

## **Lessons from my 37 years growing and running firm - Davis Shirtliff CEO**

After 37 years, Davis & Shirtliff Chief Executive **David Gatende** is hanging his boots – from his first and only job. He started in 1986 as a field engineer when the 76-year-old company had only one branch at its headquarters in Nairobi’s Industrial Area. He leaves behind a diversified water and energy solutions provider with 50 branches in Kenya and a presence in 11 African countries. Before he goes away on a one-month cruise with his wife to start his retirement, Enterprise caught up with him for business advice. “I have said it’s a timeout to being involved in executive management. I’ve been there, done that. I bought the T shirt ... and took the selfie,” he chuckles.

Before he started his job as a field engineer, Gatende was asked to do an attachment going around different departments. Before long, he was given more responsibilities. He was tasked with looking after the fabrication workshops and became the operations manager. In 1990, there was a change in ownership. Alec Davis, the firm’s current chairman, took full ownership of the company.

Mr Davis then appointed Gatende as the sales manager. This would make the turning point for the firm where they aggressively pursued the growth of the business. At the turn of the millennium, there was another shake up and Gatende rose to general manager.

“The company became more and more complex. We developed a supply function and we then began to open more branches,” says Gatende. “From a business point of view, it has been like riding a tiger, it has been an amazing journey.”

### **Rise to the top**

In 2010, he became the deputy CEO of the company, and in 2016, he took over as the Group CEO, when chairman **Alec Davis** handed over to him. Now it’s time to hang up his boots. At the end of this month, he will hand over to **George Mbugua**.

### **Organic growth**

Gatende says that majority of the business’s growth has been organic. “The good thing about that is that it takes time, but you are able to grow at a pace that does not stretch the company too much.”

“We average a 15 per cent growth year-on-year – even during the Covid-19 pandemic – which is quite remarkable.”

### **Diversification**

Gatende says that the secret to their success is diversification. “We are known for being a water pump company, but we have other segments of the business and this is the diversification I’m talking about.” The firm added solar equipment to its business 19 years ago.

“That has now overtaken the water pumps as a contributor to the company’s revenue,” he said. The firm has added generators and also does big water treatment projects. They also do irrigation equipment for domestic and commercial clients. Through their subsidiary Dayliff, the group has grown the business by ensuring a steady supply of products. “We make our own filters. We import water pumps, petrol engine water pumps, submersible pumps, solar modules ... all kinds of equipment that are affordable.”

## **Company culture**

Mr Gatende speaks about creation of a company culture. "If you visit the company you will find a board where we have over 100 names of people who have worked here for over 25 years. So my 37 years is not such an exception." They have been doing regular staff surveys for the past 22 years.

"In February, we asked staff 'how long do you expect to work in the company?' One of the most gratifying results I get is that about 80 per cent of the staff expect to work for more than five years, which is unusual, especially for the millennials and the current generations and I would put it down to the kind of culture that we have," he says. He notes that Davis & Shirliff has a culture that rewards hard work and recognises the inputs that people make. "It's important to have a culture that promotes strong values, integrity, quality and seeking higher things."

"To a young entrepreneur, I would say the challenge is to create such an environment where your staff are proud to work for you to create an enterprise and then to do it over a long period of time."

## **The people**

Davis & Shirliff has over 900 staff, Gatende explains that a good leader must put workers first. "If anyone has been to business school, business administration there are topics that are taught that are quite fundamental ... the most important thing is the people."

"You've got to look after your people. So you recruit the right people and retain them," he says.

He adds that the working conditions have got to be attractive. "It's not just a focus on salary. You've got to train them. You've got to give them something that they are excited to be a part of."

## **Great product**

"The product or service that you are selling has got to be a notch above everybody else. You cannot sell a mediocre product or service. It has got to be something that is well packaged. And that has some value addition that people are willing to pay for."

## **Management**

If the administration and the systems are awful, you cannot have good sales, says Gatende. "If you don't control the environment, or you haven't got good accounts or you haven't got good governance, you will not do well. And you will find that your business is not doing well."

"So administration and systems is very, very important because that's where compliance comes in, and more and more today."

## **Resources**

Without resources it's impossible to grow the business. "Sometimes you have an excellent idea you need to open a new premise or buy more vehicles or increase the office size or get more cameras or pumps or whatever it is you need. And so you need credit lines from your suppliers and from your bankers and from whoever else is the shareholders and then the last thing is sales and marketing."

He also insists on the ESG, the environment, the society and governance. "If you ignore the impact that your business has on the environment, then you won't have a long-term future because all organisations

have got to make sure they are sustainable.” Gatende says that his lowest moment at top level management has been when having to sack a worker. “The low moments in my career have been when we have had to go separate ways with staff, particularly executives. The more senior a person is, the difficult it is.” He explains that in such cases of having to fire an employee, one has to make clear what the expectations are and when they are not being met.

He, however, notes that some employees aren’t sacked only because of performance. Some just don’t fit into the company culture. The key highlights have been when his team meets a client on site and shakes hands at the conclusion of a successful project.