RIDING THE WAVES OF ECONOMIC UNCERTAINTY

Alex Bell speaks to business leaders whose companies feature in Insider's coveted Top 500

If you think our world isn't changing at breathtaking speed, think again.

The growing influence of artificial intelligence, a re-jig of global energy resources and armed conflict on the rise. Just three contributors – plus soaring inflation and high interest rates – to a somewhat turbulent 2023.

From number-one ranked JD Sports' new and distinct chapter to the employee-owned trust freight forwarder Warrant Group in position 500. How have North West-based businesses navigated the numerous challenges – and what is to come during 2024?

We speak with three companies to have made *Insider*'s Top 500 2023.

CLEAN CUT SALES GROWTH

The Timpson Group is family owned and doesn't just include the ever familiar shoe-repair and key-cutting business.

> "The battle is managing cost base and pricing during rising inflation."
> **James Timpson**
> Timpson Group

Johnsons dry cleaners, Snappy Snaps and even a group of pubs make up a group that saw sales rise by 40 per cent to almost £300m in the year to 1 October, 2022.

"It's been calmer, steadier," says chief executive James Timpson of the past 12 months.

"People are behaving far more normally post-Covid – going on holiday, holding parties and events – which is really good for our dry-cleaning business. Plus, people are going to the office more. Costs though are a concern. Shipping has been coming down but wages are going up. The battle is managing cost base and pricing during rising inflation."

Timpsons is on course to have opened 40 new outlets this year, most being 'pods' in supermarket car parks.

"We bought vending business Iconx last year and we now do all the key cutting vending machines in B&Q, Homebase and The Range, plus the supermarkets which is another growth area," says Timpson before alluding to the modern high street dilemma.

"Some high streets are doing really well and others aren't," he adds. "What we're seeing is the high streets that have invested are doing well, like Altrincham. But if you go to Rhyl, there's a real problem. We shouldn't see high streets as shops, but buildings where people want to socialise."

Timpson expects further recruitment pushes during 2024 and adds: "Post-Covid, training is so much easier.

"We have a base called The Nest in Wythenshawe and it's full of colleagues doing induction training and specialist sessions like mental health. That makes our business more solid.

> "We've always had this sense that the best way to grow a business is to share it."
> **Brian Hay**
> Cardinal Global Logistics

Timpsons also hires ex-offenders. "One in nine of our colleagues is someone we first met in prison," he adds. "There's more competition now than ten years ago as so many other businesses have recognised what a good way it is to find talented people."

THE ROAR OF THE TIGER

Tiger Trailers managing director Ed Booth leads 278 staff at the company's Winsford site and is optimistic about 2024.

What have been the highlights over the past 12 months?

In 2022 and 2023 we have enjoyed substantial business growth. This has been built on the strong platform of our state-of-the-art 20-acre manufacturing and head office facility in Winsford. With all manufacturing, commercial, R&D and office activities in one location, we are able to offer a unique customer experience in our industry.

This modern facility provides the foundation for the continued future growth of the business and enables our entire team to work in a collaborative style focused on customer needs. This combined with our innovative design ethos and customer-led approach means we continue to develop the products and services we offer as one of the leading suppliers to the transport sector.

How's the economic landscape shaping up for 2024?

After huge economic turbulence and disruption in the supply chain over the last three years which presented many business challenges for all sectors, we see many reasons to be optimistic for the future.

Trailers remain the main mode of transporting goods in the UK, and demand for the types of trailers we produce remains high, demonstrated by our healthy pipeline and order book. As the supply chain continues to reach a more stable state this will help forward-planning for us, our customers and suppliers.

What does sustainability look like at Tiger Trailers?

We have just ordered our second batch of solar panels for the roof of the building at Winsford, bringing the investment in solar panels to circa £300k to date. We are also looking at the next steps of battery storage so we can conserve energy at peak solar times and reuse in production during times of high demand. We encourage the use of electric cars and have ten charging points, including two fast chargers. We are also part of the More Trees platform from THG Eco where we plant one tree for every trailer sold on behalf of our customers.

Do you have plans to recruit in 2024?

We expect around a 10 per cent increase in the workforce in 2024 through sales volume growth. So around 25-30 people. We have implemented a training and mentoring function which is really assisting our onboarding, competency and efficiency of our team, both for existing and new members, where we have great feedback processes, so we can constantly improve how we look after our team. We aim to extend this and re-introduce our apprenticeship scheme over the next 12 months.

SHIPPING A MAJORITY STAKE TO EMPLOYEES

"We've always had this sense that the best way to grow a business is to share it and in doing that, we've been able to keep people with us along the ride," says co-founder and chief executive of Cardinal Global Logistics Brian Hay in reaction to the sale of a 68 per cent stake to its 400 employees earlier this year.

The Manchester-based logistics company has seven UK and Ireland offices, 24 internationally and moves approximately 100,000 shipping containers and more than four million kilos of air freight annually.

Cardinal made a £50m profit last year.

Not imagining employee ownership as an option initially though, Hay looked at the trade and private equity options.

"We had a lot of traction," says Hay who originally set up the business with two partners. "Cardinal is appealing because it's independently owned, British-run with extensive infrastructure in China and Asia, which is very unusual.

"Ultimately, the idea of working for a multinational filled me with dread. And the more I looked at employee ownership the more appealing it became. It protects our legacy."

Looking ahead to 2024 Hay says: "It looks like a bit of a car crash for our industry. All the stats tell us that we're in for a bit of a rough ride.

"Our industry is a weather vane for the general economy, we get to see first-hand what's going on. And honestly, it's really really challenging.

"The velocity of cargo moving in and out of fulfilment centres has fallen quite significantly. Christmas isn't going to be the ticket that most retailers need.

"However, I'm a very optimistic individual and take the view that for us as a business, that creates its own sense of opportunity.

"Even on half-a-billion turnover, compared with Kuehne & Nagle, DHL and DB Schenker, we just don't exist.

"They would overlook us and it's at their cost because a changing market is what suits Cardinal best." ■