

Donnelly Fresh Foods

DONNELLY



Donnelly Fresh Foods is a third generation family owned company. In 1979, Anthony Donnelly and his son, Brian, set up Donnelly Fruit & Veg which began as a vegetable supplier to Superquinn. Over the following 36 years, the Donnelly group grew considerably and today includes three new businesses: Glan Arís, their crate wash and rental company; Wonderfoods, their food preparation division; and Donnelly Farms, their growing division. They employ 330 people and make an annual group turnover of between €80-100M.

*A strong management team led by a non-family managing director is in place across all four divisions. The group established its new board of directors in 2015, which holds a bimonthly meeting. The family remains actively involved through shareholding and management with Ciaran Donnelly as Group Managing Director. The CFB spoke with **Brian Doyle**, Group Chairman and MD of Glan Arís since 2004, about the family and non-family dynamic of the company.*



Brian Doyle

Q. Has building a strong management team been central to the group's success? Why?

A. The ongoing diversification of the business over the past decade or so has necessitated the assembly of a strong and robust management team to ensure continuity, ongoing growth and success of the business. Our diverse management team comprises long-term staff members who have spent much of their careers with the business and who have a shared common belief with the family members in the company vision. This management team, who are independent achievers with relevant industry expertise, also work very closely with the family members in the planning and delivering of the company's strategic goals.

Q. Can you explain the process of building the company board?

A. The company's formal board was established in June 2015, and consists of three family members and five non-family members. The family members are Ciaran and Ronan Donnelly and their mother, Una Donnelly. The non-family business directors who were appointed to the board are Damien Butler, MD of Donnelly Fruit & Veg; myself, MD of Glan Arís; Ann Bolger, MD of Wonderfoods; Martin Gaffney, MD of Donnelly Farms; and Patricia McHale, CFO.

As each of the non-family members was already managing the business's individual entities, it was more or less a natural next step in appointing each of us to the board. As new directors, we have a solid understanding of the industry dynamics for our respective business entity, we know our company economics and how each can create value, and we possess the necessary close relationships with our teams that ultimately help us prepare smarter and refined strategic options for each entity.

As part of our continual improvement process we are currently seeking the addition of a suitable non-executive director to our board, a person who can contribute to the development of the Group's strategy, who can support and inspect management performance, and who can introduce the business to new networks.



Strawberries growing in Donnelly glasshouses in Lusk, Co. Dublin.

Q. How does the *family– non-family* dynamic work in the Donnelly group? Is there a shared vision?

A. The family’s core ideology and vision for the business is also shared by the non-family directors, who, as already mentioned, have been working in the business for several years. Our core values and purpose have remained fixed whilst our business strategies and practices have endlessly adapted to an ever changing business environment. It was critical for the family members that their non-family board members share their vision and use it as a source of guidance and inspiration, all the time helping to drive the business forward.

The *family–non-family* dynamic within the board also ensures energetic discussion across a wide range of topics and strategies, and this diversity within the board often leads to challenging debate which is very helpful in ensuring no stone is left unturned and all issues have been thrashed out and discussed at length.

Q. Where may difficulties arise in regards to family input and non-family management?

A. Primarily, it’s vital that our non-family board members firmly grasp their fiduciary duties such as loyalty, prudence, placing the company’s interests first, and applying proper care, skill and diligence to business decisions with the overall objective of helping the company thrive into the future.

That being said, there can of course be areas where disagreements may arise, for example, capital spending on facilities or plant and machinery, staffing issues, etc. However, we explore all these items in detail, and they are generally resolved to everyone’s satisfaction at our board meetings. We are all too aware that board meetings can’t and shouldn’t always be comfortable, and with that in mind we feel our meetings are lively, energetic, challenging, exploratory, rewarding and generally cordial.

Q. What benefits do you see in family involvement in terms of shareholding and management?

A. As a third generation family business, our customers have a level of faith and trust in us that is not always extended to PLCs or to other corporate entities. As we know, family business is the backbone of our nation’s economy with nine out of every ten companies in the state being family-owned. We see this as a great benefit to our company, especially with two members of the family being prominently involved in the business.

Our shareholders continually invest in the business and have always promoted a reinvestment perspective. This policy is most encouraging for all the management and staff and this, together with our shared vision and long-term strategy, should help us grow the business well into the future.