

The big interview: Tom Davies

Brakspear's man of action

Tom Davies is the new youthful face at the helm of Brakspear.

Phil Mellows finds out how the optimistic chief executive is taking things forward after a company restructure

For those of us who have watched the industry over the years, JT Davies & Sons was always a bit of a mystery. A century and more in the business, 50 pubs and, at one point, a chain of wine shops, and not a peep out of it. It would be cruel to call it the Sam Smith's of the south, but JT Davies was a paragon of publicity shyness.

Now here's Tom Davies, the fifth generation of the family firm, open, friendly and happy to chat. What was the problem all those years?

Of course, things have changed. When JT Davies bought Brakspear in 2007, merging the two companies into a tenanted and leased estate of some 150 pubs, it was time to step, blinking, out of the bunker. And in the new chief executive, it is showing the world a youthful, dynamic face.

Davies took over from the retiring Don Bridgman last September. He was just 30 – but ready. Ready enough, that is, for the chairman, his father Michael.

"I'd always wanted to work for the family, but my father told me I shouldn't expect to walk into the business. I'd have to show I was the best person for the job."

So, during his four summers at university, he worked in London pubs for Geronimo and Fuller's, not for the cash – he wasn't paid – but for the experience. Geronimo gave him his first job, and when he left there after managing a couple of sites, he joined Fuller's as a business development manager on the tenanted estate.

By the time he returned to the family business as, effectively, number two to Bridgman, the Brakspear deal was done. "When Don retired it was great timing for me. I'd had a few years to bed in."

In fact, he sprung straight into action with a company restructure.

"That's been the biggest challenge of my first year," he says. "It's a total change. We've gone from five executive directors down to two. I look after operations and property and David Nathan deals with finance.

"My father is still chairman. He hates the term non-executive, but he's a great sounding-board."

The head office team in Henley was also cut down, from 24 to 16, which Davies argues was as much about culture as size.

"It felt like we had two different teams here before. Now we're all in one open-plan office it feels as though we're in sync and speaking with one voice.

"I think we were suffering from the overhang of when Brakspear was a public company. There were too many people to answer to. Now it's a private family business with a flat structure. We can make quick decisions and we have a can-do attitude. We have a laugh and a joke, too.

"I'm really excited, really optimistic," he goes on. "We had a couple of years, 2008-09, that weren't great. But trading is up on last year, beer volumes are up. We have some good business partners, some excellent sites and we are recruiting the right people. We're getting better at understanding our tenants and better at working with them."

That includes multiple operators. Davies has consciously targeted the likes of Ted Docherty, who has installed his Tailor Made Steak concept in three Brakspear tenancies, and Martin Webb, who has three in Brighton and Hove.

"We don't run managed houses ourselves, we don't have the structures for it, but we do have sites that run well under management that are good for multiple operators. We like the professionalism that they bring.

“Going to the pub has become an 'occasion' rather than an everyday thing**”**

"The pub trade must be the last bastion of the amateur. For me it's got to evolve, get more professional."

Like other tenanted pubcos, Brakspear has had to give its licensees extra support during the downturn. "It's tough getting rent increases. We're having to be flexible and help people out, be understanding."

The estate is relatively vulnerable. It contains a lot of village pubs that, Davies admits, are "finding it harder".

So far the company has had to permanently close only one pub. But it doesn't sound like it'll be the last.

"There are certain pubs that won't survive the next five years. Beer volumes are in decline overall and people are spending more time at home. Going to the pub has become an 'occasion' rather than an everyday thing. It means we're over-pubbed. The industry needs thinning out.

"Pubs have become very political, but the Government has to realise it's not bad for some to close. It's not a disaster. We want better, fewer pubs. It's an emotional issue, but we're not a charity, we're a commercial enterprise. Yes, pubs are also a community service, but what if they're not being used?"

Tenant recruitment has improved thanks to the addition of a recruitment manager and more flexible agreements. Last year a new three-year tenancy was launched with a six-month notice period, "so it's easier for tenants to get out".

"We don't want to keep someone in a pub they don't want to be in, and it also allows us to say to a new tenant 'give it a try'. And because we're a small family business we can be flexible. We take each pub as a stand-alone business. The key is to get the right operator and reduce the churn.





The key is to get the right operator and reduce the churn. The revolving door has to stop

The revolving door has to stop. "Where we've got the right people running it we'll invest in a site," he adds. "Either we'll make a capital spend or, where the tenant is putting money in, match the investment. And we'll do it with no rental impact."

"We are sitting on a large mortgage, so we've got to be prudent and target the money. We only invest for longevity. But we appreciate that pubs need to be invested in because the thresholds are rising on standards. It's why managed estates are doing better at the moment."

Brakspear's brands are still owned by the company, but since the brewery closed in 2002 they're brewed at Wychwood. And since Wychwood was taken over by Marston's, a wider portfolio has become available to tenants.

And the big news is that the best-selling Brakspear Bitter will be served through Marston's Fastcask system from the end of May.

"We weren't going to be the first to try it, but there have been positive reports and we expect it to give us flexibility and be helpful for pubs with smaller cellars," says Davies. "It will be great for Henley Regatta – we have a clutch of pubs in Henley. We'll be able to just tap it and go. In fact, it's probably the future of ale."

And the future? "We don't want to grow especially, nor to shrink. We're in the market for the right pubs, but I wouldn't say we're on the acquisition trail. We've no ambition to run 500 pubs. We just want a quality, sustainable estate – and we're getting there."

Key dates

1711
WH Brakspear buys a brewery in Henley

1875
Tom Davies' great great grandfather founds the JT Davies pub business when he builds the Mansfield in Gospel Oak, north London

1895
Brakspear becomes a public company and swallows up other local brewers

1942
JT Davies, now a company managing 64 pubs in the south-east, establishes a chain of off-licences under the name Davisons

1992
Acquires 18 freeholds from Bass, launching its own tenanted estate

1996
Davisons sold to Unwins. JT Davies now has 50 pubs, all tenanted

2000
JT Davies buys stake in Brakspear, expanding it over two years to a 30% share

2002
Brewery closes. Brakspear beers brewed under licence at Wychwood Brewery by Refresh UK

2003
Tom Davies leaves Edinburgh University with an MA in business and joins London pubco Geronimo as assistant manager

2005
Moves to Fuller's as a business development manager on the tenanted estate

2007
JT Davies acquires Brakspear creating a merged estate of 150 pubs. Davies joins as commercial director

2008
Refresh UK bought by Marston's

2010
Tom Davies appointed chief executive at 30

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