

CHAPTER 6

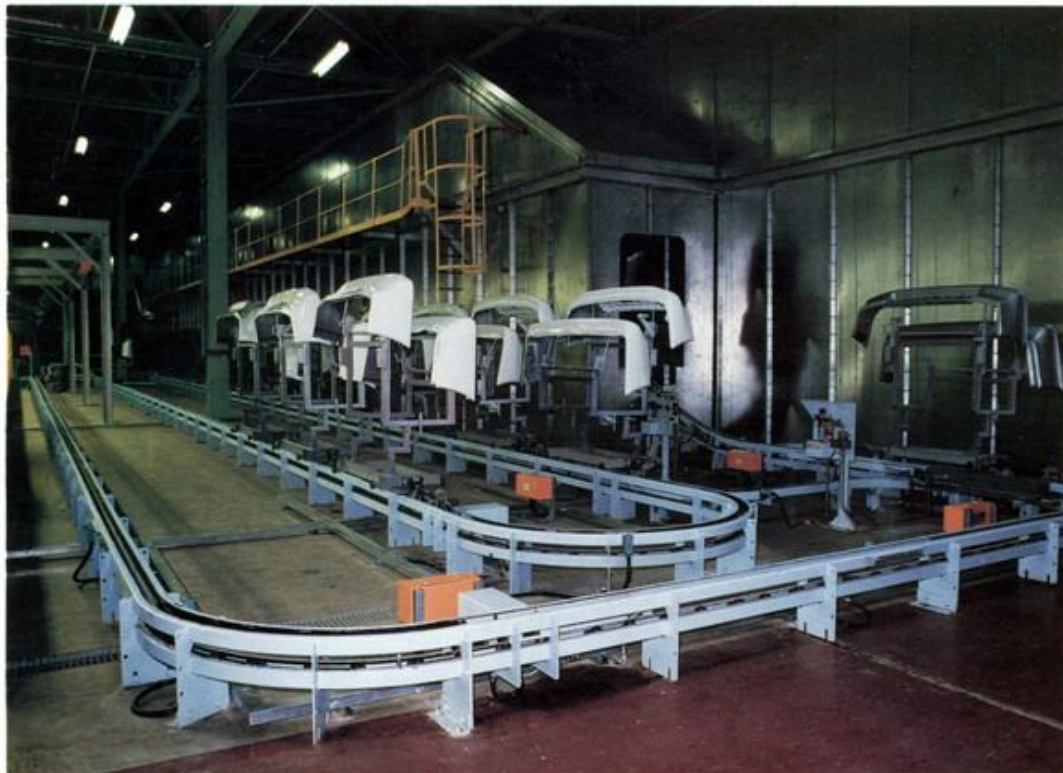
LEAPING FORWARD 1987-1990

BY PHILIP LING, CHAIRMAN OF HADEN MACLELLAN HOLDINGS plc

In 1987, with profits under pressure and a stock market value of less than £10 million, P & W MacLellan was very small by stock market standards. Recognizing the difficulty of charting the course of the enterprise after the disposals in the previous year, the chairman, Chris Howard, and the directors consulted the London office of Paine Webber, the American Investment Bank. Through them a number of proposals were considered. One of the introductions Paine Webber effected was to Philip Ling, a forty-year old entrepreneur with a number of business interests. His career had started in the early 1970s with Oliver Jessel, a well known and colourful financier. In addition to financial interests, Oliver Jessel had extensive industrial investments which, in 1973, were brought under a single holding company by the merger of Richard Johnson & Nephew (a two hundred year old Manchester wire company) with Thos Firth & John Brown, the leading Sheffield private steel enterprise. The resulting group, Johnson & Firth Brown (JFB) was a substantial business and Philip Ling was appointed director and general manager. Another of Oliver Jessel's industrial managers, Clive Mayhead, also became involved with JFB at that time.

JFB prospered and expanded in the 1970s, but at the end of the decade union militancy in Sheffield brought the private steel sector to its knees and many old firms were closed. The Firth Brown companies were merged with certain relevant parts of the British Steel Corporation to form Sheffield Forgemasters. At the same time JFB raised capital by selling a group of small engineering companies (Gordian Strapping, Everbright Fasteners, Nim-Cor and Brown Products) to London & Midland Industrials, a London-based industrial holding company with flagging fortunes. Philip Ling moved over and joined LMI as its managing director, along with Clive Mayhead. At that time, early in 1983, Mel Hawley had been working at LMI for some twelve years and he, Clive Mayhead and Philip Ling teamed up to try to energise the Group. However, the chairman and deputy chairman of LMI, both past retirement age, were resistant to change. Consequently, LMI did not move forward and in 1984 Philip Ling left to become managing director of Haden plc. Mel Hawley and Clive Mayhead remained at LMI, but in frustrating and disappointing circumstances.

Haden was a long established company, well known in the construction industry for its



View of the plastic parts oven and inverted power and free conveyor system in the painting plant in the factory of Nissan (UK) Ltd at Washington, County Durham, installed by Haden Drysys.

A selection of corrosion-resistant fasteners distributed by Everbright Fasteners Ltd, a Haden MacLellan company.



pre-eminence in heating and ventilating installations. It also had important subsidiaries in the United States, Britain, and Continental Europe, involved in the design and installation of painting equipment, particularly for the motor industry. The board of directors of Haden, under the chairmanship of Peter Simonis, were concerned that Haden needed new blood and ideas to take it forward. Philip Ling was recruited in the summer of 1984 with a brief to galvanise the business.

However, within a few months, in February 1985, Trafalgar House announced a hostile takeover bid for Haden. The Haden directors put up a vigorous and successful defence against Trafalgar and at the same time formed a consortium of financial institutions to make a management buy-out offer for Haden. This £60 million deal was completed in the summer of 1985. It was the largest of its kind at that time and one of the few occasions when a management buy-out has been used as a successful defence against a hostile bid. Following the buy-out, Haden became a private company and about a year later went through a further radical change with the sale to BICC of all the heating and ventilating activities. This left Haden as a thriving private company with interests in the design and installation of paint

shops, principally in the United States. Art Geiger, a six feet seven inch American, was the president of the Haden paint businesses, while Peter Simonis and Philip Ling were the other principal directors.

In the summer of 1986 the chairman and deputy chairman of LMI finally decided to retire and arranged to sell LMI to Williams Holdings, a fast-growing and flourishing industrial conglomerate. It was immediately apparent that Williams were principally interested in only certain parts of LMI and the majority of LMI's subsidiaries were not pivotal to Williams' strategy. Consequently, Philip Ling, Mel Hawley and Clive Mayhead were able to form a financial consortium called Haleworth Holdings, to buy twelve LMI subsidiaries from Williams, along with six other Williams businesses which had not been part of LMI. These arrangements were completed in November 1986, and Clive Mayhead and Mel Hawley, as joint managing directors of Haleworth, promptly set about re-organizing and improving the operating businesses in a way they had been prevented from doing within LMI. This was an extremely successful exercise, and within six months the Haleworth business was prospering and moving forward vigorously, with the result that the Haleworth directors

The board of HMM in 1990 now consists of people whose knowledge and interest in the constituent parts of HMM dates back well before the October 1987 merger.

Philip Ling – chairman – who was involved in both Haden and Haleworth and can trace his connection with Gordian Strapping back to 1971 and with Nim-Cor, Brown and Everbright back to 1978.

Mel Hawley – managing director – who was involved in LMI from 1971 onwards.

Clive Mayhead – executive director – who was involved in LMI from 1984 but can trace his connections with Philip Ling and with Gordian Strapping back to 1971 and with Nim-Cor, Brown and Everbright back to 1978.

Art Geiger – President of Haden in the US, which he and his colleagues started in 1971.

Peter Simonis – A non-executive director who, until the formation of HMM, was chairman of Haden.

Richard Taylor – an alternative director with responsibility for the European Haden businesses since 1984.

Brian North – a part-time director and previously chairman of W A Holdings.

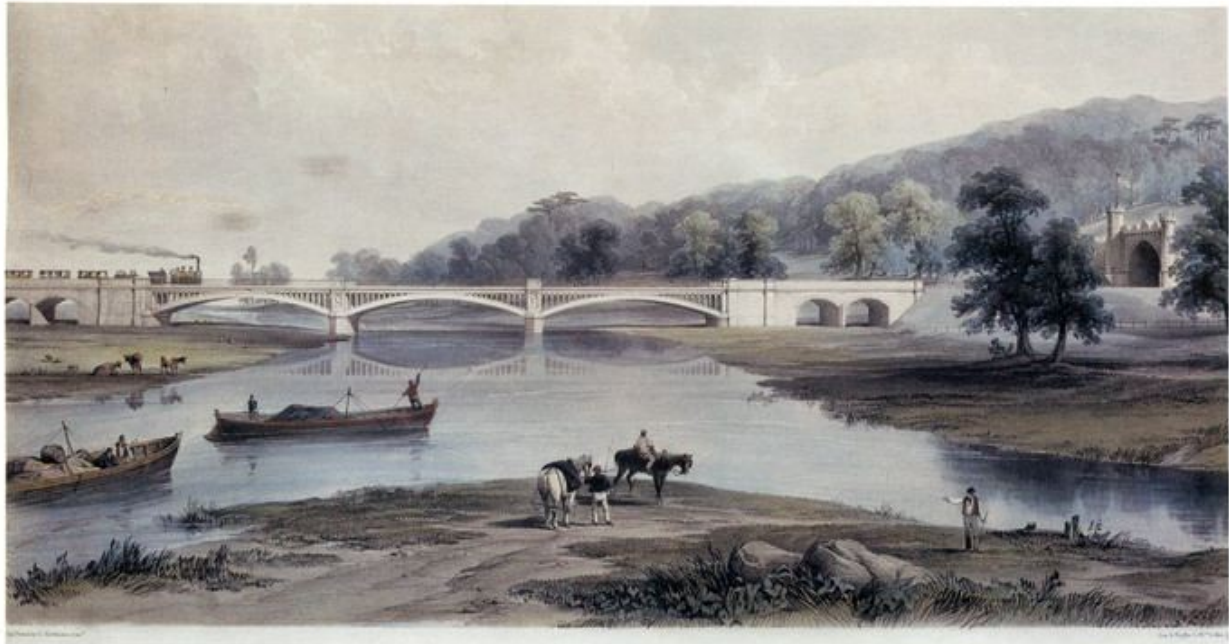
Jon Moulton – a non-executive director. As managing partner of Schroder Ventures he financed the formation of Haleworth.

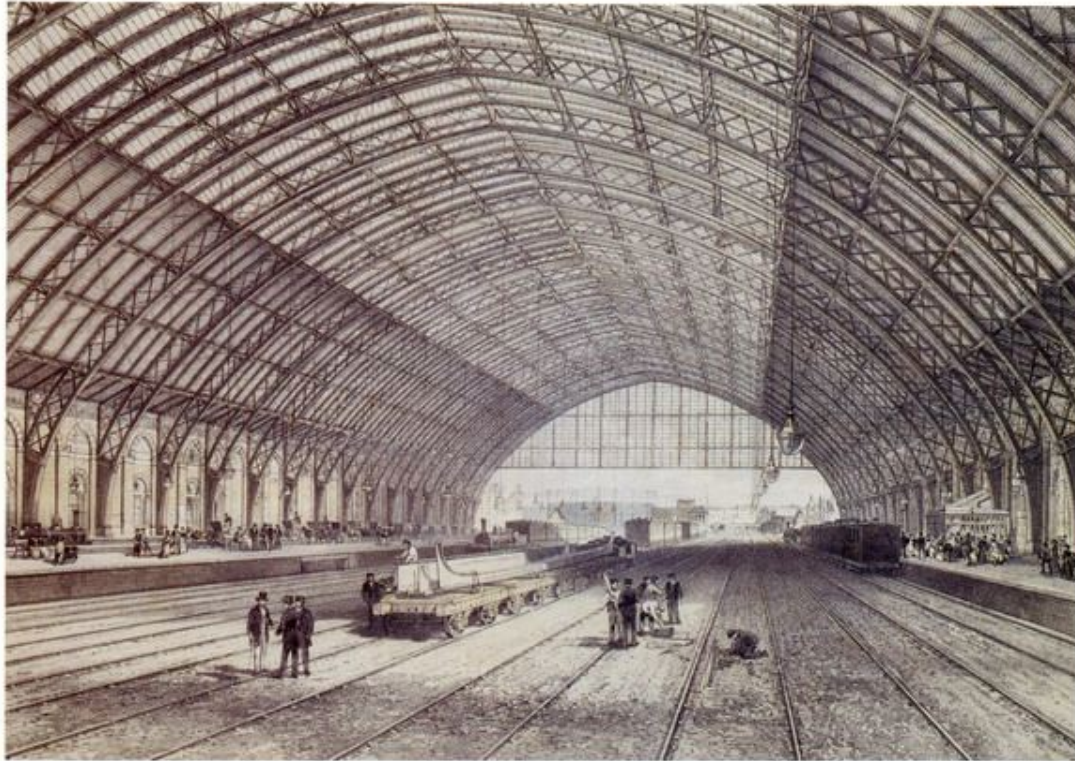
Robert Lyons – the company secretary who from 1968 to 1986 was with Haden and then joined Haleworth as financial director. With the 1987 merger with Haden, he resumed his involvement in Haden.



Right
Philip Ling, chairman of Haden MacLellan in the centenary year.

Below
An example of the civil engineering skill of Butterley Engineering Ltd of Ripley, near Derby, the iron bridge over the river Trent near Sawley on the Midland Counties Railway cast in 1839. The Butterley Engineering Co was established in 1790 to operate coal workings on the estate of the same name and quickly diversified into engineering.





The breathtaking arch of St Pancras station of the Midland Railway erected in 1868 to designs by Sir Gilbert Scott, and manufactured by The Butterley Engineering Co.

Looking to the future, HMH is well placed to prosper and expand. There is a strong and well spread base of engineering businesses, each with its own independent management and workforce. These are listed in the brochure inside the back cover of this book and include some other long established companies, including Petrie and McNaught, textile and paper engineers of Rochdale, Lancashire, established in 1824, and Butterley Engineering Ltd which was founded in 1790 to exploit coal deposits on the Butterley estate at Ripley outside Derby and later diversified into

mechanical and structural engineering. The Group's engineering activities range from the manufacture of aircraft components and packaging and strapping materials, the production of special irons and steels, the design and installation of air-conditioning plant, distribution of agricultural tools, to the design and supply of paint finishing systems. The skills and people within the organization are its life-blood and there is a determination and a commitment throughout the Group to make the next hundred years as successful as the last.



Haden Environmental Corporation operates the DryPure System to convert wet, sticky, paint often containing noxious substances into dry re-usable powder.

Haden (later Haden Young) was founded in 1816 but in 2009 became Balfour Beatty