

The Success & Failure of the Dowty Group

by Martin Robins April 2022

The success of the Dowty Group can be summed up in three words, 'George Herbert Dowty.' It's often stated that no one person is indispensable. However, in the case of the Dowty Group, this assertion is demonstrably untrue!

George Dowty possessed that unique combination of an enquiring mind; an insatiable desire to solve problems; personal tenacity and the ability to inspire others. It's also fair to say, like Napoleon required of his generals – George Dowty was lucky! He chose to work in an industry that was developing rapidly, with the Second World War only further accelerating opportunities for the businesses rapid expansion. He was also fortunate in the capabilities of the men he was able to secure around him. Just as Arnold Weinstock (GEC) had an important partner in his finance director, Kenneth Bond and Sir Owen Green, chairman of industrial conglomerate BTR with his right hand man Norman Ireland - George Dowty had natural partner in Leslie Banbury. Leslie Banbury was a director of several Dowty companies and Secretary of Dowty Group. The Group under George Dowty's watch never incurred a loss and its borrowings were never allowed to rise to unmanageable levels.

Sir George as he became, towards the end of his working life, left Cheltenham in the early 1970's to live on the Isle of Man. From then on he made infrequent visits to Cheltenham. It was customary in those days to have a small leather bound diary, and on the days Sir George Dowty was visiting Cheltenham, the letters 'GHD' would appear in the financial director's diary. Although the financial director was professional, timely and smartly dressed, on the days 'GHD' was visiting, he would always be on duty VERY early and exceptionally well dressed. That was the effect that GHD had on his team.

We must also consider the failures of the Dowty Group, which can be traced back to the business' inability to foresee the rapid rise and use of electronic controls in the hydraulics industry. It was not until two years after Sir George Dowty had died, that Dowty acquired an electronics business – Ultra Electronics.

The other major failing of the Group was its inability to find replacement candidates on a par with the three key men, namely George Dowty, Robert Hunt and Leslie Banbury. Their years of service were 44, 52 and 42 years respectively - 138 years of combined Dowty experience, which the business was unable to replace. In the last 4 years of the Group's history, 3 successive chief executives were appointed. The replacement chairman for Sir Robert Hunt appeared to tick all the right boxes but unfortunately proved ineffective. He resigned together with the incumbent chief executive following the Group's first ever profits warning in 1991. The business was then soon acquired by a predator in 1992. An asset stripping exercise immediately followed and the Dowty Group was no more.