

DEFINING QUALITIES

Interview with
DAVID TIPPETTS
CHAIRMAN
CARMEL (UK)

PMW | Partridge Muir & Warren

CHARTERED FINANCIAL PLANNERS

In a series of interviews with Simon Lewis, chief executive of Partridge Muir & Warren, owner-managers consider their approach to business and the specific qualities which deliver sustainable success.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.

IT COULD BE SAID that David Tippetts became the accidental owner of the mechanical and electrical design and build group Carmel, which he has developed into a £36million turnover business.

This is how it happened. After serving his apprenticeship, he started a small firm with a friend of his, Trevor Foster. "I learned the value of trusting in people you know," he recalls.

Despite having eight employees, the business was no different from other fledgling SMEs, with the owners out doing the work during the day and then coming back to the office when everyone else is going home to do the invoices and the payroll.

"I was a bit gung-ho, I still am I suppose, but Trevor was meticulous, neat and tidy; very much like his dad Alan who had his own business. It was Alan who encouraged us to start the company and he was always very supportive. If you are entrepreneurial and ambitious, you need to surround yourself with Trevors," says Tippetts.

His first contact with Carmel was when he met their founder, John Beament by sheer happenstance. They were sitting next to each other on a plane out to Malaysia a work-associated trip. "We were out there for a week and got

on famously," Tippetts explains. "Then their project director left, and John got in touch. Carmel offered me a very good package, and at the time, our business was struggling to provide for both of us. I was married with three children, and Trevor didn't have those responsibilities at the time. We discussed what to do in depth, and I gave him my 50% of our business. I wasn't a self-sacrifice; it was the sensible thing to do. Thirty years later, we're still friends.

His new role took a bit of getting used to. "Working for someone else, I wasn't making the big decisions any more," he explains. But it wasn't long before he learned a valuable lesson. "I was running the Homepage contract and I was really impressed by the attitude and skills of the 'sparks' on the job. I realised that a company is only as good as its people."

When Beament decided to concentrate on his construction business in 1999, Tippetts, by now Carmel's managing director, was asked to assume ownership, albeit minus a significant inheritance: Carmel's biggest customer, J Sainsbury, made the switch with Beament as well. "I wanted to as well," says Tippetts candidly. "I didn't want the financial burden of running a business which had its major customer taken away from it. Without that major source of revenue, I couldn't see much of a future to be honest. But I had no choice.

John (Beament) didn't quite say take it or leave it in so many words, although I realised that he wanted - needed - someone to oversee the existing Carmel contracts through to completion."

Having the rent paid for Carmel's premises for twelve months as part of the deal, Tippetts saw an opportunity to actually grow the business, and having agreed to buy Carmel, negotiated a purchase price of £340,000 to be paid over three years. He retained someone who had knowledge of petroleum retailing - "the only part of Sainsbury's that we were allowed to touch"; he had known Paul Arnold, who now runs the fire safety part of Carmel, from their infant school days.

By the time £120,000 was left to pay off, Tippetts decided to ask what a settlement figure would be if that balance was cleared immediately instead of the agreement continuing to take its course. "John said £50,000, so I found the money!" he smiles.

"I don't think then that we really set targets for the business as such," he recalls. "My dad was a school caretaker, my mother a cleaner at a school, and I didn't have an ambition apart from wanting to do well. It's funny, but you know, I don't really think very differently now, except that the business has a

proper structure. So for example, the teams have targets, monthly reports are prepared on each contract, we insure our debts; that costs £50,000 a year but it gives us financial comfort and we have already seen a pay-back. And over the last three to four years we have been looking at succession planning.

"It's been an evolution. The focus has been bringing in the right people and systems to professionalise the business, but a major factor in our success has been being able to retain some key personnel who took the risk to stay with me. As managing director and now as chairman, I have to maintain a personal relationship with the client. That means they will phone me to talk about an issue which matters before it becomes a real problem, and that's because they trust me to do something about it. I often go to client company functions, which are often in the evening, because to build a relationship you need to put in time and effort. That's why the owner of a business needs to have good people in the critical areas - your PA, finance, operations, buying - because you have to be on your toes all the time."

If there's a word which describes go to approach to business, it's grounded. "Never think you've got there, that you've made it; don't become a champagne Charlie," he says. "You've

got to continue to prove yourself every day. I'm sixty-two but I work just as hard as when I was thirty-two. It's all about gaining respect for what you do and how you do it. You can't simply set out to gain people's respect. It will happen because of the way you treat them."

"So for example, when you're talking through an issue with a colleague or client and you don't know something, don't pretend that you do. Why try to waffle your way out of it; just make a call there and then to find out the answer for them."

Meanwhile, Tippetts, who is also chairman of semi-professional Cobham Football Club, is looking at some different ideas; he wants to do some small-scale property development at some stage in the future.

"I don't look at Carmel simply as a business," he says. "It's part of the fabric of my family," says Tippetts. "It supports my family and my friends."



With a heritage of nearly fifty years, the chartered financial planning and wealth management company Partridge Muir & Warren Ltd (PMW) see themselves as both guides and guardians to their clients. Their default position is one of conservatism, with the majority of their clients seeking a consistent, competitive return on their capital, which is why the average current client relationship lasts nineteen years.

PMW provide four specific services:

Wealth management is their core service, to which the majority of our clients subscribe, incorporating an in-depth assessment of circumstances and goals, the creation and implementation of a bespoke financial strategy and a formal process of ongoing review of investments and reassessment of overall strategy.

The financial planning service delivers a rigorous singular process that identifies individual client needs, confirms client priorities and sets out a specific bespoke financial solution.

The investment management service is designed for those that feel comfortable to assess, without receiving advice, the suitability of a service which their needs and choose to benefit from PMW's approach to investment.

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