



A Story of Letting Go

106 years Ends in Administration and A New Chapter Starts.

By Dani Saveker

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Let me tell you a little about my story. I'm Dani Saveker and have spent the last 14 years working within Savekers, a family business manufacturing architectural metalwork and shop fittings, products for the construction and leisure industries as well as the public sector.

My story began in 1994 when I first joined Savekers on a temporary basis to carry out a design project as a new graduate from Teesside University. My story there ended on 10th March 2009 when I signed the paperwork placing the company into voluntary administration. The interesting bits have been those in between and equally what now follows.

During my time with Savekers, I grew up and discovered a little bit about life. My lessons have been personal and professional; I have had three children, a failed marriage, found my soul mate, given and received counselling, lost close family and overcome prejudices. As a business owner I've experienced fires and devastation, employing my ex-husband, redundancies, tremendous times and happiness, heartache and struggles and finally relief... and not one bit would I change.

Subhead: The Saveker Heritage

My Great Grandfather, Thomas Saveker, founded T Saveker Limited Shopfitters in 1903 to produce joinery shop fittings. Being the entrepreneur he was he realised that the need for metalwork production was significant during the 1920s and 1930s with gas light fittings and the art deco period. His trade name CEILITE was born which can still be found on locks in Selfridges and H Samuels to name but just two retailers.

By that stage the company was employing some 120 staff and two of Thomas Saveker's sons Herbert, ('Bert'), and Frank had joined him. At the close of the 1930s Thomas' third son, Ronald Charles Saveker (my Granddad) had also joined the firm, as did Bert's son Thomas Derek Saveker.

In 1951 Thomas Saveker, 'The Governor', was the guest speaker at a celebratory dinner for A Edmonds which was celebrating 50 years in business. The following day, aged 73, he died leaving his son to run the business. Unfortunately Bert Saveker himself would die suddenly in June 1960 aged just 56, leaving his son Derek to take over. Following retirement, Derek's son Martin ran the company until selling his shareholding in 2001, while remaining as company chairman.

In 1995 I joined the company, fresh from university. My earliest memories of Savekers were visiting the factory with my Mum to visit her Grandfather and my Uncle, who also worked there in sales.

I must have been about five years old and would enter the building through its large green doors and walk up its big stone staircase. I remember being in awe of the building, yet the distinctive smell was always friendly and familiar. Derek Saveker would make the most amazing paper aeroplanes for me and throw them across the office; he also taught me that most important of executive skills - how to flick rubber bands across a room and into a waste paper bin!

If I was really lucky however, I'd get to spend half an hour or so in the packaging area, counting screws and putting them into bags once a box had been found to stand on. The first proper work I undertook for the company was when a relative was taken ill with pneumonia and I covered for him in the purchasing department.

In 1997 the company relocated. After so long in one place the move was emotional for all involved.

Subhead: Taking over the family business

I set to work on the shop floor as the new production manager and very soon reorganised the production department following which I was offered a directorship. When, in September 2001 Martin Saveker and his parents announced their plans to sell their shares, I knew I wanted to take over.

Within a month of their announcement I'd managed to create a plan of action for the shares. The first part of this was to see Martin Saveker resign as managing director. The Board and shareholders appointed me to replace him. The next stage was to restructure the board and I made Uncle Mike and his step son redundant. To see Mike leave was truly upsetting from a personal stance but absolutely necessary. Although I had my mothers support she never got over it and it left a barrier between us. We entered a very difficult time after this with Mike having a significant shareholding which I needed to acquire to drive the company on.

Just as plans were being put together to resolve the share purchase, we suffered a major setback when an electrical/chemical fire took place in our electro plating plant. The new senior management team were superb and assisted in us resuming production in record time and the insurance company paid up without question. As much as we recovered well, this had been a significant and something we would never know the full cost of.

As with so many things, this offered up an opportunity. We acquired a business out of administration as we had space and quickly followed this with a smaller acquisition. As we entered the centennial year, I completely rebranded the company to drive things forward and finally bought Mike's shares. The cost of this was excessive but we had no choice.

Subhead: Beginning of the end

The new Savekers was all set to finally achieve its potential but despite the investment in new laser equipment and change of strategic direction with key clients, the economic downturn had a significant impact on the business. 2008 was tough and following a number of cost saving restructures, the cash position of the company was under strain. In December 2008 the company successfully received £250,000 from the Advantage Bridge Fund Loan but even this was not enough to cope with the dire sales of early 2009. The average age of the workforce was 55 and the average length of service was 12 years - we simply couldn't afford the cash to make any other cutbacks. In February I realised during a weekend away that the time had come to let go.

On my return, I sat with my co-directors and announced that enough was enough and the right thing to do was to bring in professional advisers. I felt exhausted and relieved.

PART TWO

Subhead: Our insolvency

We're all guilty of reading and seeing headlines with famous company names facing administration and thinking 'oh, another one...' and that's it. Unless you've gone through it you can't begin to have a clue what it's all about. I didn't.

Insolvency Practitioners know their job inside out but they aren't great at communicating this to anyone else.

Once we'd agreed the course of action, things started to slip out of our control. Our bank was told a day before we'd agreed and immediately our account was closed. We weren't quite ready but that didn't matter. Out of the blue I was ordered to go to an appointed solicitor in the city centre - I had no idea what for or what would happen. I went alone and signed the documents applying for an administration order.

It was brief and cold, I literally paid £5 and signed, repeated some words and that was that. After shedding a few tears I went back and prepared a list of who would stay and who would go. It was based on a current order book and we could only keep people directly involved. Again, it's cold and harsh. We didn't know when it would all happen until the day itself. I had to return to sign another document at the solicitors and on getting back to the office I was told that within the hour we would announce things to our workforce.

The only thing I could remember was insisting I did the announcement - it was my responsibility and with a lump in my throat we went down the stairs to the shop floor. I'd left a note on a couple of people's desks just prior to this to apologise personally. I'd known so many of the employees since I was a child.

Subhead: Bearer of bad tidings

There I stood in front of the workforce, small and lonely. You could see they knew from the look on their faces. Where would I start? What do you say to people who have worked for a company for 40 years?

"Ladies and gentlemen, I stand here with sadness in my heart as I have to tell you that despite every effort and hope, we have no choice but to enter administration." I remember my words clearly and with them the first of my tears fell down my cheek. All I could think was that I had a job to do and I must do the best I could and so I fought on and introduced the insolvency practitioner. I continued to stand frozen to the spot, looking at my colleagues but noise seemed muffled and in a distance. I felt as if I was floating over and not really there. The next thing was the list of who stayed and who was to go was read out. Even though names were being read out, people were mouthing "are you ok" to me. This wasn't what I expected.

It was all too much. Suddenly I could feel it all welling up inside me and I moved from direct view. Just then my phone rang. My mum, without knowing what was happening called to see how I was. I'd seen her a few days earlier to tell her the news and shared tears with her. I couldn't speak and she kept saying on the phone 'Dani are you ok, what's happened?' I blurted out 'it's all over now and they

know'. I sobbed uncontrollably and was glad to at least have that connection with my mum. She didn't know but I needed her just as I'd done as a child.

Subhead: The road to insolvency

The question about when a company starts along the road to administration or liquidation is almost impossible to answer. I can think of some big issues that contributed but there are so many factors. We can of course pinpoint October 2008 as a significant event as do so many companies and how the taps got turned off. We thought someone had unplugged the phones it was that quiet all of a sudden.

All of the issues relating to the economic crisis are real but they don't see the demise of a company that has a cash resource - we didn't. Why? An ageing company that had exceptional costs when redundancies were made, untenable sick pay arrangements with an ageing workforce, extensive fire, family redundancy costs, buying shares out at extortionate prices to free the company, greedy Union officials, a vast building and overheads, bank fees and invoice discounting etc etc. There were so many factors.

I personally feel that the company killed itself. The heritage was the downfall in so many ways. Everything has a life and companies are not the exception. Savekers had been ill for years - from the recession of the 1990s possibly and despite finding cures for some of it's ailments, ultimately life ends.

On visiting my cousin Derek Saveker in March to discuss the company failure, he told me something I will always take with me... he said that he was amazed I'd kept it going for as long as I did. He said he expected it to die 10 years earlier. This is someone that had walked the same path I had and he knew better than anyone. Some of the responsibility and guilt I felt drifted away and it was like having permission to move on. I'd done my part and I'd done all I could. It was time to grieve and then remember the good times - just as with the loss of a dear friend.

Subhead: Pause for reflection

Obviously I'm at a point now where I've done a fair amount of reflection. I've always tended to over-analyse, especially myself and my actions. Going through insolvency is surreal in so many ways - things are taken out of your hands and it's not something you can fully prepare for. So during my leadership, what did I get right? I don't know whether it is fitting for me to answer this, perhaps my customers, my employees and those around me are better placed.

I guess I stand by the way in which I have always conducted myself. I have very strong views about honesty and transparency, fairness and sharing the vision. The point I go back to in my dreams is the day I told Martin Saveker I would carry out an MBO and take over. I wouldn't change this - he was so right to realise things needed to change. The biggest issue within certain areas of the family was the "value" of the company. There was an inflated perception of value and so we wouldn't have been able to sell externally and meet their expectations. I was the best person, and only person, to step up to the plate and from that day onwards I did everything I could.

Equally I was the only person that could remove family members who were detrimental to the business. I always viewed the company as just that rather than as a legacy.

Subhead: The benefit of hindsight

There's nothing I would have done differently - everything that happened did so with reason at the time. I would still acquire businesses and it would still be essential to take people out of the business. Perhaps a better question would be this...

"Given a blank piece of paper and the knowledge and experience you've gained, what would you do...?"

The biggest single problem was the age of the company and the 'baggage' it had as a consequence. No amount of wishing and skill would have changed that. One thing I would do is create a better and ideal Board and it would include non-executives. I also would invest in coaching for myself - I invested in everyone else and although it may not have stopped what eventually happened I think I'd have made life a little easier for myself.

Subhead: Moving on

I entered the company against the natural family system (it was only males and from a different line of the family) and therefore didn't have the burden that my male relatives felt. I was able to put my own stamp on things and it worked well. However, I didn't realise that even then I did have a 'duty' which weighed heavy. In the last few years everything I did was to get the company to survive - for my mother, my cousins, my employees and their families and not once did I think of whether it was what I wanted.

What I learnt during the 15 years was unbelievable - about myself, my ability, practical lessons including welding and metal polishing, HR, health and safety, management, financial analysis, MBOs,

acquisitions... everything really. Someone told me recently that such experience was invaluable and simply can't be bought - so true.

Ultimately, it was no-one's fault; it was time. There can be no regrets. That's why I wish the new company and owners much luck. Our Savekers has gone and is at peace now.

Subhead: From the Board Table back to the Dining Table

Having travelled the journey of a family business I have seen first hand the highs and lows. Without even realising it I had assumed a responsibility and burden far greater than a non family member would when running a business. The biggest sacrifice I made during my career at Savekers was that of the relationship with my mother. Although we'd never had a particularly strong relationship without doubt the business drove a barrier between us. I now see that this was partly based on the completely unfair and sexist approach of the 1960's and 70's - a time when my mother was setting out on her career. In many ways I think I did what she would have loved to have done and this was difficult for her. I believe that through me she saw an opportunity to remove the distance that had been imposed on her as the 'daughter' of a Saveker rather than of a 'son' but it wasn't to be. Decisions in family businesses are often not commercial decisions but based on very strange traditions. They are not made based on ability or skill but often order of birth, the family line or gender.

Despite all this, whenever I have been asked about my business training I always acknowledge my upbringing and basic lessons Mum provided - fairness, manners and respect. I'm sure she won't ever truly know the impact she had on me and what I achieved... but now I'm just glad that she is my Mum now and not a stakeholder. The healing process takes a long time but I adore my Mum and hope that the rest of my journey is one she is proud of. I have an incredible support network through both of my parents and my husband but I'm glad to have first hand experience of what it feels like to be a family business owner. I hope that I can continue to work with family businesses - I have walked that path and know the pitfalls, I've cried the tears and found the smiles.

Box-out:

The next page of the story

In many ways, watch this space! At the moment I am recovering, using my contacts and experience and helping other businesses. I have a passion for entrepreneurialism and see many businesses continuing to fail and their leaders need some support and so I am raising the issues surrounding it - from the insolvency process to development of entrepreneurs.

I have a strong belief that we need to work to our strengths and so I am also helping people to discover what their personal strengths are as well as those within their businesses.

This also includes young and future entrepreneurs - while in further education we should support them to understand what their vision is and how to reach for the opportunities. Careers advice when we were at school was just appalling and it's such an important time for decisions and development. I am currently working with HTI (Heads, Teachers & Industry) an organisation that strives to improve the employability of children in the future through linking business and schools.

I want to bring real business examples into sixth forms - give children access to the real world. Teach them to write business plans and cashflows - you'll always need to manage cash!

When Savekers went into administration I was unsure how I felt about our industry - shopfittings - but having recently undertaken a full fit out contract recently it has shown me that it's actually in my blood and I loved every minute of it. Being able to take more of a creative role and manage the project was a joy and something I shall continue to do along side my other work for businesses and organisations. I have been delighted to work along side one of my loyal customers and it's demonstrated how beneficial it can be to work in partnership with people you trust!

As for the ongoing process of administration, only this Friday just gone reminded me how wrong the IP's can get it when delivering news and that they linger for a considerable time. Since Savekers Limited, went into administration in March 2009, my 3rd cousin and I have had a personal guarantee hanging over our heads. I have to say that both of us have chosen to put this to the back of our minds... until last week!

During the administration process I proactively helped the IP's to sell the business - which we managed to do. At the time I ran up £75 of expenses which were to be covered by the administrators. 6 months on and after several chases I received a cheque. The last 6 months have also been a time for the administrators to sell our 60,000 sq ft property just on the outskirts of Birmingham City Centre. We were assured that this sale would more than likely satisfy the amount we had guaranteed to the bank.

It always amazed me that during the struggle and lack of salary that my cousin and I endured at times, the personal guarantees we were forced to accept to save the business seemed irrelevant to fellow board members, the Union and senior employees who were all aware of them.

I wrote an email on Friday to the IP's to acknowledge receipt of the £75 only to receive this

"I'm glad you emailed, need to let you know about an offer we have had on the property. It is at the lower end of valuers estimates but we have had very little interest to date and they have recommended we accept. The offer has been forwarded to the Bank for their consideration and I am waiting to hear back from them... I just wanted to let you know that there is a strong possibility at this stage that the Bank will have a shortfall ..."

And there you have it, on a Friday afternoon at 4pm the IP's prove once again they don't have a clue about people and how to deal with them. This is also considering that when I called them in initially, during the first meeting they told us "Don't worry we'll look after you".

Personally I am ready and prepared to deal with whatever the Bank have to do - but receiving emails like the one of Friday made me so angry and yet not surprised in the slightest. The lessons I have learnt even in the last 6 months are considerable and I regard them as invaluable.

Box-out:

Would the US version of the story be different?

It is a known fact that in the States, businesses failing are seen as a badge of honour and I love that. Peter Jones, Richard Branson, Steve Jobs - so many highly visible business people have been through losses and failures. Entrepreneurs bounce well. Again, it's why I'm proud of my badge and membership of the 'club'. Failure isn't something I accept and just as with a broken marriage, it's not FAILURE it's just part of a journey.

The Steve Jobs commencement speech in 2005 about joining the dots of life is so wonderful. He didn't see the value of college and stopped taking classes he wasn't interested in. He became interested in calligraphy instead. 10 years later when designing the Mac he was able to use this training to have the first computer with wonderful typography - which later was copied by PCs.

You have to trust that the dots will connect further down the road. He was fired from Apple, a company he started... he fell out with the Board and was publicly thrown out. He didn't know what to

do and felt a 'failure' but something dawned on him. He loved what he did and despite the rejection he started over again. It turned out that the heaviness of success was the lightness of being a beginner and allowed creativity to flow. He went on to start Pixar, the most successful animation studio in the world.

Again I understand the feeling but no-one could have told me that's what I'd feel. So many friends and contacts have told me that going through insolvency was the best things to ever happen to them - and they are all very successful now. It has to tell you something!

Sometimes life hits you in the head with a brick - Jobs would tell you to find what it is you love and do what you believe is great and don't settle for anything less. You'll know when you find it. His final advice is to remember that you should live each day as if it's your last because you will be right one day.

<http://www.youtube.com/watch?v=D1R-jKKp3NA>

- ENDS -

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