



The Davis & Shirliff Group is East Africa's leading supplier of water and energy related equipment, first established by Eddie Davis and his partner, Dick Shirliff in 1946. Dick sold his shares to Devji Shingadia in 1970 and after Eddie passed on in 1982, the firm was run by Shingadia and Eddie's son, Alec Davis, who had joined in 1976. David Gatende joined in 1986 and when Alec bought out Shingadia in 1990, the business began a new phase of being run professionally. After working together for 14 years Alec appointed Gatende Deputy CEO, in 2000, and when he retired in 2016 to become Chairman, he made Gatende Group CEO. Together, Alec & Gatende have led the company for 32 years to become what it is today.

Since we last spoke with Gatende, like most companies, Davis & Shirliff has had to navigate some unprecedented challenges. "It's been quite tumultuous. It has been a roller coaster with the different Covid variants coming one after the other," Gatende tells us. "But the business has grown. In 2020 our revenues did not dip from 2019 despite it being the first year of Covid. Last year, at Group level we breached the \$100 million threshold that has been a target for a number of years. We saw about 10% growth at the group level and 2022 has begun really well. We completed a new warehouse, a 10,000 square metre facility at Tatu City that now serves the whole region." But as we talk it also becomes clear the company is about to undergo another torch passing.

"We celebrated our 75th anniversary in 2021," Gatende says. "We've had 21 years of very stable executive leadership. In May last year, our Managing Director of Kenya, Dr Mas Waweru, retired after 29 years in the company,

and I will retire in May this year after 36 years." In light of this change of the guard, the company's 75th anniversary celebrations were based around the theme "Davis & Shirliff 3.0". Davis & Shirliff 1.0 marked the period from 1946 to 1990, that ended with Alec Davis buying out his partner, Shingadia, and giving Gatende a leading role within the company. This marked the beginning of Davis & Shirliff 2.0. "Alec Davis is a second generation member of the founding Davis family, and I'd been with the business for four years when he bought out Shingadia. Together with three other executives, the five of us ran the business for ten years until about 2000 when the other three left the company. Alec and I promoted the next level of senior managers to executive level and for the last 21 years we have run Davis & Shirliff with little change" Gatende recalls.

In 2016 Alec retired to chair the group and Gatende became the Group CEO a position he has held for the last six years.

### **DAVIS & SHIRLIFF 3.0**

Following Waweru's retirement last year and Gatende's this year, that age is coming to an end. But even now, Gatende is focusing on the next stage, D&S version 3.0.

"My successor has recently been announced and we have commenced a handover process," Gatende says. "This year we plan to open ten new branches in Kenya, two in Tanzania, and one in Zambia. We are expanding into West Africa with a beachhead in Ghana, and we have just established a business in Somalia. We are also building a distribution centre in Lusaka, Zambia, where we've been for 20 years, that will serve DRC, Zimbabwe, Malawi, Botswana, Mozambique and Namibia. In the midst of all this expansion and succession, will be a focus on ESG."

Indeed, renewable energy is an area that Gatende is particularly enthused about. "We're in seven business segments and we are very well known in three of them, water pumps, swimming pools and borehole pumps," he says. "What is very interesting is what's happening in the other four sectors, solar, water treatment, generators, and irrigation."

Davis & Shirliff's solar business is about to overtake the far more well-known water pumps sector of the company. "So, the tail is beginning to wag the dog. From zero, the solar segment of the business has grown over the last 15 years and now contributes about 20 percent to revenue, about the same as our water pump business," Gatende points out.

Clean energy is a growing market, but Davis & Shirliff is also looking at the sector for its perspective of "putting purpose before profit". Being a family, this is a particularly important value, as seen in its recent and growing campaign, the #improvinglivesinitiative. "Our purpose is to improve people's lives by providing water and energy solutions across Africa," Gatende explains. "We have solutions, particularly in solar, that have a profound impact on people's lives. The cost of electricity is very high but living on the equator with 12 hours a day of free sun, most of the year we really should utilise this God-given resource more than we do."

### **THE LESSONS OF 36 YEARS**

Gatende's excitement for where the company is going next is tangible, but he also knows it will be somebody else that takes it there. Other long-serving executives as well as the next generation of the Davis family are already in place to take up the mantle and take the firm to its hundredth birthday.

As he prepares for retirement, Gatende is also looking back on what he has learned during his time as Davis & Shirliff's CEO.

"If Covid's been good for anything, it is that it caused us to pause and reflect more. We are not travelling as much as we used to, many of us have lost family and friends to Covid and as I approach my retirement, I'm a lot more reflective," he tells us. "When I joined the company, we had one business outlet, we all knew each other, the rate of change was slow, the company was not very diverse – all the segments were smaller and some like solar and irrigation didn't exist at all in the company."

"One of my mentees asked if I've been going to work at the same place for all those years, and I have, but I haven't been doing the same job," he laughs. "The business has grown and grown and grown. We are now in eleven

countries employing nearly 1,000 staff and one of the key lessons I have learned is that you have to plan big. We go through an annual planning cycle that is quite rigorous. We involve everyone in the company. Planning big has been an important part of the success of D&S 2.0. We've not done everything we planned, but we achieved 70-80% of that because we aimed high."

"The second lesson is the resilience and resourcefulness of our staff. I have just come back from Uganda, and it hit home how after we executives make decisions and then leave, our staff just get on with it. Our responsibility as executives, is to hire the right people, agree a plan of what needs to get done, give them the resources they require and then step aside and provide coaching and encouragement as needed. It is amazing and it boggles my mind when I think that we now operate from nearly 100 different sites, some of which are run by staff I've never met.

To be major players in the water and energy space and based in Africa today, I really feel that the world is our oyster. I'm stepping aside with great excitement for Davis & Shirtliff's future and I've been telling my staff that I plan to hang around to see D&S at 100. That's only 25 years away and I hope to attend the celebrations at the young age of 85 years."