

Cleaning up on windows is just the start

Everest's continued success is seeing the brand stretch to other products, writes **James Hall**

PROFILE

Simon Jarman

Managing director
Everest

The Tan Hill pub in Swaledale in the blustery North Yorkshire Dales is a famous building. At 1,732ft above sea level, it is the UK's highest pub. But the cosy hostelry is well-known for another reason. It was the setting of a memorable television ad in the 1980s for the Everest double glazing firm. In the ad Ted Mould, the farmer-cum-TV personality, dropped a feather in front of a window and watched the feather fall vertically onto the sill.

"Fit the best. Everest," said Mould.

It was one of those ad slogans that stuck in the public's consciousness. Although Mould shot himself in 1986 after a period of depression, the ad lives on. Everest recently remade the promo with TV presenter Craig Doyle in the Mould role. As well as showing the double-glazing, the ad revealed that the pub's roof was fitted with solar panels.

It is a neat snapshot of where Everest is today; solar panels are a growing part of Everest's business as consumers look to "green up" their lifestyles.

Simon Jarman, Everest's managing director, believes that there is a "big opportunity" in energy efficiency as some 20pc of a house's heat is lost through its windows.

And he says that the TV ads still resonate.

"There is not one person who doesn't remember that ad campaign. Most companies would do anything to have that brand awareness," he says.

Everest has been on quite a journey since those initial 1980s ads. It has moved beyond its double-glazing roots to sell conservatories, drainage systems, garage doors and traditional block-paved driveways, as well as green technology. Services such as plumbing and insurance could follow.

Founded in 1965, Everest was one of the first players in a new industry – double glazing.

"It was a highly desirable product and in the early years it did well. The whole housing stock in the UK was fitted with very poor windows. They were bad on security, thermals and noise reduction," Mr Jarman says.

Until the 1990s the business was owned by Caradon, the building materials group. However, business was stagnating. Everest was bought in 1999 by Brian Kennedy, the Edinburgh-born kitchen salesman and entrepreneur who is estimated to be worth £300m. He decided to "stretch the brand" and started this move into the new areas.

Business is going well, despite the downturn. The doors and windows market fell by 12pc last year and is

down 14pc this year. Everest's sales of doors and windows, however, have grown by 13pc this year. Overall it is seeing 2.5pc sales growth. This is due to what Mr Jarman describes as a "flight to brand".

Everest pitches itself at the top of the market, which has attracted customers.

Everest's average customer is 55 years old. Eighty per cent of its clientele do not have a mortgage. Most are in the A and B demographics.

"We don't compete on price and we haven't reduced our prices at all. Our customers are savers rather than borrowers, which has made them more resilient in a downturn," he says.

Everest plans to take market share from rivals. There are over 3,000 double-glazing companies in the UK. Everest is the UK's second biggest player by sales and it has a market share of just 2.5pc (the biggest company is Anglian).

Although the company is holding its own, Mr Jarman is keen to dispel one falsehood about the recession. There is a myth in the DIY world that during an economic downturn people will spend lots of money doing up their existing house as they cannot afford to buy a new one. It is the kind of counter-intuitive business trend that CEOs like to trot out every time the housing market dips.

Mr Jarman says it is poppycock, at



In the frame: Simon Jarman says the DIY industry myth that people improve their homes if they can't move is false as far as Everest is concerned

least as far as Everest is concerned. "The 'improve don't move' thing is a fallacy. House moves drive our market. People do improve their homes in this environment, but it is low-ticket stuff. They might paint a room, but a kitchen is a deferrable purchase," he says.

Most of Everest's competitors operate on slim margins and low prices. This means that when the market declines they are unable to cut prices any further. Many have gone bust.

The company has also gone on an "aggressive" marketing and cost-cutting drive in a bid to mop up market share. Some £4m of annual costs have been taken out of head office and reinvested in marketing.

Everest has a 1,000-strong sales force, all of whom work as franchisees for the company. They make sales through canvassing, leaflet drops and some door-to-door selling. Many hire village halls, put ads in local papers and put on private exhibitions. No selling is done over the phone. Installation of the products is also subcontracted out.

What Everest owns, however, are its manufacturing plants and its after-sales

service team. Most of Everest's products are made in two UK factories in Kent and Wales. It also prides itself on its customer service.

In 2003 Brian Kennedy sold part of this stake to the management. Then in 2007 Hutton Collins & Company, the structured equity provider, bought a 25.1pc stake. The deal also saw Mr Jarman and his executive team increase their stake from 11pc to 25pc.

Mr Jarman joined Everest in 1995. He started as an accountant at PricewaterhouseCoopers. "I didn't enjoy auditing. I liken it to marking homework – you do it when the work is done," he says.

Sales this year will be £165m. Earnings before interest and taxation this year are expected to be "a couple of million higher" than the £15.5m reported last year.

Mr Jarman is on a mission to expand the brand further and take advantage of people's environmental aspirations. "When you say to someone 'Everest' they say 'double glazing'," he says. Our challenge is to be in every area of home improvement."