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## TURNING A REACTIVE BUSINESS TO PROACTIVE SUCCESS

### IRS Limited

CMC is helping this successful business to position itself for significant growth, reduce risks, plan for the future and – when he is ready – provide the founder with a comfortable retirement.

#### THE CHALLENGE:

- Introduce effective business skills while maximising the enthusiasm, experience and knowledge of the directors
- Broaden the customer base
- Change a reactive culture to planned, strategic growth
- Enable the founder to retire from a healthy and expanding company

#### THE SOLUTION:

- Carried out a full business review
- Created a structured business framework with regular review and planning meetings chaired by Bob Brown, their local CMC Partner
- Defined the responsibilities of directors and key personnel
- Provided advice and mentoring on sales and financial planning
- Centralised sales enquiries and put lead management systems in place

#### THE BENEFITS:

- The directors can now focus on strategy and long term planning
- Profitable new revenue streams have been identified
- Clear lines of responsibility have eliminated duplication of effort and identified where the team needs to be strengthened
- Key strategic risks were assessed and steps identified to minimise impact on the business
- In six months working with Bob from CMC, sales have returned to £2.3m and profitability is now at an all time high



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Mark Parsons – Managing Director of IRS Limited

CMC are a firm of business advisers who specialise in helping you, as a business owner-manager, to plan and prepare for every stage of your business’s life cycle. To contact Bob Brown, call 07940 526801 or email [bob.brown@cmc-partners.co.uk](mailto:bob.brown@cmc-partners.co.uk)



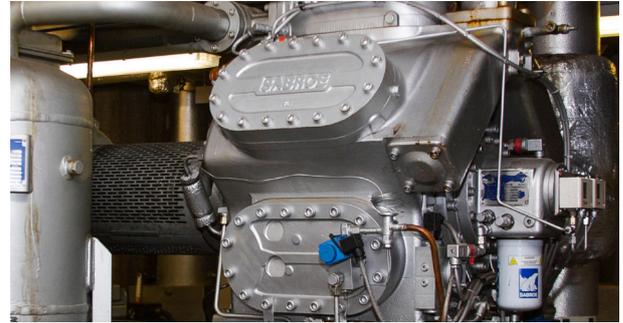
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### IRS LIMITED

IRS (Industrial Refrigeration Services Ltd) provides an all-embracing service to industrial and commercial users of refrigeration, air conditioning and heat exchange systems from initial assessments through to specification, installation, commissioning, facilities agreements, servicing, repairs, service contracts and energy management. Right from the start the company has been driven by engineers and has developed a unique set of technical skills and services that have enabled it to build strong and long-lasting relationships with its customers.



But this focus on engineering and technology was sometimes at the expense of good business practice. As the founder and Managing Director, Mark Parsons admits: "We were muddling through."

IRS had invested heavily in technology to enable them to provide a richly featured set of services to its customers, but the business itself was being neglected and Mark, now 55, could no longer see the day when he would be able to step down.

#### THE BACKGROUND

Mark Parsons started his career in mechanical engineering at the Cadbury Bournville factory in Birmingham, subsequently joining a refrigeration services company where he continued his involvement with Cadbury as service manager responsible for vital refrigeration systems.

But Mark believed he could offer a better service himself and, in 1990, set up IRS, winning part of Cadbury's refrigeration maintenance contract for his new company the following year.

In 1993 Mark was joined by another mechanical engineer with a background in refrigeration, Trevor Owen. With Trevor working as Technical Director, the two engineers expanded their sales to Cadbury and won some significant new business including Wolverhampton University, still one of their major customers today.

Three years later, Cadbury decided to disband its remaining in-house engineering team and IRS successfully bid for this business too.

The IRS team was strengthened to meet a growing workload and a young NDT engineer, Dan Downes, joined as service co-ordinator and was later promoted to the main board as Finance Director.

By 2000, IRS was turning over £1.2 million, well over half of which was coming from their Cadbury contracts, a relationship which flourished for a further nine years before the winds of change began to blow through Bournville. New policies meant a focus on core skills and divestment of ancillary services to an international facilities management group.

"We knew for a long time that the end of the contract was in sight," said Mark, "but we never even had a meeting to discuss it."

In 2010, Mark and Trevor were called to Bournville.

"It was a tough meeting," said Mark. "By the end of it we realised we had lost 65% of our business. Even though we knew it was coming, it still left us in a state of shock."

Within weeks IRS's revenues fell from a peak of £2.8 million to £1.3 million, setting the business back almost ten years. But the demise of the Cadbury contract had some positive benefits. This giant customer had absorbed so much attention and energy that IRS had never had to look elsewhere for business. "We didn't have to knock on doors," said Mark, "and for a long time we didn't actively look for work."

Mark admitted that their service to other customers had suffered too because of their commitment to the chocolate maker.

With Cadbury out of the picture IRS began to attract the attention of some big potential customers. An enquiry from the Premier Foods – one of Britain's largest branded food producers – resulted in the award of a multi-site contract. And this was followed by further contracts at Coventry and Birmingham universities.

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#### THE CHALLENGE

By the time Mark had his first meeting with his local CMC Partner Bob Brown, the core strength of the business in engineering and technology had enabled the company to win some important new contracts and it had begun to recover some of its lost sales.

But, Mark, Trevor and Dan were still running the business as they'd always done – on gut instinct; each pursuing his own agenda and setting his own priorities. There was no real understanding of the financial strengths and weaknesses of the company; sales opportunities were either being missed or potential customers were given different responses to the same enquiry. As Mark admits, "a lot of stuff was locked in our heads and was not being shared. We were giving a great technical service to our customers but, as a business, we were just muddling through."



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### IRS LIMITED

#### THE CHALLENGE CONTINUED

Right from the beginning Mark had seen IRS as his pension fund but as retirement loomed closer he realised that the business might not be able to deliver and began to think again about seeking outside help. An earlier meeting with one of the major business consultancies had left him disenchanted of the process and it was only by chance that he agreed to meet with CMC late in 2012.

"I had my doubts, but CMC's approach was totally different," said Mark. "They are prepared to listen and learn about the company and don't just expect us to take a standard, off-the-shelf solution.

"Working with Bob gives me much more confidence that when I do retire, I will be leaving a thriving and successful business with a great future."

#### THE SOLUTION

CMC's first step was to carry out a thorough review of the business and then to put in place some formal structures and processes, starting with regular monthly board meetings chaired by Bob, the local CMC Partner.

"It was the first proper board meeting we'd had in 23 years," said Mark. "We didn't have formal meetings in the past, they didn't seem necessary for a company of our size. In hindsight I can see that we were being driven by events rather than controlling the business."

The board meetings worked to an agreed agenda that focused on the five key aspects of the business – strategy, finance, sales, people and process. The discipline of focussing on the key areas began to shed new light on the business.

"For the first time, we really began to understand what we had here," said Mark. "We know a lot about refrigeration and we were totally focussed on that. Bob from CMC has been able to show us that our time is better spent on running the business."

#### INFORMED CHOICE

Mark, Trevor and Dan are still making all the decisions, but where they had been working in isolation, they are now reviewing every situation and every challenge collectively and basing their decisions on informed choice.

"Like all engineers, we can become obsessed with detail and miss the big picture. By chairing our board meetings each month, Bob from CMC keeps us focussed on what really matters to the business," said Mark.

A classic example was the automated job control system that IRS had developed in-house and was a key weapon in their armoury; a unique service that competitors couldn't match. Bob recognised that ongoing support and development of the service was costing far too much of Mark and Dan's time; time that should have been focused on the business.

The board agreed to approach an IT supplier capable of taking over development of the system and the result has been a double win for IRS. It has removed an obstacle to growth, freeing up Mark and Dan's time to win more business but also allowed IRS to enhance and develop one of its key competitive advantages more quickly and efficiently.

After the first six months, IRS has seen positive improvements across all key aspects of the business. Sales are now back up to £2.3 million and profits have hit an all-time high.

#### OPPORTUNITIES

And the business needs to be in good shape as the industry faces a greener and more sustainable industrial future.

As well as meeting demands for more energy-efficient heating and cooling systems using heat pump technology, IRS is uniquely placed to respond to demand created by the latest legislation to control the use of CFCs. Many industrial and commercial users are facing a countdown to the end of 2014 when one of the most commonly used refrigerants, R22, has to

be phased out. This will involve large-scale replacement or retrofitting of refrigeration and air conditioning systems and presents a massive opportunity for the business.

"We are now in much better shape to respond to these opportunities," said Mark. "Bob, our local CMC Partner has helped us to develop a structured approach to growing this business and continues to work with us as one of the team."

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#### ABOUT IRS (INDUSTRIAL REFRIGERATION SERVICES) LTD

IRS (Industrial Refrigeration Services Ltd) is an independent engineering company based in Bromsgrove, Worcestershire, specialising in the installation, commissioning and maintenance of critical refrigeration, air conditioning and energy management systems. The company provides an all-embracing service to industrial and commercial users and has been responsible for pioneering new business models in both energy management and CFC replacement – two of the fastest growing sectors of the industry.

Founded in 1990, IRS quickly built a reputation for its engineering skills and for innovation with the development of systems to deliver substantial added value to its customers. IRS's comprehensive support systems help customers to increase uptime, optimise performance, ensure reliability, improve energy efficiency, cut operating costs and reduce capital investment payback periods.

IRS has recently completed a number of turnkey projects for the design and installation of major industrial refrigeration systems and complex CFC upgrades to meet the impending European targets for a reduction in ozone depleting refrigerants. The company also has a team dedicated to providing EPBD (European Directive on the Energy Performance of Buildings) reports and offers free onsite training for customers' staff to enable them to identify early warning signs of potential problems in refrigeration and air conditioning systems.

[www.irs.co.uk](http://www.irs.co.uk)

#### ABOUT CMC PARTNERS

CMC is a multi partner firm of business advisers who specialise in helping you, as a business owner-manager, to plan and prepare for every stage of your business's life cycle.

We operate in the South of England, West Midlands and South Wales. We have over 20 years experience in helping thousands of businesses of all sizes, providing support for clients involved in the complex relationships and transactions of business changes including succession plans and exit strategies.

We work with you on a long term approach, building and maximising the value of your company. Dedicated to owner-managers, we know just how important your business is to you and how hard it can be to extract yourself from the day-to-day management.

[www.cmc-partners.co.uk](http://www.cmc-partners.co.uk)

If this story sounds like the kind of help from which you would benefit, please call Bob Brown on 07940 526801 or email [bob.brown@cmc-partners.co.uk](mailto:bob.brown@cmc-partners.co.uk) to arrange an exploratory first meeting – without obligation and free of charge.