

## TYGER TYGER BURNING BRIGHT

No, not that William Blake famous poem or Chinese New Year but it is that beast stalking the long grass of the UK economy known as inflation.

There is one thing I always beat the drum about which is productivity and now I have added to this ensemble with inflation. As a corporate lawyer and business owner I see all the aspects of inflation when dealing with clients, from wage inflation to inflation in the cost of goods and services. This is something that all of us have seen in every walk of life and would have experienced to a greater or lesser extent, but I am not talking about the abstract basket of goods that the Office for National Statistics look at when measuring inflation. It is impossible to ignore that inflation is currently running at over 5% as I can see the real effects working at the coal face in the same way that everyone else does.

I do not have a crystal ball of 20-20 vision but this is something that economists and policy makers have been saying is only 'transitory inflation' and it will be gone before we really suffer from its long-term effects. In fact, it is only because I was a child of the Thatcher generation I am able to say that I have seen it before. In those

times inflation averaged over 12% and some prices doubled if not trebled in the decade that was the 70s.

There are many reasons that contribute to the current rate of inflation whether it be the contracting market in energy suppliers or the cost of 'big-ticket' items increasing because of supply chain issues, or more recently the Ukraine conflict. You just have to look at the price of second-hand cars which sometimes are on par with new cars to realise.

All the things I have mentioned for the current rate of inflation are very similar to those of the 70s where we had a weak pound and a fuel crisis and the government injecting money into the economy through high wage settlements for public sector employees. In the same way we currently have

had very similar things going on and how much has the government borrowed to get over COVID and prevent a free fall in the economy. It is not just the grants but also the COVID loans.

The real difference now though is interest rates have not increased to counter-act inflation so will the macroeconomic policies see a comeback in the UK under the conservative government knowing that the side effects could be a recession similar to that in the 80s or will the inflationary pressures just subside by their own accord.

The problem with hoping inflation pressures may subside is because in a global world and in the post Brexit era, things have inevitably become more expensive and when China's approach to zero COVID is closing down cities at the drop of a hat, no wonder supply chains get disrupted.

So just like in the Thatcher era, when the 'Iron Lady' went into battle with unions to put a stop to higher wage growth. We should not look to follow the same route, because the unions are not as strong as they were, so instead look to reward productivity. It is only with those improvements to productivity we will be able to move forward.

That is why we should take the opportunity in this new flexible office and home working environment to maximise productivity by working smarter and keeping that big beast at bay.

It is an old adage, more for less and get rewarded. Otherwise, we will find other countries which adopt these methods will leave the UK behind.



*Colin Rodrigues of Hawkins Hatton*

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# TEA IS CERTAINLY THE BEST DRINK OF THE DAY

The Bettavend philosophy has always been focused on exceeding customers' expectations through high levels of customer service.

Geoff Rouse has continued to strive to use this philosophy to create a business which for nearly 35 years has been supplying fully inclusive refreshment systems and ancillary services. Bettavend is now regarded as one of the more established and highly successful, independent, regional vending companies within the UK. This has meant it was just a natural progression for Vicki Appleby and Ben West to undertake a management buyout of Bettavend from Geoff Rouse ("MBO").

In order to undertake the MBO, Geoff instructed Colin Rodrigues of our firm to assist him and his wife, Jeanette, in helping to deliver the MBO for them.

We worked alongside David Gamblin, who has been Geoff's accountant for a number of years and helped him make instrumental decisions to build his business.

Geoff said that *"the extensive knowledge and experience of Ben and Vicki within Bettavend over a number of years meant that they were the ideal candidates for the MBO, given their mantra of providing*

*a high-quality service on behalf of Bettavend and always putting the needs of Bettavend's customers first and foremost".*

Colin Rodrigues (our Corporate Partner) said: *"I have only known Geoff for a short time, but I soon realised that not only is he a good entrepreneur, but he genuinely cared about his business and all those who worked within it. He really wanted to ensure the continued success of Bettavend through the stewardship of Ben and Vicki".*

Ben and Vicki said: *"we have always known that Bettavend are fast, efficient and customer-focused as these are the traits we picked up from Geoff and we intend to continue to ensure that Bettavend carries on as one of the leading suppliers of vending products which exceed people's expectations of taste and flavour. That is why tea is sometimes the best drink of the day, especially when it is dispensed by Bettavend".*

David Gamblin said: *"like with any business, if you can get the basics done well then it gives time for everybody to focus on the added value, and I am sure that Ben and Vicki will continue Geoff's journey into the future".*





# INTEGRATED PEST MANAGEMENT SALE

Integrated Pest Management ("IPM"). It's all in the name as Gareth and Kathryn Turner have been running their business since 2000 and have developed both an efficient and integrated pest prevention business.

Given how efficient and well run IPM has been and continues to be, it is no surprise IPM was targeted by Rollins Pest Control who are the number one brand in the USA for pest control.

Gareth and Kathryn Turner embarked on their sales venture with the assistance of our firm in order that they could achieve their goal with minimum fuss but most of all in the knowledge that they were legally protected in all respects from what seemed very unfamiliar and daunting legal documents.

Gareth Turner said *"I have known Rollins for a very long time and I know how they do business, and as such I knew Rollins was a good fit and we can continue to grow on the quality of clients we have knowing that Rollins are big enough to give us the continued support required to enable our services to be offered to new clients on a wider geographical footprint."*

Colin Rodrigues (our Corporate Partner) said *"I am always delighted to help clients especially when they are new to HH as lots of people who know HH are going to be familiar with our service but when you have a new client who is not familiar with how we do things when they get to understand the process it brings a smile to my face and the rest of the team, as we know we have done a good job for them."*

## THE EVENT FOR INSPIRING, INNOVATING AND CONNECTING MANUFACTURING

It is not often I take a title of an up-and-coming event as a title for something to write about but given that MACH 2022 is the UK's biggest event for inspiring, innovating and connecting manufacturing, it would be churlish of me not to bring it to your attention after my conversation with James Selka, who is the CEO of the Manufacturing Technologies Association ("MTA"). The MTA has within its DNA, a passion for engineering-based manufacturing and it promotes the commercial success for UK PLC in this sector.

Even prior to Covid, it is productivity that holds back the UK economy. That is why MACH 2022 is so useful as it will showcase different opportunities for businesses to bolster productivity with advanced technologies.

Technology is evolving faster and faster, through mediums such as AI and 3D printing. Therefore, there needs to be more innovation and investment within the manufacturing sector if businesses are to keep up with their ever-changing competitors.

Productivity is the most important factor that will translate to the bottom line, being the profit made by a company. There has always been a different approach between for example the UK and Germany, as the UK favours labour to create productivity, whilst the Germans focus on investing in new technology, equipment and software to create their productivity.

The UK's focus on employees has led to full employment and even the redundancies we were expecting from Covid never transpired. A cynic could say that full employment means that productivity cannot grow any more within the UK. This is demonstrated by firms not being able to fill the jobs required by the economy. The

UK now has to focus on increasing its capability and quality of output. Robots can be made to work faster or slower where needed, without incurring significantly higher costs, other than the initial cost of purchase and installation. This investment should carry through into the services industry as well.

Post-Brexit and Covid, manufacturers now have a chance to re-focus on capital investment in order to upskill the existing UK workforce to use new technology. The UK immigration policy will not provide the additional workers for the UK economy to help increase productivity. There is also then the issue of where the money is going to come from for capital investment, as some of the foreign investment into the UK may already have been diverted away as a result of Brexit, yet we have to keep the existing manufacturing base going. Therefore, I would encourage all SMEs to look at capital investment in order to help them move their businesses forward in the short to medium term. That is why the MACH exhibition between 4th and 8th April is so important, as speaking with fellow cohorts is the best way to brainstorm and move forward.

As James Selka put it to me *"In order to make step change improvements in productivity (and therefore competitiveness) you only need three things – Technologies, the skill to acquire and deploy the technologies and the finance to make it happen. Technologies have never been more powerful and affordable, the UK has an incredible reputation for its innovative and flexible workforce, and finance assisted by government incentives is incredibly good value and hugely available – what are we waiting for – accelerate investment in UK manufacturing!"*



# GETTING TO KNOW YOU

This is a feature where we ask clients of HH a range of obscure questions in order to get a better appreciation of their life and interests.

This edition features **Gareth Turner, Director of Integrated Pest Management Limited.**

1. **Where were you born?** *Morrison, Swansea*
2. **Can you summarise your business career in a few words.** *Elation, Disappointment, Frustration, Elation. Not necessarily in that order*
3. **Where would you like to be in 5 years?** *Probably doing something related to the pest management industry. Its been a big part of my life. At some point though I need to think about hanging up my pest control boots.*
4. **What do you enjoy most about being in business?** *Clinching a new contract / sale, particularly when you've punched above your weight*
5. **What one piece of advice would you give to aspiring entrepreneurs?** *Be resilient and never give up.*
6. **What is your most memorable event in your life?** *Getting married and the birth of our daughter*
7. **Who has influenced you the most in your life whether business or not?** *All my family. They believed in me and encouraged me when I left a stable job and started my business with a few pounds and a second hand car*
8. **What is your favourite book?** *Papillon*
9. **What fictional character would you most like to be?** *Willy Wonka – I love chocolate*
10. **If you were a superhero what would your superpower be?** *To be invisible. Sometimes it would be nice to get away from it all*
11. **If you could be an animal, what would it be and why?** *A Kestrel – I love hovering*
12. **What was the biggest challenge you faced in your business and how did you overcome it?** *When you're lucky enough to scale your business up and employ staff, staffing was undoubtedly the biggest challenge for me. A couple of staff members were disingenuous and attempted to poach customers for their own financial gain. It was swiftly resolved through the disciplinary process*
13. **If you had one wish what would it be?** *That everyone could just get on with each other*
14. **What country would you most like to visit?** *Japan*
15. **What is the highlight of your career to date?** *Getting some incredible government contracts – If I told you, I would have to kill you.*
16. **What makes your approach to business unique/different/special?** *I've always been knowledgeable*



Gareth Turner, Director of Integrated Pest Management Limited

- and honest in my approach, if it doesn't benefit the customer, we don't sell it. We pass this principle down to all staff and it has put us in a strong position of trust with our clients*
17. **What did you wish you knew this time last year?** *To be more patient and everything works out in the end*
  18. **What would your ideal Sunday be?** *A family breakfast in a local café then off to the park on the bikes*
  19. **What three words would you use to describe your business and why?** *Personal, responsive and professional. We know all our customers by name and when they call we respond quickly with a professional approach. When a client calls you and says they have a rat running around their venue or kitchen, they don't want to hear you say that we'll send an engineer to you next week. They want someone immediately.*
  20. **What is your biggest regret and why?** *Honestly, I don't have any regrets. If a door closes for whatever reason, another opens!*
  21. **What motivates you to work hard?** *11 years ago my wife told me I was all work, work, work and I needed a hobby. I always had a passion for helicopters, my wife bought me three, one hour lessons and I was hooked! I got my pilots license 9 years ago, so the hard work pays for my passion of flying helicopters and taking the family for a spin*
  22. **What is your favorite thing about your career?** *We go onto buildings and meet people that you would never generally meet.*
  23. **What did you want to be when you grew up?** *A professional rally driver. Ability and finances soon ended that dream*
  24. **If you could change one thing about yourself what would it be?** *That its OK to say no sometimes*