

**Scotland & NI**



Export strength: BrewDog founders James Watt, right, and Martin Dickie sell in 27 countries and will be able to produce 30m bottles a year by the end of 2012

# Brewer's taste for exports

**» BREWDOG**

Former fishing-boat captain James Watt and distiller Martin Dickie's Scottish BrewDog business is expecting to sell £7m-worth of its US-style dark, hoppy beer this year – continuing its 100pc annual growth. Of that, 65pc will come from overseas markets including the US but also Scandinavia and Japan. Mr Watt is off to Paris for the Thought Exchange trip.

The best friends started the company in 2007. "We couldn't find any beers we liked so we thought the best thing was to start making our own," says Mr Watt. Having won favourable feedback from American beer experts they quit their

jobs and turned their garage-based weekend hobby into a business.

"We targeted key American beer bloggers, told them what we were doing and sent samples. They wrote about them and on the back of that we approached importers and said: 'We've done the marketing and shown there is demand, all you have to do is take them and you'll be able to sell them.'"

BrewDog produces 500,000 bottles a month, and in the UK is stocked in Asda, Sainsbury's, Odbins and Tesco, with the off-trade representing 75pc of domestic sales. But the long-term growth will come from export markets. "We sell in 27 countries and are not looking to sell into new export markets,

we just aim to develop the ones we have," says Mr Watt, 29.

What they need is the production capacity. "We could easily sell more beer if we could make it," says Mr Watt. To meet its overseas growth, BrewDog, Scotland's largest independent brewery which employs 70, hopes to move to larger premises and has just spent £250,000 on a site 50 miles from Fraserburgh near Aberdeen.

That will boost its current capacity of 8m bottles a year to 30m by the end of 2012, giving the business room to grow revenues to around £15m. "We have the land and planning permission so we should be starting to build the new production facility soon."

It also has a fledgling UK bar operation with three sites operational, and a further seven being planned, while American drinks industry veterans Keith Greggor and Tony Foglio, who sold Sky Vodka to Campari in 2007, have invested in the business.

The company takes an unconventional approach to everything from its marketing, which often courts controversy, to securing growth capital. It has completed two "online IPOs" by making shares available to customers via its website. By 2016, the founders reckon the business will be ready for a more prosaic route to raising equity finance – a listing on AIM.

**Philip Smith and James Hurley**

**TOP TIPS & STATS**

“In each market you enter, ask yourself whether your product or service is appropriate

**Chris Pearson, Unit Export**

**7pc**

The proportion of UK exports that go to Brazil, Russia, India and China

“Look at one or two markets that work - don't try and take on 38 all at once like we did

**James Ishmaev-Young, SE Electronics**

**8pc**

The proportion of UK exporters who have set up an overseas office

“Make sure messages sent to overseas partners are received in the spirit they are sent

**Andrew Dahl, managing director, SealSkinz**

**14pc**

Aberdeen's concentration of high growth companies

**Central & East**

# Growing fast in stormy weather

**» SEALSKINZ**

The chequered performance of UK manufacturing is no problem for rainwear accessories company SealSkinz. "We care more about the weather than the slowdown," says managing director Andrew Dahl. "Anywhere cold and wet is a potential market for us."

Mr Dahl believes weather is the vital ingredient, not the economy. The company, which makes waterproof hats, socks and gloves for cyclists and walkers, sells a quarter of its output to retailers overseas. Much of the rest is distributed to UK chains including Wiggle and Evans Cycles.

"We're lucky because some of the markets we work in are pretty robust," he says. "Our end-consumers are outdoor enthusiasts who like to cycle, run and walk, and they'll do that whether there's a recession or not."

SealSkinz span out of a large chemicals company in a management buy-out in 2007, but the brand and patents that underpin the range have been around since 1999. That year, the brand had 25 staff and sales of £1.5m. Today, turnover is £5.9m and there are 75 employees. The order book is up 60pc for the coming year.

A four-year £1.6m contract was signed with the Ministry of Defence in January to supply troops in Afghanistan.

But key markets remain northern and central Europe. SealSkinz became involved with Business Thinking as part of a drive to make waves there. It has plenty of scope to find new markets, says Mr Dahl.

"We're beginning to motor in northern Europe but sales are chickenfeed compared to what we do at home. We need to get up and running there then expand our horizons in three or four years' time."

**Dan Matthews**

**» SONIC DISTRIBUTION AND SE ELECTRONICS**

Some people would say SE Electronics is growing the hard way. Its microphones, speakers, filters and other professional audio and recording devices burst on to the UK scene 10 years ago and quickly became wildly popular. But instead of capitalising on demand at home, partners James Ishmaev-Young, Phil Smith and Siwei Zou opted to branch out quickly, to 38 markets across Europe, Asia and America. Sales of £6m could double or more next year.

**» SEALEY POWER PRODUCTS**

British power tool brand Sealey wants to steal a march on its competitors by moving into fledgling markets in Europe and Africa. The business, which sells to car factors, DIY retailers and agricultural dealers, offers 6,500 items yet has 98pc availability for immediate dispatch. Finance director Nigel Sykes says its export markets are growing faster than its UK base and believes they will be the driving force in the next five years, in which time the company is expected to grow to £75m.

**» CAMVAC**

CamVac, which makes and supplies metallised laminates and other products to food, insulation and medical markets, aims to grow its base in Asia and South America through a licensee model. Its products protect packaged contents from moisture and air, keeping them fresher longer and extend best-before dates on food. The firm, which exports 20pc of sales outside Europe, plans to maintain its £30m turnover but improve profit margins by selling more specialised products to customers globally.

**» UNIT EXPORT**

Unit Export is in the business of winning tenders; big development contracts with NGOs, multilateral agencies and governments working in war-torn or disaster-struck countries. It sources goods from China, India and Europe and supplies some of the most volatile markets in the world including the Democratic Republic of Congo, Kosovo and Haiti. It employs just 10 in Basildon, yet turns over £10m a year, with a 20pc gross profit margin. This is planned to increase to 20 staff and £20m in about five years.

**» PLUSWIPES**

Pluswipes has set a target of £10m turnover in three years after recently undergoing a £1.6m development programme. The wet wipes manufacturer was founded in 2002 and produces white label products for cleaning brands. The wipes are manufactured in the UK and serve both consumer and business markets. Company secretary Tanya Teasdale-Brown says that innovation, speed of production and good project management are the drivers behind the business.

**» ADVANCED SENSORS**

Advanced Sensors provides equipment to the oil and gas industry that helps to separate water from extracted oil and ensures that it is cleaned to a standard needed for disposal. Last year the five-year-old Antrim-based business, which employs a total of 18 people, had £5m of revenues. It sells, via a chain of agents, around the world. But notable omissions for an oil and gas business are the Middle East, Russia and Nigeria. These areas are now key targets for the company.

**» MACKAYS**

Founded in 1938, Mackays is now run by the father and son team of Paul and Martin Grant. Its preserves and marmalades can be found on supermarket shelves across the UK and it exports to more than 50 countries. The business has revenues of £12.5m, 40pc of which comes from exports. "We expect further growth abroad in the coming years, particularly in Asia, with recently established markets including Korea and Singapore," says the company's finance director Sandy MacGregor.

**» BREO**

The airports fashion brand Breo designs a range of accessories such as watches, sunglasses and headphones aimed at the 15- to 28-year-old market. Half of its £7m revenue comes from in-flight sales on 55 airlines including Virgin Atlantic and Qantas. With a staff of 35, the Dundee-based business is targeting Russia and the United States in particular, so a Thought Exchange trip to New York is a perfect opportunity, said founder Rob Morrison. This year sales are expected to reach nearly £11m.

**» MERSON SIGNS**

When you pass through an airport, a shopping complex or into a bank, you may not think much about the signage that helps direct you to your destination. But Merson Signs does. It recently designed, made and fitted a total of 33,000 signs into Terminal 5 at Heathrow airport. The Glasgow-based business, which was created in 1938 and subject to an MBO 10 years ago, now employs 135 people and sells £12m of large-scale illuminated signs to major concerns including South West Trains, Santander and John Lewis.

**» VETS NOW**

Vets Now was launched in 2001 by the entrepreneurial veterinary surgeon Richard Dixon to provide out of hours emergency veterinary care. It now has 50 of its own clinics across the UK and supplies out-of-hours services to more than 700 other veterinary practices. In 2007, Vets Now launched Pet Blood Bank UK, a national canine blood donation charity. The Dunfermline-based company employs more than 350 veterinary staff and last year Now Group had revenues of just over £22m.

**Midlands**

# How a former egg trader spiced up his food business

**» EAST END FOODS**

There are an awful lot of chickens and eggs tied up in the history of Tony Deep Wouhra's company, East End Foods. Deep – as he is known – made his first foray into the food business soon after he arrived in the UK from his native India in 1961. He was 18 and attending night school where he met Barbara, his future wife. She knew he was looking for business ideas and said an aunt had 1,200 chickens and didn't know what to do with the eggs.

"So my first venture was as a door-to-door egg salesman," chuckles Deep. It didn't take him long to realise that there was real money to be made in the food industry. As Deep's four brothers arrived in the UK, they joined him one by one in building up the family business. "We worked flat out. We used to buy, sell, deliver – we did everything ourselves." But it was only when they began importing spices, lentils and dals from India that the company found its true identity.

All the time, at the back of their minds, was the advice their father had given them: "Never sell anything you wouldn't eat yourselves," so when they found the condition of the products they were importing was less than perfect they installed a cleaning machine to ensure their goods were of the highest quality.

In the early days it was not easy to get

funding for their vision. It was chickens and eggs all over again. "The banks didn't want to support us until we had a history and we couldn't build a history without the support of the banks." Eventually, they found a bank manager who believed in their business and allowed them to go over their agreed overdraft. "Without that manager, we probably wouldn't be where we are today," Deep says.

Where they are today is one of the largest importers of Indian foods in the UK, with a turnover of £130m and a customer base that includes all of the major multiples and some 80pc of Asian independent food stores.

"It is the traditional independent shop that is the backbone of our business rather than the multiples," said Deep, who was awarded an MBE for services to ethnic food in 2000.

Exports account for just 12pc of the West Bromwich-based company's sales and this is an area that Deep believes has significant potential for growth.

Although the 23 members of the family work in the firm, he says anyone wishing to join need to show that they can make a real contribution. Succession planning is also crucial in a family business: "You are not going to be around for ever so you need to make sure you share your knowledge with your successors so that they continue with your good work."



Currying favour: 'Never sell anything you wouldn't eat yourself,' says Tony Deep

“You're not going to be around for ever so you need to share knowledge with successors

**Tony Deep Wouhra, East End Foods**

**2.9pc**

Percentage of UK exports that go to China, valued at £7.6bn

“Every day, learn something, plan something and achieve something

**Paul Cox, NDC Polythenes**

**£10.8bn**

The value of the UK's food and non-alcoholic drink exports in 2010

**» MORGAN MOTOR COMPANY**

In 1910, HFS Morgan began making the three-wheeled runabouts that gave birth to the Morgan Motor Company. With the reintroduction of the 3 Wheeler this year, the family business expects to sell more than 1,000 vehicles and turn over in excess of £37m, according to Charles Morgan, the founder's grandson.

**» ADVANCE TAPES**

With sales and distribution centres in both France and Germany, the specialist adhesive tape manufacturer Advance Tapes expects turnover to reach £23m this year. Mike Ayres, chief executive, says expansion plans include a new factory with £2.5 million-worth of plant and equipment, and a joint venture in India manufacturing tapes for the local market.

**» NDC POLYTHENES**



Paul Cox acquired NDC Polythenes in 2002. Back then, it was a small distribution business that had established a niche in the building industry selling small project-sized pieces of polythene. Around four years ago, the import model it relied on began to experience difficulties. So, just as the recession was about to hit, NDC committed to setting up a

recycling and manufacturing plant on the outskirts of Birmingham. Mr Cox admits often wondering what on earth he had done, but a "robust" DIY market has served it well. With turnover forecast to top £8m this year, the goal is to replace the remaining bought-in products by increasing the recycling capacity, so becoming completely self-sufficient.

**» BRANDENBURG UK**

Brandenburg UK, founded in 1948, originally specialised in high-voltage, analytical instruments. Since then, the product range has been transformed and the firm is now a leading manufacturer of flying and biting insect control systems. "We supply more than 115 countries around the world," says managing director Mathew Kaye.

**» ZAUN**

Established in 1996 by Alastair Henman and Paul Painter, fencing manufacturer Zaun came through the recession relatively unscathed thanks to demand at home for its high security fences. It also wins orders from the Middle East, and through a Paris subsidiary, in France. A new £5m factory in Wolverhampton will provide plenty of room for growth.