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For Contract Caterers

Big interview: Host

We talk to Bill Toner about his shock return to the sector

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Never say never

Jane Renton chats to Bill Toner, who has made a surprise return to the industry as chief executive of Host

Some people simply cannot take no for an answer and it seems that Jerry Brand, owner of contract caterer Host, based in Liss, Hampshire, is one of them. Bill Toner, the 52 year old ex-Aramark boss who quit the industry vowing never to return six years ago, can certainly vouch for this.

Before Brand's intervention, Toner was

happily restoring his dream home with his wife Susanne – a Georgian pile outside Linlithgow in his native Scotland. He was involved in various good causes, such as advising small businesses associated with the Duke of Edinburgh Award scheme, along with a spot of golf. Life was perfectly fine. That's when Brand made his first approach. They ran into each other, as people in this industry tend to do. "I told Jerry that I wasn't really interested in returning to the business," he recalls. "I saw catering as essentially a young man's game."

Brand, however, persisted – repeatedly. The entrepreneur asked Toner to mentor Host's sales director Andrew Scott, who Toner had known from his days at Gardiner Merchant, for a couple of days each month. It was an assignment that Toner found remarkably enjoyable. Cunningly, Brand then persuaded him to also mentor Host's operations director, Deborah Homshaw. The one day a week that he agreed on soon stretched to two days a week and before Toner knew it, he was heavily involved in strategy. It was a long, slow courtship but Brand has succeeded in getting his man.

Toner became a non-executive of Host Contract Management in November last year, having spent much of his 30-year career with Sodexo UK (formerly Gardner Merchant), before heading off to become chief executive of Aramark. Then last month it was announced that he was taking over as chief executive. Brand, meanwhile, will take a back seat at Host as non-executive chairman, though he still retains his majority shareholding, to concentrate on building up Caternet, his integrated catering management software house.

Host, which was formed in 2004 and is based in Liss, Hampshire, had sales of £14.2m in the year ending December 2010, down marginally on the previous year's £14.5m, but doubled pre-tax profits to £416,000.

Brand is very much a man who drives profits – he is famous for it – and Toner is good at growing business, which was what he did at Aramark. Together they just might make a dream team.

Toner believes that the company, with its existing spread of geographically diverse clients in Scotland, Wales and England, can become "a major market player". Existing clients include software company Autonomy, Whitman Laboratories (part of Estée Lauder) and Lillian Faithfull care homes, as well as a number of independent schools and colleges of further education. "The strange thing is that although Host is much, much smaller at the moment [than Aramark], I am

finding it quite rewarding to have something you can get your arms around," says Toner.

The first thing anyone can be sure of is that Toner is a smooth operator, not only in his taste for immaculately tailored suits, but in the breadth and scope of his business vision. He is, for the time being, however, confining his first official month in the top post getting to know all of Host's 500 plus staff and clients personally. "The one thing I have really learned in life is that you cannot simply give orders and kick back while you wait for it all to happen. We are in the persuasion business, you have to win hearts and minds to carry everyone along with you," he says.

He may have mellowed with time, but not in his essential belief that growth is the key to survival in a difficult contract catering environment. Mergers and acquisitions are never far from his thoughts and he has the London business and industry market clearly in his sights. "It is about finding like-minded entrepreneurs who are finding it difficult in the current market, but who want to grow and have the resources in place to do so."

Contract catering has always been difficult, he says, but has clearly worsened during his absence. It is the hardest environment he's ever witnessed in fact. There is business to be had as clients look for ways to reduce their costs through outsourcing, for example. But margins are diminishing and competition increasing. "The big boys are very aggressive in their attempts to retain and buy business," he observes. "It is surprising how tight everyone's margins really are."

In this environment, growth is the only way forward he maintains – that and persuading clients to remain with you because you offer real added value. It was also the blueprint he adopted at Aramark, which he ran as UK chief executive for five years. He was at the helm during a remarkably turbulent era when Toner dragged the company kicking and screaming from sales of £100m to £400m. "We were a relatively small player and ill-prepared to compete with the big boys," he recalls. "It was a painstaking and difficult process."

Toner's single-minded determination won him praise but also enemies. One former associate describes him as being "like marmite" – you either love or hate him. "He could be very tough at times – sometimes a bit of a nightmare – but in the end he treated me personally in a very fair-minded way."

Toner himself acknowledges directness and an intensity that sometimes gets mistaken for aggression – it is a Scottish

thing. But that should not be mistaken for the sort of bad behaviour that has come to poison modern business life. "You must always do what you believe to be the right thing," he says, "otherwise when your head hits the pillow at night you won't sleep."

Toner started out at the very bottom of the hospitality industry and worked his way up to its highest levels. He began as a schoolboy working in local hotels for pocket money, first at the Bridge Castle Hotel in Bathgate, West Lothian, where he worked as a kitchen helper and later at Airth Castle, near Falkirk, a country house hotel where Mary Queen of Scots had visited centuries earlier.

He trained as a chef and loved hotel life. He spent two years in France working as chef de partie for Hotel Frontelle in Toulouse and Montpellier. He returned to Edinburgh where he ran a restaurant until he was sorely tempted by an offer of work at the Royal Hotel in Durban. He was all set to embark when his wife Susanne fell pregnant. The 23-year-old was desperate to go but his wife had other plans that involved staying closer to home. She applied on his behalf for the position of catering manager with Gardiner Merchant - later to become Sodexo - at the Royal Bank of Scotland in Edinburgh. It was a life-changing move that not only propelled him into contract catering, where he has remained for most of his 30-year career, but also into the realms of senior management.

He moved quickly up the Sodexo ranks, where he became managing director at the age of just 36. He quit Sodexo in 1999 to become chief executive of Aramark UK, which he built up into the UK's third-largest contract catering business with over 1,000 contracts. "After I left Gardiner Merchant to go to Aramark, I remember thinking, "What have I done?" he admits. "We were ill-prepared to compete with the big boys."

Living up to the old industry adage that if you want to get something done you send for a chef, he quickly set about rapidly growing the company. Profit growth, however, was to remain more elusive. "Aramark in the UK was just moseying along, picking up contracts that they didn't really deserve along the way."

The current environment will be equally, if not more, tough than the one he faced in the early part of the decade. But so far Toner has been impressed by the Host team. "One of the reasons I am here is that the team themselves are professional, eager and enthusiastic," he says.

Toner pioneered the involvement of celebrity chefs such as Gary Rhodes and Gordon Ramsay at both Aramark and Sodexo. In a similar vein he has already established training links between Host and Gleneagles chef Andrew Fairlie. Host chefs will attend three-day training programmes at the Scottish hotel. He is also in the process of establishing Host's own chefs' academy, which will be run by Stephen England, who joined the company this month.

While not everyone in the industry agrees that such high-profile chefs add much value to the industry, Toner argues that such involvements represent an important investment in a caterer's people. "It shows that we are a cut above the others in attracting and retaining good chefs into catering," he says. It is also good, he adds, for clients who want to be offered the same dishes and standards found in the very top restaurants and hotels.

Far from encouraging chefs in catering to rush out of their existing job to apply for work in a Michelin starred restaurant, Toner says that in his experience it has the opposite affect: it refreshes and inspires them and "they come back to us wanting to raise their game".

Absence, it is said, makes the heart grow fonder and the passing of six years has done little to diminish the enthusiasm of this most determined businessman for the industry. Whatever happens, one thing of which we can be sure is that Toner will continue to make waves.



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