



THE ASCENT: A TENZING PODCAST - ADRIAN THOMPSON

Title:

Adrian Thompson talks Myers Briggs, global markets and removing HR

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Episode Overview:

Guy talks to Tenzing Entrepreneurs Panel member, and Aspen Pumps CEO, Adrian Thompson.

Adrian describes his career as a game of two halves: a crazy rollercoaster ride in his twenties, careering up the ladder at a slightly dysfunctional company, where, thanks to youthful fearlessness, he had the opportunity to learn and grow at a furious pace, undeterred by the chaos around him; and life at Aspen Pumps, where, over the last couple of decades, he's put all that learning into practice, overseeing impressive results and multiple sales to private equity, transforming the company from a north of £10m turnover concern to a thriving £120m business exporting to over 100 countries.

Adrian will be the first to admit that the worlds of toilet pan connectors, roofing felt and air conditioning pumps might not make for - on the surface at least - the sexiest career in the world, but appearances can be deceptive. His years in business have given him a profound understanding of managing teams through turnaround, culture change, rapid growth and beyond.

Quick-fire Round:

- **Favourite books?** Stephen Covey's *The 7 Habits of Highly Effective People* and *Jack Welch - Straight from the Gut*
- **Most inspiring or inspirational person?** This is going to be quite cheesy... the Aspen Group warehousing and manufacturing people have come in every day to keep the business going during COVID when the office staff went home, and in

that atmosphere of fear and not knowing what's happening, they turned up and got the business going.

- **Most important qualities for an entrepreneur?** You've got to build a lot of relationships with your employees, your customers, and your financial backers. You've really just got to be genuine and really be good at just being yourself and being honest.

GUY

Right, I'm just gonna kick-off. So, I'm going to ask you, Adrian, if you could tell me about your earliest entrepreneurial experience.

ADRIAN

Well, we're going back a long way. So, my first entrepreneurial experience was actually as a Cub Scout in something that was called Bob-a-Job. Now, I'm sure you remember this, Guy (I'm sure you're as old as I am) - where you would go and raise money by going around and doing charity work for people and hoping to get paid. And as part of that, actually, I raised the most money ever that had been done by a Cub Scout in the Burton Joyce Cub Scout group. So that was the first taste of earning money, and then I had to give it all away!

GUY

Do you remember what you did? What were your jobs that you were bobbing?

ADRIAN

Unfortunately, most of it was a level of gardening and cleaning cars. A lot of cars were cleaned during that week...

GUY

Do you remember the first time you started thinking about business or business models or making money?

ADRIAN

Well, I started, you know, really late in my career towards actually going into business itself or doing it properly, because I was a failed metallurgist. So at university, I studied metallurgy and materials, which was a really bizarre degree, but you got to go to a great

university, so you could drink and play rugby and not worry about your qualification. And then I joined an organisation that was pretty awful. So I was sitting there, working in the sales office, wondering what business was all about, and this was all happening around me: so all the orders weren't working, they had no stock, and you're thinking there must be some theory about how this should all be stuck together, and that's when I actually started at night school and I did the Institute of Marketing diploma. That was the first time I actually came across anything like a business model. I mean, the organisation was falling apart, but it just taught me so much about business. It's the greatest MBA you can ever have. I was sitting in a sales office (I really joined as a sales guy, but they had no job for me, so they shoved me into the sales office) and I spent a year, year and a half talking to customers and their complaints, and it taught me so much about business. And then, doing the night school, I started to put the structure in place about how business was all written down in a book somewhere and how it was structured. And because I worked for such a bad organisation, you then got rapid promotion, because as they always say - and my career is built upon this - "in the land of the blind, the one-eyed man is king."

GUY

So this was like, literally, your first job out of uni?

ADRIAN

Yeah, straight there selling block paving or talking to customers about block paving. I've always lived the dream! So, yeah, so from those early days, I was rapidly promoted into running the sales officers, and then I ended up moving into marketing management as I was still doing my qualification at night, and then I went into damp proof courses, and roofing felt - this is a real career, and an exciting one!

GUY

I knew you'd had a career in toilets at some stage...

ADRIAN

I've learned the hard way, mate! You know your entrepreneurs, you can forget that - I've done the hard knocks! So from roofing felt, I moved into sales management. I was made sales manager quite quickly, and national account manager. I went into the job and realised we didn't have any, which was quite a shock...

GUY

You mean it had no accounts?

ADRIAN

We had no accounts to go to. We had a guy doing the job, but I don't know what he was doing all day. So I had a sales team to feed as well. So I spent two years literally on the road getting customers, developing the business and putting into place what I'd learned in marketing management, when I'm putting the product ranges together. And then I just had one of those lucky breaks you get in life: they were looking for a talent within the organisation, to run a business that was the world's largest manufacturer of toilet pan connectors, and I was lucky enough to get that job.

GUY

Toilet pan connectors?!

ADRIAN

They're a crucial part of your life, Guy.

GUY

Is that basically a plastic hinge?

ADRIAN

Well, every toilet has an outlet, and they're either at the side or the bottom (I mean, this is how technical it gets), and we used to make millions of those that actually connect it to the soil pipe. So they're just an intermediary between the ceramic and the actual soil pipe itself, and you plug it in, and then you push it into the other.

GUY

So it's concrete paving stones to toilet connectors? And this was in the same group?

ADRIAN

Yeah, it's a big conglomerate, originally family-owned in the 1970s (I don't think it's fair to name them), and as part of that, really, the business had gone through the third generation, and ultimately that was then sold when a private equity approach came. So it became part of a bigger international when it joined a French conglomerate. So that was during the time of the toilet pan years. And that was a great experience, really, because for two years, I was running my own business, which had a manufacturing unit, and toilet

pans are universal around the world. So you got the opportunity to do international sales distribution, and have the full toolset.

So from that, I was promoted into toilet fans, and then I spent the next part of my career running a business that was really in trouble, and that was a turnaround job that took about two years. That was moving the business really from where it was, which was in the middle of the road, waiting for a bus to run over, to a premium supplier within the sector. Ultimately, I spent six to seven years there, and then; finally, I got lucky and joined private equity through joining the Aspen Pumps business.

GUY

So you would have been quite young when you were running your first division?

ADRIAN

Yeah, my first CEO job was at 27.

GUY

Wow, so you must've had something about you that the company saw to back... you know, most mid-twenties people don't end up running divisions so soon in their career. So what's the character trait, do you think?

ADRIAN

Well, if you met me in those days, you would have said "arrogance", but I think I've beaten some of that out of me. I think at the end of the day, by having the structure that I got through doing the marketing course and talking to customers, I was in a position where I could really understand the business, because I'd spent a long time in the industry and was able to really work within that organisation and give it some energy and direction. I really worked with it, but within that as well, I had to change all the personnel. So you really had to face that some of the individuals there were part of the problem, unfortunately, so around giving energy and direction and really motivating people. It was around also getting the right people within the business, and making those tough decisions.

GUY

And did you have a burning desire to be something or someone or to lead people? Were you captain of rugby teams?

ADRIAN

No, not really. I never want to really overly push myself forward. I'd rather be part of things. I learned a lot of management through my university rugby career because I played for the fifths, which is where a lack of talent meets a lack of ambition! And we had a fantastic captain called Jim Richardson (who now has his own recruitment company). Through working together over that year (and it was gathering people who had had enough of the rugby politics and didn't want to drink other things, shall I say... and people who'd fallen out from the point of view they'd never played rugby - like myself - for years and people who've never played rugby at all) we actually beat the second team, and that shows what we can do with management and focusing people together, and what a great sport rugby is, because you have to rely on everybody. So that really helped with that kind of style of management.

The reason I really ended up as a CEO is, I just had enough of people, within my career, making poor decisions and me not being in the room. I just wanted to be the person ultimately who was given the opportunity to make the decisions and actually make things better for people.

Also, because you have a track record of delivery within an organisation (and that gets noted) and the ability to get things done - that really does move you forward. So I think that was linked to the fact that, having that ability, but also being able to structure out a plan and a way forward for that business and motivate and bring the team together, were essential. I think that did make me stand out as an enthusiastic, energetic individual - so quite a big personality at that time and somebody who was brave enough to take on the challenge (or maybe stupid enough).

GUY

And then moving towards private equity, was it a conscious decision to get into a private equity-backed business? Or was it just that that happened to be the owner of the company you wanted the job with?

ADRIAN

No, it was a very conscious decision. Having worked for corporate and making money for other people, you do one day wake up and think that you're the idiot. We got to the position where I was, you know, pushing forward the business as far as I could go with it, and, looking around me, the only thing I had in common with all the other CEOs of that group was that they had stayed. There was a long pension scheme and share options that were tying the people in, but I had nothing else in common. Also, I wanted a fair

share of the rewards. So I was looking to either buy a business or enter through private equity, and I did get very close to buying a business, and in the final few months, they actually sold the business to someone else. Then I was very lucky - the guy I'd tried to buy the business with had taken another job, and he sent me the opportunity to have the interview for Aspen Pumps, which at that time was with Inflexion (in their very early days).

GUY

And so what role was that Aspen?

ADRIAN

It was an unusual deal because Aspen Business was a fantastic company with a great product, but had grown so quickly and needed infrastructure, and the entrepreneur who founded that business could see that. He was a very sensible person. What he wanted was a CEO to come in - with a chairman - to actually bring the structure and recruit the team for the next stage of growth; but on top of that, he wanted to stay in the business, so he had to have somebody who he could work with as well. It was quite an unusual role, and I think Inflexion were very brave. The guy who actually interviewed me was a guy called Christian Hamilton. My first experience of private equity was being introduced by Christian in his very early days, and let's, let's be honest, he looked about 12 then and he doesn't look any older now!

GUY

Baby-faced poster boy of private equity, at the time! So Inflexion had already invested, the founder of the business had realised the business was probably growing too big for his sort of skillset, and so you were being hired along with a chairman to come and succeed him and, I guess, professionalise the group?

ADRIAN

It was even further back than that, because Inflexion could see that the founder also would be the guy that could do the deal and then actually get the banks' backing. So while running Aspen, I was working with Christian, putting the business plan together and then also doing the work with the banks, and we had a DD (due diligence) report... I'd met the guy for two hours in the offices and I was standing there selling the business to the banks and getting the money together and doing the business plan. So I was involved from mid-2006 to 2007 when we actually bought the business, working with Christian, putting it all together and heading up the deal and getting it over line.

GUY

Talk us through Aspen Pumps. What did it look like in 2006/7 - the business model and how big it was?

ADRIAN

First of all, they always talk about industries and sectors and the margins you can make and Porter's five forces, and Aspen Pump was a profit-based business. So the entrepreneurs there had created a great product set, but had no infrastructure to actually move that forward. The manufacturing was based on piecework, where people were paid by what they produced. They didn't have any planning systems or computer systems that you recognise as such and their accounts were done every six weeks, and literally that was done by one guy, who was an ex-pianist, from home, who now we've trained to be an IT consultant. He would put the invoices on an Excel spreadsheet every six weeks and send them out. It literally was 10 people upstairs, two guys downstairs, no-one communicating and about 20 people in an office, and when we bought it, on day one, out of the 10 people upstairs, three of them started crying and never stopped, because they were just so stressed by the whole situation. It really had very little infrastructure, but brilliant products. This one guy put it together, they're selling to over 30 companies worldwide with no salespeople, so it's an absolutely fantastic business that just needed professionalising, some structure, and love.

GUY

For those not au fait with Aspen Pumps, it's a pump within an air conditioning unit.

ADRIAN

Air conditioning itself is an amazing market because it's a global market. It's all made in China, Korea, and Japan to one standard, so the products that we make and design in Hailsham, in Eastbourne, which is God's waiting room, we're able then to ship around the world, because it's one standard. It's a disruptive technology without many established players, so it really gave Aspen a great opportunity to become global very quickly. Now, within that, where we fit is air conditioning units. The bulk of them produce condensate to the room as they condition the air, so they take the humidity and that produces water. Now, in the bulk of the cases, as you know when you go on holiday in Greece, that's actually just pumped out through a piece of pipe using gravity, and that's just on the floor or on the balcony. Now, where you want to do a nice installation and move that water around and put it back into the system, that's when you'd use an Aspen pump... where you'd want a professional installation. So they're just really sexy pumps that fit within that

industry and they're part of the tool of the trade of how you'd install an air conditioning unit.

GUY

My understanding is that the HVAC engineer basically chooses one pump or the other, and once they've gone for that pump, it's a supplier for life, effectively.

ADRIAN

You're completely right. And that was something that we learned in the toilet pan connector industry, because initially, before we joined Europe (and now we're not part of that) toilet pan size was different on the outlet, and as part of that becoming standard, our original product was a MultiKwik Number One (very original) and the new product was called a MultiKwik Number Two (which is even more original) for the toilet industry. And we found, after launching the new product, that the old one could fit on it if you really were very strong and you forced it, even though the new product was slightly bigger... and after 20 years, half the sales were for the number one, because it was the first product that people had been given on site and that's the product they use. It's a very sticky industry: if the product works - these are very professional installers - they'll stick with that product.

GUY

So then, selling to thirty countries worldwide in 2006/7, turnover would have been what, £10m?

ADRIAN

It was just north of £10m. So it was very hard with the accounts. So let's say about £13-14m to be fair to them.

GUY

What does Aspen look like now?

ADRIAN

Well, Aspen now - for that transition and it shows how well the private equity model works - will top over £120m this year, and as part of that, we have operations within the U.S., Australia, Germany, France, India, and a small office in a small distribution centre in Holland as well. So it's gone from that, kind of like forty people in a shed and three of them crying, to over 250 people, with offices around the world. We've recently bought a

business in Italy (during lockdown) and a business in Malaysia, so it really is going from a UK exporter to a truly international business which trades with over a hundred countries worldwide, now.

GUY

So the big challenge on day one (despite all of the operational issues) looking outside in, would seem to be the succession between you and the founders. I can imagine it must be quite daunting to walk into a founder's business and take over as a CEO. How did you find that and what were the lessons that you learned along the way?

ADRIAN

That's a very good question, because it was very, very hard to go into a business where you're trying to mark someone else's homework and they're still there. You're trying to show a lot of compassion towards their feelings while trying to structure it, which could lead to conflict, as well. And the guy was a very good businessman and he was very passionate about what he did, so it was trying to create an area where we could both work together, so he could focus on the sales and the markets and the customers where he had the relationships and he was great at the innovation, while I was working actually at supporting, and as you say, building the infrastructure around him to support his ideas, but also taking some of the load on the sales, and bulking it out and bringing the systems in. It was also to look after the UK markets and the export and spend time with the customers and get momentum back in the sales.

GUY

What was his ongoing involvement once you took over as CEO?

ADRIAN

He had two clear roles: one was innovation and that was an area that he really loved and excelled at; and the other one was still keeping his hand in with most of the international markets and international sales. As we started then to recruit salesmen, then we slowly took those markets off him, but really, from day one, he moved in to look after the product development side of the business and 29 of those export markets, while I did the backend office professionalisation and looked after the UK. So it was trying to break those roles, but also just work together as a team, and one of the key things within that is to try and, you know, bring the energy towards it, but also the trust that you can look after the business and that you could deliver growth.

GUY

And that trust, I guess he would have felt quite threatened in the early months. Did that just build up over a period of time through doing what you said you would do?

ADRIAN

Yeah. You had to earn his respect. He was a bright guy, he was very conscious of what he built and also you were trying not to be critical of his work and what he'd done before. So it was a way of moving it forward while building his trust, but that took a long time, you know, and it was not an easy job.

GUY

And then he eventually stepped away. Was that an obvious exit point for him, as it were?

ADRIAN

Yes. I mean, it's unusual to have an entrepreneur in that position where they don't leave the business as part of the PE deal, but as you say, PE really wants to keep founder DNA of that business going and make sure they know where the value drivers are. So it was, essentially, we could work together and the founder was adding that value, but after three to four years, he had other things he was looking at and other things he was enjoying, and he could really see that his role in the business had now declined and there was other stuff that he wanted to do. So it was a natural parting of the ways, but it took three to four years to actually achieve that and make him feel comfortable about that transition out.

GUY

Yeah, and by that stage, the culture of the business was wholly different to when you first walked in. How did you think about that and go about making changes to culture and senior leaders?

ADRIAN

Well, initially from this, it was base level one of actually just getting the security of the business and the systems to be an ongoing machine. And, as you know, private equity is all about initiative, and all business is about getting the cash flow right, and making sure that we're satisfying the customers, so in the early days, it was just very much hands to the pump to support the production, the infrastructure there and recruit a good supply chain leader. Then, on the other side, it was about professionalising, bringing the salespeople in while bringing in an accountant. It was a very gradual process that we

started with, actually, on the finance side, and we brought a finance director into the business and then later on a supply chain and then a sales guy for the international markets. We had to recruit a total team over those first three to four years to get that infrastructure right.

GUY

And what sort of people were you looking at? What was the balance between skillset and character and personality? How did you go about building that team?

ADRIAN

I'd like to think it was more thought-out than a state of desperation! I always like, when I look at businesses, to look at competencies as building blocks, so I was trying to recruit people who had the competency, and remember, we're talking about Eastbourne, here, so I'm not talking about a glamorous location who could bring those sale sets to work, but what I would normally say to that question is, you try and look for people who are bright and intelligent, who can deliver, but also have energy and enthusiasm and can bring that culture with them. That's what I normally look for, but in those days it was desperate days, and I'll be quite honest with you, not many of those recruits worked, and we've been through many cycles of actually improving that and getting the right people. It wasn't a great hit rate at the beginning.

GUY

If you look back on that, would you have done anything differently or do you think it's almost a path of righteousness, in as much as you just need to hire for what's in front of you, rather than the grand plan? What do you think about that?

ADRIAN

I think you've summed it up there. You can get too much in the trenches and you can spend too much time working *in* the business and not *on* the business, and you look too short term for what's required. We did under-recruit, and it's an issue that we've had for many years in the business, and we've only just got out of that cycle; and you find that when you make those recruitments, they're not good for even a full year of a fast-growing business, and then that starts to be a drag. So we really did recruit for the here and now, and it was a mistake. People talk about it, you know, "spend the right kind of money", but it is true! When you actually start upskilling and getting the people from that next level, it's amazing what they can bring to the business and how quickly that can accelerate and improve what you're doing. So we under-recruited, we underpaid and we

really didn't scope it out properly, and we were just too close in the trenches trying to survive.

GUY

Yeah, you rarely hear of anyone that recruits people that were over-skilled for the role.

ADRIAN

It's so true. You don't know what you know until you meet the right people; until your eyes have actually woken up to the problem and what they can bring, or the problem gets to such a scale that you can afford that person.

GUY

Yeah, exactly. You can definitely make a P&L-driven hire because you've written an Excel model twelve months earlier, and that was what you had in cell 63 B or something...

ADRIAN

You can get tied to the other business plans. Also, private equity is very good when they go into businesses, I mean, you know, it's your job, but they really do understand what was required. The script was very clean, you know, working with Christian - it was about professionalising, keeping the sales momentum and that international sales growth and securing that new innovation, you know, they're the three things we focus on, but how we got there was never a straight line.

GUY

So you've been in the business for 15 years or so. The bit that amazes me is that period of 15 years of sustained growth, which would have been, I guess, at least double digit the whole way through - a lot of people get bored. So maybe just talk me through the journey of how you've managed to execute, day in and day out, and keep that momentum up.

ADRIAN

Yeah. I mean, 15 years, thanks for reminding me of that, Guy! Making me feel really old, now! It's a good question. I would start at the beginning, actually, and we talked about the air conditioning market, but it is a very exciting market because it has less barriers. I've worked before, as we talked about, in very exciting areas, like roofing felt where you've got established competitors; you know, you really are fighting for just a couple of margin points, where with air conditioning, because of its global scale and the fast

growing nature of air conditioning, and the demand for it growing, that it's turning as an industry from something that was a luxury to a necessity, you do have a fundamental within that business that makes it exciting in itself because of the fast pace. As Warren Buffet said, "always invest in a business that an idiot could run, because one day he will", and you know, there's so many good headwinds in the air conditioning business that it's fun to be in, but it does give you growth just by playing the game.

But within that, then it's about solving that problem. I think that's what keeps most entrepreneurs awake at night, but also excited, you know, actually creating the business and moving it forward. So during that transition, if you break that 15 years into three chunks, the first one was - it took seven to eight years to take it from about £13-14m to £30m and move the EBITDA up from three to 10. Now that took seven to eight years of building the team, building the foundation, understanding what the issues were within that and getting something that we could actually then look towards exit.

Now, obviously in the middle of this, we also got the global credit crunch in 2008, 2009. So during the middle of this transition, or when it was going really well for the first year and a half, we suddenly didn't get an order for three months, which was very exciting, you know, and you hear all these terrible things about PE, but Inflexion stuck with us, Christian stuck with us... as they said, "it's not a problem", and we worked through that.

But then by having that foundation in place, the wonderful thing about PE is you do get to exit the business. You do get to then re-incentivise and start again with the management team and bring more people on board as part of that journey. That part of the plan, when you actually start an exit, you actually do an MBA on your own business because you're getting all this due diligence, people are asking you questions, very smart people, and our plan became more and more apparent that there was a great opportunity to go for a buy-and-build strategy for the next five to six years. So after doing the first exit, we then bought six companies within that five years, and then extended the product range so we weren't just pumps.

We then went into tools, we went into chemicals, we built out Big Foot - one of our little pet projects, an accessory business - so we were truly global, but also with five key products in five strong brands, and that's what really excites me. I love the product agenda. I love the acquisition and the buy-and-build, but also the integration of the management team. So for that five years, that was super exciting, and now we're on to the next phase and we're back with Inflexion, which was a bit of a surprise to all of us. But

this space now is about how we then really then crack and master some of the new markets. What are we going to do in areas like Southeast Asia and new product areas, and how do we cement our leadership position in Europe and create our strategy of fortress Europe. It's just an unfinished problem that every morning you can get up and get enthused about, and you meet some very interesting people along the way.

GUY

I think it's a mindset. I think you need to be fundamentally curious, because plenty of people would have gone, *I've taken it from two or three million to 10 million profit, made a lot of capital value and overachieved, and already become dominant in the global pump market.* You could easily have wrapped it up at that point. There's lots of businesses that sell out to trade or sell out to a larger corporate buyer and extract the synergies and it kind of ends there, but there must be something in your character that is perennially either unsatisfied - I don't mean that in a negative way - or just keen to learn.

ADRIAN

Yeah. I mean, you know, me, so I work on high energy and enthusiasm, but I have recruited the whole team around me and bought those businesses, so I've become part of the DNA, and I've done that with individuals who've backed me and trust me. And within the operation I'm very generous with the equity and that's one thing that private equity can do. So there's 70/80 people in that business looking up to me as well, so I see great responsibility to take it forward, as well, that they back me in and they're going to back me again to move forward. So for me, it's an unsolved problem, but there's an opportunity to do it and build something. I don't see myself as an entrepreneur. There are entrepreneurs who are actually shipbuilders who create the ship, but I'm actually more of a sailor. I take over businesses and sort out the problems and move them forward, but in Aspen, I do feel like the founder now, because I've been there so long and I put my DNA over the business. You know, I'm working with people I really love in a business, in a market that we're helping to define, and how often do you get that opportunity in your career, really, to do such a thing? So as a project it's really exciting, (the market is) and there's a great set of people - we really do have a laugh along the way.

GUY

So it gives you energy, effectively. It makes you more fulfilled as a human being, working in a high-paced environment with people that a. are good, and b. you trust, and c. you feel some paternal responsibility for.

ADRIAN

Yeah. I think that really sums it up, and if you look at the COVID crisis, it was a really good summary of that, where in the management team, five of us were sitting there thinking, “oh sh*t”, but during that period of time, we've actually had a good COVID, we've managed to make two acquisitions and all of that was done without seeing those businesses, all of that was done remotely. So it's been an incredible challenge there, but just shows you how good that team is.

GUY

A high level of trust.

ADRIAN

And let's be honest, Guy, I don't do any of the work, you know that! I am the figurehead.

GUY

Yeah, ultimately, good businesses are actually simple businesses, and the plan is reasonably obvious, but the bit that is the defining success factor is the execution of the plan and doing it in a compounding way, particularly in a business like software or Aspen Pumps which has that recurring revenue. More often than not, over a sustained period of time, the execution and that day-to-day grind, it has a rich vein of form for three or four years, and it's very rare to see it compound over 15 years, so whilst you don't do the work, you are permanently working at the environment and ecosystem that allows that to exist; and that's the really, really hard bit, because I suspect that, to some extent, anyone can do sales but your role is quite hard to replace on a long-term basis.

ADRIAN

It's a very important point, there - it is every three years, the word you used there - that you have to change your business; and every three years, as you go through a step change, you really need to look at it, and that brings energy itself. You know, you're talking about what is the role of a CEO in the business, in the fast moving business, and the first thing, if I get any responsibility, first of all, “how did I get it?” Then I pass it straight away, so my management style is not delegation, it's more abdication, but then it's giving that to people who can do something with it and it does energise them. It is all about energy management. You're completely right, you know - the role of the CEO is to motivate that team, to get the culture right, and spread the energy.

If things are getting in the way of people, you remove the barriers, and this is one of the fundamental things that I find in businesses: when people are given management responsibility, they suddenly start to change their behaviour; they suddenly think they can't have fun; they suddenly think they've got to start controlling and monitoring people, and all the things that destroy people's energy, is what they do. We do a lot of training on frontline managers to make sure that what we really do is give them the tools to manage people who were out there just being themselves, and really supporting those people, and moving away the managers, and creating delivery cultures.

GUY

When you first joined Aspen, I imagine you would have been what I call an out-of-the-trenches leader, like “blow on the whistle and I'm first out of the trenches.” When did you notice that “I'm not going to do that and I'm not going to be perfect at everything.”

ADRIAN

I think as we moved out of that first eight years and we'd put that platform in place and there was a trust and there was a structure that we knew we could take the business on. So after the first eight years, then it was really moving back and focusing more on the acquisition and the development of the wider team.

GUY

Like, did you go, actually, “I remember I had a car crash meeting” or “I almost blew myself up because I over-traded”, or was it just a natural evolution?

ADRIAN

Well, it's a natural evolution of putting people around you that are better at the operational jobs that they're doing. If you build a team of that, you know, and don't get in their way...

GUY

...and having the common sense or the lack of ego to recognise it. Then secondly, we're talking about three-year cycles, and it's not dissimilar to how we run our own business because we raise a fund every three or four years and effectively you have to - by definition - go and get your homework marked, and that kind of forces you to revisit the business plan. But how do you succeed? Do you bring in people you trust and you like,

and they've done a good job? You must have - a few times - recognised that they're no longer fit for purpose for that role, so how do you go about that journey?

ADRIAN

Yeah. They always say, you know, the role of a good manager is how many awkward conversations they can have in a day, and there are situations where people aren't going to be on the bus moving forward, and I think you have to recognise that. And that's not saying that people are bad, it's just saying they've reached a certain level or they're just not right for that organisation. Now, after the 2015 exit we had put, yet, again, the team in place within that, and they're still there today, which is quite unusual, but they were able to stand up, but we have bulked out that team. So we've only really had, after that period, three or four casualties moving forward, that just weren't able to make it.

Unfortunately, you just have to face up to it and people themselves know if they're not performing, and it's cruel to actually keep them in the role and not have the conversation with them. People, especially at director level, are very sensible about this because they really do see it coming. So, I don't think you can actually hold off because that's cruel to them if they're underperforming and getting stressed, and I think you have to get involved very early, and when the decision is made, you need to talk to the individual because, yet again, that's just not fair.

GUY

So you talked about having awkward conversations... in one way you're anti-HR - you've written [a lovely article on our website](#) about why you should get rid of the annual appraisal - but at the same time you're deeply HR. I understand you're qualified to read Myers-Briggs or something like that - talk me through it.

ADRIAN

Well, as an individual, what I found has worked for me to really understand a person are some very good tools out there - Myers-Briggs being a very simple tool, but something you can use to actually give you an opportunity to talk to that individual. I hate appraisal systems, so we need to clear that up. You know, there's only three rules in any business I run: first of all, there's no appraisal system; secondly, there's no HR director and that is for sure; and then the third thing is, there's no mission statement, actually there's no SWOT analysis, which I think a total waste of time, but HR directors, you know, you're taking responsibility away from the individual to manage their staff and think that there's a central department that does that, and that's wrong.

All of my team manage their staff, and are there to develop their staff and they get appraised every week. You don't need to wait six months to sit in an office and find it's out the drawer being dusted off, and you're sitting in a conversation where someone is going to mark you saying, "should I give you a five or a four this year, Glen, have you been really good?" That, I think, is a complete waste of time, but also a conflicting situation. So from my point of view, I have used tools like Myers-Briggs and also psychometric profiling, because you can talk to the individual without threatening them, because if you're developing any of your staff, you can only talk about behaviour, you can't mention personality - that's theirs, that's personal - but if you have a personality profile, at least it gives you an opportunity to have something neutral to discuss, and look at some of the drivers for the behaviour, and give them greater awareness. I don't think people can become great managers unless they have great self awareness and you've started to align their Johari window and that's what I try and do in my management style when I work with the team, and I think that really helps starting with them and getting a greater understanding of how their behaviour affects others, what drives that behaviour and how to align that to best performance.

GUY

And do people have individual goals?

ADRIAN

They get a goal every day in our business going, you know - there's no shortage of goals - everybody's clear on what they're doing, and we work on a cycle really where we try and drive forward the business. You know, that motivation is based on challenge, reward, and recognition, and if you can get job design right, all the way through the business, so people can feel that there is a challenge they're all involved in, that the reward is there. But, first of all, for most people, the recognition that they've done that job and they've achieved, is essential, and that reward doesn't have to be money, it can be a pat on the back, or it could be taken out for a meal. Sometimes it *is* cash, but again, in that cycle is a virtuous cycle that creates motivation and energy around the team. So that's what we try and do, but you've had the appraisal systems I'm sure, in your career and their degree, what did they ever generate for you?

GUY

Yeah, complexes! Or angst!

ADRIAN

Exactly. So why do we do it? So, how do we wrapper that up? There's individual work I do with the team and development (but they're all, you know, well past that now and doing their roles), but we do a frontline manager course where we put in the very fundamentals of this with an independent facilitator, because those frontline managers, they're the people that are actually doing the day-to-day, and we build that in with self-awareness. We get them together as a team, we give them the principle of their personality and behaviour and Johari window and Myers-Briggs, and we find that it really gives a step up in performance. But the one thing that delivers is that they make time to talk to their staff, and that's the one driver that works and the ability to do that and have that conversation rather than being forced to feel that piece of paper and stick it in a drawer and then think, *oh shit, I've got to go back and look at that. What did I write? Are they three or a four on their appearance or attendance?* Just such a wasteful exercise.

GUY

Actually it starts to make a lot of sense when you look at the long-term growth of the firm or certainly, in your tenure, because you massively invest in the second tier or the third tier.

ADRIAN

Yeah, well, as we grew and as we've gone through the next phase, it was very clear. And it's something that I did when I was at Greenwood as well, that those frontline managers, the second or third tier, it is essential for them to bulk out and take more responsibility and they needed to get the attention and the support for that. What we did is, we worked within an independent facilitator, but not your normal kind of person, someone very people-centered, and we put our own course together, which lasted a year, but it gave them an opportunity to be exposed to theory, and then the opportunity to do products, and access to a lot of the directors. Every course was kicked off by a director and he would talk for 15 minutes about his own view on businesses and his own view on life. They can take on any subject. It just brought them closer, and it also showed how human the individuals and directors were in the business and it just broke a barrier down. Strange enough, this week, we sat down on Monday and had lunch with the people who were on that course, and most of those people now have been promoted within the organisation. I think the bulk of them have moved on to really support the growth, because we're about to run the next course for the next 20 people, and we've found that's really where you've got to focus your efforts, because they're the managers of your

future, and there's a lot more carrying they can do for the senior management. You've got to trust them, give them the tools and actually pass that responsibility backwards.

GUY

And how do you develop yourself? Do you consciously seek personal development? What do you think about that?

ADRIAN

No, I don't think I do, really, as an individual. Unfortunately I don't really like business books, I don't really like networking, so I'm not somebody who really pushes myself forward or looks at personal development or other businesses. I'm more obsessed by the problem than solving the problem. So what do I mean by that? You know, in certain markets, we still haven't sorted out the right kind of platform in the logistic model, so I look at the competition, I look at what other people are doing, and I'll focus on that market, I'll talk to the managers and then you learn a lot about the market and how it functions, and that gives you personal development itself. And, believe me, I get a lot of feedback from my staff every day. It's a two-way process. There's a lot of brutal feedback, which I take. Plus I'm married, so there's a never-ending streak of personal development opportunities... and with two kids, there's even more feedback!

GUY

Yeah. There are always areas where you disappoint and can improve!

ADRIAN

Continually. Yeah. It's like my school report...

GUY

Yeah, exactly - must try harder. Looking back at the last 15 years or so, what are the biggest bumps in the road or challenges that you had?

ADRIAN

Well, we've had some classics. We got to the situation where we were trying to put a new planning system in, at pace, to try and move away from this piece working, which was just not able to manage the stock. And it was one of those fundamental parts that we needed to change in the business to make it more like a machine, but the planning went wrong. We ran very close to running out of cash, and that is very scary in any environment, but it doesn't help in a PE environment. We had three or four months of

really having to monitor the cash and get close to everything that we purchased and bought, and that really took about a year and a half to really fully recover from. So that was one of the scary ones.

Obviously we had the credit crunch to go through, you know, not having an order for three months and sitting there and having to really back yourself.. and then recently COVID, you know, to go from a cycle where you're (I've never been in a position like this in all my management times) dealing with a pandemic, you really haven't got a rule book or a playbook you can go back to, so you really are making it up as you go along. The key thing there for us was to pull back and just focus on the staff and the staff health, and not to worry too much about the business actually itself. That was the first priority. So they were three big shocks that we went through. The rest has been just loads of bumps about the wrong people, the wrong recruitment. We've never really lost major customers or had issues like that.

GUY

You're on your third PE tenure - this time back with Inflexion. You've gone through two transactions. That's something that many people listening in won't have ever gone through. What would be your big learnings or memories of those transactions for somebody embarking on it for the first time?

ADRIAN

You've got to really start the preparation from day one for the exit. Now, what that doesn't mean is you're trying to build a business that's based on exit. You've got to run your business properly for what's best for your business, but at the end of the day, if you take a normal three to five year cycle, someone's then going to be marking your homework, because there'll be due diligence done across all of the business. So, if you haven't put in the right structures or if your acquisitions aren't done properly, the legals, aren't correct, it's going to give you problems on exit. So, from day one, you've really got to make sure that you don't take any shortcuts in what you're doing, and you're able to demonstrate through good accounts, through good due diligence, that the business itself is a reliable machine, and be able to explain that.

So I'd start there - it happens at day one.

When you come to exit, then I always find them great fun and a very exciting process because you get to talk about the work and what you've done and achieved and get to

talk about yourself, which is my favourite subject. So you get this great opportunity to talk to some really bright people, be challenged by the providers and due diligence and have some very interesting arguments or discussions. So, as I say, it's like an MBA in itself, but you know, if you've got a great business and you really are passionate about it, that's a great opportunity to demonstrate it and show it. But also, you've got to make sure that you're supporting your staff and looking after them because they're ultimately looking toward you, you are negotiating the next deal for them, the opportunity for them, and obviously securing what they've invested in that business.

So there's a lot of responsibility and choice that comes with that. The one thing I would say is, even with a PE environment, at the end of the day the management team do have the choice in a good PE company, and the PE company will back their decisions to get what they think is right for the team, so it's very much a two-way process where you've got to get the right PE who will back you on that exit and make sure that you do best for everybody, because you've got to run that business again as well. So it's not just about taking the highest price in the marketplace, it is about taking the right deal and the right partners and the PE environment. When I talk to a lot of people going into it and referencing - because Aspen is well-known as a business that went from a UK exporter to an international brand - you know, really the advice that we give them is focus on that and make sure you've got the deal structured, that there's enough within that to support your team, and there's enough to share back within the equity and the opportunity that gives them to motivate people, but also recognition and reward. As we say, giving people a little bit of equity has a massive improvement in performance. It really does work, private equity will let you do that.

GUY

What about choosing PE? So, price effectively because you've got institutional shareholders and therefore by definition you're trying to price-maximise, and deliverability is another sort of big word, but once those hygiene factors are taken care of, how do you personally choose, what do you look for beyond the hard stuff?

ADRIAN

You're right, any good finance director can write the PE model of where that should be in the valuation of the business, so then you can actually focus on what's important and finding the right partners to support your plan. I think any CEO going into an exit process has got to find some new buys into your plan and believes your plan, and is aligned with that, because the one thing you don't want is the PE to have their plan behind. So you

have to spend a lot of time, it is a two-way process in what you're choosing and making sure that you're aligned and they've got the same energy for the business, the right kind of cultural fit, which is very important in Aspen and the way that we operate and the speed that we operate with, and that they're aligned themselves with the passion that you see, and they want to be part of that journey with you. So it is, unfortunately, one of my specialist subjects - it's a mix of going out, drinking, eating a lot with them and spending time and referencing them and really finding that they're someone that you really want to spend the next five years with.

GUY

And do you think it's about the individual or the firm?

ADRIAN

It's always a mixture of both, isn't it? You know, in this market, private equity is about its bond and its word, and it gets out if people haven't got supported management teams, and also it's easily referenced, so they have to walk the talk, but then ultimately with that done as a hygiene factor and the energy (and I think what you guys have done, and I really mean it, because you do stand out in the way that you've kept that energy and around the brand and the enthusiasm) then it is about those people. It's about that culture, that they will do the deal at the price they've said, but most importantly, as someone who is going to back you and you can have, you know, good debates and they'll bring something to the party intellectually as well.

GUY

Was it always inevitable that you would go through PE ownerships, or was that cause or effect, either as a management team or just industry structure?

ADRIAN

Yeah, again, an extremely good question, because everything is based around, you know - ultimately there are these things called "strategic buyers" from the trade side who compare price that should blow the PE out of the water. And there were opportunities, this time, for two trade buyers to come and do that. And Inflexion were very smart in the way that they aligned with the management - they did a lot of work upfront on the business plan and it could go forward, and were able then to execute very quickly to put a really compelling case to the management and also to our backers at that time, that this deal could be done for what is a good price, but at the same time, it's down to the management, if they want to go trade or not. As we mentioned earlier, a PE can't sell a

business without a management team in place, and we were very keen to go again, we believed in Aspen, the Aspen Group and the story and what we were trying to do, and we really wanted to deliver the next stage of that strategy. So we were ourselves, we've got to play fair and down the middle, but we're very keen if it was possible to go with another PE deal.

GUY

And onto the world of PE generally, rather than specifics... the good, the bad and the ugly of PE, in your view?

ADRIAN

Well, I've done very well out of PE so I really only have good experiences - it's never treated me that badly - so I could only really name one individual who really has rubbed me the wrong way and thought the best way was to try and beat the management team up while trying to buy the business and get to a situation that was in conflict with us. So I found PE to be, you know, an excellent model. It has independently created a lot of wealth for its backers and also the management team and has created an environment where we can grow. I think the one thing you get with PE (having come from a background where it was, you know, slow organisation, slow decision-making, it was fragmented away from the businesses... coming from that corporate kind of sludge) is a very dynamic, great environment to work with some really smart people who will challenge you... you know, every month you will get that question from the investor. I think it's a brilliant model. It's only worked well for me, they really have supported us. I think, as the UK PE industry has grown, the individuals around there really get that, and how to work with management teams. They're the ones running the better houses.

GUY

If you could create something, or be given something from PE, what would that be?

ADRIAN

That's a really tough question to ask because so far it's always delivered the goods. I can't think of anything, really, because the management team is about running its own business. You know, PE is not to grab the steering wheel. There are certain levers in obviously cash, or support, or helping with the strategy, but it's all about implementation from the management team themselves and having that in your control. So I think from our point of view, there'd be very little I could really say that we need more of, as we are just getting on and doing it. And the business is delivery, and there's only so much

bandwidth you have as a management team, and we've had a very good pandemic so far, so, you know, we are operating very well and doing some interesting projects and acquisitions within that.

GUY

What about you as an individual, beyond Aspen 3.0? Are you a person who has goal sets of big life plans?

ADRIAN

I think you can guess the answer to that! It's no. It's all in the here and now and just enjoying what I'm doing and I think that helps and why I've lasted doing it so long. I'm not someone who lives in the past or the future. It's much more about here and now, what you're doing and what's in front of you and PE does generate opportunity to enhance your personal wealth and experiences but that's not really been a big driver for me. I know you're not really supposed to say that! What's great is sharing that with other staff members and enhancing their lifestyle. So no major plans. We're going to get Aspen to where it needs to be for the next exit so people can realise those benefits, and that's really what I'm focused on.

GUY

We're privileged to have you on [our Entrepreneurs Panel](#) and you're doing a brilliant job mentoring some of our teams. You must enjoy parts of that extra-curricular work.

ADRIAN

Yeah, well it's rather like the point that you said, about how do you get personal development? Sitting with the entrepreneurs, who are entrepreneurs and really out there, and they've done some amazing things, I just learn so much every day. But also, the mentoring that I've done with [John](#), I've just learnt so much through talking to John. You know, he's a very talented guy. Just spending time with those individuals, you know, I find creates my energy, but you learn so much about business, and I once was privileged to sit as an NED with a business that works with Christian again. (This isn't the Christian PR show, by the way, it's just a fact of reality).

GUY

Don't worry. We can throw some Christian dirt in later!

ADRIAN

We were sitting there on the board of a business called CP, which had just a fantastic management team, and it was a privilege to spend two, three years as an NED with them, and I stole so many ideas that we implemented within our business. So that really is something that I enjoy and it drives it forward. Also, I do enjoy the mentoring, talking to people and where you can help develop people, because I think we all get stuck along the way of what our behaviours should be, or how we should operate in certain situations, and normally, I've found the best thing to do is go back to just the guy who's at the pub or the rugby club, and just be genuine and be yourself, and that really gets you the traction, the momentum that you're looking for personally.

GUY

Yeah, authentic.

I'm going to ask you some quickfire questions. Do you have a favourite book that you turn to or recommend to anyone?

ADRIAN

I'm going to cheat on this and go back to the early books that I read that influenced me, and I'd start with Stephen Covey and The 7 Habits of Highly Effective People. It's a book that is thrown around, and I would say, don't read the back chapters, they get a bit heavy, but I think the early chapters, of the awareness that builds on personal development and understanding more about yourself, is absolutely excellent. The second one I'm going to choose is a total dinosaur in business: Jack Welch, who's one out of favour, he turned around GE, and was one time known as Neutron Jack, but within there are some very good disciplines around budgeting and how budgeting can lead to conflict within corporate organisations and destroy value. And also - we talked about people selection and how to do that - and I think those tips are as relevant today as they ever were. So they'd be the two books that I'd choose and would reference back when I do personal development with people. They're the two books that I ask them to read.

GUY

And most inspiring person to you, anyone that's had a big personal inspiration to your journey, or a mentor?

ADRIAN

Well, apart from obviously Christian himself. Christian, and Charles - who recruited me - and Charles Thompson of Inflexion has been one of my gurus in life. Actually, this is going to be quite cheesy, but what really has inspired me is, during the COVID period, the Aspen Group, warehousing people, manufacturing people, have come in every day to keep the business going when the office staff went home, and in that atmosphere of fear and not knowing what's happening, they turned up and got the business going. They were totally inspirational, and, you know, you can't thank people enough for doing that day-to-day and keeping the business going.

GUY

You, effectively, have had a professional management role since day one at Aspen, but as you've taken it through three layers of private equity ownership (and this will increase your own economic ownership) but actually putting your heart and soul into business for 15 years, you've got that sense of ownership which a founder entrepreneur would have. So are there any sort of important qualities you think that would help people define themselves as founders or entrepreneurs or give them the courage to make the first leap?

ADRIAN

The people who I've seen who have been great entrepreneurs are people who really do have a passion for the business and a real vision for where that can go, but also the ability to deliver on it. When I talk to people or get involved with their business plans, they seem to get too obsessed with the product and never get out into the sales cycle. So people who can really get the balance to make sure the product is fundamental, the service is fundamental, but until you sell it, you've achieved nothing, and until you get that balance right - of getting it to market quickly and getting the sales cycle going - you've got no product at all. Then, essentially when you get paid is the only time you get success. So within that element, I would say, while being effective, it's about that passion. And as we discussed, it's about just being genuine with people. You've got to build a lot of relationships with your employees, your customers, and your financial backers. You've really just got to be genuine and really be good at just being yourself and being honest.

GUY

Adrian. Thank you. You've been an absolute legend,

ADRIAN

It's been a fantastic pleasure. Thank you, Guy.