



Client Case Study:

Netwatch

Crafting a growth transformation strategy

Client Case Study

Netwatch, David Walsh CEO

Netwatch develops remote surveillance solutions for companies across the globe. In 2018, it merged with US-based companies NMC and CalAtlantic, as well as UK-based Onwatch Multifire.

With a team of 570 staff in the US, Ireland and the UK, David Walsh is the company's CEO.

What was your goal at the start?

From the earliest days, we positioned Netwatch as a disruptor. The security industry is very conservative and has changed very little in the last 50 years, never mind the last ten. We thought of ourselves as a business solution, not a security solution. That was a deliberate strategy.

The foundation for our early growth was emphasising quality customer service and good technology. We also used PR and marketing well. We experienced decent growth from 2003 to 2007, and got to €5.5 million turnover in 2007.

Then the recession hit, which we saw as a great opportunity. More and more clients began to recognise the cost savings we offered. Our growth was extraordinary from 2008 to 2014 we quadrupled the size of the company.

The vision for the business was always there. We wanted to be a global leader from the start. The money shouldn't be the motivation; it should be the result. Goals have to scare you - and our team bought into that. That loyalty made a huge difference.

What was holding you back?

Up to 2009, we had the same business model as everyone else; basically, charging a fee for our equipment and services. Then one day someone in the office said "why don't we give it away for free and charge clients for the relationship?" That was a game changer for us.

We had done a lot of things right up to that point. We had grown in every quarter of business we had done, but still the pace of growth and vision had to change to get us to the next step.

The plan that Select Strategies presented gave us a great foundation to do that. We could have stayed the way we were and grown by 20 - 25% every year, but we wanted more.

What did the process entail?

There were a few catalysts for our growth. First, we really got into foreign market investment around 2012. We had been in the UK from day one, but the real prize was always the US - it's such a huge market.

We had always positioned Netwatch as a high value proposition and invested heavily in people. The key thing was that we believed there was a natural alignment between Netwatch and the US business culture. For example, price is the most important factor in the UK. But in the US, service comes first, then price. That suited us as we have a premium product.

We started working with Select Strategies in 2015 and, at the same time, started bringing some key senior people in who had personality and serious international experience. We peeled back the layers of the onion with Select Strategies. When you're growing, it's easy to forget the basics. What's your value proposition, your sweet spot?

We identified four strategic pillars that underpinned our vision: outstanding technology, strategic funding, people, and a solid mergers and acquisitions plan. To put the theory of those pillars into practice, we developed our own R&D team, we raised €20 million in debt, we sent 15 of our key staff on a two-year leadership course and we started to identify companies for M&A activity. We had revenues of €15 million in 2015, and the aim is €100 million by 2020.

Client Case Study

What were the results ?

A good saying in business is “the narrower the focus, the greater the opportunity”. We were clear about what our sweet spot was. Now we have over €60 million in contracted revenues, and we’re going to beat our 2020 target.

The company is a lot bigger now than it was even a few short years ago – we’ve put a good deal of work into building our middle management. They always had the passion but in the early days, some of them probably didn’t have the full skillset they needed. Working on that area of the company served us incredibly well. Now I can delegate a lot more, which is important.

Culture has always been so crucial for us. It eats strategy for breakfast and technology for lunch. We asked our staff to define the culture of the company. And listen, I’ve never been a fan of putting your values up on an office wall. You can’t measure values. But eventually we agreed on two things we always do and two things we never do.

We always put the customer first and we always work as a team. On the flip side of that coin, we never disrespect anyone else and we never hide. Most organisations have some sort of culture, but for the most part it’s accidental. High-performing companies understand culture. Culture is the gap between strategy and execution.

What was different about Select Strategies?

Their execution framework was so important. For example, after our leadership team came back from their two-year course, we had them present using the same framework Select Strategies gave us. It’s a very simple model asking what we’re aiming for and identifying how that can be delivered.

Select Strategies took the time to analyse our business and get to know us. They had simple solutions. That’s the genius of Select Strategies: that feeling that we should have thought of what they proposed before they came up with it! But you can’t do it. You need that expertise.

Any of the Big Four could give you a strategy to implement that would just gather dust: it’s easy to come up with a strategic plan that’s complex. The challenge is to come up with one that’s simple, and that’s what they did.

What advice would you give to the leaders of a growing business?

If you want to offer the best service, your employee and customer experience need to be aligned. You need to treat both of them well.

Also, take time out and analyse what you’re doing. Initially I wasn’t a fan of five-year plans; I thought they were too long. But that’s not the point. The beauty of a five-year plan is that it stretches your imagination.

Start dreaming about something first, then talk about, then do it. But make sure you have that vision. It doesn’t matter what it is. Let it be mad! But try to fulfil it.