



GREAT LEAPS FORWARD

Insider has searched for the Midlands Gazelles – businesses growing both quickly and sustainably. We've hunted down the top 25 and tell some of their stories

They're fast. They're nimble. They're elusive. They're the businesses that outpace the competition and leap over obstacles to get to the higher ground at speeds that look near impossible. They are the gazelles.

The term gazelle is relatively new to the business lexicon, but it stands for companies that have managed to increase their turnover by at least a fifth each year, for at least three consecutive years. These are companies which not only show exciting growth, but sustainable growth. Not just sprinters, but long-distance runners.

Insider has scoured thousands of companies and identified 25 gazelles in the Midlands. We've spoken to four of the most exciting to discover their stories.

Oakland International

Dean Attwell built a £100m business in a response to disaster: his family literally lost the farm, and he came close to losing his home. Oakland International, one of the Midlands' fastest consistently growing businesses, was his response.

"In 1997-98 our family farm was targeted by animal rights activists, objecting to our egg production," he says. "Some, like the students and grannies who'd protest outside were fine – we've all got a right to

free speech. But then it started to turn really nasty when the hardcore came in – trucks set on fire, brake fluid thrown on cars. We were so busy trying to handle all of this that we were distracted from the business and eventually it went into administration in April 1998.

As if that wasn't enough, the Attwells were then caught in a complex series of disagreements created in the aftermath of the attacks involving insurers, the government, land ownership, terrorism cover

How we chose our Gazelles

Insider's research team and journalists went through the annual returns of more than 10,000 Midlands-registered businesses. To make the list a company had to have shown more than 20 per cent annual growth in turnover consistently over three years. It also had to have started that period with at least £1m turnover. We excluded businesses that were subsidiaries of overseas companies, or minor subsidiaries of larger UK corporates. We also excluded businesses that were registered in the Midlands, but headquartered outside of the region.

and administrators. Attwell came close to losing his house at the farm, in Beoley near Redditch, and had to take out a loan to save the family home.

But what he did have left was a small cold store and some empty poultry sheds. And from those he and his family have built an international business that now employs 1,400 people, working in Redditch, Corby, Bardonia, Worksop and Dublin, with interests ranging from food logistics and packing to affordable eco homes and post-Brexit customs clearance systems.

Oakland now has some 400 individual customers and handles around 5,500 different products. In the three years ending 30 November 2021 the business enjoyed a compound growth in turnover of 36.62 per cent, reaching £55.46m from £21.7m. Attwell says in its latest financial year it has risen by another 79 per cent to close to £100m.

All this began from Attwell having to pay-off that loan to save his home.

"We had the cold store, where we could keep products for other food producers. We made our first profit of £63 in February 2000," he says. "We also had the poultry sheds, which I used to store bikes and car parts for Halfords, and I started driving trucks as a second job to get some money in.

But I'd seen a niche in storing and distributing ambient, chilled and frozen food for low-volume and artisan producers."

The company started with a small contract for storing frozen strawberries and lamb shanks, and began to build relationships with distributors, particularly those supplying convenience store chains such as Spar and Nisa. That eventually led to agreements with major retailers like Aldi, Tesco, Asda and Waitrose, and producers such as Samworth Brothers, as a preferred supplier. By 2007 Oakland was employing 100 people, building a series of new chiller stores and warehouses and built up a highly successful joint venture with Caffrey's in Ireland.

All was going well – double-digit rises in turnover each year – when Brexit came as

both a crisis, and an opportunity.

"When Brexit came no-one had any idea how it would work – no rules, no dates," says Attwell. "What's more, there was no base of experience: after years of being in the EU almost no-one knew how to handle customs issues.

"It wasn't just an issue for us, but for our European customers, who comprise 47 per cent of our trade. We were the whole of their solution for trading in this country. The paperwork needed can cover 16 pages, and we don't want a shipment held up for three days because a box hasn't been ticked.

"The government had created codes for shipping through Northern Ireland, but they did not work well. We had set up a subsidiary company, EORI UK, in 2018. It was initially driven by self-protection, to handle customs

declarations and clearance, but it quickly grew as a service to other businesses. It's based in Worksop, with new offices in Dublin and Belfast and has grown from two people to 160. The codes we've created have been accepted by the government. And we'll be superbly placed when a digital solution to track goods and record data starts."

One of the next big opportunities Attwell sees is in developing the direct-to-customer market – essentially working with home delivery businesses like Mindful Chef & Gousto. That arm of the business has grown from a standing start in 2018 to 165,000 home deliveries a week.

Related to that are opportunities for deliveries to the hospitality industry. "The supply chain to pubs, restaurants, hotels and delis is a mess. Go to a restaurant and the first

MIDLANDS GAZELLES

Company	Principal activity	Registered office	Turnover £m	Latest accounts date	Compound annual growth rate %	Change periods 2 to 1	Change periods 3 to 2	Change periods 4 to 3	
1	LIKEWISE GROUP	Floor coverings	Birmingham	60.49	31 Dec 2021	182.72	28%	56%	403%
2	PRIME	Health and care sector developer	Worcester	70.55	31 Dec 2021	124.90	57%	57%	361%
3	REMATCH CREDIT (t/a DivideBuy)	Tech developer and consumer credit	Newcastle	37.80	31 Dec 2020	104.92	73%	100%	258%
4	FACEPUNCH GROUP	Computer games	Walsall	77.52	30 Sep 2021	90.28	222%	40%	53%
5	FORTRESS OPERATIONS	McDonald's restaurants	Kingswinford	84.61	31 Mar 2021	83.87	63%	133%	64%
6	THINCATS	SME investments	Ashby-De-La-Zouch	10.52	31 Dec 2020	82.32	46%	111%	97%
7	GRANEMORE GROUP	Site preparation	Coventry	47.58	30 Sep 2021	80.60	23%	88%	154%
8	BM FASHIONS	Fashion	Leicester	131.27	31 Jul 2021	79.84	73%	27%	164%
9	J HANSAM ESTATES (t/a Study Inn)	Student accommodation developer	Coventry	6.51	30 Sep 2021	69.45	44%	41%	182%
10	GYMSHARK	Gym clothing	Solihull	437.63	31 Jul 2021	61.92	68%	48%	71%
11	ADVANTAGE PARTS SOLUTIONS	Marketing services	Leicester	14.67	31 Dec 2021	59.89	92%	73%	24%
12	ACIS DEVELOPMENT SERVICES	Social housing development	Gainsborough	13.49	31 Mar 2022	57.01	38%	50%	86%
13	INDUSTRIAL CONTROL DISTRIBUTORS	Telecoms infrastructure equipment	Wellingborough	26.84	31 Mar 2022	47.87	21%	51%	76%
14	ROOFBASE	Building products	Market Harborough	27.05	31 Dec 2021	43.20	29%	52%	50%
15	KNIGHTS	Legal and professional services	Newcastle	102.25	30 Apr 2021	43.13	49%	40%	41%
16	OAKLAND INTERNATIONAL	Food storage and distribution	Redditch	55.46	30 Nov 2021	36.62	45%	34%	31%
17	ENSEK	SaaS to utilities and energy	Nottingham	15.31	31 Mar 2021	35.44	24%	43%	41%
18	STILTZ	Home lifts	Kingswinford	36.26	31 Dec 2021	35.36	43%	26%	38%
19	VERILOCATION	Transport tech	Northampton	10.89	31 Dec 2020	34.11	35%	23%	178%
20	WATTBIKE	Indoor exercise bikes	Nottingham	32.07	30 Sep 2021	32.48	54%	23%	23%
21	G & M.J CROUCH & SON	Motor vehicle recovery	Leicester	36.94	31 Mar 2022	31.81	46%	29%	22%
22	FIRST FENCE	Security and temporary fencing	Swadlincote	26.31	28 Feb 2022	31.74	48%	28%	21%
23	AIRBAND COMMUNITY INTERNET	Broadband	Droitwich	2.68	31 Dec 2021	31.58	29%	25%	41%
24	CJ WILDBIRD FOODS	Bird food	Shrewsbury	53.02	31 Dec 2021	28.98	20%	125%	33%
25	IDEAGEN TECHNOLOGY	Technology	Nottingham	11.81	30 Apr 2021	26.07	26%	28%	24%

thing they'll tell you is what's not available on the menu. It's not their fault – the supply chain has usually let them down.”

These are just the more vanilla ideas Attwell has for expansion. Oakland wants to trial collections of food waste, reversing its distribution network. The waste can be fed into an anaerobic digestion system that the group has at its headquarters, which will produce both fertiliser and methane for power generation. The carbon dioxide created can be fed into a 30,000 sq ft vertical farm that is set to be built on-site, stimulating the fresh greens and leaves growing inside. And the oxygen they produce will in turn be fed into a neighbouring 10,000 sq ft mushroom farm.

This relates to Oakland's plans to be net zero by 2030 with its Redditch site technically off-grid by 2024. The business is due to be audited and registered as a B Corp, the internationally-recognised standard for employee welfare, sustainability and social impact.

The ideas keep spilling out. This year the group launched OakRA, a sustainable reusable and temperature-controlled box for those direct home and business food deliveries. Attwell is also looking at creating a network of sustainable food parks by urban centres, where food-related business can be close together, swapping skills and ideas and saving costs on transport. He's looking at the idea of turning giant container boxes into well-insulated starter homes, clustered to make eco-villages.

“The way we've built this business is by not being afraid to make decisions: if we see an opportunity that fits we'll go for it,” says Attwell.

Prime

It's an irony that one of the Midlands' top gazelles does not have a clear set growth plan, and yet hits triple-digit turnover growth in less than three years.

“Our strategy didn't have any growth KPIs” says Prime's chief executive Leighton Chumbley. “I left them out deliberately, because when you make growth your key indicator you start to focus on short-term decision making, and not long-term sustainability. Growth comes from having a clear purpose, in which everyone understands what they're trying to do and the roles they play. We mark ourselves against those things that make a business great – people, processes, IT, systems buildings and sustainability. Focus on getting those right,



Oakland International – Dean Attwell

then growth happens naturally.”

Worcester-based Prime is a developer, but one of a very specific type. It focuses almost wholly on the health and care property sector, having built almost £1bn worth of hospitals, GP clinics, health centres and care villages across the UK and Ireland over 25 years. That laser-like attention to a specific sector has resulted in 125 per cent compound growth in turnover over its last three annual results, to £70.55m. That means it has risen from £6m turnover from 2018.

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Oakland International

The company is the only developer in Britain to have been awarded B Corp status and has won Developer of the Year three times at the Health Investor Awards. The business was founded by a trio – an architect, hospital trust chief executive and invest manager – whose skills provide the perfect combination for health sector development.

“They realised that the days of building huge hospitals were over, and instead the drive would be for smaller centres handling the needs of communities,” says Chumbley, a chartered surveyor who joined soon after Prime's launch. “However, there was no clear mechanisms or money for health professionals to develop these buildings.”

What Prime offered was an end-to-end development service for health providers: finding land, finding funders, designing buildings, sorting planning, handling the legals and then – as developer and landlord moved in – moving out of the way. It was having these skills in-house that differentiated Prime from a “jobbing builder”.

Unlike the private finance initiatives that were common when Prime was launched, the company had no interest in then running those developments – “we're unashamed property people”.

“Having the skills-base in house is essential,” says Chumbley. “We employ 55 people, which is a lot for a developer of our size. However, this is a very exacting discipline. The technical design of some areas has to be exact – the lighting, ventilation, sound proofing, heating. For example, the air in an operating theatre has to be kept at a constant pressure, and so needs a specific design. Then on top of that are the ancillary accommodation, shops, reception area – even the car park.”

“What we get out of this is the joy of people going to a new health facility or having a



Prime – St Catherine's Health Centre



Likewise Leeds distribution hub

better working experience. It's more rewarding than building a new industrial shed or office block."

However, Prime is stepping outside of its core market with a strategy to build accommodation for hospital and key workers. Not only are health workers being priced out of many urban centres, but the short-term placements faced by some professionals, such as nurses and junior doctors, makes it even harder for them to get a home.

Hyve by Prime was launched last summer, and Chumbley admits it is a departure, as it will see the business becoming an

operator as well as a developer. "However, it is supplying something that is desperately needed," he adds.

DivideBuy

It was the union of credit and computing power that is the secret of DivideBuy's growth as a gazelle, and it is a combination that has attracted some £365m worth of financial firepower to the Staffordshire business.

Rematch Credit, which trades as DivideBuy, is one of the country's most successful buy now pay later (BNPL) providers – a market

set to hit £27bn next year. It was founded in 2014 by aeronautical technology graduate Robert Flowers.

He wanted to create an interest-free credit platform that would help shoppers split large purchases into more manageable chunks over longer times: they choose their own repayment schedules, with no hidden charges or interest. Repayment plans clearly communicate what needs to be paid and when. Last year it put distance from its rivals by scrapping late payment fees, instead charging merchants a fee per transaction.

Investors are impressed with the concept. In 2019 Souter Investments – the family investment office of Sir Brian Souter and Jon Moulton – alongside Shawbrook and Paragon banks, put in £60m worth of equity investment and debt financing. Last September the business received a £300m lending facility from global investment management firm, Davidson Kempner Capital Management which included a minority equity investment. The company topped Deloitte's UK Technology Fast 50 2020 list, the only business outside London to break into the list's top ten.

What distinguishes DivideBuy from rivals is that it is both the tech solution provider and lender, cutting out the middleman. In the three years to December 2020 – its last reported figures – the Newcastle-under-Lyme-based business saw turnover rise by

105 per cent to £37.8m, from just £3m in 2017, with 2,000 retailers offering its service to customers, alongside the likes of PayPal and Amazon Pay. That growth came in part in 2020 when the platform was opened up to smaller retailers, with £100,000 turnover.

"Many lenders charge high late payment fees, cloak credit agreements in confusing jargon and 'onboard' delinquent-prone consumers with a 'one-size-fits-all' sign-up process," says Flowers. "We've implemented ethical lending measures beyond the minimum requirements, simplifying credit for merchants and removing confusion for consumers. By owning the entire lending journey, we give consumers reassurance they're in full control of their finances and won't be penalised should their financial circumstances change.

"It's a solution that solves many pain points. And as well as making purchases more affordable for shoppers, there are direct and immediate benefits for merchants. We take on all credit risk, meaning merchants don't have to wait for repayments to be made before getting revenues. There are lower customer acquisition and admin costs through our fast and automated onboarding."

To accommodate growth, DivideBuy has made several appointments to its senior team, such as a new chief commercial officer and heads of business development, partnerships, marketing, compliance and retailer success. This coming year it will be launching new services, including a cloud

platform that can switch services on and off in one day, and a RentalTech solution for the consumer electronic retail sectors, something which does not currently exist with any other lender.

Likewise

On his presentation Tony Brewer likes to show the picture of a dismal-looking black business shed on a dismal road on a dismal day: it stands as an indicator of how far Likewise has come. "That was our distribution hub," he says. "That was it. A rundown shed in Dewsbury. Not exactly glamorous." Then he quickly flicks to a picture of the 80,000 sq ft pristine silver hub in Leeds that has replaced it. He then proudly shows a map of 11 hubs spidering across Britain, most of them as shiny and spacious as that centre in Leeds it has established over the past three years. Birmingham-based Likewise buys commercial and domestic flooring from manufacturers and sells them through a network of 7,000 point-of-sale stands, mainly in independent shops. Its fleet of 126 delivery vehicles guarantee next-day delivery.

Likewise tops our list of Midland gazelles, with a compound annual growth rate in the three years to the end of 2021 of 183 per cent. It saw its revenue rise from £4m in 2018 to £60.5m in 2021. Brewer says the company now turns over £124.4m, and the plans are to take it to £200m in the medium term, mainly through organic growth.

"It's a £2bn a year market in Britain and we have 6 per cent of it, and we think we can

take that to 10 per cent," he adds. "So even if the market drops by 10 per cent in a year, that still gives us £1.8bn to go after."

AIM-registered Likewise began when Brewer and his colleagues bought a couple of small doormat business in Suffolk in 2019. He had already an established career in the sector behind him, at Hedlam and a company in South Africa.

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Likewise

Those doormat makers were the nucleus around which Likewise expanded, through a flotation, a series of acquisitions and organic growth, and by setting that network of centres stretching from Glasgow to London and Wales, totalling about 450,000 sq ft. It costs about £1.7m to deck them out with state-of-the-art cutting machines and racking.

"The quantum leap came last year, when we bought a family business – Valley Wholesale – based in Erith in London, which had centres in Derby and Newport in South Wales," says Brewer. "Overnight it took our annual growth from 23 per cent to 104 per cent, and it already accounts for a third of our turnover."

Brewer argues that one of the reasons for Likewise's success is that it has prepared well in advance for growth. It brought in a senior management team, which was used to running far bigger businesses, at an early stage. The network and hubs it has developed will, with a few more staff and lorries, be able to handle that £200m turnover.

Last year the group launched a business-to-business website, which already accounts for a quarter of sales. The push now is on developing its 60-odd-strong sales team to win those new orders.

"We're still effectively a fledgling business, with plenty of organic growth to go for," says Brewer. "We've got the management and infrastructure in place. Our challenge now is to get that sales line on our graphs running faster than the investment line." ■



DivideBuy – David Farbrother CFO, Rob Flowers CEO, Teresa Byrne, CCO