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Sir William Gallagher

Gallagher

Sir William Gallagher is one of New Zealand's best-known businessmen. When he took over the family business from his father, Gallagher had just 10 employees, but through his efforts and vision, Sir William has taken the company forward to be one of the country's most successful high-tech businesses, employing more than 1,000 people worldwide. A great believer in the primacy of the family business model, Sir William reckons its best values have also been crucial to Gallagher's success. And will continue to be so in the future.





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Sir William Gallagher,
CEO, Gallagher

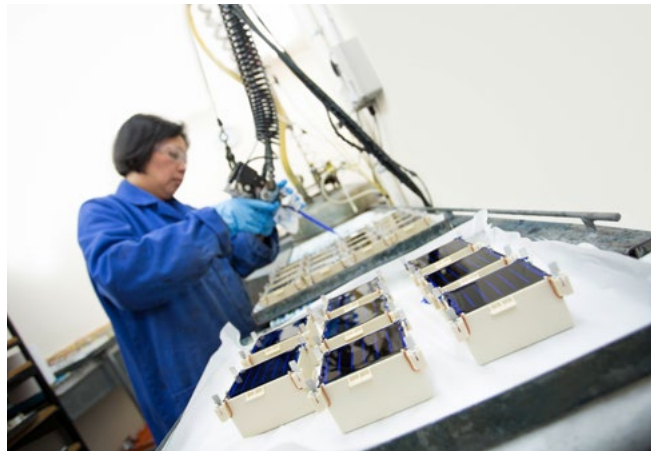
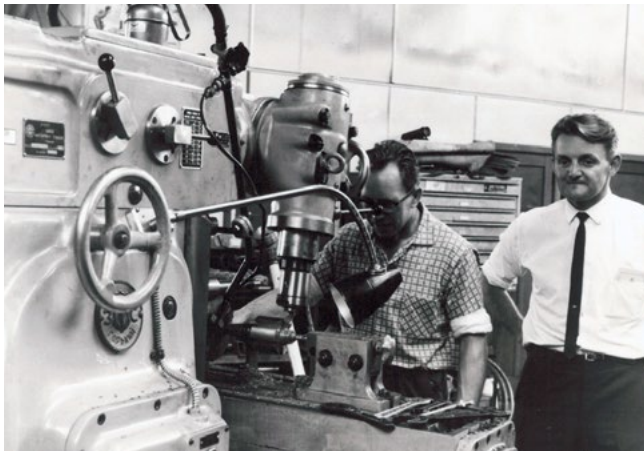
Sir William Gallagher says one of the books that has influenced him most over his 60-plus years in business is *Hidden Champions* by Professor Hermann Simon. The book talks about the success of small, world-beating, highly specialized businesses with little brand recognition outside of their specialist areas. Sir William reckons that his own family business, Gallagher, is a prime example of a hidden champion.

That may be the case, but Sir William himself is far from hidden – at least not in the business world of his native New Zealand, where his reputation extends far and wide. Mike Moore, a former New Zealand Prime Minister, has described Sir William as a Kiwi hero. "If New Zealand had another

A classic second-generation business builder

Sir William is a classic second-generation business builder, who took a small company founded by his father and turned it into an international business success story. Gallagher now employs more than 1,000 people globally, with annual revenues of around NZ\$230 million.

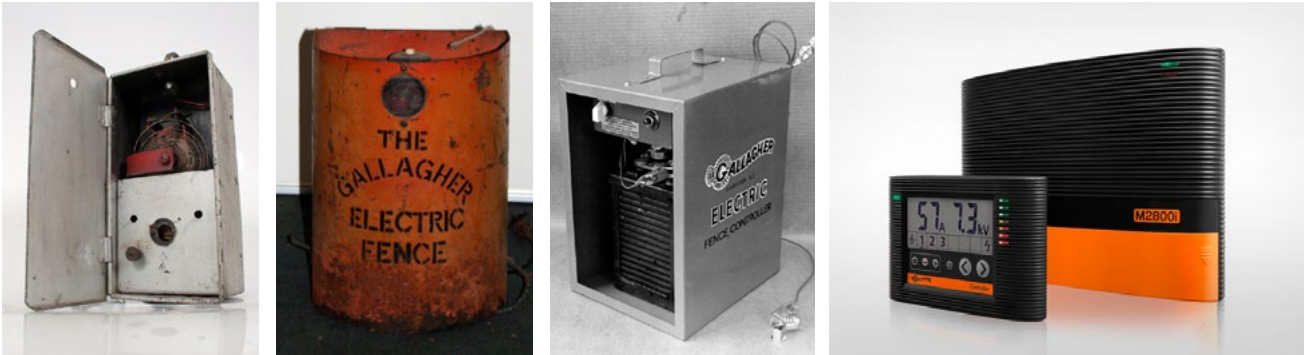
Based in the city of Hamilton on New Zealand's North Island, Gallagher is best known for building electric fences for livestock management. Indeed, Gallagher has become one of the most renowned brands in the world for electric fences, and has since expanded the business into wildlife management. "The



On the left are the early production facilities in 1930s, compared with today's high-tech production facilities on the right. Today, Gallagher has a team of 120 R&D specialists.

100 Bill Gallaghers, we would be the richest, most decent, best-natured nation on earth." This was Moore's praise of Sir William in the foreword to the recent book about the entrepreneur *Legend: From Electric Fences to Global Success*, published in 2013 to mark the 75th anniversary of the Gallagher Group.

higher-voltage energy fences we have developed have opened up wildlife management," says Sir William. "Today, most of the game parks in Africa use our systems." But Gallagher has grown its business into other areas as well, including perimeter security around homes and prisons, security alarms and fuel systems. On top of that, Gallagher has a thriving contract manufacturing business. The high-tech side



On the left is the first of the Gallagher Fence Energizers; throughout the years, this has evolved into the latest M2800i Fence Energizer, which has 28 joules of stored energy and is suitable for fencing all types of animals on farms up to 300 acres.

of Gallagher's products and services is evident in everything the company does and, today, it is considered one of the most technologically innovative businesses in New Zealand.

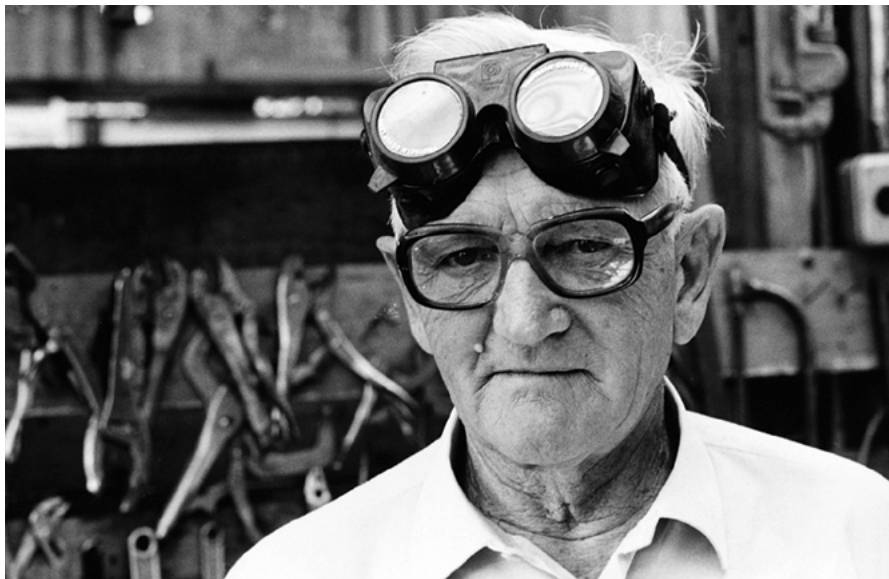
Gallagher's journey began in the 1930s when Bill Gallagher, Sir William's father, had a eureka moment while trying to resolve a problem linked to a family horse called Joe. The horse used the fenders of the family car as a scratching post. This led Bill to develop an electrical circuit that delivered a shock when the horse rocked the vehicle. The solution worked and led to the idea for the electric fence. Although Bill might not have invented the electric fence for livestock management, he was certainly among the first to come up with the idea. And he is widely credited with being a pioneer in the development of the technology.

A natural entrepreneurial mindset

Bill started his working life as a dairy farmer, but he was happier tinkering with his inventions, such as the electric fence and, later on, novel fuel systems for cars. Sir William remembers the two big boats Bill built in the garden of their home in Hamilton. The second one was an impressive 88 feet long. "When my father Bill started the company, he probably hadn't even heard of the word 'entrepreneur,' but that never

stopped him from being one," says Sir William. Bill launched Gallagher in 1938 and kept the business going through World War II, when he contributed to the war effort and worked in a munitions factory. Sir William gained a mechanical engineering degree from Auckland University and, with his brother John, entered the family business in the early 1960s. "My father never had the ambition to grow the business very big," says Sir William. "For example, he said exporting Gallagher's products was a waste of time."

Sir William was to turn that thinking on its head, and he realized that, in order to grow the business, opening markets abroad for Gallagher would be crucial. In the late 1960s, at his suggestion, Gallagher began exporting: first, the farm machinery, then, by the 1970s, its famous electric fences to the huge farms of Australia; and the business started to expand significantly as a result. A big part of the success of Gallagher over the next decades, under Sir William's leadership, was due to his efforts to grow the business overseas. And today, Gallagher's foreign markets are as important as ever. Sir William says he still spends around a half of every year abroad, developing new markets for Gallagher and acting as a very effective ambassador for the business. He estimates he has been to more than 140 countries and says that Gallagher products are exported to more than 160 in total.



When a horse called Joe took too much of a liking to using a car as a scratching post, founder Bill Gallagher Senior scratched his head for a solution.



Gallagher is 100% owned by the Gallagher family. From left to right are Sir William and Lady Judi Gallagher; their son Ian; nephew Keith; and a member of the fourth generation, Demi Brewer, who is also employed at Gallagher.



Today, Gallagher products are exported to more than 160 countries in total. Its head office is in Hamilton, New Zealand.

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Sir William Gallagher

Sir William’s drive and energy are no doubt a big reason behind the success of Gallagher, but he believes that family ownership and the values this brings to the company have been crucial as well. “The benefits of a privately controlled family business are numerous, and include the ability to make fast decisions and to play the long game. We are not worried about quarterly or even annual returns,” he says. Gallagher is 100% owned by the Gallagher family. Sir William’s son Ian and nephew Keith both work at Gallagher, and a member of the fourth generation of the family, Demi Brewer, is also employed there.



Sir William is very wary of promoting family members, though. “Nepotism, or the smell of it, is to be avoided at all costs,” he says. “We have family members in the business, but whether they are leaders remains to be seen.” A big role in the company’s success has been carved out by Sir William’s deputy CEO Steve Tucker, who has been with Gallagher for more than 20 years and is a key part of the culture that promotes and rewards non-family managers at all levels of the business.

Innovation is at the heart of Gallagher

Innovation remains at the heart of Gallagher, 79 years after Bill came up with his electric fence idea. Today, the company has a team of 120 R&D specialists, which Sir William says is a crucial part of Gallagher’s efforts to stay ahead of its competition. He believes that it is made possible by being a privately controlled business: “Listed businesses would not tolerate that level of R&D expenditure,” he says. Another central part of that commitment to innovation is listening to the customers all the time and feeding their views back to the company at all levels.

And the future for Gallagher? Well, one thing is for sure: under Sir William, the company is not about to go public. “We have no intention of listing,” he says. Of course, how future generations of the Gallagher family take the business forward is anyone’s guess. But one thing is clear: the values and culture of the company that have been instilled by Sir William and his father will remain a guiding light for many years to come ... as, no doubt, will the legend of Joe the horse.

Sir William Gallagher

CEO

Company name: **Gallagher**

Generations: **Second, third and fourth**

Founded: **1938 in Hamilton, New Zealand**

Industry: **Electric fencing**

Employees (2016): **More than 1,000 globally**

Revenue (2016): **NZ\$230m**