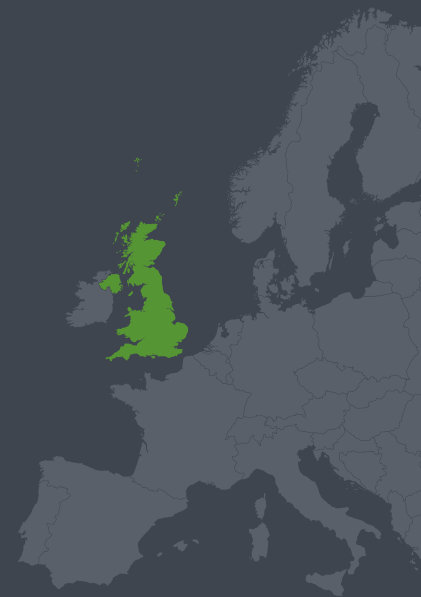


# update: consumer



06.

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# Welcome to the new edition of Nigel Wright's UK Consumer Update

**As we pass the mid-point of the year, many feel that the outlook for 2013 is starting to appear healthier than it did, back in January. The European debt crisis has begun to stabilise and the perceived risk of a major financial disaster, has largely disappeared.**

Certainly following the bailout of Cyprus, a short-term recovery is expected. In the long term, although growth will continue to be slow, industry leaders are more optimistic about current conditions as well as the prospects for business, over the next six months.

Like other sectors, the consumer industry has to continue to move forward amidst the enduring burden of austerity and high levels of debt and unemployment. It also has its own specific problems to overcome – namely, the inconsistencies evident in procurement and supply chain practice which has led to the high profile 'horsemeat' scandal in the food sector; and the prolonged failure of retailers to counteract the changing nature of consumer habits and spending.

Overall however, the consumer sector is responding to these challenges in the same way it always has. Through innovation. The horsemeat scandal has led to greater emphasis on traceability and changes in the way food is sourced, processed, tracked and labelled. In particular, a streamlining of the supply chain is currently underway, with companies expressing a wish to establish more 'collaborative' 'long term' relationships, with fewer suppliers.

The continuing contraction of bricks and mortar retail is also leading consumer brands to diversify more into multi-channel distribution, online customer engagement and advertising. The FMCG sector spent more on advertising in 2013 than any other industry, with a large proportion of that investment now focused online. Consumers now expect to engage with products in a more intimate and personal way, and online has increased the opportunities for brands to be innovative in this area. Even in the context of the traditional retail format, the emergence of the 'showroom' model sets the scene for an interesting period of transformation in the sector.

As ever the question of competence remains. In this increasingly complex and challenging environment consumer businesses need to ensure that they have the necessary skills and leadership capability embedded in their organisations to allow new ideas to flourish. The market is flooded with candidates, but finding the best-match means a commitment to a recruitment and talent strategy which is directly linked to the businesses strategic priorities. As financial constraints begin to slacken, short term 'high volume' solutions are being edged out by new targeted recruitment plans, with the objective of identifying talent for future development; often on an international scale.

At the same time, being mindful of the competitive market for talent, consumer businesses are working hard to retain their best people. By engaging employees in the company and creating innovative training and development, diversity and sustainability initiatives, companies are moulding their cultural environment so that it reflects today's society as a whole; while at the same time making themselves more competitive. Workforce planning will continue to dominate the agenda for HR teams this year and beyond, in effort to attract and retain the best people.

Nigel Wright continues to work alongside leading consumer brands, supporting them in the selection and development of talent across executive, sales, marketing and operations roles. Although our business is international we pride ourselves on our ability to be effective at the local level, within the countries we operate. We have an intimate understanding of the trends that are impacting the consumer industries and our experienced consultants can advise clients on key strategic areas that go beyond the hiring process.



## Celebrating Our First 25 Years

**On 29th July 2013, Nigel Wright Recruitment celebrated its first 25 years in business. Founded in 1988 by Nigel, a chartered accountant, our company has gone from being a small, regional finance recruiter in the UK, to become a recognised specialist recruitment brand in Europe and beyond, employing over 100 consultants across ten international offices. We currently have offices in Newcastle, Copenhagen, London, Paris, Stockholm, Amsterdam, Oslo, Madrid, Brussels, Dusseldorf and Geneva.**

In the late 90s, following a period of strong year on year growth, we developed a national and then international recruitment proposition, from our home in the North East of England. With a history of doing business with locally based multinational consumer companies, we opted to pursue a niche, specialist approach in that sector. Today the company is the preferred talent partner for many of the world's leading consumer products, utilities and services groups, at a local and global level.

Our discipline expertise has also evolved significantly since 1988. Although the core finance team, on which the business was originally established, still exists - recruiting top finance and accountancy professionals into a wide range of businesses and organisations - we now offer clients teams of consultants specialising in Executive Search, Marketing, Sales, HR, IT, Supply Chain, Manufacturing and Engineering disciplines.

Our success couldn't have been achieved without the specialist model we have established and continue to evolve. By retaining a strong presence in the countries we currently operate, working alongside global consumer businesses to support them in the selection and development of talent, Nigel Wright has created a strong foundation from which to develop its business elsewhere.

Emerging markets, for example, continue to be a focus for many of our clients and in line with global demand, we have been instrumental in building client capability in Africa, Asia, the Americas and the Middle East, in recent years.

During the latter stages of Nigel Wright's rapid phase of growth, the decision was made to involve a private equity firm in our growth plans and in October 2010, Baird Capital partners came on board. This saw a minor reorganisation of the business and the development of strong plans to continue with our international expansion. In 2012 the Nigel Wright Board outlined our new BHAG (Big Hairy Audacious Goal) stating a clear ambition to become a globally recognised leader in recruitment over the next ten years.

Our knowledge and expertise of the consumer sector and the countries in which we operate, continues to make us a credible service provider to our customers. It also allows us to be innovative and creative in our approach to the market - this strategy has been instrumental in building the Nigel Wright brand since the very beginning. We look forward to continuing to support all of our customers worldwide, and sharing in their success over the next twenty five years.



# 'Gamification'

## What is it and how can FMCG companies use it?

You might have heard of 'gamification' – it's becoming an industry buzzword as consumer goods companies use it to engage with shoppers, reward loyalty and gain a competitive edge. We explain how it's developing and how it could help keep your businesses agile.

### What is 'gamification'?

Gamification, in simple terms, is applying the principles of video or computer games to other contexts. There's a lot of hype about engaging with the 'Millennial generation', those born in the eighties and nineties who are very tech-savvy, but gamification arguably transcends many age groups; 'younger adults' who can remember growing up around the Nintendo, playing SimCity, or even just going to an amusement arcade on holiday have all been lured in by gaming.

### What are the opportunities?

As well as appealing to a diverse range of people, the principles of gaming can work in different areas of people's lives, so there's scope for those techniques to be used by a whole host of different industries and functions.

Consumer business marketers are paying particular attention to the opportunities that the emerging digital environment gives manufacturers and retailers to build both their brand and their sales by engaging shoppers more effectively.

But gamification is not without its challenges; in fact, our research shows that only 14% of manufacturing businesses have a strategy that co-ordinates marketing and sales for long term growth.

### So, what are the building blocks for gamification?

With many businesses still getting to grips with joint sales and marketing activities, understanding how gaming principles can be

applied to commercial initiatives offers an opportunity to get ahead of your competitors.

We have been speaking to strategic design consultancy 20.20 and Badgeville, a start-up company that has developed a technology platform to enable gamification solutions for businesses and help them to understand how the gaming concepts are becoming a commercial reality.

Taking a step back, a number of essential elements make games successful: desire, incentive, achievement, reward, feedback and mastery. These building blocks encourage users to play more, get more involved, expend more effort and strive for reward and are easily translated to buying and experiencing consumer goods.

Building loyalty and advocacy is a priority for many businesses operating in a consumer goods industry that is experiencing unprecedented and highly challenging trading conditions; reflecting on the opportunity here, Scott Schnaars of Badgeville noted that

'in the next 18 months not having a social loyalty strategy built around gamification will be like not having a Facebook Like button today'.

20.20's Head of Online, Andrew Hearn goes on to say

*"Creating on-brand solutions that solve fundamental business problems – such as increasing sales, retaining loyalty and harnessing social interactions - in a manner that is both engaging and fun for customers - must be an obvious decision."*



Consumer business marketers are paying particular attention to the opportunities that the emerging digital environment gives manufacturers and retailers to build both their brand and their sales by engaging shoppers more effectively.

Strong words, but at IGD we believe that playing by yesterday's rules is not an option, and businesses will be forced to be more agile in the years ahead to drive sustainable growth.

### How is it working?

While gamification principles have been applied to media and fitness industries with success - check out Nike+'s FuelBand if you're not convinced - it's still in the early stages for consumer goods. Danone is one business that has embraced the 'acquire, engage, retain' gamification mantra, working with Badgeville. Wanting to find, converse with and reward its most loyal customers virtually, away from the store, Danone came up with ways to trigger gaming behaviours in an online loyalty programme. Scanning purchased products with a smartphone rewards users with points and virtual achievements, including discounts and special prizes from kitchen appliances to holidays.

The game not only encouraged people to engage, but also to 'advocate' the brand, with users sharing their achievements on Facebook, immediately reaching out to hundreds of friends and many thousands in their contacts' wider network. The aim is to move

the shopping experience beyond the store for valued customers, building brand interaction on the web and ultimately driving sales for key products.

### What do we think?

We know shoppers are facing challenges, and our industry trying hard to keep up with them and provide solutions that make life easier.

The basic principles of gamification are simple and offer an opportunity for brands to engage and drive shoppers to be ambassadors for them.

Here at IGD, we really enjoying getting out and meeting businesses that are adopting agile thinking, trying to anticipate the shopper and understand the "new normal" of their daily lives.

The consumer goods industry is only just beginning to gain commercial success from gamification, and we know that joining up sales and marketing to harness the power of digital technology can be challenging, but understanding the principles of "acquire – engage – retain" has the potential to deliver tangible returns. Ultimately, we know companies learn by doing, not watching, so we would be delighted to hear how you are experimenting to digitally engage with shoppers and grow your business – get in touch!

### About IGD



**IGD is a research and education charity, and the leading source of information and best practice on the food and grocery industry worldwide.**

If you would like to read more about our research, then please visit our Retail Analysis website [www.retailanalysis.igd.com](http://www.retailanalysis.igd.com)

Or if you would like contact us about something specific please email us on [askigd@igd.com](mailto:askigd@igd.com)



# Peter Stone, Executive Director DIY Sector

British Home Enhancement Trade Association.

**Nigel Wright's 'Home Improvement' category specialist David Lovenbury talks to Peter Stone from the British Home Enhancement Trade Association (BHETA) about the state of the UK's DIY industry and what BHETA is doing to help its members overcome the challenges associated with the pervading 'double-dip' business environment.**

*Peter, why don't you start by giving us a short introduction to both yourself and BHETA?*

After over thirty years in the DIY and Garden Industry, including Sales, Marketing and Commercial roles at Board level, over the past twenty five years, I was approached by BHETA. The Association had lost its focus and the Board was determined to get back on track by appointing someone with experience of the DIY market. In particular, this person would be tasked with developing the 'BHETA proposition' as well as increasing engagement and growing the membership. BHETA had a clear focus and ambitious plans and I was delighted to join at such an exciting time.

*The obvious place to start is by getting your perspective on the home improvement sector at the moment - do you sense a recovery?*

It is difficult to sound positive on the back of Q1 which has been so adversely affected by the snow and cold weather. Yet despite this many of our members were reporting surprisingly positive feedback

for January and February. Then March came along and destroyed this positive sentiment. As we speak [April] it is still unseasonably cold for this late in the year.

*With that in mind, what are the key challenges facing your members in the second half of this year, and then into 2014?*

All the indicators suggest we cannot expect anything other than minimal growth over the next two or three years at least, and so the current challenges will continue to exist. These are - negotiating a path through the relentless demands of a shrinking retail power base, developing business in times of austerity, maintaining cashflow and controlling costs, to name a few. I suppose a positive outlook is to take the opinion that we've dealt with these conditions for a long time now and although there have been an alarming number of casualties within our industry, there are a lot of businesses adapting to these circumstances - as well as the changing face of retail - with a great degree of success.

Membership of BHETA represents exceptional value for money. By joining you become part of an exclusive network of senior industry professionals, with access to all the major retailers in all key sectors.



*What role does BHETA play in protecting its members and helping them to grow?*

BHETA can help protect and develop its member's businesses in a number of ways. We afford an element of anonymity on sensitive issues such as abuse of power, and are happy to fight issues on behalf of member companies. The engagement within the Association is such, that many of the most difficult and challenging issues faced can be eased with the help and advice of BHETA's 'extended family'. In terms of helping with business development, initiatives like our 'BHETA Meet the Buyer' days have been incredibly successful in creating sales development opportunities with key retailers. Our provision of affordable but focused market data has also helped encourage companies to seek new distribution channels and 'think outside of the box.'

*Why should a company join your trade association? What's in it for them?*

Membership of BHETA represents exceptional value for money. By joining you become part of an exclusive network of senior industry professionals, with access to all the major retailers in all key sectors. You also gain access to a wealth of information to help you make key decisions for your business. We bring people together in a positive atmosphere and support them with a vast range of discounted services, cost saving measures and business development opportunities, in domestic and export markets.

*I'd be interested to learn what the most common 'member moan' is? What are members most displeased with?*

I genuinely don't hear that many 'moans and groans'. I think we've all had time to acknowledge and adapt to life in a double-dip environment, and the vast majority of senior executives now harness their energy towards meeting the challenges that this environment brings.

*You've been in the DIY industry for many years, what makes it so special? What still excites you about the industry?*

Thanks for reminding me! I've always loved the DIY Industry. Even in hard times there is a pervading 'can do' atmosphere and a camaraderie that I think is quite unique. What excites me now is what has always excited me since my first Board appointment, over twenty five years ago, and that is having the opportunity to influence the success of a business and its people. I've always felt privileged to be part of that success.

*Without standing on a soapbox, what can the government do to safeguard the industry? Is there any single initiative that would help?*

I am not arrogant enough to have the answers but I feel very strongly that, over a period of years, we have lost the drive and initiative to really push Britain forward. There isn't a strong 'business leader' at the helm to make it happen and we seem to lack imagination. You need a spark to ignite something; legislation and taxation will then automatically follow to support that spark.

Businesses in the home improvement, homewares and interiors space interested in joining BHETA should contact Peter Stone on 07715 761147 or email him at PS@bheat.co.uk. Any organisation in the above space looking at building a team through talent acquisition or talent intelligence, talent mapping, organisational insight or receiving a detailed analysis of compensation and benefits in the sector, should phone David Lovenbury on 0191 269 0726 or email him at david.lovenbury@nigelwright.com.

Nigel Wright Recruitment has been focusing on the home improvement, homewares and interiors sector since 2002. David has played a key role in developing that position and has a track record of placing sales, marketing and general management professionals, into a wide range of clients across the sector including SMEs, PLCs and multi-national corporations. Nigel Wright boasts the largest network of industry professionals in the UK.



## A quick catch up with...

# Tom Allchurch, CEO at Bigham's

**Former Unilever and Amazon executive turned restaurant entrepreneur, Tom Allchurch, is now heading up premium ready meal brand Bigham's. We caught up with him to chat about his role and how Bigham's has grown its customer base to nearly one million, during his three year tenure.**

*You've been CEO at Bigham's now for over three years. Can you describe some of the businesses key achievements during that time and what role you and your team have played in ensuring success?*

We've continuously improved our quality which has allowed us to double the size of the business. We have so many ideas on quality improvements, its almost never ending. We've also improved productivity and by continuing to do so, will allow us to invest more in marketing, grow sales and profits for our retail partners, and hopefully justify increases in distribution and range. We've also built a great team which we continue to develop and grow.

*How is Bigham's seeking to keep manufacturing costs low amidst rising food prices and changing consumer habits?*

Our job is to be as lean as possible, and if we are, that will offset food cost inflation. We listen very carefully to our consumers, and make sure that our dishes are the ones that they enjoy the most.

*The food industry has taken some knocks this year, how do you see the sector evolving in light of the recent scandals? What impact would an increase in demand for fresh/chilled products have on Bigham's?*

The message from 'horsegate' is that cheap food can mean corners are being cut. We are growing because consumers know that they can trust us to have long term relationships, with the right suppliers. We have been adding capacity steadily, and that will continue.

Bigham's has grown very quickly since you joined the business in 2010. What organisational challenges have you overcome so far and what further challenges do you anticipate facing as Bigham's gets bigger.

The only challenge is to make sure that we attract and recruit the very best and most passionate people possible. We are very clear

about where we are going and how we want to go there, and we all naturally want to be part of something special.

*You were an entrepreneur yourself for many years, prior to the sale of Fresh Italy, and prior to that you enjoyed a fifteen year 'blue-chip' career with Unilever and then Amazon. What key learnings have helped you most today, in your role as CEO?*

I've learned that it's important to do something that you are passionate about and that companies striving to improve every day to offer the best quality products and services, are the ones that succeed. It's important to take action to develop better products and services quickly, rather than spending your time managing processes. I hope by working at Amazon during the early stages and working for myself, I understand what Charlie feels and also, that I know how to help a company evolve through a period of rapid growth.

*What attracted you to the opportunity at Bigham's? Why should other people consider joining the organisation?*

Charlie is passionate about making the best food for people to enjoy, and we have a culture underpinned by a determination to improve every day. What we are doing here at Bigham's is something that lots of people identify with and want to be a part of. As our reputation grows and we get even better at what we do, we anticipate more people wanting to join our business.

*What are the ambitions for Bigham's over the next 12 months?*

We want to make more improvements to our quality and productivity, become better known by consumers, and sell more food for our retail partners. Our focus is on getting people to try Charlie Bigham's in store, because we believe once they have tried our products, they are very likely to become regular customers. We've got 700,000 people eating Bigham's now and hopefully we will reach the one million mark, very soon.



# The South looking up

**Nigel Wright's London office was officially launched in 2007. It was the first permanent location the business established outside of the North East to facilitate the national and international growth of its consumer industry practise. In the six years since its inception, the team in London as well Nigel Wright's presence in the South of England has grown significantly.**

Today the brand is recognised as a market leader, serving small family businesses as well as global leading companies and supporting them in the selection and development of talent across sales, marketing and operations roles. Managing Consultant Chris Vallow, one of the original team relocated to the capital to launch the London office, gives an overview of current market opportunities in the South.

It's been a challenging start to 2013, but the market is beginning to look positive again and the team here are currently very busy. Our client's have a new determined focus on sourcing the best people, yet those people are, in the main, not currently looking to move. Therefore, we're really seeing a commitment from businesses of all sizes in the sector, to working in partnership with specialists like ourselves, on a retained basis, in order to identify and attract top talent.

Food and drink is particularly buoyant at the moment, across the categories. Obviously the frozen category has had a setback following the 'horsegate' scandal, and there is still a great deal of uncertainty in the market, over what impact this will ultimately have on consumer habits. Will people go fresh or chilled – we just don't know. The companies that dealt with the issue openly and honestly are beginning to see light at the end of the tunnel; the businesses that haven't been openly testing their products however are likely to still face problems, over the coming months.

In consumer electronics, big ticket items have definitely taken a hit and generally activity is much quieter in the category. It's a mixed industry though - Samsung's recent 41% increase in profits is testament to that. Elsewhere in consumer electronics, things aren't as rosy. Health and Beauty is strong. People still want to treat themselves, even if they're not buying washing machines or TVs. Hayley Snowball has recently joined our London team as a Senior Consultant, to further develop our Health and Beauty offering in the South.

Most businesses in London and the South are willing to widen their catchment area to get the best people. Clients are increasingly offering work/life balance incentives to those who would face a long commute into the City, to guarantee their services. Growth in the UK, however, is still very slow and for some, none existent. Therefore we are also seeing clients from across the industry fervently looking overseas for new opportunities. International roles have increased significantly over the last five years and even more so in the last six to twelve months, as companies seek to expand abroad.

In the food industry, big expat markets such as North America and Australia are a new focus. Selling heritage brands to British expats is widely seen as a big and perhaps untapped market. Significantly, firms are actually looking to establish operations and build teams on the ground in these countries, rather than just exporting, and are sending out UK experienced managers to lead these projects and build and manage teams.

Digital continues to be a focus for our clients. Even the food manufacturing sector is catching on, trying to capitalise on the 'buy now' culture, which is so pervasive in the UK today. Affiliate programmes with supermarkets at the local level are being utilised to capture market share and innovative digital leaders are in demand. Innovation and 'outside of the box' thinking is prevalent in Consumer as usual, with a big focus this year being improving the overall quality of customer engagement. This will be put to the test in the summer, when brands try to fill the void left by last year's Olympic Games and Jubilee Celebrations.

We are, however, anticipating a busy summer. The period where candidates were just happy to sit tight and stay focused on job security, rather than career advancement, is definitely over. Pay freezes in the industry have left many feeling ready to consider new futures, where their true value can be met. Knowledge as well as category and skills development are also major drivers for candidates, perhaps starting to look for that next move.

# S&OP: Report

**In an increasingly competitive world, the Sales & Operations Planning (S&OP) process has become a strategic weapon for many businesses. We take a look at the skills needed to make it succeed.**

Once upon a time the supply chain was merely a mechanism in the wider organisation, now it plays a primary role in the overall planning and strategy of the business. This change has meant an up-skill and shift in capability for talent in the supply chain. An increasing number of companies are achieving this through integrated S&OP.

The supply chain has grown in importance using tools to help businesses manage risks and challenges as well as to optimise opportunities. Overall, a successful S&OP strategy helps to support revenue growth and manage operations and capital expenditure, more effectively.

Following the IGD Supply Chain seminar in November 2012, a new focus on collaboration and engagement between suppliers and retailers is underway.

*What are the challenges for implementing an effective S&OP process?*

Many businesses face the same issues around engagement and ownership of the process, and should never underestimate the degree of cultural change it brings. Implementation can often fail due to frustration or internal tensions, so clear ground rules are a pre-requisite.

The S&OP process takes into account the full end-to-end of the supply chain's 'information flows' and integrates cross-functionally into all supply, demand, commercial, financial and manufacturing or procurement streams. There is often a dilemma where the process owners sit within the business units; however this cross-functional aspect should always represent the structure and attendees of successful S&OP meetings.

Many companies believe that getting the right people engaged in the process is the most critical step - that includes gaining the appropriate 'senior level' backing and commitment.

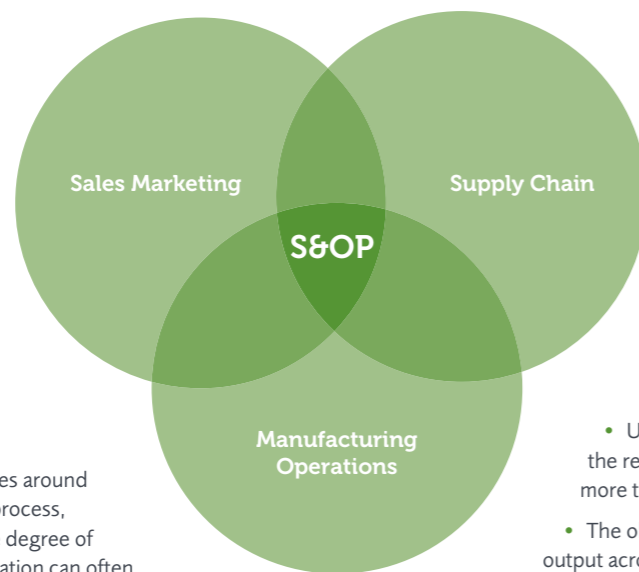
*What improvement or output can be expected?*

The S&OP process looks at the 'big picture' and helps strategic decision making. It drives informed decisions around business efficiency and impacts positively on the bottom line. Characteristically:

- The output will guide the sourcing, production or co-manufacturing policies.
  - Product availability is demonstrably improved, as is new product development or promotional planning effectiveness.
  - The pace of change as well as the likelihood of meeting customer and consumer trends is enhanced.
- Unit costs, inventory levels as well as the return on capital investment all become more transparent.
- The objective is to achieve a 'one number' output across the business, aligning demand, planning and financial expectation. This should be measurable against a common set of KPIs.
  - It opens the gateway to true customer collaboration and business plan sharing.

*How does the talent and skills journey begin?*

A typical career would begin in supply or demand planning, where exposure to broad commercial and financial forecasting will engender strong S&OP understanding early on.



Successful S&OP teams will be made up of those with an intimate understanding of customer demand, as well as the capacity limitations associated with meeting volumes or lead times. This will be complemented by a strong analytical and methodical approach, underpinned with excellent IT knowledge, to ensure successful deployment of appropriate planning tools and the capability to exploit them.

S&OP practitioners will also possess strong communication and listening skills and involve all levels of the business in their sphere of influence. It's unlikely a team can be assembled 'ready-made', so emphasis is always on strong leadership, coaching and a desire to achieve continuous improvement; both personally and professionally.

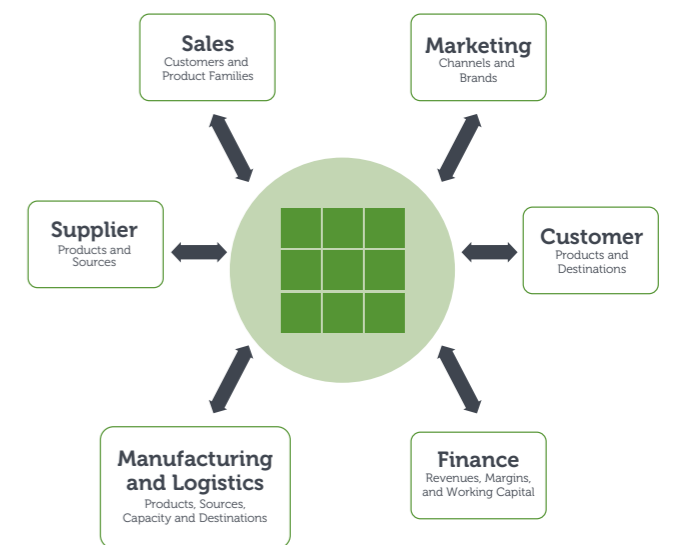
S&OP leaders keep open and honest relationships; they thrive on challenge and always endeavour to promote 'best practice' standards.



*Where can the journey lead?*

The S&OP process crosses organisational boundaries and challenges the status quo – it is fast becoming a recognised company asset. It is also a real growth area for talent. With an expanding S&OP talent pool, businesses are beginning to value it as a key enabler to success in an increasingly competitive environment.

The S&OP process helps bring clarity and fact-based intelligence to the 'cost versus customer service' debate. Robust processes alone are not enough - people need to be engaged to make them excel. At the end of the day we all share a common goal – to sell more and sell effectively.



## Food Manufacturing Excellence Awards 2013.

**Nigel Wright is proud to sponsor the Ambient category award at the Food Manufacturing Excellence Awards 2013.**

The Food Manufacturing Excellence Awards are extremely important because they showcase the quality and diversity of the UK's food and drink industry. As category sponsors, we play a key role in building the reputation of the industry and raising awareness of the awards, ensuring that it is a competitive and well recognised event. Like other sectors, the food industry continues to move forward amidst difficult trading conditions, as well as its own specific problems, but

has responded to these challenges in the same way it always has; through innovation. Each year we continue to see an improvement in the event itself but most importantly, in the standard of those entering. The UK food industry is very much associated with quality and best practise and we're once again looking forward to hearing about some of the latest success stories in food manufacturing, at this year's event.

# Nigel Wright speaks to... **Richard Cooper**

**Richard Cooper is the former main board director at McCambridge Group and Managing Director of bakery products manufacturer, McCambridge Ltd. He left the business earlier this year, 2013, following the sale of its own-label cake division to private-equity firm NBGI, as part of a management buy-in deal.**

During his 15 month tenure at the helm of McCambridge Group, he led a full business reorganisation of the cake division, improving cross functional cooperation and successfully creating a dynamic and entrepreneurial culture, which led to the successful sale of the cake division in 2012.

Richard has enjoyed an extensive 20 year career in the UK food sector, during which time he has developed an extensive portfolio of creating value through organic, turnarounds and M&A. He has held senior leadership roles at RHM plc, Premier Foods plc and Maple Leaf Foods Inc, leading a number of complex disposal transactions, operational restructuring challenges as well as implementing commercial led strategies. Here he talks to Simon West about his time at McCambridge Group, his advice to businesses preparing to sell to private-equity, as well as his plans for the future.

#### *What attracted you to the McCambridge Group project?*

McCambridge was attractive for a number of reasons. It was an operational transformation project that required creating value for investors. The business had some significant cultural challenges, both internally and externally. It was also lacking a clear, identifiable strategy and customer perception of its focus as well as the quality of its products was poor. The cake business, however, which was formed in 2009, was focused on ambient cakes and pastry (worth £1.2bn) where it enjoyed the number one and number two positions in the market. There were also a number of other factors such as the need for consolidation, streamlining efficiency and maintaining good customer relations, which were attractive to me. These were all areas where I had previously enjoyed success.

#### *What were the main challenges you faced, in preparing the business for sale?*

The business had a principle investor which owned 60% of the equity derived from a 'debt for equity' swap, and the primary objective was to recover the debt. The key challenge was preparing a business strategy robust enough, so that potential investors could see value. The management team hadn't been through any form of sale process before, albeit they'd experienced a number of restructures and significant executive churn, so enabling and empowering them to own and deliver a plan that ultimately would lead to the sale of the business, as well as provide a partial road map for the business for the next three or four years, for the new investors, was critical.

#### *What were the key actions you took?*

I used Oakwood Partnership Ltd to help me guide and control the initial process and through them, developed a relative attractiveness matrix to shape strategic choice, evaluate attractiveness and ultimately prioritise the propositions for the business. By using a catalyst, such as the above process, you get significant leadership engagement and collaboration, enabling you to quickly work out any skill shortages or knowledge gaps, you will ultimately have to address. Leadership is the key in any change program, but even more so when a business is in 'sale' mode. It's imperative to keep a well-motivated team and one that is engaged in the process, rather than concerned about 'what might be on the personal level'. If the team is managed effectively and engaged, the sale will more likely be clean and uncomplicated. The management team experience at McCambridge and the commitment at all levels, became significant factors in the business ultimately succeeding in its chosen markets.





*What were the key objectives around the sale?*

Very simply: a robust financial model and plan that is on course; a return for investors and a clear value strategy that enables delivery of a significant upside for any new investor. Business stability and leadership engagement are also critical; remember that any private-equity backed purchaser is buying knowledge, USP, technical know-how and leadership. All these 'less tangible' assets are valued as much as the tangible ones.

*What has been your experience of dealing with potential private-equity buyers?*

My experience of dealing with private-equity buyers has always been good. They bring investment that may not be justified in the existing business model. Furthermore, they will often invest in new infrastructure to leverage change that wouldn't have been accessible through traditional business returns. By doing this, they provide some level of protection from new market entrants, or at least help keep pace with product innovation and differentiation. All of this ensures that the business has every chance of being even more successful, for its current custodians.

*Did everything go according to plan? With the benefit of hindsight, would you have done anything differently?*

Without wanting to sound overly confident, yes, everything with the sale couldn't have been better. It was as clean a process as me and the team could have possibly delivered. The measure I guess, in all of this, is how the various stakeholders have reacted and without exception, all have been complimentary and provided praise to me and the team. I think if you'd asked me about the previous transactions I have been involved with, I would have given you a list. McCambridge however, is in a great position to be an even stronger business, principally, because we developed a plan that was deliverable and that required further investment, which a new private-equity investor has brought to the table.

*What would be the three key pieces of advice you would give a privately owned business, considering selling to private-equity?*

Be clear and realistic about your expectations, both financially and personally. Ensure you have a financial model that is robust and

**My experience of dealing with private-equity buyers has always been good. They bring investment that may not be justified in the existing business model.**

clearly deliverable. Have a well-developed strategic plan, or at least a coherent business plan, that is deliverable and where any new investor can see value. The management team and your colleagues and partners are the key factor in the delivery and transition process, make sure that you are all aligned and all facing in the same direction. Working with private-equity can be fun and brings a level of balance and equality to the board room, if you are all investors.

*What have you been doing recently and what are your plans for the future?*

It took about nine months to complete the sale process at McCambridge and this was on top of a fairly intense period in the business, so a well-earned rest was in order! This has been great as I have been able to travel through California and spend some well deserved time with family and friends. But all things must come to an end. Professionally, I anticipate the future being more of the same. I'm ultimately looking for the next opportunity either supporting another turnaround or transformation, co-investing, taking on a CEO/ COO role or providing executive advisory - and be taken seriously as an NED who has experienced it and can add true value and contribution to a board - so not much really! I would also like to fulfil a number of personal objectives. I am involved with the government backed initiative 'Start-Up Loans', as a business mentor, and am advising a number of smaller businesses. I also intend to continue my work with 'Crisis', where I am a volunteer. I'll continue this work regardless.



# Tracking our service performance

**Nigel Wright is committed to offering outstanding customer service across all of its markets and part of that is seeking regular feedback from customers so that we can continually improve our service.**

Collecting valuable data helps us to refine our processes as well as develop training programs for our teams. This in turn gives us a strategic advantage in the marketplace by allowing us to review issues and then make immediate improvements, across all areas of our business.

In 2012 our International Consumer Business NetPromoter Score was 95%. That means that 95% of customers would recommend our services to others.

Each month we survey clients and candidates to find out how they perceive our services. As well as the NetPromoter score we also ask customers to rate different aspects of our service on a scale of 1-5 (five being excellent and 1 poor).

To the right is a table representing data from over 550 consumer client/candidate responses in 2012. An overall percentage has been calculated for each category.

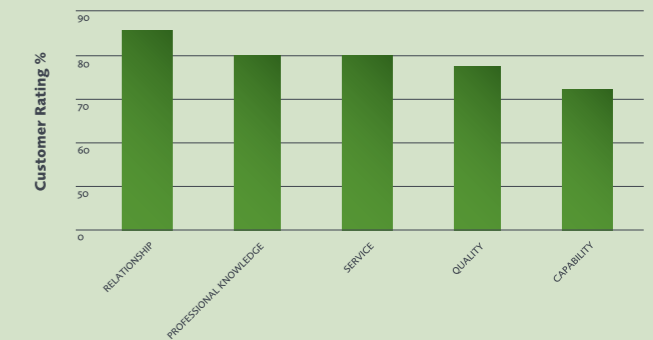
As you can see our relationship building, quality, service and professional knowledge are all rated between 75-100% (Very good to Excellent).

If we delve into the detail, the chart below outlines fourteen of the key factors central to the candidate engagement process. All categories are rated above 3 (Good) and over a third are rated 4 (Very Good) and above by consumer candidates served in 2012.

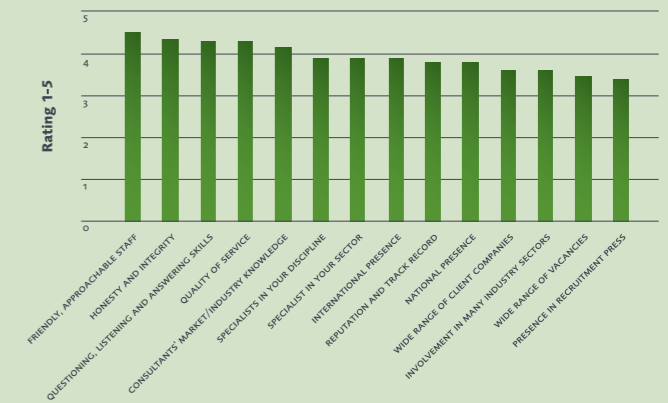
Similarly, clients are also content with the overall service they received. Out of twenty three customer service factors, none fall below a rating of three (Good). Some key areas central to our business ethos such as sector specialism, and professionalism and communication are all rated above 4 (Very Good).

In any aspect of performance measurement the objective is to analyse results and look for ways to improve scores. This is what we will endeavour to do throughout 2013.

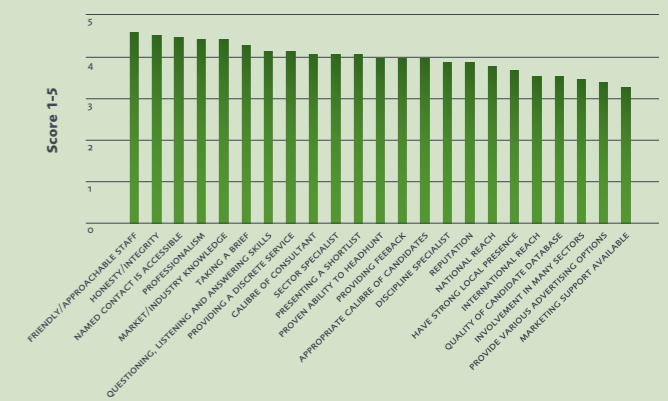
Customer Service Ratings 2012



Candidate Ratings 2012



Client Ratings 2012



# Regaining control of the supply chain

**Nigel Wright's latest management report - 'How has the current economic climate prompted consumer companies to regain control of the supply chain?' - considers the impact volatile economic conditions, the rising cost of raw materials, emerging markets and changing consumer preferences, among other macro-factors, are having on the supply chain strategies of consumer companies.**

Based on interviews with six supply chain leaders from the sector across Europe, the report uncovers three strategic priorities underpinning supply chain best practice today: supplier relationships, closer integration and coordination, skills for now and the future.

Outsourcing components of the supply chain and working to optimise supplier networks were central features adopted by the companies interviewed. The emphasis is to reduce cost and improve service, while at the same time reducing the risk of outsourcing by retaining a direct involvement in the relationships. As one interviewee commented, "it's like we're 'married' to the suppliers". Reduced consumer spending has been one of the main catalysts for this approach. The VP European Supply Chain at a home entertainment group, for example, explains that consumers are certainly spending less and as a consequence the business is reducing its manufacturing 'footprint' by working with more wholesalers to manage through the reduction in consumer spending.

Reducing inventory levels and creating more flexibility to generate faster lead times is another strategic priority raised in the report. Interviewees argue that the supply chain must have greater alignment with overall business strategy, with better integration and visibility across the organisation, if greater flexibility and more efficient stock control are to be achieved. The research uncovered that

supply chain leaders will often find this difficult. However, a renewed focus on cost reduction and customer service has actually created a revived interest in 'sales and operations planning' – a system which all of the businesses in the study had adopted or were adopting or would like to adopt in the near future. Creating greater foresight in the supply chain makes it more flexible and therefore more able to adapt quickly in uncertain times.

In the final section of the report, the issue of skills is raised. What is apparent from the research is that the greater importance of managing supplier relationships as well as internal 'bridge building' with commercial departments means that technical and analytical skills, although still paramount in the discipline, are being joined by diplomatic, negotiation and general communication skills. These qualities are increasingly given equal importance by supply chain leaders when building up the competencies of their teams. One issue that was raised in this context was that technical/analytical skills are easier to develop compared to diplomatic skills, which are more innate and also more difficult to find in the supply chain discipline. Therefore finding and retaining talent that has the ability to plan and do complex analysis as well as communicate effectively with internal and external stakeholders will be central to the hiring strategies of companies over the next few years.

The report concludes that the supply chain has grown in importance as a tool to help businesses manage the risks associated with some of the big challenges facing them today and we are entering an era where supply chain leaders will take on greater responsibility for strategy that goes above and beyond their discipline.

**The full report can be downloaded from [www.nigelwright.com/downloads](http://www.nigelwright.com/downloads)**

# Salary Comment

**Salaries in the UK consumer sector, according to our 2013 salary survey, increased on average by just over 3% last year. This was less than the European average of 4.2% across the other markets we surveyed at the end of 2012 and beginning of 2013.**

Although there has been an increase in hiring and some marginal improvement in confidence in the sector, the rate of increase has slowed slightly since 2010, where average increases were closer to 5%. This year, those employed in the UK consumer sector were less optimistic about the rate of increase they will receive, with respondents to our survey indicating, on average, that they are expecting to get less than 3% in their next review, which is lower than in the previous three years.

The Nigel Wright Recruitment European salary review is based on the details we hold on our database and is supplemented with the

information that we have collected as part of our annual salary and benefits survey.

Whilst we make every possible attempt to ensure the data we provide are accurate it should be noted that salary levels can vary depending on company size, industry sector and the availability of candidates in a specific discipline.

To download the full European Salary Survey please visit [www.nigelwright.com/downloads](http://www.nigelwright.com/downloads). For specific salary advice please speak to one of our consultants.

Executive (£)	MIN.	MAX.	AVG.
CEO	150,000	500,000	230,000
Managing Director	90,000	300,000	180,000
Commercial Director	90,000	220,000	140,000
Marketing Director	80,000	180,000	120,000
Sales Director	80,000	180,000	120,000
Operations Director	80,000	180,000	110,000
Supply Chain Director	80,000	180,000	100,000
Procurement Director	70,000	150,000	100,000
National Account Director	70,000	120,000	100,000
Engineering Director	70,000	120,000	90,000
Technical Director	70,000	120,000	90,000

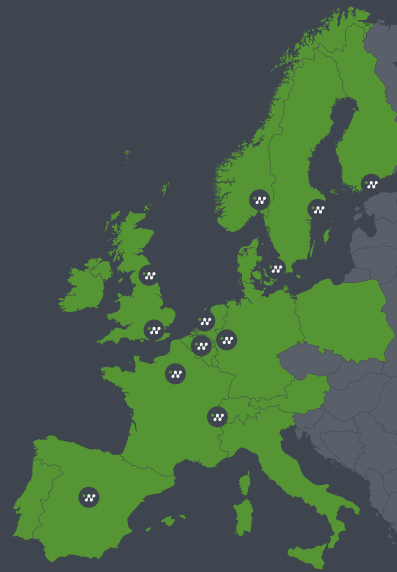
Operations (£)	MIN.	MAX.	AVG.
Operations Manager	50,000	90,000	70,000
Engineering Manager	40,000	80,000	60,000
Production Manager	40,000	60,000	50,000
Supply Chain Manager	40,000	60,000	50,000
Quality Manager	40,000	70,000	50,000
Maintenance Manager	40,000	60,000	45,000
Logistics Manager	30,000	50,000	45,000
Technical Manager	40,000	65,000	50,000
Shift Manager	35,000	50,000	40,000
Senior Buyer	40,000	50,000	45,000
Buyer	30,000	40,000	35,000

Marketing (£)	MIN.	MAX.	AVG.
Senior Marketing Manager	40,000	90,000	60,000
Marketing Manager	30,000	70,000	50,000
Trade Marketing Manager	30,000	70,000	45,000
Senior Brand Manager	30,000	60,000	46,000
Senior Product Manager	30,000	50,000	45,000
Brand Manager	30,000	50,000	40,000
Product Manager	30,000	50,000	40,000
Digital Marketing Manager	30,000	50,000	41,000
Assistant Brand Manager	30,000	40,000	32,000
Assistant Product Manager	25,000	35,000	30,000

Sales (£)	MIN.	MAX.	AVG.
Senior Sales Manager	40,000	90,000	64,000
Sales Manager	30,000	80,000	50,000
Business Development Manager	40,000	70,000	50,000
Regional Sales Manager	30,000	70,000	42,000
National Account Manager	30,000	60,000	52,000
Category Manager	30,000	60,000	50,000
Key Account Manager	30,000	50,000	40,000
Field Sales Manager	30,000	50,000	42,000
Area Sales Manager	30,000	40,000	35,000
Ecommerce Manager	30,000	40,000	36,000
Account Manager	30,000	40,000	33,000
Junior Account Manager	20,000	35,000	30,000

# About Nigel Wright Recruitment

Since its formation, Nigel Wright Recruitment has become the leading specialist consumer search firm in the industry. We have extensive experience of bringing together high-calibre candidates and world-class organisations. Our consultants are committed to delivering a quality service, to clients and candidates alike.



[www.nigelwright.com](http://www.nigelwright.com)

Nigel Wright

## Our Capability

### GLOBAL DATABASE OF TALENT

We can find the best candidates from anywhere in the developed world. If you require a pan European or a global search, we have the candidates and contacts in your markets to get the results you need.

### LOCAL DATABASE OF TALENT

We have native consultants present in each of our key territories. They all have strategic relationships with managements up to board level executives that extend over a number of years. This gives us an in-depth knowledge of your national talent pool.

### LINGUISTIC CAPABILITY

A multi-linguistic capability is essential in today's global businesses environment. We cover 25 languages including all European through to Arabic and Japanese.

### CONSUMER INDUSTRY SPECIALISTS

We are the largest specialist recruiter for the Consumer sector. We have over 100 international consultants communicating to the market on a daily basis; building a powerful network of clients and candidates.

### ALL FORMS OF RECRUITMENT

We offer our clients executive search and selection, headhunting, professional networking, database searching and press and online web advertising.

### SALARY LEVEL

We recruit at two levels on a permanent and interim basis: management and executive. All projects would be managed by a senior consultant, Manager or Director, where applicable.

### DISCIPLINE

We recruit across various disciplines ranging from Finance, HR, Operations / Supply Chain, Commercial / Marketing & General Management.

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