



# Wholesale business grows as its customer feedback glows

Customer focus is a key component of working practices that make a business thrive. Proving that the customer is king at the Western Morning News Business Awards in a hotly contested customer service category was Devondale Electrical Distributors. By **Catherine Barnes**

**BUSINESS AWARDS 2013**  
Western Morning News

First Great Western

Exeter-based wholesaler Devondale Electrical Distributors attributes strong turnover and profits growth to its winning reputation with its customers.

The company, which in 2013 saw its turnover rise by 20% to £7 million – and a 60% profits increase – has a client-led approach, which it credits for its marked business growth.

“We strongly believe that our focus on the highest standards of customer service is a strong contributor to these results,” says managing director Paul Wood, who recently assumed ownership of the business, after four years overseeing its day-to-day running.

Glowing customer testimonials suggest that Devondale has been exceeding expectations and has done this not only in terms of product availability and a fast response, but through the ongoing training the well-informed staff within its 50-strong team.

Devondale, which has grown to become the region's biggest independent electrical wholesaler, secured Investors in People status a year ago, has invested time and money in its employee development, which it says sends a ‘clear message’ to the market about the sort of business its aims to be.

Established in 1981, Devondale now has seven Westcountry branches, with its most recent opening in Newton Abbot in April last year.

The business also has branches in Barnstaple, Torquay, Taunton and Glastonbury, as well as two in Exeter.

Within just 18 months of its 2011 Glastonbury branch opening, the business had secured almost 150 new accounts and healthy trade counter business with achieving an annual turnover in excess of £1 million.

Clients include businesses, schools, medical facilities and other public organisations as well as suppliers of professional electrical services.

“They require a quick response from us and so we ensure we hold large stocks and offer same day delivery,” says Mr Wood.

Thanks to this in-house policy for high stock availability, Devondale specialises in same day delivery and says that its growth in terms of turnover, profit, branches and staff numbers all suggest this policy is paying off.

Devondale is part of a UK-wide group of independent buyers, enabling it to offer customers top of the range products at very competitive prices.

“The increased purchasing power of our group enables us to effectively compete in today's highly competitive market place,” says Mr Wood.

It has also invested time and money in developing very close working links with its suppliers to ensure high levels of product knowledge and product planning are maintained within the business.

“Electrical wholesaling is highly competitive and standards of customer service make the difference between attracting and keeping new accounts,” says Mr Wood.



Above, Devondale Electrical Distributors managing director and proprietor Paul Wood and left, scooping the Customer Service category at the Western Morning News Business Awards 2013

“Our branch managers and counter staff are very knowledgeable about the products we sell and their applications.

“They are able to positively interact with professional electrician customers and to advise other procurers of electrical goods on the most suitable products for their needs.”

One example of this working practice is the rapid development of LED lighting systems, thanks to the cost savings they offer and increasing numbers of firms looking to achieve more socially responsible levels of energy use.

In response to this, Devondale has been holding Low Energy Lighting Awareness seminars to give its customers an improved knowledge of the options open to them in this sector.

Devondale also offers customers regular in-house product briefings, which usually take the form of breakfast presentations.

The company also attracts hundreds of visitors to its annual trade fair, which is also attended by more than 30 exhibitors.

As a member of the largest independent electrical buying group in the United Kingdom, Devondale is able to offer cus-

tomers the very best products at very competitive prices.

“Customers are impressed with our service and the support we are able to offer and are often willing to express their gratitude in writing,” says Mr Wood.

“A fundamental part of achieving and exceeding our own expectations of customer service has been our policy implemented in the last year of ensuring that all customer facing staff are qualified to NVQ Customer Service Level 3.

“The aim was to change the culture a little and really focus on what we do as an independent business. We are not a big national operator with a faceless head office”

He added that winning the WMN award, which was sponsored by First Great Western, highlighted the success of what the business had set out to achieve.

Looking ahead, Mr Wood said that further expansion of the business in the region was “certainly on the cards.”

And the business is looking to maximise upon its helpful approach, by launching a consumer-facing website, offering a ‘click and collect’ service, with advice on offer, as well.

## Why are pubs having such a hard time?

### BUSINESS MATTERS

This week **Lisa Thomas**, an insolvency practitioner at Plymouth-based Neville & Co, looks at some of the common themes to have cropped up when dealing with pubs that have got into financial difficulties



It has been a theme of the last few years to hear about a pub closing every week. A common explanation of this is the rise of the supermarkets and cheaper drink. Why go out to have a drink when you can have one at home?

We have been dealing with insolvency for a long time and over the last few years have dealt with quite a few pubs. We have spotted some common themes and believe pubs have their own set of specific business problems and we don't think it is just the supermarkets.

The first problem is that quite often the publicans who take on a pub have never run one before and don't have any real experience of being in business. They have probably sold a house and used the equity from the sale to buy a pub lease or have used a redundancy payment from a change in career. They probably view it as a great deal because they can live upstairs and run their own business at the same time. Often they will borrow some money from a bank as well.

The pub landlord, quite often a national brewery, will make the pub sound attractive by describing the rent in a weekly amount which never sounds as bad as the annual amount. For example a rent of £600 a week equates to a rent of £30,000 a year. However in our experience the rent needs to be 10% or less of the turnover to work.

The second issue is that couples who run pubs tend to run them as partnerships so are personally liable for the debts if it all goes wrong. We don't know why they don't use a limited company – which means the risk is with the company not with the publicans (unless they have to guarantee any suppliers). We have processed a high number of Individual Voluntary Arrangements which are procedures that legally freeze of all debts whilst the pub is sold and creditors are then paid off

from a lump sum from the sale.

It might be harsh but if the publican/s ran the business as a limited company they would find it a lot easier to restructure if they needed to.

The third reason for pubs being caught out is VAT. VAT is 20% of all pub sales and because VAT is only paid every three months inexperienced publicans see the bank account swelling up and it makes them feel good but in fact it is not their money. They are building up a VAT liability that is going to have to be paid. If you don't pay your VAT they don't hang about – they will come in and distrain on assets such as all the tables, chairs and stock and take them away to sell at auction.

The spiral then starts that the landlord, as I said usually a brewery, does not want the pub to close because a closed pub makes no money and loses its value so the brewery extends more credit to the pub and the liabilities just build up. This cannot go on forever and eventually the pub owners have to face the reality of the situation.

The final hardships for pubs is that the banks have finally learnt the above lessons and will now no longer lend on pub leases so the owners have a business that only cash buyers can afford to buy so the values have been driven down.

There are of course a lot of very successful pubs out there and fortunately the above is not always the case however if you run a pub that is struggling financially, the sooner you do something about it the better and if you need help please call me to set up a free initial meeting.

If you, or someone you know needs advice or guidance, contact Lisa Thomas on 01752 786800

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## Webinars offer guide on how to compete for supply chain work

Businesses in Cornwall can find out how to become more competitive when tendering for work thanks to a new initiative from Cornwall Council and the Cornwall and Isles of Scilly Local Enterprise Partnership.

The webinars are the latest in a series of measures developed by the council as part of its Cornwall Supplier Development Programme.

In 2012/2013 public sector organisations in Cornwall spent £1.5 billion purchasing a range of services ranging from

social care to waste management.

A pilot webinar was trialled at the end of January with a second taking place earlier this week. The next will take place today between 3 and 4pm, focusing on completing a pre-qualification questionnaire.

Two further webinars will then take place on March 21 between 9.30am and 10.30am and on March 25 between 10am and 11am.

See [www.cornwall.gov.uk/supplierdevelopment](http://www.cornwall.gov.uk/supplierdevelopment)