

Lamont Pridmore: Adapting to the local landscape

Having mastered the art of growing during a recession Lamont Pridmore is now passing that expertise onto its clients throughout Cumbria. Xenia Taliotis uncovers the secrets of its success

Partner-run firms are a thing of the past as far as I'm concerned," says Graham Lamont, chief executive of independent chartered accountancy practice Lamont Pridmore. "In a year or two all our offices will have adopted a modern corporate structure and each one will be run by a managing director heading a team that includes an operations manager, an office manager, a tax manager and a number of specialists. We approach accountancy as we would any other service-driven business, which means we're constantly looking for ways to improve our products and to anticipate what our clients might need in the future."

That process has involved investing in technology and being available to clients after the office has closed. "We're gaining new clients all the time, young people who've grown up using laptops and mobile phones, and we have to keep up with them," explains Lamont. "Accountancy has to move with the times; we need access to our clients' files at weekends, in the evenings, and first thing in the morning, so we're investing in systems that enable us to do that. These measures have helped us grow even through bad

times and to retain 99% of our clients."

The multi award-winning firm has managed rather well through the dips and deeper dips of the past five years. Staff retention has remained at 98% - and recruitment is ongoing. Employees benefit from a 15% performance-related bonus and flexible working - factors that contributed to the firm twice being named one of the top 10 UK practices to work for in the British Accountancy Awards. Revenues are also good: the year ending March 2012 it saw a 19% increase in fee income and a 23% increase in net profits, and Lamont fully expects that 2012/13 will see growth of about 15% and 25% respectively.

Since he took over the practice in 1979, creating Lamont Pridmore from John Armstrong & Co, which he'd joined as a trainee in 1970, the firm has seen robust expansion. "The practice I took on had been around since 1894. It had one office, a few hundred local clients and one-and-a-half members of staff," says Lamont. "Now we have seven offices throughout Cumbria, 49 staff, including six directors and three partners, and more than 3,000 clients throughout

the UK. In the past three years our fee income has grown by 71% and if our forecasts are correct, we'll be twice the size we are now within five years."

In the early days, the firm doubled in size every three years or so, mainly through client recommendation. The next phase of growth came largely through mergers and acquisitions, with Lamont Pridmore absorbing a number of one- and two-man practices whose owners were retiring or selling up. Now, though, expansion is more organic, born out of having in-depth knowledge of its clients' industries and creating products and services that enhance each business. Specialist areas include tourism and hospitality, academy schools, family and owner-managed businesses, and agriculture.

Many of Lamont Pridmore's clients have had roots in Cumbria for centuries, so it helps that the firm's staff and managing directors are mostly locals. "There's something special about Cumbria, something intrinsic to the region that's hard to define," he says. "We're not a faceless firm of accountants, we're embedded in the communities we serve and we understand our clients'

99%

CLIENT
RETENTION
RATE

98%

STAFF
RETENTION

49

MEMBERS
OF STAFF

AWARDS

BEST MEDIUM-SIZED UK PRACTICE, 2012: ACCOUNTINGWEB
MANAGING PARTNER OF 2012: 2020 GROUP TRAINING AND DEVELOPMENT AWARD, 2012: CN GROUP
TOP 10 BEST FIRMS TO WORK FOR IN THE UK, 2012 & 2011: BRITISH ACCOUNTANCY AWARDS
INDEPENDENT FIRM OF THE YEAR IN NORTH ENGLAND, 2012 & 2011: BRITISH ACCOUNTANCY AWARDS
ACCOUNTANCY FIRM OF THE YEAR, 2011: NORTH WEST SOCIETY OF CHARTERED ACCOUNTANTS
MOST INNOVATIVE MEDIUM-SIZED UK FIRM, 2011: 2020 GROUP

{ 1979 }

YEAR ESTABLISHED, THOUGH
ANCESTRY DATES FROM 1894

SPECIALIST AREAS

ACADEMY SCHOOLS, AGRICULTURE, FAMILY
BUSINESS, OWNER-MANAGED BUSINESSES,
TOURISM AND HOSPITALITY

SERVICES

TAX PLANNING, PROFIT AND PERFORMANCE
IMPROVEMENT, CORPORATE FINANCE AND ASSET
AND WEALTH MANAGEMENT

industries, whether they're engineers or hoteliers. It matters to us whether our clients thrive or not because, apart from anything else, it matters to the area.

"We act for a lot of family businesses, third-generation enterprises that are still working from the same premises as their grandparents were a century ago. And we understand how important it is to hand on that legacy because, at heart, we're a family firm too. My son Chris runs the Carlisle office and my partner Wilf Pridmore's brother also works for us."

However big or small the client, they all receive the same guarantee, that Lamont Pridmore will keep their tax liabilities to a minimum, increase their profits by maximising the value of their business, and manage their wealth through investments and pension planning.

Lamont says that "adding value" has become a

catchphrase bandied around so much that at times it seems meaningless. But he says that this was one of his key areas of interest when he was lecturing and preparing papers for ICAEW 12 years ago. He saw then that added value would have to form the bedrock of every business that wanted longevity, so built that into his own practice profile.

"I like to say we start where other firms finish. We advise our clients as if they were our best friends, and we're always looking for ways to make their money work harder for them. That has nothing to do with hitting our own targets, and everything to do with looking after our clients' interests. We calculate the benefit we bring to each business in monetary terms, offering our clients a guarantee that our fees will never exceed the sum we've saved or made for them.

"Last year, we delivered savings of more than three

times what we charged each client. It's not the corporate entertaining and dinners that count, it's the bottom line - increasing their bank balance."

Lamont says it's partly the downward trend in accountancy fees for certain services and partly the need to innovate that led him to steer his firm away from backward compliance services towards tax planning, asset and wealth management, profit improvement and cost reduction. His point is that practices lacking the skills and expertise to offer "valuable" advice - advice that can safeguard a company's future through a range of forward-planning

measures - soon find themselves undercutting each other for bread and butter work such as tax compliance.

"Let's face it, many people can do their own tax return," he says, "so at that level, an accountant is not a necessary spend. That's not where the value or future of accountancy lies. Of course we still do tax returns, but really they're a small part of our portfolio. Right now, 12% of our work is asset and wealth management - against a national average of 3% for other firms - and 60% other high-end financial services such as profit improvement, cost reduction and acting as a financial director for companies that don't have one."

Lamont Pridmore's outsourced finance director service has been one of its great successes throughout the recession. Last year it grew by 100% and has, at times, proved a life-saver for companies that were sinking

fast. One example of many Lamont gives is of a client who was losing £145,000 per annum. "We turned around his business by, for example, negotiating better terms with suppliers, increasing efficiency and switching invoice finance suppliers," says Lamont. "Three years down the line, he's likely to show pre-tax profits of £140,000 for 2013."

The firm's cost-reduction package is also effective. This provides businesses with an objective assessment of their practices and suppliers, identifying where they can make significant savings on everything from waste management and insurance to utilities, uniforms and communications.

Then there is its Winning Company Programme, which helps clients develop a continuous improvement plan that can see their profits increase by up to 50%. It's something Lamont is excited about. "The [now defunct] Department for Business, Enterprise and Regulatory Reform spent £4m in researching the factors that create winning companies, coming up with a formula for success," he says. "We've devised a series of workshops based on this research, covering everything a business needs to flourish, including creating a client care programme, developing a people strategy, establishing efficient business processes and planning realistic milestones."

Undoubtedly the Winning Company Programme works; one early adopter was a certain accountancy firm in Cumbria - and look how well that's doing. ■