

THE NEXT STEP

HOW AMBITIOUS BUSINESSES CAN
ACHIEVE THEIR POTENTIAL



**Repercussions- and
how to avoid them**

**Interview with Oliver Nicholas
Managing Director
Lightsave**



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A report commissioned by SAS Specialist Accounting Solutions considers the biggest challenge for any independently-owned company which has the potential to go further.

The ability of the owners to scale the business.

In their own words, directors talk about the issues they are having to address and how they want to achieve their goals.

The interviews will be brought together as a report to be published by DECISION magazine and then as a digital book.



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Why does Oliver Nicholas always focus on what could possibly go wrong? Not because the managing director of Lightsave is looking at the opposite of the bright side of life. It might seem counter-intuitive, but he says it enables the business to move forward more effectively.

“I always look at what would be the worst-case scenario because I think a key consideration for a growing SME is to have back-ups in place,” he explains. “So for example, we only had one fork lift, which meant that nothing could come in or leave the warehouse if it broke down. The company next-door was in a similar position, so together we bought another truck which we share. This is the kind of issue which could cause real repercussions for an SME but wouldn’t even register in a large business.”

It was thirty-five years ago that entrepreneur Alan Kilford set up the lighting products and consumables company from his one car garage, buying a bit of stock and selling it to the trade. The pandemic arrived at the same time as he decided that he wanted to step back, and Oliver Nicholas was appointed managing director.

Oliver Nicholas



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“A USP a company in our position will have over a Screwfix or a B&Q? Being a specialist means you have more intense product knowledge,” he says. “Having product knowledge is essential for an independent supplier, but it’s such an easy claim for anyone to make. But knowledge by itself isn’t enough. We have a training session every week on Friday which isn’t just to do with what we sell. I’ll give you an example. We had a session on communication, when staff were blindfolded and had to describe an item in front of them and explain to everyone else what was missing from it. The point was also to encourage people to listen and co-operate together.

“An independent company can demonstrate differentiation if it is able to put itself in the shoes of the customer; so, for example, we arranged for our phone lines to be open from seven-thirty in the morning until six-thirty in the evening because we identified those are the hours when customers want to call us. We also still have sales people who will visit the customer to provide a site survey.

“Our vans have been fitted with a GPS system so the customer can be notified by an automated text message if the driver is stuck in traffic. As a company though, you can’t harp on about these specifics even

though they can be a unique example of service; they're something the customer has to experience to appreciate.

“We only sell branded products which means we can provide the customer with support from the manufacturer, an extra dimension to our service. So going out to make our own products in China would be a red line for us, and that's also a differentiator. Amazon, for example, have their basics range as well as selling leading names in the sector such as Phillips, but I think that's piggy-backing off established brands.”

Now thirty-three, Oliver Nicholas has been involved with Lightsave since he was eighteen. It started somewhat tangentially. “My father was head of maintenance at Penny Hill Park Hotel, and during the summer holiday between school and university he got me to write the administrative procedures for new software which flagged up when he needed to do remedial work,” he explains.

“Lightsave were one of his suppliers and they asked if I would have a look at their computer system, so I was working all day with Dad, and then going to Lightsave in the evening. They then asked me to do their website.”

He went on to graduate from the University of Portsmouth with a degree in economics and marketing, his student days paid for by his website work. After which he took an internship with TUV, the German owned certification company, before deciding to set up his own digital marketing business.

All the while Oliver Nicholas was still doing work for Lightsave, and when they won a contract from Hilton Hotels which involved sorting out and cataloguing 90,000 lines of Excel relating to their lighting requirements,



including an analysis of how often individual items were purchased, he took on the project and streamlined that number down to nine hundred.

“I realised after that project that I was the one in the office who people turned to if they needed the LED equivalent of an existing product, or a product code,” he says.

Seeing a B2C opportunity, he decided to set up a new company, The LED Specialist, a joint venture with the co-owners of Lightsave in which he has a 45% stake, and at the same time he was continuing to run the marketing business he’d started after university.

His intention when he was appointed MD at Lightsave? “We needed to reduce our exposure to hospitality as a percentage of turnover, and I

want us to be the first place people would think to go to nationally for lighting products,” he explains.

And he has a plan to make that happen. “The entrance to our 70,000sqft warehouse has one of those old-school counters you would expect to see at any electrical wholesaler, but I want to have a building which is fronted by a smart lab, where people can come in and play with the technology, like they can at an Apple Store - to learn, not necessarily to buy. It means we would be seen as the ‘go to’ resource, and our staff can be exposed to seeing customers interact with the product.

“Investors in People, gaining a Kite Mark, ISO accreditation - I’m all about processes which will enable us to perform and build a business on a sustainable basis,” he continues.

“We have numerous KPIs, even measuring how long it takes to put goods inward items into the right place in our warehouse. I’m not a pioneer but the business equivalent of a chef, taking ingredients and trying to make them into a really good company. I also feel that the managing director of an SME needs to be the backup for everyone. With the new GPS system for our delivery vehicles, I wanted to learn all about it, not just so I knew how it works, but in time how it can be improved.

“With technology, for starters I want to know if it can save time and enable us to better follow a process - that’s a win for me. Process is as important for an SME as it is for a larger business because if the person overseeing a key task is away, you need to have failsafes in place. Sir Alex Ferguson, when he was manager of Manchester United, said no name should be bigger than the team, and that applies to an SME if its growth is going to be sustainable.”



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Since becoming managing director at Lightsave, the work at Nicholas's agency (Rainbow Gold) is largely undertaken by subcontractors under his watch, although he devotes one day a week to the venture.

How then, is he able to keep the different plates spinning? "It's by having good processes in place. You can't clone yourself, but what you can clone is the undertaking of particular tasks, using technology to make them happen and to complete them," he suggests. But how hard was it to be accepted by the staff as managing director when he moved up from the 'shopfloor'? "On my first day I received a resignation, but you have to keep in mind the expression about what has to happen if you want to make an omelette," he says ruefully.

Meanwhile, Oliver Nicholas has a particular focus which he believes is essential from the moment a company first opens its doors. "In the early days of running a business it's easy to undervalue your work," he says. "But just remember there are bills to be paid. Right at the outset the focus has to be on margin. When I took over as managing director, I calculated that if each person here could give me 0.01% more every day, it would mean together we can produce 37.7% more output at the end of the year. That's the difference in paying attention to the detail, because on an accumulative basis small amounts really add up."

Although his take on business process and productivity stacks up, in theory at least, what he really enjoys is being creative, coming up with new ideas, like the hub. "Although," he muses, "you realise as time goes on that there will always be tasks that don't pique your interest but which are essential parts of your role. What I like doing the least I deal with first in the day, because afterwards, it feels more like plain sailing."

www.lightsave.co.uk

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‘We strive to give our clients the most reliable, accurate and insightful financial information’, says founder Sean Hackemann. ‘Our passion is to help businesses fully understand the numbers which in turn helps them create, grow and sustain great businesses’.

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