

Commercial contractor set for growth after seven-figure buy-out

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A Midlands commercial contractor that works on many high-profile retail developments is set for growth following a seven-figure management buyout, supported by funding from Mercia Debt and Frontier Development Capital.

GI Sykes, a third-generation family business based in Stourbridge, employs 40 permanent staff as well as dozens of independent contractors. The buy-out gives control of the business to the existing management team led by Richard Downs, who becomes Managing Director, and including fourth-generation family member James Sykes (Operations Director), Anthony Bennett (Contracts Director) and Dan Westbury (Commercial Director).

The deal provides an exit for brothers Richard and Jason Sykes, the grandsons of the founder, though they will continue to work with the business as consultants.

GI Sykes was established in the 1940s by Richard Sykes as a painter and decorator, and took advantage of the post-war housing boom to expand its services. The company now also delivers specialist coatings for cladding, roofing and flooring and carries out general building work, maintenance and repairs.

Clients include local authorities, developers, private landlords and commercial property agents. GI Sykes carries out work on many high-profile developments such as Harvey Norman's flagship store at Merry Hill, MacArthur Glen Designer Outlets, River Island, Home Bargains and McDonalds restaurants.

The company has secured a £720,000 funding package, with half coming from Mercia's SME Loans Fund to support the buy-out, and the remainder from the Midlands Engine Investment Fund II, through its appointed fund manager Frontier Development Capital, to support the future growth of the business.

Richard Downs, the new Managing Director, said: "The Sykes family have built a great business with a solid reputation and we are proud to be taking over the reins. We want to maintain the family business ethos,

which is all the more relevant as some of our employees now have their own children working in the business.

“We will continue to provide the same first-class service to existing clients while seeking opportunities to expand our service lines and client base. We aim to achieve steady growth, while continuing to support our loyal workforce and, through our apprenticeship scheme, nurture a new generation of skilled tradesmen in the region.”

Ryan Cartwright of Frontier Development Capital added: “GI Sykes is a great business and an important local employer, not only in terms of its direct workforce but also the work it provides for independent contractors in the region. The buy-out will secure its future and enable the existing management team to pursue their growth plans to take the business forward.”

Paul Barnsley of Strategic Funding provided fundraising advice to the company.