



Valuable lessons: Peter Grant, pictured here with his wife, Colette, found his background in a big organisation stood him in good stead

Tom Farrow

GRANT MANAGEMENT

The virtues of timing, luck and pluck

Born out of the ashes of redundancy, this property company now has a £12m turnover, writes Mark Nicholson

Speed does not seem to scare Peter Grant, a keen racing yachtsman and co-owner and founder of an Edinburgh-based property management company. Which is just as well.

What began five years ago as a property punt, buying, renovating and reselling a Georgian Edinburgh town house, has raced improbably quickly since into a company with a £12m turnover, 40 full-time staff and operations in four Scottish cities.

At its current ripping pace, Grant Management, which Mr Grant co-owns with his wife Colette, will shortly be one of Scotland's biggest property management and buy-to-let agencies. There has been a measure of good luck involved, as Mr Grant concedes. "The timing was good. We got into the property market at exactly the right time. It wasn't planned, it was just luck."

But it takes more than just luck to grow a business from zero to £12m inside five years, even during a property boom. It also takes some nerve and savvy not to blink during such coruscating growth. Mr Grant partly thanks his business back-

ground.

Grant Management was born from the ashes of Mr Grant's previous job as circulation director at the Daily Record newspaper.

He had been 20 years in the newspaper business. But in 1997 he fell victim to management change, took redundancy and made the plunge into property.

He and his wife ploughed the redundancy cash and their savings into a big New Town house in Edinburgh.

"Savings, security, home, we pretty much put all of it into the venture," he says. Camping with their young son Jamie amid the plaster dust and scaffolding inside, they set about refurbishing the property with the aim of reselling.

Fortune favoured their bravery. Soaring Edinburgh property prices ensured that the profit they made on the venture enabled them to set up Grant Management.

"When we sold it, we knew we could live for another three years on the basis of that project," he says. "It was a wonderful feeling of liberation."

But evidently not too dizzying. From the outset, the Grants appear to have been clear headed about the style

and shape of company they wanted to build.

They also designed the company from the start with elements that, in retrospect, have helped it manage successive, and often dramatic, stages of growth without undue trauma.

Above all, says Mr Grant, they wanted their company to offer a strong service ethos.

By the time they formed Grant Management, Peter and Colette had already dabbled in the buy-to-let market, buying their first investment flat in 1996. They were not enamoured of the service they got as investors, put mildly. Grant Management was designed, says Mr Grant, to offer "precisely the opposite of what we experienced".

They decided to offer a full-service model, providing investors with everything from finding the properties in the first place, through to refurbishing and redecorating them prior to letting and managing. In addition to the 40 full-time staff, they have 100 dedicated contractors working for them.

The only thing they won't do is actually arrange mortgage financing - though they will offer advice on

where to go to find buy-to-let mortgages.

For managing the properties, they charge a flat 15 per cent fee, higher than the Edinburgh average of 13 per cent, but Mr Grant points out that they do not charge any extras.

Possibly uniquely in the business, they also offer to buy back any flat should a new buy-to-let investor have second thoughts.

"I wouldn't source any property I wouldn't own myself," says Mr Grant.

The formula took off. What had begun as a dabble into buy-to-let with their own flats spread through word of mouth.

"Friends said 'can you do that for me?' The whole thing just grew. We were soon buying and renovating four flats a week," says Mr Grant. To date, all their clients have so far come from direct referrals.

But the architecture of the business has proved just as robust as their business plan.

Within five years, Grant Management has sprinted from being a start-up to an SME, staffing has shot from 24 to 40 in the past eight months. "We've probably changed every bit of the

company since January," says Mr Grant. "Our benchmark is that we double in size every 12 to 18 months."

By no means every small business could readily cope with such breakneck growth.

Mr Grant identifies a number of factors which he believes has helped his company expand without bursting. One was simply that, having come from working within a big organisation, scale did not worry him. "Because I'd worked for a big organisation, at no stage did the growth thing ever phase me."

Another lesson Mr Grant says he brought from his previous background was the value of good advice. "We've always surrounded ourselves with very good advisers, architects, tax advisers, surveyors, everyone. We're quite happy to pay for good advice, getting the best advice has to be the best possible investment."

In a similar vein, but unusually for a company of its size, Grant Management appointed two non-executive directors almost from the outset. Both are highly experienced businessmen; one a former corporate banker, the other a former Computacentre director.

Mr Grant says he also sought to identify and tackle his own weaknesses. Finance was among them, he says. Ten years ago he undertook a finance-based MBA. But his sense that this was a weakness also prompted him to look for a financial expert as one of the two non-execs.

Another factor is technology. "It's a massive thing behind the scenes for us. We've spent about £50,000 in the last year on technology alone. Everything that can be automated is automated. We've got no fear of investing in technology because if it makes people's jobs easier, or frees them to do other things, that can only be good for the business."

It will also provide a platform for further expansion, including perhaps through acquisition. Mr Grant believes the company's formula can be replicated readily in almost any UK city with a big student population, the lifeblood of a reliable letters' market. The company is already eyeing the possibility of venturing south of Hadrian's Wall to Newcastle. But it should be no surprise if the company hasn't ventured into its first acquisition even before that.