

# Case Study

## Lyons Tetley Merger

### *The Company*

J Lyons Chaired by Neil Salmon was trying to build a food, catering and hotel conglomerate. Profits in the J W French milling and baking division were low as were the profits in the grocery division.

A newly merged company, inadequate but well-organised historical performance data, a Chief Executive who was ignorant of the industry and a politically rather than economically influenced pricing structure.

### *Business Type*

Manufactured cakes, biscuits, tea, cereals and soft drinks. Sales of £50 million with employment of about 1,100 persons, profits around £250,000.00 per annum.

### *Objectives*

- Improve the profitability of the J W French and Grocery division post merger
- Acquire Tetley
- To develop an outline strategy and specific tactics to achieve early improvement in trading results.
- To create a united management and work force which identified with French as opposed to sources origin.
- To produce a programme of action plans to be able to quantify expected results, resources required and scheduled timeframe for completion.
- To produce short term improvements which would encourage commitment of resources to longer term objectives.
- To develop organically as opposed to speculatively towards firmer longer term strategic planning

### *The Results*

Under the management of John Mazzerella, the J W French Milling and Baking operation was merged with the CWS Milling and Baking operation. Under the direction of Hugh Brown, the grocery division acquired Tetley Tea. The profit position of the combined tea companies was low, by using TAM Hugh Brown brought about a sharp increase in productivity. Now called J Lyons Tetley, the Division saw tea profits increase from £250,000 per annum to over £9 million; within three years profits were running over £20 million.

The combined operation was sold to Spillers. Using TAM the merger was achieved in approximately 8 months, giving Lyons a x3 capital gain.

## TAM<sup>UK</sup>

TAM is an advanced Change and Leadership Advisory business, focusing on mid-sized companies and larger Public Sector organisations.

We have a strong track record built over 40 years, underpinned by our focus on developing long term relationships with clients, a reputation for integrity, and offering an independent programme that is knowledge transferred to your Senior Management team upon the Instructions of your Board or CEO.

These core principles help us to sustain effective business relationships with our clients and are consistent with our aim - to be the Change Advisors of choice in our specialist sectors.

Our focus is on providing a clear development path for our clients to enable them to outperform in their markets. Our Specialist Advisors are experts in their chosen sectors and work closely with our Clients to help them deliver their strategic goals.

## The Benefits

Guaranteed facilitated change

Strategically align and optimise your organisation

Create a cultural platform for efficient and effective change

- Develop effective leadership
- Cut costs before jobs
- Improve productivity
- Maximise employee inclusion
- To deliver the change to a financial outcome

Leading **Organisational** Change

# TAM<sup>UK</sup>

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These profits were used by Neil Salmon to subsidise the hotel side of the business, supporting the share process until they were sold to Trust House Forte and J Lyons was taken over by Allied Brewers.

## ***J Lyons & Co's comment on the results of using Team Action Management***

*"In merging the personnel of 3 previously separate concerns into one organisation, we had to contend with the natural suspicions and disquiet. The application of TAM enabled us to achieve integration and develop a united driving force within the new organisation at a pace which I do not think could have been achieved through any other means. Apart from the effect on personal relationships the system enabled us to come to grips with a highly complex range of conflicting business issues and resolve sets of well founded action plans in a very short space of time, meaning that instead of spending weeks or perhaps months in studies prior to action, we were able to commence purposeful activities at a very early date. To summarise I believe TAM to be an excellent instrument for effecting change and improvement not only in the mechanics of a business but in the dynamic development of increased effectiveness on the part of all that participate."*

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