

# WHO'S WHO IN CONTRACT CATERING



Last month, *Caterer and Hotelkeeper*, in association with Britvic Soft Drinks, revealed this year's list of the 100 most influential people in our industry. In the final article of our series analysing the top people by sector or discipline, *Chris Druce* looks at the biggest names in contract catering

Contract catering is a segment of the hospitality sector which, since its industrial, war-time roots, has now evolved to serve a dizzyingly broad slice of UK Plc – generating £4.1b of turnover annually – 18% of this now from non-food activities. In doing so, it has cleverly avoided the very real risk of having all its eggs in one basket. It's the only explanation why, during such a fierce recession and lethargic recovery period, there haven't been more high-profile collapses such as Restaurants at Work.

**B&I**

However, even in such a diverse part of the hospitality market the lion's share still comes from business and industry (B&I) – namely staff restaurants in factories, offices and other workplaces.

B&I contributes about half of contract catering's total turnover – far more than any other single area of operation – and has arguably been the single sector hammered hardest in recent years as employers have slashed headcount and closed sites in an effort to reshape their own businesses to survive.

Companies that have held their own the best are those that had sorted out any operational issues ahead of the rollercoaster plunge taken by the world economy and weren't already struggling under the weight of a mountain of debt.

**COMPASS'S DIRECTION**

No surprise then that Richard Cousins, the group chief executive of the UK's largest

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**Chris Stern**

contract caterer, Compass, has retained the top spot in this sector for the second year running and actually climbed up the overall top 100 from eighth in 2010 to sixth this year.

Chris Stern, managing director of the Stern Consultancy, says: “It's inevitable and right that the *Caterer and Hotelkeeper* 100 features numerous people from Compass, as the world's largest caterer. It also helps that they are refocusing since the arrival of Ian Sarson and have some terrific initiatives on the go.”

The influence of Compass is undeniable: whether simply its immense scope and purchasing power, its innovative business practices that have seen pioneering deals struck with the likes of the Jockey Club, or even its training and experience that's allowed many of the independent sector's leading lights to strike out on their own – it is impossible to avoid.

But when Cousins took the reins in May 2006 from plasterboard manufacturer BPB he joined an injured colossus: a scandal hit, flabby

operation lacking focus after a breathless period of acquisitions. Amazingly, Cousins has managed to bring order to chaos, jettisoning superfluous brands and operating structures. He has also introduced a much-needed, single-minded pursuit of profitability and organic growth. He actually increased group turnover by 76% to £14.5b with pre-tax profit up 18.1% to £913m last year despite the anaemic global recovery. While UK & Ireland turnover (£1.8b) and pre-tax profit (£114m) were flat last year, given the UK's economic woes, that in itself is something to be proud of. Let's not forget after all that until the banking crisis engulfed the financial world, Lehman Brothers was one of Compass's most prestigious clients. It's been a rollercoaster ride for bankers and caterers alike.

It's no surprise then to find Ian Sarson, group managing director of Compass, retaining his spot at number three in the contract catering list, while climbing the overall top 100 to reach 16th this year, as his impact within the UK's largest caterer and the wider industry is felt, having stepped up to his current role in April 2010 when replacing Ian El-Mokadem.

Jason Leek, sector managing director for business and industry at Compass and the man heading up Restaurant Associates, the caterer's fine-dining arm, since 2006, completes the hat-trick for a dominant Compass. He may have slipped from fourth to eighth in the contract catering list but the momentum built by his employer in the past few years saw his overall top 100 position actually improve, with Leek 52nd this year, one higher than in 2010.



**CONTRACT CATERERS – THE FULL LIST**

- 1 Richard Cousins (pictured left)
- 2 Alastair Storey
- 3 Ian Sarson
- 4 Aiden Connolly
- 5 Robyn and Tim Jones
- 6 Tim West and Mike Sunley
- 7 Noel Mahony
- 8 Jason Leek
- 9 Ben and Hugo Warner
- 10 Patrick Harbour and Nathan Jones
- 11 Andrew Main
- 12 Kate Martin
- 13 Wendy Bartlett

**BALANCE OF POWER**

The arrival of Catey Award-winning Noel Mahony at seven in the contract catering list (47th overall) shows that the Westbury Street Holdings (WSH) success story shows no sign of stopping. Mahony is chief executive of business and industry caterer BaxterStorey, which is the revenue “engine” for the wider group interests, which also owns the likes of Benugo and Holroyd Howe Independent.

With the Irish man's ultimate boss Alastair Storey retaining second place in the contract catering list – and climbing from 21st position to 13th overall – what was once an independent snapping at the heels of larger rivals has now transformed the long-established order, and with turnover about the £362m mark during what's been a tough trading period, is now the fourth largest contract catering organisation in the market behind Compass, Sodexo and Aramark.

On WSH and Mahony's arrival in the top 10, food service consultant Peter Pitham, managing director of the Catering Consultancy Bureau, says: “BaxterStorey continues to impress with a team of professional caterers who engage and deliver good, consistent results. Into the future, I can only see them growing in strength while continuing to consolidate their position.”

**HOW WE COMPILE THE LIST**

Nominees in each of the five categories were judged by panels of industry experts.

To begin with, candidates had to meet these qualifying criteria: the personality should be based mainly in the UK; and their power and influence should be primarily in the UK market.

Shortlisted candidates were awarded marks for each of five criteria, which were averaged out to give an overall ranking in the

*Caterer and Hotelkeeper* 100.

First consideration was the scale and scope of the operation headed by the nominees. But size isn't everything, and candidates were next judged on the power and influence they exert in the industry and the respect they command among their peers. We asked whether they were shapers of policy, leaders in their field, or inspiring and nurturing the next generation of movers and shakers.



The judges then examined whether the candidates had a proven record of financial success and whether this was reflected in the eyes of their peers and the outside world.

The candidates' reputation for innovation was next, as the judges examined to what degree they were setting standards others wanted to copy and whether their ideas would remain in fashion.

Longevity was the final hurdle for candidates, as panellists considered whether they – and their creations – would stand the test of time. **Profiles of our top 100 industry leaders can be found at [www.caterersearch.com/100](http://www.caterersearch.com/100)**

**SETTING THE TONE**  
ONE TO WATCH

Although it was predicted in *Caterer and Hotelkeeper* as long ago as 2006, Bill Toner, the former chief executive of Aramark UK, finally joined Jerry Brand's Host as a non-executive chairman last year, having been away from the contract catering scene since 2005. If Brand and Toner as a double act isn't one of the most mouth-watering propositions any caterer has served up in recent years, news in May that Toner was stepping up to chief executive at Host truly cemented its position as one to watch. As Brand said at the time: "Different people are right for different times in a business's development, and this is the right time for Bill". With 86 contracts, more than 550 staff, pre-tax profit of £412,000 in 2010 from turnover of £14.2m (£14.5m in 2009) and plans to double the size of the business during the next four years, expect to see Toner make his entry to the *Caterer and Hotelkeeper* 100 next year.



RICHARD COUSINS



ROBYN JONES



IAN SARSON



AIDAN CONNOLLY



ALASTAIR STOREY

**THE FLIP SIDE**

But to have winners you must also have losers and a resurgent Compass and dynamic WSH group has hurt Aramark and Elior's UK ambitions. No more so than for the former head of project Elior UK, Mike Audis, who was number 12 in the contract catering list last year (98th overall) but no longer, following his exit as chief executive in January of this year. His departure from a business that has seen extensive restructuring – operating and personnel – in recent years with mixed results, presents his successor, Tim Hammond, the ex-managing director of Barchester Healthcare, with quite a challenge.

That Andrew Main, chief executive of Aramark UK, the caterer that just a few years back was an undisputed and seemingly unassailable big dog, slipped out of the contract catering top 10 this year – down to 11th – speaks volumes. Main, having joined the caterer in 2005, is well past his honeymoon period where he earned much praise for his focus on the bottom line after the exciting years of his predecessor Bill Toner. But there is a reason why Main has slipped to 83rd in the overall top 100 this year – compared with 79th in 2010 – and that is that his peers are waiting for something fresh. Perhaps catering at next year's London 2012 Olympics will provide the springboard required.

**THE WAY WE WERE...**

This is the fourth *Caterer and Hotelkeeper* 100 but five years ago, the second year the series ran, contract catering looked, well, strangely similar. Looking at the top 10 now demonstrates clearly the transition that had begun at Compass and to a lesser degree Sodexo, which at the time was still known as Sodexo. While Richard Cousins was in the top spot – albeit the new kid on the block – and Ian El-Mokadem

– replaced by Ian Sarson in 2010 – was ninth, Chris Copner (10th), executive director of B&I, is long gone.

Sodexo's top man, chief executive Philip Jansen (2nd), is now at food service supplier Brakes in the same role. Mike Johnson (11th), previously heading up B&I at the French-owned caterer, was last heard of in 2008 when he became group president for international events. Head of education Michelle Hanson

(16th), despite these days being commercial director of Sodexo, is also absent from this year's list.

William Baxter (5th) is now semi-retired. Graham Gilbert (13th) at OCS has since been succeeded by Chris Cracknell, and Rick Holroyd and Nick Howe (12th) sold their company to BaxterStorey (WSH) in 2007. While Simon James (15th) is still MD at schools caterer Eden Foodservice, part of Initial.

**PUNCHING ABOVE THEIR WEIGHT**

While inevitably the large caterers dominate the list, let's not overlook the disproportionate impact which some of the smaller boutique caterers – Harbour & Jones, Lexington – have had on the sector at large.

As Stern points out: "I think this is because they can have a surprising influence, placing the big contractors under qualitative and price pressure. I wonder whether Compass would really be pushing forward as far and as fast if

they didn't constantly have the boutique caterers snapping at their heels." In a similar vein, Pitham adds: "CH&Co continues to impress and it is always approaching opportunities in a positive way. The company has an excellent top management who are actively involved with the business and practice what they preach."

A back-handed tip to some big boys whose fortunes have declined when they became too distanced from their front lines perhaps? Only time will tell.

**THE TOP FIVE ON THE CHALLENGES TO BE FACED**

**Richard Cousins Compass  
*The Telegraph*, November 2010**

"The turnaround is done and we're now a pretty good business. We've gone through two phases – turnaround and fighting the recession – and are now entering an exciting third phase of growth. We're now a normal company. We're not going to take our foot off the efficiency pedal. There's huge intensity there but I think we've now earned the right to become a little more growth-oriented.

"Today we've arrived at a pretty healthy place. Costs need to be taken out of systems, whether in food or support services, and that's what we do, so I think it will be good for us. It provides far more opportunities than it does threats."

**Alastair Storey BaxterStorey  
*Caterer and Hotelkeeper*, July 2011**

"I'd rather be an optimist than a pessimist, there are lots of exciting opportunities in our sector and our formula of fresh food, investment, training and development is great in a tough environment and it surely is a tough economic environment. Our clients are expecting us to perform well above average and that's how it should be.

"Our job is to get the best return for our clients on their catering facilities and the way we go about our business makes it feasible for them to do that. It's a very competitive market, but that's a good thing as it drives improvement and what stretches you – if not, the temptation would be to be less creative or innovative."

**Ian Sarson Compass  
*Caterer and Hotelkeeper*, July 2010**

"I've been excited by this business every day for the past 26 years and continue to be nothing but enthused by the opportunities that we face. There will of course be challenges over the next five years ... It's going to be a difficult period for the industry. I think there's a likelihood of either flat or slightly negative growth in some sectors... but I see a very bright future for Compass.

"Our public sector is simply unaffordable in its current guise and we want to be there to help provide the solutions where we can, but we're going to have to take the pain just like everybody else. We're in for a significant period of austerity, within which there are some significant opportunities for Compass. I see growth in terms of our current business and the range of businesses we provide, so it

will be a very interesting five to 10 years."

**Aidan Connolly Sodexo  
*Caterer and Hotelkeeper*, July 2011**

"Following a tough year, there are clear indications that the market is improving. However, in the near term, the strong emphasis on value for money and competitive pricing is unlikely to diminish."

**Robyn Jones CH&Co  
*Caterer and Hotelkeeper*, July 2011**

"The sector is in an interesting phase. It has changed such a lot recently. Nil subsidy is much more talked of than a few years ago and that makes it more challenging because clients don't like to pay subsidies any more and are getting aggressive on what they can afford. It's why we have developed a lot more commercial restaurant contracts.

"It's far easier to work with the public than the companies. It's very sad, but food service contracts could well diminish as clients won't be able to continue to subsidise them unless they've got the size to make them worthwhile. People just are using the high street and restaurants more and more."