

Part 4:

GROWTH & DEMAND

In part four of our Shawcast series Alex Gale chats to Rob Davenport CEO of Shawston about growing the business, the impact of the Grenfell disaster and meeting customer demands.

Shawston has seen many changes and benefitted from substantial growth over the last 18 years.

Remarkably you've taken the business from a £750k business to a £22m turnover. How did you do it?

Rob: Probably the most interesting answer is that I met one of the other founder shareholders, Chris Borkett who lives in Bath that's where the real journey began.

Chris has invested in the business and has performed the role of Chairman since 2004.

I was on my own for the first

3 years with Graham Wilkins, who'd also invested heavily and taken a huge risk.

Your head is spinning because you're either fighting for survival or you're fighting to grow.

SEE WHAT'S INSIDE... 

The rise of Shawston.

Investing in safety.

Becoming unrivalled.

We were just about through survival and we were fighting to grow.

You need help, you need someone

to calm your head down and Chris was that guy.

He took me for a beer, well more than 1 [laughs], in a beer garden in Winchester.

I think I had about 4 pints and Chris let the bomb go... he felt we should be able to get it to £20m quite comfortably. I think I nearly fell off my chair!

Alex: What would you say are your main markets and customers?

Rob: We have 2 markets we sell into. The first one is mechanical services – they would be installation contractors that work on behalf of the owners of big commercial buildings.



They would traditionally install central heating systems, air conditioning systems, take compressed air and gases and circulate it around a building.

We think that's a £1 to £1.2 billion market for our product bag – it would be larger if you added other products. So, for Shawston it's a huge market and in London we have a huge footprint in that market.

The heritage of the business is in the fire sprinkler industry.

Back in the 90's the previous owner realised that the UK

would copy American legislation and building design where they began to put sprinkler systems into buildings.

That's a market we have nurtured ever since the buy-in.

GRENFELL

Alex: The Grenfell disaster was such a tragic event. How has it affected your business?

Rob: Such an awful, awful sad tale. I mean why we have to wait for such a disaster to keep people safe is beyond me, and it sometimes feels a bit awful

talking about it.

But our job is to make the products available, post-Grenfell residential installations have gone crazy and it's very, very busy.

There's a lot of retro fit. The legal, social and insurance pressure that now falls onto a property owner is massive, and quite rightly too.

All of a sudden a hike in installations has resulted in a labour shortage, which as we see it could get more acute as the market moves forward.

Shawston's job is to make the product available nationally through our 5 depot network, which we've done.

We've really pushed into the residential market these last 2 years.

We launched it a year before the Grenfell disaster as it was a natural thing for us to do anyway, we've just put our foot on the gas.

IMPACT

Alex: Have you noticed a change in customer behaviour since Grenfell? And how do you ensure that you meet their demands if it's busier?

Rob: Our core customers haven't changed. Those that do commercial and residential installations are probably busier in residential than they might be in commercial.

The Shawston business model is deep stock on all of the components that they would need. We compete with some fire sprinkler manufacturers – worldwide brands – but they have 1 depot in the UK.

They do a decent job and it's a good product. But they're not distributors, that's our job. We are very, very agile in comparison.

We can help the contractor who is screaming busy. They can just panic order off us whether

they're in Scotland, Manchester, Birmingham, London, Bristol, Newcastle.

It doesn't matter where they are, we'll have one of our own vehicles delivering to the site with a tracker, a driver with a mobile phone, a driver who owns shares and whose up for it and cares.

People are in the customer service offices at 5pm at night with half a foot out the door answering the phone and taking an order for a timed delivery the next day at 8.30am.

“ **SHAWSTON'S JOB IS TO MAKE THE PRODUCT AVAILABLE NATIONALLY THROUGH OUR 5 DEPOTS.** ”

It might only be for £100 worth of CPVC sprinkler pipe and fittings for somebody to complete an apartment somewhere, but we'll say yes to that.

Our business model was always geared up for that but never more so than now because the fire sector, whether it's residential or commercial, needs our service and we want to keep providing it at a fair price.

UNRIVALLED CUSTOMER SERVICE

Alex: You talk about having unrivalled customer service.



How do you maintain this level of customer service? What's your secret?

Rob: Regular customer service audits, at least once a month. We take approx 60,000 orders a year and make 60,000 deliveries a year (ish) to building sites across the UK.

Our team measure every single incoming query and create a simple legend.

A query might be a customer has ordered the wrong size, or Shawston have picked the wrong size, or a carrier (which we rarely use, but sometimes we might have to) might lose a bag, or there might be a problem with the packaging, who knows?

There are a set number of things that can go wrong with any customers orders and it's important to be honest and humble about it.

So we capture in-house any query we might have and the senior board get a report once a month on our customer service accuracy.

It needs to be 97% to 98% and pretty much it always is. It's a



SHAWSTON IS THE ONLY UK SUPPLIER TO SERVICE BOTH MECHANICAL SERVICES & FIRE SPRINKLER MARKETS





very fair measure.

We've had it measured independently before and our understanding on who we compete against is that they are not at that level, because you need the infrastructure. The fixed costs, the cash invested, the credit limits, and it takes years to build that platform.

The problem is, like most things in life, we're only remembered for our last mistake. Some customers place 5,000 orders a year with us.

If you do the stats and there is a 2% failure rate – because a

human might make an error, and it might be the customer's error or it might be ours – if you add up how many that actually is, you've got to be quite careful with it.

“ WE TRANSACT 50% OF OUR TURNOVER EACH DAY BETWEEN THE HOURS OF 2PM AND 5PM. ”

We're very honest and open and humble about our performance. We have evidence that can prove how we operate.

We're not perfect but I think we would be the most consistent performer in the sector, in both markets.

So that's the secret to our success. The founders were healthily obsessed [with customer service] and to this day they still are. ♦

 [Click here to listen to the full podcast.](#)

This is part four of a five-part series of podcast interviews with CEO Rob Davenport. In our final piece in the series Rob gives his views on what could potentially happen in the market place and how he believes 'Forever Shawston' will play a key part.

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