

MAKING THE BIG DECISIONS

Interview with

NATHAN DARTMOUTH

MANAGING DIRECTOR

DARTMOUTH GENERAL CONTRACTORS



WHEN A second-generation family business hires an additional non-executive director and sets a five-year strategy to double its size, you know they're serious about really professionalising the company.

And Nathan Dartmouth, managing director of Dartmouth General Contractors, agrees that though the heritage of the company founded by his father in 1969 remains important, the family recognised the need to take a more corporate approach.

The company, which designs and builds retail and leisure environments, has had one non-executive director on the five-strong family board since 2011, and taking on another in 2016 was the latest step.

"We had been doing what we'd always done because it was safe and within our comfort level," says Dartmouth, saying the new non-executive brought another dimension and was influential in shaping the new plan. "It wasn't like the penny dropped but suddenly we were seeing a different outlook.

"Both the non-execs are business people rather than construction experts, which gives the business a broader outlook. They offer a kind of blue sky thinking; our new non-exec is a chartered accountant."

The business made an honest assessment "from the top down" before setting the five-year plan. "That's what's exciting about setting a strategy," suggests Dartmouth. "It's a reason to look at every aspect of the business."

The plan aims for ten per cent growth per year, he says. Turnover in 2016 increased 30% over the previous twelve months. Over the next five years, realistically that percentage could be maintained Dartmouth says, if the current rate of new projects continues.

"We could have grown significantly more but what we don't want is to have a boom year and then go back to where we were because the systems and infrastructure couldn't sustain it. It's a long-term challenge rather than short-term gain so it's important not to run out of stamina. I have to be more disciplined. We didn't have a set plan before but now we see strategy as absolutely vital. Without it we would have no milestone for what we want to achieve or what is acceptable."

The strategy now, he says, satisfies the board members and the family. Year one of the plan is all about getting the infrastructure right. That means self-discipline when it comes to taking on new opportunities. The business survived during the recession by being lean and risk-aware, and charging "fair prices for a good job."

Dartmouth says the family heritage remains very important to clients. "It means customers can get to speak to the person at the top, which is important to them. It also means we can change and react to customer needs faster than some corporate competitors can."

However, the vision of a family business can be narrow, he adds. "There can be the attitude of 'that's what we've always done' and you don't look to the future. Now we're actively trying to identify markets and generating business growth through new clients, not just existing clients. Previously we looked at how to manage existing business; now we're looking at what else we can add. I wouldn't say we've only just woken up but all of a sudden we're being more proactive."

As he points out, traditionally, companies tended to factor in growth merely through the annual price rise, but now it has to be achieved from generating extra business. For example, from a traditional focus on refurbishing retail and leisure-use buildings, the company is now doing new builds which they would not previously have done.

Across the business, everyone is being encouraged to make use of their contacts to help get new business. "That will allow us to squeeze through a door if it's ajar, rather than having to knock on it," he explains.

His own job has changed from being purely operational to being more of a business ambassador and the business is moving away from the use of freelance consultants, who were previously seen as the best solution to address the peaks and troughs in the business. "But we realised we could pay the same money to have someone here year round," says Dartmouth.

"Employing people rather than using freelancers gives them more ownership; they see a future rather than just a pay cheque. It's exciting, it's a great opportunity if we do it right. We don't expect staff to come in one day and start generating new business, you have to help them embrace it and achieve it. The point is, it's manageable."

Creating a vision and values has been part of the process, and Dartmouth sums up the mission statement: "To be a leading construction project manager, working for blue-chip customers, being a safe partner to staff and contractors, giving clients value for money, and delivering right first time."

Also part of the process was identifying what employees really wanted to do. "We give them opportunities to do different things if they are relevant," Dartmouth explains. Some people want to do what they have always done and that's fine. Or, for example, a site manager could become

a project manager or a health and safety officer, or a quantity surveyor could become a buyer."

These are not huge changes, says Dartmouth, but they are important. "What we have done is tinker and tune and improve areas that can be improved, upskill staff, tell them where we're going."

In that respect he has become more open with staff. He admits: "We had never shared financial information with them. That was something else the non-executive suggested. He said why would you not share with the staff your turnover and targets and how much you exceed your targets by?"

Despite the new focus on strategy, the company is still open to opportunity. "I think we have more scope now to be opportunistic because we have a strategy and can see whether we should take on a different kind of project. "

He has no plans to sell the business at the end of the strategy, not least because he believes most business owners can make more money by running the business successfully for ten years than through selling it for short-term gain. "It will be a sad day if somebody comes and makes us an offer we can't refuse!" he smiles.

But more of a reason to keep it in the family is that he sees himself as a

custodian of the business and would like his own teenaged children to join eventually. "My father wanted me to take this business to a different level and I expect I'll be the same with the next generation. But I don't want to do just what my father did, I want to grow the business. I feel that he's looking down and is proud of me."

Indeed, what motivates him is an enormous sense of "pride, ambition and calculated optimism". He explains: "I'm grateful for the opportunities we have been given and I want to carry on my father's legacy. That's enough in itself to get me up in the morning. It's about doing something right for the future, and I want to realise the potential of the business."

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