

## Case Study



“*Succession planning  
for  
Southworth Handling*”

Succession planning is a no easy task. You not only need to find the right person to take on the running of the business but the company also needs a strong plan and systems in place to ensure it will flourish when you're not there. This was the challenge facing Peter Brook, owner and MD of Southworth Handling.

The company provides materials handling equipment primarily for positioning pallets and work pieces, as well as selling trucks and trolleys, small electric lifters and stackers. Its main unique sales point is user health and safety. From its 3,000 square foot warehouse and workshop in Thatcham where it employs five people, it specifies and distributes products to improve ergonomics in the work place, in particular through prevention of injury, particularly back problems, when lifting and moving loads. These products are relevant to any industry where manual handling is required - from pharmaceuticals to food, through to chemicals and electronics.

Peter has been MD since the late nineties, during which time the company has been what he describes as a 'steady earner.' He bought it from its US owners three years ago but is now approaching retirement age. It was this that prompted him to work with ActionCOACH, as he explains:

“I felt it would be invaluable to have some unbiased advice to develop a succession plan.”

“My Action Coach had first been in touch with us when we were still owned by the US parent company but the board were not willing to go ahead. Now it was my decision, and I felt it was right to invest in the training and mentoring that ActionCOACH offered. I liked my Coach's approach, I felt comfortable with her and that she was someone I could sit with, talk to and open up to.”

First and foremost on the agenda was to have a proper discussion with sales manager, David Allison, who was the ideal candidate to take over the running of the business when Peter retired.

Peter takes up the story: “David had not given a great deal of thought to taking over the reins. It was great news when he agreed, but we still needed to work out how to best manage the handover and my exit. This is where our Action Coach was indispensable. She acted as a moderator and facilitator, suggesting what needed to be considered and agreed. But she also got us thinking and preparing for the future. She helped us to formulate a four-year plan, set sales targets and got us thinking about our recruitment strategy for when the economic climate improves.”

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“The main focus was Southworth Handling’s many customers. They were listed and categorised according to how valuable they were to the business, something that had never been done before. They were grouped into three sections - category A being the most regular and lucrative, with category B of moderate value and category C irregular, occasional or low

spenders. The team then looked at ways to move as many customers as possible up a grade – identifying which B’s had potential to become A’s and which C’s had potential to become B’s, or were not worth investing extra effort in nurturing.”

This process really got the business focusing time and efforts where there were further profits to be had. It prompted Southworth Handling to identify its unique selling points and strengths and capitalise on these, which made up-selling to customers much easier to do. Interestingly it also highlighted the potential to increase service work, by a valuable 30% - something which the team just hadn’t focused on before. This expansion of the service work required an increase in the workshop workforce. The company has also taken on a new administrative assistant. Our Action Coach helped here too, coaching through Action’s highly effective recruitment process.

Systems for testing and measuring were also put in place, covering elements such as enquiries, how existing customers are serviced, how new ones are won, and how to check and consolidate backorders. Figures are now produced monthly and quarterly in order to pinpoint trends and react accordingly.

Maintaining margins was extremely tough in the midst of economic meltdown, especially since the business sources from the US and elsewhere overseas and so was vulnerable to fluctuating exchange rates. Overnight these increased its cost base by around 20%. But even in this harsh climate levels have held up. Peter believes this has much to do with his business coach.

“Our costs were rising, so we had no choice but to increase our prices, but this is obviously a risk in a recession,” says Peter. “Fortunately, the systems ActionCOACH had helped us put into place - the service, the focus on our strengths and USP all mean we retained our customers.”

So now the company is in a strong position, it has weathered an incredibly tough time, turnover is healthy, there’s been no dent in its profits, the succession plan is in place and the business is brilliantly placed for when the market picks up.

Peter concludes: ‘It’s been just so beneficial to have independent, external advice, someone on the outside who can look in and spot weaknesses and give guidance on ways to correct them. I really don’t think we would be in this shape without ActionCOACH.’

To see what ActionCOACH  
can do for your business  
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