

Cool head and hi-tech wives: a recipe for tough times

By investing in new technology such as artificial intelligence, top firms are leaping into the future

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In head offices across the UK, from Aberdeen to Plymouth, Britain's largest private businesses are making bold decisions to expand and innovate. Over a quarter of the companies in our league table increased their total sales by more than 10%, with 10 achieving growth above 20% – a remarkable achievement given their size.

One of the 10 is Sir James Dyson's eponymous firm (No 15), which is going from strength to strength.

Demand for its household appliances in China, Indonesia and the Philippines helped drive its 43% increase in sales to £2.5bn last year. The company is reinvesting the profits from this growth, with £2.5bn earmarked for new technology and an expansion of its research and development operations in Malmesbury, Wiltshire.

Overseas expansion is also part of the plan at London-based Greenergy (No 2). Under the leadership of its co-founder and chief executive, Andrew Owens, it is taking the fuel supply experience and capabilities it has developed in the UK to new markets such as Canada and Brazil. Focusing on being the sector's most efficient and effective operator, it has secured an enviable market share in the UK and is in a great position to replicate that success overseas.

Other Top Track 100 leaders see their future growth coming largely from the UK. For instance, Iceland

(No 12), the frozen-food retailer founded in 1970 by chairman Sir Malcolm Walker, is also outperforming its peers. "For many businesses the natural response to tough trading is to cut costs," says Walker, who was knighted in the Queen's birthday honours last month.

"Our approach has been the opposite, increasing investment for the long term. We have also rolled out a new and successful larger store concept, the Food Warehouse, and recently developed a new format for our core Iceland stores that significantly enhances their appeal, while at our head office in Deeside we have invested £5m to create the best product development kitchen in Europe."

Rather than retreat in the face of the current political and economic uncertainty, entrepreneurs such as Dyson, Owens and Walker are all making bold decisions and investing in the future.

Such positive thinking is

attractive to investors, who like to work with ambitious businesses that want to scale up. In 2012 Walker's plans were backed by Brait, a South African investment company and a client of Linklaters. It acquired a sizeable stake then and increased its holding in 2015. It also owns the clothes chain New Look (No 38) and Virgin Active, a Top Track 100 alumnus. Its appetite to work with such prominent British brands is a reminder that the country is still seen by many as an attractive place to invest. It will be important to protect this reputation as the Brexit negotiations progress.

The new trade rules, tariffs and procedures that will emerge from Britain's decision to leave the EU are just one element of a rapidly changing business landscape that entrepreneurial leaders have to navigate. Another is the opportunities offered by emerging technology, such as machine learning and artificial intelligence (AI). With applications in virtually



Sir Malcolm Walker and product chief Neil Nugent of Iceland (No 12) in its £5m kitchen

every industry, these new capabilities are being used not just to reduce costs but to create new possibilities. Linklaters has created Verifi, which can sift through vast regulatory registers for client information in hours – an

exercise that was previously time-consuming. We have also created an AI-backed data tool called Nakhoda that is making complicated due diligence and legal analysis work much more efficient.

AI is also being installed at

the Liverpool-based online retailer Shop Direct (No 27), which runs websites such as Very.co.uk. Alex Baldock, its chief executive, says: "Over the next 12 months, AI will start to change the game for us – from personalisation to

credit. We are making a big investment in building a digital workplace fit for the future."

Technology will undoubtedly facilitate future trade but will never replace personal relationships. These are the bedrock of the relationship between businesses such as those in Top Track 100 and their most trusted advisers. At Linklaters we aim to build personal relationships with our clients, working with them to arrive at the best options, whether that is navigating global regulations, a stock market listing, a trade sale or a refinancing.

The most effective leaders consider all their options. It is often said entrepreneurs see opportunities when others see problems. We think those marrying bold decision-making with investment in the right technology will stay ahead of the game.

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