



ACHIEVING YOUR AMBITION

Interview with
Geoff Elvy
Managing Director
BEC Group

Commissioned by

Avonglen

Financial Direction for your Business

Ironically, as an independent company grows and becomes more successful, so the day-to-day demands on the owner-manager increase and the emphasis on the 'here and now' can become the focus of the entire business.

It might be that the business has never been more successful financially, but the reality is likely to be that it has never been as vulnerable because it has never been so inward looking, less innovative, and more likely to be victim to a disrupter (the role which it probably played at the outset!).

But are there other reasons why those which have the potential to go further plateau instead and don't actually achieve what should have been possible?

In an independent report commissioned by Avonglen and to be published by DECISION magazine, business owners share their experiences and ambitions.

This is one of the papers to be published in the report.

“You won’t believe this,” Geoff Elvy’s daughter, a teacher, told him in a hurried phone call from the Science Museum. She was taking her class on a visit when she saw that a product made by the family firm BEC Group was actually an exhibit.

“We produced the moulding and keyboard for the first credit card machine with built in telephone for Racal in 1980,” Elvy recalls. “It was a game changer for us, and if it hadn’t been for that order, I don’t think we would be where we are today. Was it luck, or is that how you look at it with hindsight?”

A trade directory would list the company under plastic injection moulding and tooling, unless it has a category of being at the forefront of the on-shoring movement because of an ability to produce designs from a manufacturing perspective to optimise efficiency.

So when Guru Systems decided to re-shore their smart meter manufacturing with the mould tooling repatriated from China, BEC facilitated the transfer without disruption to the supply chain. For Ecoegg, the environmentally friendlier laundry and cleaning product maker, BEC produce the actual egg-shaped carrier which goes into the washing machine, seamlessly bringing back production from China where there had been issues with missed deadlines.

A consultant engineer and draughtsman who had worked on the development of Concorde, Elvy took on the business with two partners in 1978. His career had begun with an engineering apprenticeship at BTR (British Thermoplastics & Rubber) - “I always wanted to make things” - before he came south to work for a BAE supplier. “I wanted to break out from pursuing a career within a large company,” he explains.



Geoff Elvy

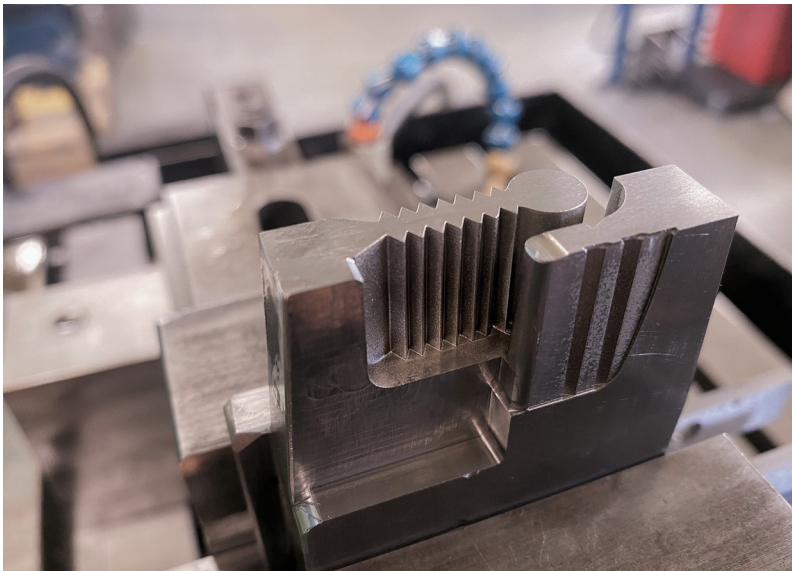
When a plastics and tooling company was set up nearby, Elvy joined to run the plastics side. “I thought this is really going somewhere,” he recalls. And so was he, becoming a partner in the business. Then a bombshell. Having borrowed from the bank to fund an extension to his house, and with his wife about to give birth to their second child, Elvy was taken to one side by the founder who told him the game was up for the business because of tax issues.

“I remember going over to a colleague and saying I wonder if he’d let us buy him out,” says Elvy. “He said I’m in if you’re up for it. I went home and discussed it with my wife, and the next morning went in to ask if we could do it. I left the owner’s office and carried on with my work and about an hour later he came out and said what’s your plan?”

“The next day we sat down with his accountant and did a deal which really meant we bought the equipment. He said he would work for us for two years as a consultant, during which time he would bring over his existing customers.

“He suggested that in addition to Barry Cox, I should bring in a third shareholder-director, otherwise with two of us it might become difficult to decide whether to take a particular course of action. The thing is though, you can’t just ‘phone a friend’ to ask if they fancy re-mortgaging their house to come in on the business.” Although in effect, that’s what Elvy actually did. He made one such call to Graham Blake who politely said no, but a week later got back in touch to ask if the offer was still open. A company was set up with BEC standing for the first letter of their surnames.

Elvy’s existing bank didn’t want to help, so ironically, armed with £30,000 of the bank’s shares as collateral, he secured a loan with a rival. “The



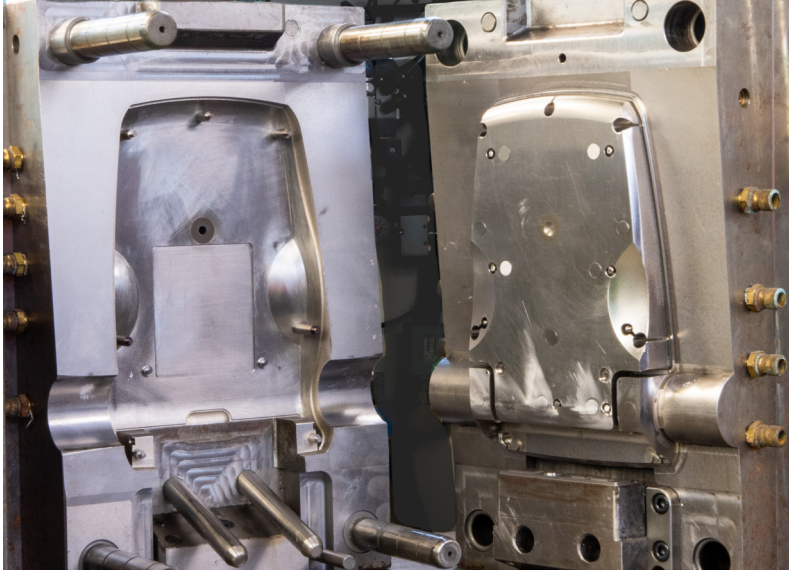
local manager came over and took the time to go through our books, and I just felt he saw in us something which told him we really were going to make a success of this,” he recalls. “When I led the buy-out I suppose it was to provide myself with a job, but I knew that we were able to design and make plastic injection mould tools better, cheaper, and quicker. We would design on the drawing board and then turn round to the machine behind and produce the product. Of course now the whole process is done with CAD with the data sent digitally straight to the machine which eliminates a manual set-up.”

Immediately what set the company apart was a willingness to attempt what hadn’t been done before, such as developing a way to directly import computer-aided design files to the machines, in effect creating computer-aided manufacturing before it was invented.

That ethos continues today. For the new electricity line inside the Channel Tunnel which allows power to be circulated between the UK and France as needed, BEC designed and manufactured the liners to support the cables, in the process producing 3D ‘printed’ parts for testing and then creating a tool able to produce 6000 mouldings a week.

But between then and now, BEC Group (and Elvy himself) have had to overcome what might have caused the collapse of lesser businesses. Ten years after the three partners had taken over, tormented by personal trauma, Barry Cox hanged himself late one evening in the factory. “Obviously we were in complete shock,” says Elvy. “Thank goodness we had proper business insurance in place to cover eventualities that you don’t ever see coming.

“As the years went on, the intention was that Graham and I would retire at some point and my son Mark would take over. Two years after Mark



joined in 2008, Graham retired and I stood down six years later. But as sometimes happens in business, not everything always works out as planned, and Mark left to pursue other opportunities. In truth, I missed being involved because all said and done I'm an engineer-entrepreneur at heart, and I felt I had more to contribute to the business."

And Elvy is energised by opportunity. Such as the time his second cousin came to him with a "brilliant" idea for executive toys and puzzles to aid concentration and reduce stress. "We invested in the tooling and through a distributor got the products into stores such as Harrods, and Hamleys," Elvy explains. "We also started to manufacture games for other companies but unbeknownst to us, our distributor had got into financial difficulties and subsequently went out of business, and while a number of retailers got in touch to ask if we could supply them direct, I said the only way would be if they paid us straightaway because I didn't want to cover any more debt."

Then during the pandemic, BEC Group produced what has been described as the world's safest face visor - in eight weeks from design to manufacture, assembly and delivery of the first order to NHS frontline staff.

The future though isn't built on opportunistic happenstance. In February 2020, Elvy suffered a cardiac arrest, which, thanks to the immediate reaction of his wife, he survived. He says: "I'm living proof that it's important for a business owner to build a management team, otherwise, in normal circumstances, you're spending your time on operational matters and doing the work rather than providing a leadership role. The owner-manager can't just think that everything is fine because the business is providing a good living. It needs to be in the right shape to go forward. I wanted to have management team which would be able to tell me where they think the business should be in five years time."

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Researched and written by DECISION magazine
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