

BGP Stories from the front-line

Nicola Harrold on Family Succession

“When I was appointed MD, the staff held a retirement collection for my parents. But it was several years before they stopped coming into work every day!”

Nicola Harrold, LION Picture Framing Supplies



Our guest speaker at the BGP September cohort on Friday 7th October was Nicola Harrold, who joined us to share her story of what it is like to take control as the second generation of the firm founded by her parents in 1977. Hers is a classic tale of how closely intertwined business and family can be in a family business. It's not always an easy ride, and the handing over of the business

from one generation to the next is often fraught with tension. Nicola explained how she navigated this notoriously sensitive process and improved the performance of the firm at the same time.

Today LION employs 50 people and holds roughly 6,000 separate items in stock for its customer base of picture framers and galleries. In its latest trading year the company turned over just under £11 mn and made a very healthy profit before tax of £1.5 mn. But it was not always like this. In 2015 net profit was a scant £63,000, less than one percent on a turnover of almost £7 mn. That was the year that Nicola and her parents attended BGP, and the transformation of LION's fortunes began.

The company was founded in Birmingham by Nicola's parents in 1977, three months before she was born. The original idea was to run a contract framing business, but LION rapidly morphed into a wholesale supplier to other picture framers, focused on the West Midlands. Her father Martin had a passion for innovation and a belief in the power of marketing: the product catalogues he created with their exacting product descriptions became famous in the industry. During the 1990s he and Margaret (Nicola's

mother) pursued growth enthusiastically, opening associate businesses in France, Russia, India and the UAE. Despite saying that she would never work in the business, when Nicola was offered the chance to set up a new branch in London she took it ahead of graduate career alternatives. London proved an expensive place to live, however, and within a couple of years she and her then boyfriend were back in Birmingham.

Life at HQ proved challenging. Nicola saw opportunities to improve the business, but Martin found it extremely hard to step back from the business he and Margaret had built up. Despite saying that they would hand over control, her parents did not find it easy to make any firm commitment, leaving Nicola frustrated and considering a different future. These disputes were an impediment to agreeing a clear strategic response to a changing market and LION was underperforming as a business. Finally, in 2015 Nicola persuaded her parents to join her at a BGP briefing event and the wheels of change were set in motion when all three joined the programme.

Unlike some other participants, neither Nicola nor her parents experienced a dramatic moment of revelation about their business. But what did become clear was that a few big changes, and lots of little ones, would transform the firm's performance. Two things worked greatly in Nicola's favour. First, BGP's focus on improving the reporting and analysis of data made it easier to argue her case. As she says, it's hard to counter facts with opinion. Second, her parents had made two key appointments early in the life of the company, and these remained loyal lieutenants who could also see and support the need for change. Better internal financial reporting showed that maintaining and enhancing gross margin was crucial to profitability,

which allowed the senior team to cull obsolete stock and filter new product introductions. At the same time the whole workforce was aligned around the notion of gross margin, which improved cohesion and productivity. Three warehouse teams were merged into one, and empowered by simple apps that were developed within the company by users, not an external IT consultancy. Apps also enabled the salesforce to improve their own productivity by maximising localised customer visits per sales trip. In the end, in Nicola's words: "finding ways to improve the business helped resolve family issues and, as the family issues eased, it became more straightforward to improve the business."

The company has won the Fine Art Trade Guild's Award for customer service 12 times, including in 2022. It was Martin

and Margaret's entrepreneurial vision that created LION. Over the years, their hard work, creativity and enthusiasm enabled LION to grow into a substantial and respected business. They take great satisfaction from seeing Nicola build on their legacy and take the business to a whole new level. Martin comes in once a week to help with product presentation and new product development, leaving plenty of time for his other passion – racing Citroen 2CVs. All three are happy with the places their BGP journey has taken them.

LION's example is not unusual. Over four decades the BGP team has worked with hundreds of family-controlled business, assisting with the transition between generations and succession planning.

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About the companies

Cranfield Executive Development

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LION Picture Framing Supplies Ltd

Located in Birmingham, LION Picture Framing Supplies Ltd have established themselves as a leading supplier of picture frame mouldings, all made in-house by the finest European manufacturers. They are always developing new products including ranges aimed at other parts of the wall décor trade, such as their sub frame system for printed panels.

Lion supplies materials and equipment to picture framing and wall décor professionals. Their customers include bespoke, contract and volume picture framers, commercial interiors contractors, photogift businesses, photographers & photo labs and galleries.

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