



Beyond Governance

Creating clarity, improving business

DECISION
MAGAZINE



The Responsible Business

A meeting with:

Richard Dick

Executive Chairman

Lucy Group

Extract from a DECISION magazine report co-commissioned by Beyond Governance

Introduction

What we are experiencing could be described as the business equivalent of the perfect storm.

The convergence of a new generation with a distinctive mindset, the sudden realisation and acceptance that the environment clock really is now counting down, coupled with the dramatic increase in the pace of technological advances, and the impact of Covid-19 which has been to fast-forward change.

As a consequence, are we having to re-evaluate the purpose of a company its priorities, indeed the role of governance?

So how would we now define what constitutes a responsible company – and who should it be responsible to?

Arguably, being a responsible business provides the foundation for sustainability, innovation, productivity, because it establishes a culture which has the required mind-set. But what are key characteristics, and how might they change over time?

For a digital book co-commissioned by Beyond Governance, to be published by DECISION magazine, directors from across generations and market sectors share their thoughts.

This is one of the interviews to be included.

Richard Dick

Executive Chairman

Lucy Group

“I’m not sure the key reason for a company’s existence, its purpose, has ever changed. Fundamentally it’s about providing what the customer wants, looking after the customer, and to keep trying to do it better.

“That is achieved by an organisation looking after its people, understanding the markets it is in, and being able to adjust to meet changing expectations.

“By doing that it is able to be both profitable and in a position to make a difference.

“Sustainability can’t happen if there isn’t a profit to invest, and long-term success comes from being able to retain enough cash to make the necessary investments for the future.

“I’ve always been a great believer in investing in the communities where we are located, from where we draw our employees, and companies today are much more focused on a broader definition of stakeholder.

“A family business in particular will have values which enable it to build loyal support through thick and thin, but for that to happen it needs to keep stakeholders involved if they are to have confidence in the management of the business to deliver over the long term.

“It is even more important as a family grows and spreads, which can result in the number of shareholders increasing, and a company has to work harder to make sure that the younger generation feel attuned to the purpose of the business.

“A business needs the introduction of a new generation to drive things forward. Every new generation has different expectations and that should be seen as the natural progression, not as a potential cause of conflict or difficulty.

“Every year we re-affirm our values and set out our strategic objectives as well as the objectives for each part of the business, through to the working objectives of the individual.

“The strategic and business sector elements don’t change much, which is how it should be for a company with a long-term view, and I would suggest it is harder to achieve standards let alone raise them without a culture which embodies clearly defined values.

“Governance is set out in our guiding principles. This is about safeguarding the long-term, ensuring best practice, transparency, that risk is perfectly managed. In many ways you could say that



Richard Dick

they also represent what you could describe as characteristics of personal governance, and the analogy is important because people have to understand why a company needs governance.

“As a business gets bigger and more diverse, governance, in concert with its values, keeps it on the right path.

“Governance provides the means of measuring the efficacy of the working of the business; the impact of a company’s culture isn’t so directly measurable, although if through governance a non-conformity is found, there could be something in the company’s culture which needs to be addressed.

“If we turn to sustainability, tongue in cheek you could say the accountancy profession must be very pleased to get an extra slice of cake with the opportunity of auditing ESG! To some extent, regardless of whether there is yet a legal requirement for a company because of its size to report on ESG, it is becoming an obligation because of stakeholder expectations.

“So much more is happening behind-the-scenes to move this forward. Tenders from major companies take ESG performance into account, so there is growing pressure on businesses to increase their efforts as a commercial imperative. ESG is also a very good lever to improve standards by positively influencing the supply chain.

“There is additional cost to some of this but I would always argue the cost of doing things well is worth paying, and here the alternative is paying the cost of a loss of business and reputation.

“If we move on to how this influences the due diligence process in an acquisition process, I don’t see how things can work out for the best if both parties don’t share the same standards and ethics broadly speaking. A review of a company’s ESG is part of the process now.

“What I would say is that companies need to have the energy to keep addressing all of this and not to put these issues on the back burner. There is no resting place. When you reach a particular summit, there’s always another one ahead, and a company has to have the appetite and the engagement of its people to tackle

that next challenge. If we go back to the purpose of the company, customer service and quality is built from its ethos, whether people engage with its values, its governance.

“So complying with regulation doesn’t mean an organisation should just do the bare minimum to meet a legal requirement. Standards can be used to your advantage as a springboard, and new regulations indicate the direction of travel which all companies will eventually have to take.

“Rather than see the introduction of additional legislation and regulation, I would want to see what we have in place already being enforced to make sure the country is able to build a sustainable future.”

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Across five continents and twelve countries, employing over 1600 people, and established over 210 years ago, family-owned Lucy Group is an international group ‘making the built environment more sustainable’ with the stated purpose ‘to improve people’s lives with intelligent power, smart lighting and sustainable homes’.

Beyond Governance is a multi award-winning full service consultancy that collaborates with the c-suite, chair, board and investors to unlock value, resulting in increased shareholder and stakeholder confidence, increased share prices and achievement of business objectives.

Our three distinct service offerings, are dedicated to addressing the most critical issues and opportunities facing our clients. Our strength lies in creating value that transcends traditional boundaries and connects the silo'd elements within organisations.

Our Boardroom Advisory team specialises in strategy, organisational design, operational efficiency, technology integration, transformation initiatives, digital strategies and analytics, corporate finance and mergers & acquisitions as well as sustainability.

Our CoSec-on-demand group works with governance and secretariat teams to support them on a project basis, working with them on governance frameworks, subsidiary management, software audits, entity rationalisation as well as joining their risk registers to provide emergency cover, all done outside of IR35.

Our Training teams works with institutions big and small to help narrow the gap between theory and day-to-day practice. Industry experts had expressed concerns regarding the future outlook of the governance profession, and we felt we could help address these needs by sharing our experiences. Our training clients include members of the Big 4 and FTSE.

In 2020, Beyond Governance became the UK's first certified B-Corp consultancy in its sector.



**Training by
Beyond Governance**



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*The interview with Richard Dick was
undertaken with Erika Eliasson-Norris,
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About DECISION magazine

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of business owners and directors responsible for businesses with a turnover of £5million and above across the south of England and London.

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