

Pensord according to Printing World

Pensord under the microscope

Regular readers of Printing World will be familiar with the feature section 'Business Inspection', where leading businesses go under the journalistic microscope for an in-depth review.

In the April 2008 edition it was the turn of Pensord to be analysed and we thought you might be interested to read what Printing World had to say about our company.

Of course it's always pleasing when someone has kind words to say about you, but we think the article captures the spirit of Pensord rather well, and successfully demonstrates the passion we have for our work, the value we place on our people and the on-going efforts to ensure our steady progress.

If you would like further clarification about any aspect of the article, or indeed, would like further information about Pensord, then please contact us.

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PensordTM
Magazines & Periodicals

Five-year plan reaps profit for Pensord

When Tony Jones was offered the chance to buy B2B printer Pensord in 2003, its troubled past made for an uncertain future, but five years on, business is booming

PHOTOGRAPHS Lisa Payne

PRINTER

Pensord

SECTOR

B2B magazines

TURNOVER

£11m

STAFF

130

PROBLEM

Ailing business, demotivated staff and customer base

SOLUTION

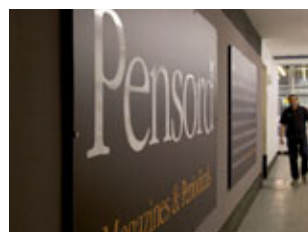
Established share option scheme, training and targets, and rebranded firm

When chief executive Tony Jones joined Pensord in March 2000, his brief from owners Allen, McGuire & Partners was simple: to steady a floundering ship. During those early years, Jones admits survival

was his only focus for the underinvested Welsh business-to-business (B2B) printer; the idea of an MBO hadn't even entered his head. When Pensord's venture capitalist owners offered Jones the chance to buy the firm in 2003, he still had his reservations.

"It wasn't a 'get-rich-quick scheme'. Nothing about it was financially attractive, and there was a lot of personal risk," says Jones. "But I got involved because there was a job to do, and I believed in the market, the people and what we could achieve."

It was his belief in the existing 120 staff, and the responsibility he felt towards them, that drove him to sign on the dotted line in summer 2003. He then began implementing a five-year plan to double the firm's £6.2m turnover and, in a much shorter timeframe, return it to profit.



Clockwise from right: While the latest kit is a pre-requisite, Pensord's people are the key to its success; a big chunk of the £8m spend in the past five years has been on upgrading the press hall with a clutch of Heidelberg Speedmasters; the bindery was the most recent area of investment with the installation of a £500,000 Wohlenberg perfect binder; keeping the workforce informed of performance and targets is essential for implementing KPIs; Jones with finance director Graham Lambert; Pensord rebranded last summer and that included a wholesale revamp of the firm's Blackwood site

He faced a mountain of challenges to turn around the still struggling operation, which had just recorded a £361,000 loss. Serious investment was a prerequisite, but Jones recognised that was never going to be a standalone solution. He needed to re-engage and win the support of the staff – many of whom had spent their entire working lives at the Blackwood firm – if his plans were to succeed.

The first step was to introduce the Pensord charter, a set of core values by which Jones wanted the firm to "live and work".

Focus on teamwork

"The charter had to be pivotal to everything we did and wanted to do, and we constantly measure ourselves against it," says Jones. The charter details how to treat customers and staff and stresses the importance of teamwork. In short, it made the internal and external customer the focus of the firm's future plans. The entire workforce was trained on the charter, so that each employee understood their obligations and, importantly, the firm's obligations to them.



“It is the loyalty and commitment of the team that has helped make Pensord a success”

TONY JONES

Part two of the plan was launched less than a year after Jones took charge. In February 2004, he introduced a share option scheme that enabled every worker to benefit from the firm's hoped-for future success. Jones commissioned KPMG to structure an enterprise management incentive (EMI) scheme open to the entire workforce and he released 25% of the value of the company to employees. Even today, this is still virtually unheard of in the print industry.

“I introduced the [EMI] scheme to recognise what had gone on before as a thank you for the loyalty and support of the Pensord team, and to give people a sense of belonging and ownership of what

could be achieved in the future with their help,” says Jones.

Jones' belief that the workforce were key to the firm's growth led him to build on the strong staff training and development ethos, which already included an employee forum, induction training and employee of the month scheme. Last summer, he launched the Pensord People Development Academy.

The scheme, which operates in tandem with the appraisal process, begins with staff completing questionnaires on how they would like to progress, whether through NVQs or internal training. A personal development plan is then created with progress closely monitored by line managers and an external training manager.

While the Development Academy is primarily focused on shop-floor staff, the firm has also operated a management development programme for a number of years. “Through psychometric testing, we've identified what we think makes the perfect Pensord manager. Through our development programme, we measure individuals against that model to make sure

Inspection lessons

Re-engaging an established workforce

- Introduce regular appraisals for every member of staff. Annual is fine but more often is better
- Put in place guidelines to formalise staff development and training to ensure openness – there's nothing as demoralising as a perceived 'glass ceiling'
- Appoint someone within the company to take responsibility for training, or if that's not possible, employ an external training co-ordinator
- Introduce personal development plans for every employee
- If you're really serious about re-engaging your staff, look at introducing a profit-share or share-option scheme. They're often not as expensive as you'd think. Visit the Enterprise Management Incentive section of HM Revenue & Customs' website (www.hmrc.gov.uk) for more information



we align our management with the needs of the business," says Jones.

All of these people-centric drives helped the firm secure the Investors in People standard earlier this year, making it part of an elite 2% of print firms to hold the badge.

Of course, while changing the reality of the opportunities and working environment for the staff was key to Jones' plan, improving clients' perception was equally important. Under Jones' stewardship, the firm has undergone two rebranding exercises. The first occurred immediately after the MBO in 2003, when it dropped the word 'Press' from the company name and cut the dragon logo.

The second rebrand was considerably more expensive, and came to fruition last summer. Its goal, according to Jones, was to make the firm "far more contemporary and progressive". As well as involving a design agency to develop a new logo, which included trademarking the Pensord name, it led to the implementation of a set of corporate colours across the firm's site and all its communications.

Beneficial experience

But branding was only one area of the marketing mix that benefited from Jones' experience in newspaper, TV and radio. As part of his strategy to build the brand and better communicate Pensord's ideas and ethos, it relaunched its customer magazine, *Pensord Edge*. The new-look title, which goes out to 40,000 recipients, not only shows what Pensord can do, namely print B2B magazines, but it also keeps clients up to date with what the 'Pensord family' are up to, offers technical advice and includes contributions from bodies such as the BPIF and PPA.

While Jones succeeded in re-engaging the staff and building the brand, neither exactly keep the wolves from the door. Happy staff and effective branding don't necessarily translate into commercial success.



The firm's customer magazine, *Pensord Edge*, goes out to 40,000 people

Fortunately, commercial success was forthcoming. Just 18 months after the MBO, the firm recorded its first profit for years. The icing on the cake came in 2006 when Pensord won the BPIF Turnaround Award. A just reward for year-on-year growth of 15%, more than fulfilling Jones' ambition of doubling turnover (and growing profit) over five years.

Not that Jones has any intention of letting Pensord rest on its laurels. "We need to be 11% more efficient this year just to stand still, and that's across the business. We measure it every month and share the good messages and bad." Measurement and communication are the bedrock of Pensord's development. It measures everything that can be measured and reports back to the staff. Key to maintaining the 'buy-in' is open communication and the core of that is information. In fact, Jones is almost as evangelical about clearly defined Key Performance Indicators as he is about the benefit of strong customer service.

As testament to Jones' vision, the firm now produces 300 magazine titles, twice the number it printed when he led the MBO. In 2007, it recorded its best year ever, with a pre-tax profit of £768,000 on sales of £11.1m – all of this with essentially the same number of staff as when Jones joined. The key thing is "we still have the infrastructure to treat every single customer as if they're the only customer", says Jones.

Of course, none of this would have been possible without a substantial (more than £8m to date) investment in kit and infrastructure at the firm's Blackwood site. But as Jones himself says, spending the money was the easy part – it was getting the support of the firm's workforce and customers that were the business-critical aspects of his plan.

"I know everyone says it, but we really believe that our people are our greatest asset. They're why I got involved in the business and why the MBO happened. It's the loyalty and commitment of the entire team that has helped make Pensord the success it is today." ■