



# Family firm to build on **European success**

Following Reynolds Logistics' prestigious European award win last year, **Joseph O' Connor** looks at the humble company's recipe for success and the part its family brand name has played.

**T**here are not many Irish companies that can claim to possess a business model considered an example to their European peers. One that can is Dublin-based freight logistics company Reynolds Logistics. Last year, the company was named European Transport Company of the Year, an award which recognises the achievements of the finest road transport operations throughout the continent. With a rich history and a valued family name, the company, which is now in its third generation, looks set to go from strength to strength.

Founded 85 years ago when it started as a road materials business, Reynolds

Logistics is headed up by Andrew Reynolds as CEO, employs 260 people and has an annual turnover of €35m. It is the largest transporter of fuel products in Ireland today. With origins based in the delivery of aggregates and bitumen products for road building, it was Joe Reynolds, former CEO and present chairman, who moved the business into the transportation field and the supply of petroleum and oil products. With two main operating bases in Dublin and in Ellesmere Port in the UK, the company manages 11 sites throughout the UK and Ireland and boasts a 150-strong fleet.

Andrew took over as CEO from his father Joe in 2008, and has managed to put his own stamp on the company

since then. "My father was more of an entrepreneur. As the company has grown, I have tried to bring more of a structure to it to help it grow further. When a small business grows, there comes a time when you need to start looking at how you ready it for the next stage," says Andrew.

## **CONTRACT**

It turns out that the company was indeed ready for that next stage. In the same week it was announced as European Transport Company of the Year, Reynolds Logistics beat a host of blue chip international companies to secure a €50m plus contract with Topaz Energy over a five year period. Andrew says it proves that Irish

companies can compete on a scale with big European competitors, and he takes satisfaction in keeping business at home. He says, “We think it is probably one of the largest logistics contracts awarded in Ireland over the last few years. So from a company perspective, it’s a great achievement and it shows we can compete with the largest international companies. On that particular contract we were the only Irish company in the final shake-up.”

Securing such prestigious awards and lucrative contracts is by no means down to luck. The business, which continues to have a strong Reynolds family involvement in day-to-day management, maintains its core focus on customer care, as well as safety and the environment. It has not lost a contract since 1980 and winning awards is not a new experience. Reynolds Logistics is a former winner of the Fleet Transport Irish Haulier of the Year and Silver Award recipient in the European Transport Company of the Year in 2009. According to Andrew, the company sets very high standards. “We see ourselves as being a safe pair of

hands. We do what’s right. We operate to the correct standards. We’ll drive all the efficiencies we can but we still operate the right way. We are not going to take any chances. No shortcuts, the correct standards and we feel that that’s very important for our customers. Our customers are all blue-chip multi-national type customers and they don’t want to be associated with anything that is less than perfect.”

## SAFETY

Safety is an area that is not taken lightly by the Reynolds Group. As a transporter of volatile and hazardous liquids, safety in operations is of paramount importance at the company, with a safety culture maintained throughout the organisation that involves continuous improvement in critical areas such as planning, targeting, control and monitoring. Their dedication to safety is highlighted by the company’s initiative ‘Drive 2 Zero’, a programme lauded by big names in the business such as Mercedes-Benz. The initiative endorses the vision of ‘no harm to people’ and

minimal impact on the environment. As part of a review of the company’s safety vision and safety policy, it works towards incident-free operations and a goal of no harm to environment from product spillages, while also setting out a series of ‘golden rules’ that cannot be broken under any circumstances by staff.

Chairman Joe Reynolds outlines the importance they place in safety. “The thing we have always done from a very early stage is to have a big drive and a big issue about health and safety, and training. So we are operating to very high standards, standards that are higher than are required by law. We have our own in-house trainers, a whole range of health and safety programmes, and staff motivation and staff involvement. I’d say we are well ahead of the game in those areas and that has also been key to the success in building the company. With the types of clients we have, you can’t run the business on a wing and a prayer. You can’t fudge it. You’re either doing it right or you’re not.”

## CARBON FOOTPRINT

Assessing the company’s impact on the environment is important to Reynolds Logistics, with fuel consumption as its main area of focus. The company is currently working with the Department of Transport and other stakeholders in looking at the possible introduction of a longer vehicle on Irish roads. The general conclusion from a range of international studies is that the introduction of longer heavier vehicles (LHVs) in appropriate circumstances generates step-change increases in the efficiency of the movement of goods by road, and reductions in congestion, energy use, fuel cost and environmental emissions from transport. The introduction of these vehicles can also have a net beneficial effect of road safety, as well as reduce the degradation through wear of road pavement structures.

Andrew states that the company has reduced its fuel consumption by around ten per cent over the past five years. He says a move to introduce these new vehicles would build on those figures. “It is a longer heavier vehicle in European terminology but

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**Andrew Reynolds, Chief Executive, Reynolds Logistics.**

we try to stay away from those words because they frighten people a bit. It is essentially a longer vehicle that can carry more product, thereby reducing the amount of trips needed, therefore reducing the environmental impact. Now that Ireland has a very good road infrastructure, particularly from main points to main points, we feel that it is now a good opportunity for Ireland to try this sort of concept out. In certain circumstances, two of those types of vehicles will do the equivalent work of three normal vehicles.” He also believes it could have a positive effect for the wider economy. “That type of vehicle can also be used for lots of other transports, and from an export point of view it can carry the equivalent of one and a half containers. There are benefits for the wider Irish economy if we can prove that the system works as well.”

## THE COMPANY BRAND

Despite the success of Reynolds Logistics, the company does not advertise and does not involve itself in much promotion. That is not to say that the company is not aware of its brand and the importance of its family name. Joe Reynolds believes the reputation of a company’s brand is becoming a more important area all the time. He makes an interesting analogy between the fuel industry and the agri-food sector, in light of the recent horsemeat controversy. “When you see what is happening in the food industry at the moment. Look at these great brands. Every time these brands are being devalued by the actions of subcontractors and suppliers. So the complexity of the supply chain is not always fully appreciated and understood. The negative effect that suppliers or contractors can have on people’s brand is absolutely immense.” He continues: “There is clear evidence of fraud in the food business and there is also fraud in the fuel business, in terms of fuel laundering. So I think that for major clients to have a safe pair of hands is to handle their supply chain without risk to their reputation. I think it’s a growing area and I think it is something you are going to hear more about over the next couple of years.”

When it comes to having a family



name as the company’s profile, Reynolds has a powerful marketing tool at its disposal. One benefit it holds is allowing the customer to know they can get right to the top of the company quite easily. This is an advantage that a number of its competitors in the European market would not possess. Joe says: “Any of our customers can ring Andrew or me any day. So if you needed a decision on principle or on capital or whatever, you can get right to the decision maker, whereas decisions made by a lot of our competitors would be at a committee level.” Joe also highlights how having the family name at the forefront of the business makes those at the heart of it strive for excellence. “I think it also personalises the business, and because of that you have an emotional investment or an investment of pride. You know if this was ABC Logistics you just mightn’t have the same pride in that as one that carries your own name.”

## THE ROAD AHEAD

Reynolds Logistics has enjoyed outstanding and consistent growth since its formation. Today, it is universally recognised as the leader in its field and its sphere of operations has since expanded to the UK and Europe. But the company is not content to sit back and enjoy its latest accolades. On the contrary, it shows no signs of

future complacency. Andrew says: “We aim to keep growing the company. We want to move forward. Our aim over the next four or five years is to maybe add around 50 per cent new business.” Meanwhile, Joe believes the company’s recent fortunes are as a result of its staff and the management team Andrew has put in place. He also sees opportunity to expand further in the near future. “Andrew has put together a good management team that is 'doing the business' and also continuing to grow the business. So it’s not just that they’re maintaining the position, but they are actually growing,” he says.

Reflecting on what the prestigious European award means for the company, Joe Reynolds does not get carried away. “I suppose the European award is the icing on the cake, it is the final verification of what you are doing. We don’t have a queue of customers rushing to offer us more money for our services but that’s not the point of it. It is recognition from somebody coming in from the outside. The judges in this award were the editors of all the major transport magazines in Europe, so they are guys that know the business and you’re not going to pull the wool over their eyes. Anybody can produce a flashy Powerpoint presentation, but when the audience knows the topic inside out, you have to make sure your Powerpoint is based on reality.”