

Being in the now business

Managing director of DB Foods, Gary Smith, reflects on 30 years in meat wholesaling.



• CEO Gary Smith - front and third from left with fellow directors, (l-r) Stuart Robson, Max Prudon and George Holliday.

Q. How long have you been with the business and what's been the back story to becoming chief executive?

A. I have worked for DB Foods since it began 30 years ago, advising on accounts and IT, but in 2010 I accepted the offer of an inhouse position, chief information officer. Four years later, I joined the board as finance director and became group chief financial officer in 2017. As part of the restructure, I became CEO last year, though I have retained the CFO responsibilities as part of the role.

Q. The start of 2020, that is before Covid restrictions were known, saw a new management structure at DB Foods and then a corporate rebrand at the start of this year. What lay behind that decision?

A. Ben Bayer, who founded DB Foods with his father, had decided to exit the business, so a new management structure was put in place to assign and clarify areas of responsibility amongst directors. After a year that saw huge changes in our business, the new management model was working really well and we had learned so much that we wanted to signify the start of a new chapter with a new identity.

Q. So, then Covid-19 arrived and how did that change the management business plan?

A. Not so much the plan, but certainly the activity – our supply to the hospitality, leisure and tourism sectors (which made up 45% of our business) collapsed, but the demand from our retail customers exploded, so it was about refocusing our attention and energies than changing the management we had agreed.

The cancellation of events, festivals, sporting fixtures and closure of restaurants, hotels and cruise ships meant that usual orders from catering clients evaporated, so we reduced operations and centralised the majority of our logistics from our facility in Banbury.

But our management plan before Covid-19 was focussed on our preparations for Brexit, and that could not be abandoned, despite the shift in focus to a potentially more damaging issue no one had foreseen. Effectively we had to do both with an acute sense of prioritisation.

‘On the shop floor’, customers were telling us how much they valued our service and a reliable supply of produce, and with the praise came a lot of referrals, so we soon found ourselves running to keep up with demand – making special deliveries outside the regular schedule and even meeting people at agreed spots half way between our businesses.

“It’s going to be about the survival of the most agile and those businesses that can adapt, because... the economic and business climate is unpredictable.”

When we could pause for breath, myself and my fellow directors began to see the business in a new light. We realised the central location of our Banbury warehouses gave us the best national reach and we also saw very clearly what our retail customers value from us – response, service and straightforward wholesale product that they can prepare for themselves. The most common question was not ‘how much?’ but ‘when?’.

We were also receiving enquiries from other companies about use of our chilled warehouses and transport division, and have been delighted to provide productive partnerships any way we can, but that was another aspect of the business we never saw coming.

Q. You managed to retain 75% of your staff – how did you manage that when redundancies in other parts of the industry were so much higher?

A. A lot of our customers are high street butchers. The combination of higher demand from them with referrals and enquiries from new customers across the country, meant that we were in a position to keep the vast majority of our staff who have been patient, understanding and hard-working throughout the past year.



Q. There is a corporate investor behind DB Foods Group and it has injected a substantial amount into the business as a whole. What’s that been spent on and why?

A. The majority has been invested in technology to meet the growing demand for DB Foods’ sister company ‘Muscle Foods’, which allows consumers to order high protein, nutritional products directly online. It is really popular with those following gym training or bodybuilding programmes.

Q. What has the impact of Brexit meant and how do you see that panning out in the short to medium term?

A. Mainly, the level of administration. We do the majority of this inhouse, but it will increase operational costs. I feel very sorry for exporters of British produce as they are having to be savvy and agile in getting their produce over the border. Ours is not a product that can be left on warehouse shelves indefinitely, so delay is very much the enemy.

Q. What sort of volume of products does DB import and who has to absorb that cost – which is no doubt going to settle to be a permanent one?

A. We procure over 40% of our produce from overseas. There aren’t any tariffs, but our prices will have to adjust to cover those extra administrative costs. However, the bigger the consignment, the more the price will reduce, so with our knowledge and experience, the impact on the end price to the customer should be as minimal as possible.

Q. What’s DB’s relationship with other companies in the Group – e.g. Vantage Foods and Muscle Food?

A. DB Foods is a meat wholesaler and we have two sister companies under the ‘DB Foods Group’. Vantage Foods’ focus is on food production and preparation and Muscle Foods is the online business I mentioned earlier. What do we all have in common? Meat!

◀ **Q.** What do you see as the future for the hospitality sector as things, hopefully, begin to open up?

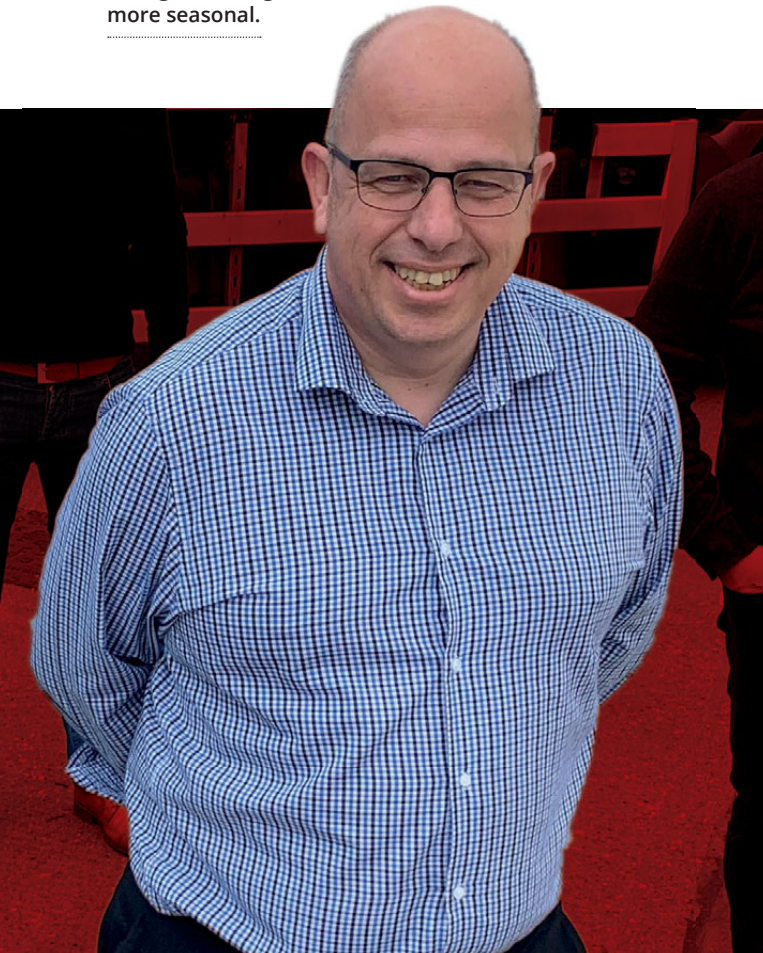
A. I think it is going to be about the survival of the most agile and those businesses that can adapt, because Covid-19 will have a lasting impact and the economic and business climate is unpredictable.

Aesthetically and physically, customers need to feel safe. I have often commented after visiting other countries such as the US, where table service is more common than people standing at a bar, how that set up is more expensive to run. People have also got used to more space between tables that reduces capacity.

When it comes to our area of supply, we simply do not produce enough to satisfy demand of menus all year round. With the cost of importing produce going up, so will prices and the sector will be competing for customers who might be going out less.

The solution in my mind (and I am not an expert in hospitality) is casual dining becoming a lot more seasonal with specials and constantly changing menus in accordance with availability. I think a lot of high-end businesses have led the way with their own kitchen gardens and foraging, but I see a lot more following in that direction.


• Smith sees casual dining becoming a lot more seasonal.



Q. On a more personal note, what's your view of the UK meat industry, having come from a financial and IT background?

A. I used to think IT was fast-moving with the pace of change in technology, the speed of new products making old obsolete and the drive for efficiency and added value, but if you don't work in meat, you have no idea. It is the quickest moving priority industry I have ever seen and decisions that aren't made today are obsolete tomorrow. Everyone works at an incredible pace – it's all about NOW!

Personally, I find it refreshing. There is no lingering stress at the end of the day, no point in dwelling on decisions that have been made and you don't know what tomorrow will bring.

However, my job is to bring strategy and foresight to the business and that can be challenging. Our directorship is made up of those who have grown up in the industry and have limited appreciation for forward-thinking, and people like myself who marvel at how the daily business is moment-to-moment. I think we complement each other really well and have struck a good balance in the DB Foods boardroom. 



Coffee Break

Family: My wife and I are the parents to two boys aged 11 and 5.

First car: A 1978 Ford Escort Mark2. At the time it was referred to as a gold colour, but looking back it was more like rust.

When I was younger, I wanted to be: A rockabilly star from the 1950s.

My hero is: I enjoy music and football, so have respect for various people at various times, but I have never had one hero.

Favourite food: Can't beat a rib-eye steak with thick cut chips. I also enjoy Indian food.

Favourite holiday destination: Mexico. I didn't appreciate how beautiful a place it was until I visited the peninsulas and beautiful rainforests and went snorkelling in the ocean. There is so much to see and do.

Favourite book: *The Football Factory* by John King.

Hobbies: If anyone out there with a business to run and two kids at home has time for their hobbies, PLEASE email and tell me how you do it.