

# Recognising change can be the catalyst for growth

Businesses are adjusting to the impact of Covid and see potential for expansion

**TIM HINTON**  
SANTANDER



Adapting to change has been the name of the game for the last 12 months and this year's Profit Track 100 shows what can be achieved.

While all businesses were disrupted by the initial lockdown, many have bounced back by spotting new opportunities for growth or following through with long-term plans: companies in industries as varied as med-tech, construction and fashion ecommerce are thriving.

The lockdown-induced pet boom has helped York-based VetPartners (No 20) recover

from a 45 per cent revenue drop last April when, during the first lockdown, it had to temporarily close more than 25 per cent of its clinics. It went on to record the highest operating profits on this year's league table of £45 million. It is now acquiring clinics in France and Italy and is planning to enter other European markets soon. Brexit has also seen it create a new service: providing certification for exporters of goods that contain animal products.

A growing online retailer that is expanding overseas explained that the US is now its second largest market after the UK. A key lesson learnt has been that different taxes, rules and regulations apply in each US state – a challenge many UK exporters to mainland Europe are now facing when registering to pay VAT in each member state, which is why Santander is offering training on trading with Europe in 2021 and beyond.

North Yorkshire-based

drinks maker Corinthian Brands (No 81), best known in Scotland for its Dragon Soop range, is rapidly expanding in Northern Ireland. Sue Cottingham, finance director, says new labelling requirements have proved troublesome, as they now need to have an EU or Northern Irish address – and Corinthian does not have a subsidiary in either territory. "Luckily, a main distributor is happy to allow us to use their details," she says.

Outdoor services firm Ground Control (No 87) is also confident about its prospects. Led by chief executive Simon Morrish, its grounds maintenance business suffered at the start of the pandemic as clients requested a suspension of some activities, but work such as clearing vegetation for utilities companies and construction remained robust. It now expects its results for the year to March 2021 to be slightly up on last year's £14 million operating profit on £123 million sales.

Longer term, it aims to reach sales of £300 million within five years and has ambitious environmental sustainability goals. It has already achieved certified carbon neutrality, has invested in more than 100 electric vehicles for its staff, and is on the way to installing 10,000 electric vehicle charging points. Last May it committed 5 per cent of its annual net profits to a £5 million impact venture fund to back environment-focused entrepreneurial initiatives and plant one million trees, as director Kim Morrish told Santander's recent careers fair.

It is great to see such innovative thinking on the environment while adapting to the difficult and changing economic situation. Saving the planet is high on our agenda too: Banco Santander last month committed to net zero emissions by 2050, including those from the customers we finance or advise. Our own operations are already carbon neutral.



**Simon and Kim Morrish of Ground Control (No 87) are backing environmental initiatives**

Entrepreneurial businesses have a significant impact on the economy and society. Led by our specialist infrastructure and renewables team, we have backed Ground Control's expansion plans – including its acquisition of JW Crowther & Son, known as The Gritting Company, in 2019 – and want to support similar businesses. Founders

recognise that they need help to achieve their goals, and look to partners who can step up to the challenge.

In addition to finance and banking services, we can help our customers make informed decisions. A call to one of our relationship directors could lead to a warm introduction to a potential new customer, supplier or other useful

RICHARD MURGATROYD PHOTOGRAPHY

rest of 2021. Our latest trade barometer survey of 1,000 UK firms found that while current trading was weak, confidence levels about future prospects were at their highest since 2018. Some 26 per cent of firms were considering diversifying their services and products to achieve growth, while 17 per cent were doing so with their supply chain.

Contrary to what you might expect, 26 per cent thought it had become more important to trade internationally since Brexit, compared with only 5 per cent that saw overseas expansion as less important, with North America overtaking the EU as the region seen as offering the best prospects. Thinking big and adapting to the changes all around us will only help the recovery gather pace. We look forward to helping it build momentum.

*Tim Hinton is head of corporate and commercial banking at Santander UK*