

The Brand Builder

When Ian Toal arrived at dairy concern Adams Foods in 2011 he immediately set about making much-needed savings to secure its future. He talks to Criticaleye about the challenges of developing an entrepreneurial culture in an organisation that had become set in unprofitable ways

I make people make things happen. I like pace.” So says **Ian Toal**, the 46-year old CEO of Adams Foods.

It’s an approach which Ian has applied in a variety of roles before joining the dairy company: “When I set about my career, I consciously decided to not be pigeonholed in one particular category. I’ve been involved in virtually every category of food and non-food there is, working as much in the food service sector as I have in retail.”

Ian is now taking on his third and hitherto largest turnaround challenge in the previously unfamiliar industry category of dairy. He was brought in as CEO last July by parent company the Irish Dairy Board (IDB), not long after it had created Adams by merging its two principal UK businesses.

Adams was, in Ian’s words, “a dozing giant”; a somnambulistic company with a strong unionised workforce and solid chief brand assets in Kerrygold butter and

Pilgrim’s Choice cheese, both of which were struggling to maintain distribution to major supermarkets. The two businesses needed integration yet the new combination was leaking around £2 million a year.

“Although losing money, the company was well financed and had the ability to be put right,” he reflects. “It’s a decent sized business to turn around and that’s the journey I wanted to go on.”

GOODBYE TO ALL THAT

Ian’s growth strategy for the ailing business involves increasing turnover from £335 million today to £500 million in 2015, and to completely change the perception of its brands within the marketplace. “We’ve gone from a business where they’d ‘done it that way’ for 50 years, to suddenly having to do most things quite differently. We had to get over the barriers not just with the trade unions, but with the workforce and our owners too.”

From top to bottom, Adams Foods was a risk-averse business and to get everyone on board was a challenge in itself. But for Ian, who followed his father and brother into the food industry after his dream of making it as a pop star “withered and died”, the journey seems to be just as important as the destination.

“The biggest thing we did in developing the strategy and making all these things happen, I think, which changed the fortunes and the way the business operates, was to engage everybody on that journey,” says Ian. “I literally presented to every single employee what the plan was: the good, the bad and the ugly. I wanted to explain what was working, what wasn’t, what we needed to change and why.”

Communication and inclusivity are perhaps the key tools that have enabled Ian to create such a rapid turnaround at the company. He says he likes to understand what makes people tick, as evidenced by the fact that, in his first weeks in the job, he spent six nights working

in the factory. “I actually went and stood next to every single one of our employees and did what they did. It’s instructive to just listen to the people who do it every day,” he says.

This helped him to resolve niggles – “small, yet fundamentally important things” – such as the lack of radio and poor catering facilities. But on a more serious note, it gave him great operational insights and ideas to fuel the introduction of lean manufacturing techniques.

When managing change, listening to people at all levels is important, he insists, but it’s even more powerful if it feeds through to inspirational ideas. “People want to follow somebody,” says Ian. “People want to actually believe in something.”

CARTE BLANCHE

Although Ian was not issued with a specific brief by IDB – “The important thing for IDB was that they were on the journey, and they were just happy that it was going to get sorted out somehow, some way” – he set about consolidating manufacturing into a single factory, closing an older facility, thereby cutting the overall headcount, which meant substantial savings were produced that immediately took Adams from a loss-maker to a breakeven situation.

“Of course, to go and tell 300 people on the 1st December that we’re going to close the factory where they work is not an easy thing to do,” admits Ian. “But the reality is that these quick, decisive actions in the first six months took a lot of pressure off. Suddenly, I had a stable base to start working from.”

In parallel with any sweeping operational changes, Ian knew it was necessary to ensure he had the right people in place to deliver

the changes. “You need different types of talent at various stages of a turnaround. Even when just running a business, you require a mix of skills for different situations and stages of growth,” he states. “But the people who simply don’t want to be on the journey shouldn’t be, and those are the people that I removed very quickly.”

It took him a year, but he has made some tough decisions and removed 90 per cent of those identified as underperformers from various levels of management. At the board level, made up of eight people, he’s brought in three new members.

People now come to me with ideas rather than me having to ask them

“I haven’t made wholesale changes to the main board of the business. I think the danger in doing that is you end up with everybody very keen but not really understanding the actual business, neither its culture and history, nor the mechanics and wheels that you can turn.”

With the right mix of talent and following frank discussions with some of the company’s biggest customers (including one client that initially refused to accept a price increase despite the rising cost of raw ingredients), the company was finally able to move its focus onto Ian’s ambitious top-line growth strategy.

Using the money saved from the significant cuts in overheads allowed the company to fund a multi-million pound re-launch of Pilgrim’s Choice and Kerrygold without taking recourse to the parent company. This marketing push was fundamental to achieving wider distribution for the brands.

Backed by an advertising campaign featuring a gun-toting, razor-wielding cowboy, as well as a Facebook page and a sandwich-making iPhone app, Pilgrim’s Choice is now “the only branded cheese that is available in all supermarkets”, claims Ian.

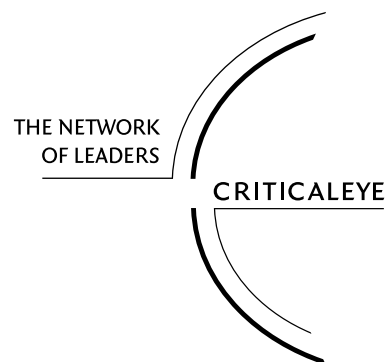
He is understandably proud of seeing these brands launch with TV advertising for the first time in their history, too, and watching the business “go from average to very good”.

So far, the investment in marketing and brand building appears to be paying off. The business had sales of £335 million

in 2011 and has been in the black since the beginning of 2012, with profitability improving by 1,000 per cent.

“We’re back at levels of profit beyond what the company’s ever made,” says Ian. “We’re leaner, faster and more exciting. It’s fabulous to see people’s heads up, too, and to feel their sense of enthusiasm. People are now coming to me with ideas rather than me having to ask them, and the plan has all come together in the shortest period of change I’ve ever been able to create in my career.”

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VITAL STATISTICS

Born:	1966
Place of Birth:	“Conceived in Ireland, born in England”
Married:	Yes, with four children
Educated:	Bath
Business Hero:	Younger brother, Sean, (“He earns a lot more than I do!”)
Favourite Film:	Notting Hill (“It’s one of my feel-good movies”)
Hobbies:	Music (“I started life as an aspiring 80s pop star”)
Favourite Song:	Coldplay’s ‘Fix You’
Best Holiday:	Provence, France



Ian Toal
CEO
Adams Foods Ltd

At Adams Foods, which specialises in the supply of branded cheese, butter and added value private label products, Ian leads a team of around 600 staff nationally. Since he started with the company in July 2011 he has managed to save in excess of £5 million through streamlined manufacturing and has improved profitability by 1,000 per cent. He has also re-launched two major iconic brands with major advertising. Over the past six years Ian has led the successful turnaround of two other major businesses, namely Delice de France plc and IAWS.

Contact Ian through www.criticaleye.net