

Something to be really proud of...

En Passant Interview - Don Davenport, CEO Compass Group UK and Ireland

Not only has Don been a key business figurehead, he has also been a passionate and committed supporter of Industry causes including time spent as Chairman of both Hospitality Action and People 1st.

He is one of the great characters of the Industry and there are many stories that circulate about how Don has helped, mentored and supported many of the Industry's leading talent over the past three decades.

En Passant therefore was delighted to have the opportunity to pose some questions to a man who has overseen some great changes within the Industry and who played such a pivotal role.

EP: The Industry has changed much over the past fifteen years. How do you see the Industry progressing over the next few years?

DD: *Really the most dramatic changes have been over the past 5-6 years as the types of contracts that customers are now requiring have changed from being a mainly cost plus, non risk business operation to contracts that carry far more commercial risk, which are more fixed price - a lot more profit and loss in nature. For contractors, this has resulted in allowing far more freedom to operate within their sites. It has become far more a genuine business proposition and this has meant that different skills have been required. It is far more about selling food and making a profit. With this additional risk comes the additional opportunity to make more money, but it is up to the contractors to maximise this freedom to operate.*

In addition to this, customers and the market are looking for more "bundling" up of services. So, they are seeking not just simply catering services anymore but a combination of catering with reception services and other soft services.

EP: There is great debate over profit margins within the Industry and how the contractors are now asked to work to low margins. Is this a sustainable trend?

DD: *One also has to say that it is not just contractors that have been hit by lower margins but all businesses, across all markets. To a certain extent, this has been the result of a low inflationary market. You can see this in the retail sector and what is happening with the majority of supermarkets. It is not particularly a contracting issue but a general issue. There are "Buy one, get one free" offers all over the place.*

EP: Compass is seemingly an often misunderstood company. Many see it as a tough, uncompromising financial giant and often miss the fact that Compass invests more heavily than most into key Industry causes. Has this been an area of frustration?

DD: *I think that generally the press write from a stance that says if you are "small you are beautiful" and if you are a large business, then you are not. Again, it is not just the case in Hospitality but across all Industries - especially when you are in a service Industry. There is a feeling that the larger players cannot provide great service - which is clearly not true.*

So, the frustration that I have had over the years is that I am not sure we get good press about the good things that we do such as the Junior Chefs Academy that we started with Whitbread, which has had hardly any press and yet it focuses on one of the biggest issues that the Industry has - the provision of skills for the future.

EP: There is great debate as to whether Hospitality companies have become too dominated by the "Corporate" face and that some of the great leaders of

yesteryear would not thrive in today's market - figures such as Gary Hawkes, and Marc Verstringhe. Would you agree?

DD: *It is always a difficult one to answer because when they were around, they adapted themselves into the market of the time and I suspect the truth of it is - especially with someone like Gary - that they would adapt themselves into today's market as well. They would still have been successful as they have the ability to understand what clients and customers want and to deliver against these needs.*

EP: It is an often stated statistic that the lifespan of an UK CEO is just over 36 months. You have lead businesses for many years - Do you believe that people are given long enough to develop successful business strategies?

DD: *I think that shareholders are more demanding and they need to see growth and for that growth to come through in cash. One only has to pick up the financial press and someone is getting hammered for something. It is just more aggressive. Businesses are more transparent today - far more honest than ever before and mistakes cannot be hidden. Today, what you see is what you get.*

EP: How have the pressures of leading a business changed over the past decade?

DD: *It is a great question but as you live through the pressures posed by business every day, you don't really stop and think about it. I think the key point is that if you are being successful, you shouldn't just sit back and think, "I am successful". There is always room for improvement. It is so important to listen to what your clients, your people and your customers are saying. We do far more research today and we have a greater understanding of our employees*

It was recently announced that Don Davenport would soon step down from his role as Chief Executive of The Compass Group UK and Ireland and retire from active service. Don has been one of the key figures within the Hospitality Industry for over the past three decades - in senior leadership capacities, with Sutcliffe Catering, Granada and Compass Group. It will be strange not to see him at the helm.

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I have experienced being bought, sold, and merged. To be able to survive that is very challenging as companies have different cultures and they ask different questions of you. You need to adapt and ask yourself questions as to whether or not this is what you want. You can only adapt if you feel comfortable with the culture of the company that you are working for.

EP: What achievement has given you the most pride and satisfaction?

DD: I think the Compass merger as it was one of the biggest that had happened in the UK and I think that a lot of our competitors, at the time, were rubbing their hands in glee assuming that it would all go wrong. But the reality is that, over the past 5 years, we have had our best sales results and retention levels have been excellent. I think that, after the merger, we ended up with the best of two major companies with a very powerful management team - which is really what the merger was about.

EP: The Hospitality Industry faces a number of key challenges ahead. Which do you believe to be the most important one that the industry needs to face up to?



DD: Undoubtedly, the skills shortages. The really good thing about the 2012 Olympics is that it gives us a fixed date to work towards in respect of improving the skills shortfall, this will be a really good thing for the industry as it will focus everyone's mind on what is a serious problem.

It is so important that we focus on developing real craft skills. I am quite passionate about this and I have enjoyed the work that we have been doing at People 1st, trying to address this issue. What happens if a business cannot find good enough skilled employees is that the business begins using more and more manufactured products and this cannot be healthy for the industry.

EP: How do you believe you will be remembered?

DD: From a trade point of view, I would like to be seen as a person that was really supportive of craft training and its people. From an industry point of view as someone who has stood up for quality and standards. If you look objectively at the industry over the past decade or so, it is really quite amazing what has been achieved day in, day out. I go around some of our operations in Canary Wharf and some of the standards of food and service are truly superb and this is something to be really proud of.

...continued from overleaf

and our clients. There is a clear link between when a workforce is generally happy and success in business. You can clearly see it - so service levels improve, clients are happy and business becomes more profitable. We have done far more research in these areas which gives us much more confidence in understanding what is happening.

EP: What are the key attributes required to be a successful CEO?

DD: I think that honesty is so important. Trust is key to leading a business effectively.

EP: On reflection, how do you view your career?

DD: I think that it has been a great career, starting from being a chef and working at every level of a company, which has really been quite interesting. I have always believed that it should be caterers that run catering businesses. There is just something about the service mentality that you have to instil throughout an organization and finance people can not always achieve this. This does not mean that they can't manage businesses effectively. There is just something inside a caterer's mindset, which is important to really appreciate and understand.

