we do at Bruni Erben. In fact, culture is so important that it played a significant role in the decision-making process on whether to accept the Berlin Packaging offer. Having previously turned down advances from other companies, it was the people focused ethos of Berlin Packaging and their CEO Andrew Berlin, and their alignment and fit with our own values, that convinced us this was the right company with which to move forwards.

What does the future look like for H Erben Ltd?

We're really excited about the next few years and have our sights set on some ambitious growth. Despite having achieved 16 years' worth of double-digit compound growth, we felt it the right time to bring in greater resource and know-how in supporting this continued pattern. Now having ready access to truly world class business skill sets, through our continued leadership and management, we are able to further develop and enhance our offering. With the support of Berlin Packaging and the brand of Bruni Erben, we are seeing opportunities opening up with customers that we had previously had trouble accessing, enabling us to gain additional market share, which is fantastic.

Maritime Transport

John Williams, Executive Chairman at market leading multi-modal logistics company, Maritime Transport, tells us why rewarding the workforce and investing in new vehicles are top priorities for the business.

Company profile

Based in Felixstowe, Maritime Transport was founded in 2001 and has gone from strength to strength. The business has added distribution, more UK depots, Secondhand Truck sales and most recently they've launched Maritime Intermodal to meet their customers' needs, making them one of the strongest in the market.

What do you think are the key reasons the company has achieved high profit growth over the last few years?

Since 2001, we've seen fantastic organic growth within container transport in addition to two major acquisitions in the sector. In 2010 we diversified into the larger domestic distribution sector which has seen us win some brilliant contracts with significant customers and in 2019 we launched Maritime Intermodal, with a number of dedicated rail services for our customers.

How important do you believe the culture of your organisation is to the company's growth?

We believe the Maritime culture to be completely unique. As a privately-owned company we're extremely passionate about rewarding the entire workforce. I've always had the philosophy of those that contribute to our success, must share in our success and I'm proud of our bonus schemes and employee investments. Very few people leave our company which I think is testament to our culture.

What is the next target/milestone for your business?

To bring on the next generation. We have a very strong management team and those now coming through the business have fantastic potential. As a business we're committed to developing individuals and giving them the tools and the know how to be successful within Maritime.

What area is most important to boosting your organisation’s productivity?
Technology is going to play a key role within our future productivity to help eradicate repetition and duplication. Investment in our workforce and network are also key areas for us over the coming years.

Do you plan to make significant capital investment over the next 12 months to improve productivity?
We’re continually investing. We acquire at least 300 vehicles per annum which is approximately £30 million in addition to around £5 million in heavy plant machinery resulting in higher uptime and improved fuel and safety. We also continue to invest in our network, acquiring new sites and upgrading our existing ones.

Global Chair Components Ltd

Justin Adams, CEO of office furniture wholesaler Global Chair Components Ltd, shares how the business has increased sales and profits by over 50% over the last five years by offering a specialised approach to sourcing, developing and distributing a unique range of products.

Company profile

Established in 1996 by Darryl Dawson, Global Chair Components Ltd is a leading wholesale distributor of components and contract furniture to the office, educational, healthcare and leisure markets. Based in Southwold, the company sources products from well-established International manufacturers in China and Europe with a mission of "making chairs and furniture easy" for manufacturers and contract furniture suppliers.

What do you think are the key reasons the company has achieved its success?

Expertise in sourcing: We have invested huge amounts of time and effort in actively building a foundation of exclusive agreements for all our core products with the leading Chinese office component suppliers. This was fostered through a highly proactive approach to sourcing key suppliers, building close relationships with them, supported by investment in dedicated Chinese speaking sourcing experts and technical expertise to help them develop products compatible for the UK market.

Excellence in customer service and expansion into adjacent categories and markets: The business has always had a very customer focused culture and has actively grown its range of products to support the growth of its customers businesses. We have actively hired new sales managers with deep experience and access to new categories such as the move into the leisure business which has now grown to around £6 million of the £18 million turnover

Efficient and reliable supply chain: Global holds between £3-5 million of stock across its range and offers next day delivery as opposed to the long lead times customers would expect from China. This enables us to provide the customer with what they want, when they want it and manage the normal peaks and troughs.

How important do you believe the culture of your organisation is to the company's growth?

Culture is critical to the future success of any business and getting the balance right between leveraging the past whilst becoming fit for the future is tricky. To cope with the new scale of the business and its future ambitions, we are building the most appropriate and effective structure, operating processes and capability. At the same time, we don't want to lose the ethos that a successful private SME start-up has in terms of the family feel, the agility of approach and the connectiveness with customers. Balancing the professionalisation of the business whilst bringing people with you is a difficult art. Communication, targeted training and patience is critical so people are motivated by the vision or desired destination for the business, clear on the strategy and their role in this.

Are there any immediate risks to the business, internally and externally?

Not surprisingly for a business that buys over 80% of its products in US Dollars the impact of Brexit has already been felt. The volatility and depreciation of Sterling against the US Dollar has had a major impact on gross margins, and we have had to be very agile in in how we have dealt with this in terms of negotiating price reductions with suppliers, or passing on selective and targeted price increases. We have also put in place a formal hedging strategy to smooth out the impact of this going forward and to ensure we can give our customers greater certainty and confidence on pricing. A pronounced downturn in confidence will impact every business. Our solution is to have aggressive new business development plans and ensure we provide the very best in quality, service and innovation to stay ahead of the pack.

What area is most important to boosting your organisation's productivity?

There are huge opportunities to boost productivity, and we are making some bold steps to embrace new technologies. In the warehouse we have already installed a Wifi picking system to improve picking efficiency, we are in the process of installing a new demand and supply forecasting system and we are also reconfiguring how and where we make use of third-party storage to maximise efficiency. In short, making productivity improvements is everyone's job and recognising and rewarding this is going to be critical.

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Grant Thornton in Suffolk

Our client-focused team has a wealth of experience working with dynamic businesses, providing assurance, tax and advisory services. We are passionate about our role in the local community as well as internationally and how we contribute to stimulating discussion and debate on how our economy can be grown in a sustainable and innovative way.

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27
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190
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Turnover

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