



**"When you put iron into the
furnace, steel comes out" – how
values and resilience helped
Kirby create a €300m business**

It began with two brothers from Limerick and one big idea. Today, Kirby employs 1,200 people and has revenues of €300m. Its managing director Mark Flanagan talks about Covid, overcoming challenges and the company's international growth strategy.



Tom Lyons
Chief Executive

In early March 2020, Mark Flanagan was just two months in the job as group managing director of Kirby Group Engineering. A 25-year veteran with the family founded mechanical and electrical engineering contractor, Flanagan was expecting a busy year of travel as his firm continued to expand across Europe.

With 1,200 direct employees generating revenues of €300 million, there was a lot of responsibility. But Flanagan felt ready for the challenge leading the Limerick business. After all, he had worked his way to the top after joining Kirby in 1995 having learned his trade with the ESB.

About nine weeks into his new job, Flanagan and his executive team were getting concerned. A week before the then Taoiseach Leo Varadkar ordered the closure of schools, colleges and public places, Flanagan decided to send half of Kirby's team home as a precautionary measure.

“We could see what was going on,” he said. “It was scary. And then as the crisis got worse, obviously we shut everything down that we could except essential projects and functions, and then when it was safe, we brought it back up again.”

Flanagan said Kirby’s investment in its team over many years allowed it to rapidly dial-up and down its business in response to the crisis. “I think our culture allowed us to ramp back up and think clearly about what we needed to do, what was critical and what wasn’t critical,” he said.

“It’s not the problem, it’s how you face it. We had been through the crash in ’08 and we saw what could happen. We knew we could be resilient and that it was possible to grow through a crisis so that gave us great courage.

“We managed to get the message out there to the people we work with that we’re a people focussed business. Thankfully, at the height of the pandemic, 60 per cent of our business was still running as a lot of what we do was deemed essential. We are incredibly grateful to our people that they worked in extraordinary circumstances and continued to deliver on critical infrastructure.”

In the first phase of the crisis, Kirby proactively cut executive salaries to demonstrate leadership and prudently manage cash. Flanagan said Kirby felt it was important that its senior management team was hit the hardest. “The whole point was to say we’re all in this together. We’re all suffering but we can take this on the chin and drive through this,” he said.

Kirby rebounded positively and at speed. Executive pay was restored, and it finished 2020 strongly with revenues of €300 million.

Last year Kirby hired 80 apprentices for its four-year programme, making it one of the largest trainers of apprentices in Ireland. This year Flanagan said Kirby expects its revenues to reach €360 million as it grows both in Ireland and gains greater traction overseas which now accounts for half its business. While the pandemic is not over, Kirby

has shown the deep resilience required to survive and thrive when faced with major challenges.

From two brothers' start-up in 1964 to international success

Mark Flanagan is in his home in Galway when we speak. It's been raining that morning and he hopes to travel to Dublin the next day for meetings. Most of the work Flanagan does is deemed essential by the government, so he can travel outside his county, but he tries to take all his meetings outdoors if possible.

"Some normality is coming back into it, I hope," Flanagan said. Like most executives these days, much of the day is taken up with video calls. "They're good but they can be tiring," he laughs. "I have to be quite diligent about my time."

Flanagan recently turned 53. He has grown up in Kirby, a business that traces its roots back to 1964 when it was founded by two brothers Tom and Michael Kirby.

The business is majority-owned by its executive chairman Jimmy Kirby, who is a son of co-founder Tom Kirby. But Flanagan and his senior management are also significant shareholders.

Kirby began as a two-man electrical contractor based in Munster, before it became a nationwide business in 1990 when it opened an office in Dublin. A further office was quickly established in Galway.

"We entered the UK market in 2005 and into mainland Europe two years later," Flanagan said. The business followed its clients' needs. It built two combined cycle power plants for Siemens in the UK before going to France to work with pharmaceutical company Sanofi Aventis.

Flanagan's career has tracked that of the business, and he has spent extensive time travelling in the decades pre-Covid-19. He is a straight talker who is clearly passionate about what he does.

Flanagan joined the business in a junior role but, by 2005 he was running its British division, a position he held until 2009. At the height of the financial crash, he moved home to become head of group operations, a position he held for a decade.

"This gave me a very good insight into all aspects of the business," Flanagan said.

"Particularly the P&L side as well as allowing me to get close to a good number of key clients and to build relationships as that's a real driver for our business."

Turning a crisis into an opportunity



Mark Flanagan Group Managing Director pictured in Galway. Pic. Bryan Meade
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The success of Kirby today, and its robustness throughout this current crisis, was born in the furnace of the last financial crisis. At the height of the Celtic Tiger, it had sales of €90 million and 600 in its team. Back then Kirby had a big exposure to the Irish economy, one of the worst-hit in the world. By the end of 2010, Kirby's turnover had fallen to €58 million and it had been forced to let a significant number of staff go. It was under pressure, but as some of its better-known peers fell, it focused on a clear strategy and building capabilities for the future.

"When you put iron into the furnace, steel comes out," Flanagan said. "We believe that every crisis if you broach it in the right manner, forges resilience and builds strong teams."

Being competitive became more important than ever in the debts of the financial crisis, and by becoming even more so Kirby found itself on more tender lists.

"There was probably a bit of complacency before, where clients were using the same contractors again and again. (Post the crash) we were getting to price projects that we wouldn't have invited to before," he said.

"Our business has gone from €150 million to €300 million in a few years and we're going to push on past probably €360 million this year."

Kirby rapidly started to grow again, and soon had regained lost ground. "Where there's change there is opportunity," Flanagan said. "With Covid, we've grown again because of that same tenacity and resilience and efficiency and competitiveness. It has really established us in a number of markets in Europe."

The pandemic, he said, had shown that people could work at home using the cloud, as well as consume more data, creating greater demand for data centres.

"It looks like there's four to five years of growth there," he predicted, adding that Kirby also had a leading HV / MV power business working on renewable energy projects as well as infrastructure projects like the East-West interconnector.

This business has proven itself in the emerging area of battery storage, vital to getting the most from wind energy, having worked for the Port of Tilbury in England. “The power sector is going to grow as well,” he said.

He said pharmaceutical and medical devices, another core area for Kirby, was also seeing continued serious investment. Over the years, Kirby has worked with some of the world’s leading companies in this area like Allergan, Takeda and AbbVie.

“These are three areas we’re very strong in and we see growth in all of them in the next couple of years,” Flanagan said. “Which is all the more reason we have to be careful to not overpromise and underdeliver.”

Scaling across Europe, expanding into new sectors

Kirby’s business is today evenly split between Ireland and Europe. Flanagan said the group had set up business units in Finland, Sweden, Switzerland and the Netherlands as part of its drive into the continent. “In the Nordics, the work is very data centre focussed,” he said. “We’ve a number of key clients there and we see a great future serving them. In Central Europe it is more of a blend of pharmaceutical and data centre business.”

Ireland, he said, continued to be a strong market but the sheer scale of Europe made it a larger source of future growth. Britain is also an important market, he added, but it can be a tough market. “We’re doing over £50 million there so it’s a nice business,” he said. “It’ll probably grow somewhat with the power infrastructural development but we’re cautious at the moment.”

Alongside its geographic expansion, Kirby has also broadened its sector expertise. “We are doing a lot of work in the life sciences and data centre sectors, work that is mission-critical,” he explained. “Thankfully, we are now in a situation where we’re working with some of the world’s leading companies right across Europe.”

How has Kirby achieved this? “It’s taken a lot of work,” Flanagan replies. “And it’s taken a lot of coordination, a lot of investment in our people and in delivery. The way we’ve grown our business is simply by not letting our clients down.”

While the works is increasingly complex, Flanagan said the company’s spirit remained the same. “It’s very easy to build a business if you can do what it says on the tin,” he said.

“Our product is very simple in some ways as it is values driven: honesty, integrity, tenacity, commitment. Very large companies really like that because they just want consistent delivery at a consistent price.”

Flanagan said, “no surprises” was a mantra for Kirby, and that gave its clients the confidence to stay with them.

About a decade ago Kirby moved into the then emerging area of data centres. It started small but as the sector began to boom it invested heavily in its technical expertise and now works on all types and sizes of data centres including many hyperscale projects. Interxion, Ericsson and Equinix are all clients, but many of its customers in this sector are confidential.

“In the last five years we’ve entered the hyperscale part of the market,” Kirby said. This is big-ticket work that requires considerable expertise. “We have always invested heavily in the technical aspect of what we do,” Flanagan said. “We always train our people in the latest and we invest in the best.”

Last year Mark Danaher, its technical services manager, was named by the engineering software company Autodesk as one of its “40 under 40: Champions of Construction”. Leading engineers across the globe use Autodesk products so making it onto this list was extremely difficult. “Mark was the only person in Europe on the list,” Flanagan said.

Kirby and Investec

For a fast-growing business like Kirby managing currency risk is essential. It is operating in multiple countries in Europe with customers from all over the world especially the United States. “Investec are our go-to people when it comes to currency,” Flanagan said. “They’ve been very, very helpful when it comes to hedging and have saved us a lot of money.”

Kirby’s finance director Derry Mc Mahon is in regular contact with Investec seeking its advice on corporate treasury. “I’ve sat in on some calls too,” Flanagan added. “The price of copper has become very erratic for example, so we’ve had some very interesting conversations with them around how to plan for and manage this. We’ve been leaning on Investec heavily as we expand, and it has worked well for us.”

Values and the Kirby Way



Where it all began: Kirby Thomondgate, Limerick, 1964.

As Kirby began to grow rapidly it formalised its approach to business as the Kirby Way. This allows it onboard new people coming into the business – from apprentices to senior management – and ensures its team are grounded in the company’s values. Flanagan credits this approach as being part of its secret in expanding the business fivefold between 2010 and 2020. He said the group’s executive chairman Jimmy Kirby had a lot to do with this. “He is very strong on robust systems and procedures,” Flanagan said.

“Jimmy is a very important part of our make-up. He has helped instil a family culture from day one. Our challenge at the moment is we have 1,200 people working for us directly. We’ve over 2,000 people working for us across Europe if you include our very loyal and long-term supply chain.

“What I want to be able to do is to go to any person working for Kirby, whether it’s a direct employee or a sub-contractor anywhere in Europe and say, ‘well what are Kirby’s values?’, and they’ll know that it’s people, safety, quality, delivery and value.”

“And they’ll be able to say that we put people first. What I’d like to think is that they know we do things differently and they’ll know by working with us that we put people first.”

“The Kirby Way really crystalised about five years ago. It started off with the simple premise: how do you build the optimum project? We knew we wanted to deliver a consistent product to our clients so we sat down and it took us about 18 months to create a model that would allow us to do this.”

Flanagan said the Kirby Way governed everything from its approach to safety to taking on highly technical tasks. “The next part was teaching it, so we set up the Kirby Academy which all our management and support functions go through,” he said.

“Our value as a business walks out the door probably at 5.40 pm every evening, So, it makes great business sense to put our people first. We invest heavily in their development and making sure they’re happy with what they do and fit into the roles they are working in.”

The Kirby Academy is run by group operations director Henry McCann, group head of human resources Fergus Barry, and group commercial director Conor O'Brien.

"The three of them champion the Kirby Way and they hold courses on a monthly basis," Flanagan said. "We demonstrate the workflow of any project from start to finish. It's about the why and the how. You start at the end and say why does the client want this? That way people understand why a process is in place, and it is not just a piece of paper anymore, as our team understands that the result will lead us to the optimum result for our client."

Flanagan said he believed that Kirby's investment in the Kirby Way was one of the secrets of its ability to double in size between 2018 and 2021.

"Our business has gone from €150 million to €300 million in a few years and we're going to push on over €360 million this year," he said. "When you grow at that rate there are a lot of new entrants and a lot of new hires at a senior level."

"It is very useful to have a roadmap to guide us," Flanagan explained. "Not only from a procedural point of view but also from a cultural point of view because we look at life differently."

"We are very much open book as every month we meet our clients, and we say these are our costs to date and this is our projected cost. Doing that you end up with no tough final accounts, as you bring your client with you along the journey and they understand where everything is."

"Our focus is on making that journey for our client as open, transparent and comfortable for them as possible because they're investing a lot of money."

Flanagan's own career began with lots of technical exams to improve his engineering skills but as he progressed in Kirby, he knew he needed to learn more about management. He went to the Irish Management Institute to learn about business and lead the development of a bespoke training programme for Kirby. Some 60 of the management team have gone through the programme so far.

“I’m also a great believer in mentoring,” Flanagan added. “I’ve a few senior mentors that I meet on a monthly basis and are my touchstones.”

Jeremy Pelczer is one of them. “He’s a very interesting guy, he used to be the CEO of Thames Water and during his tenure they bought American Water for \$1 billion,” Flanagan explained. Lorraine Reid, a chartered business psychologist who is programme director in Enterprise Ireland’s flagship Leadership 4 Growth programme, is another.

“They’ve both been fantastic assets to our business as they know it intimately,” Flanagan said. “Not only do they mentor me, but they mentor all our senior management.”

Kirby, according to Flanagan, always has a three-year plan and tried to think strategically. “Our planning is very, very logical. There’s no rocket science to this. What we found is it’s not only who you’re going to work with, but who you’re not going to work with. It’s not only the sectors you’re going to work in but where you’re not going to work and that just makes everything a lot more focused.

“We want to work with leading companies who want to build consistent quality projects at pace. If you continue to deliver and live up to your promises, they will keep giving you work. Simplicity gives us great strength.”

Competing for business (and talent)

Ireland is many multinationals’ first step into Europe, and this has helped Irish-owned indigenous firms follow these firms as trusted partners as they open new sites across Europe.

Competition among engineering groups for contracts is fierce both in Ireland and overseas. Flanagan is impressed by and proud of the success of Irish Engineering and construction firms internationally. Ireland has with the help of Enterprise Ireland (EI) grown a strong international engineering and construction capability. Retaining talented staff as well as good clients and suppliers is a priority for Kirby.

“The market is very busy at the moment not only for our own people but for our supply chain,” Flanagan said. “If you look after people and mind them, they’ll always come back to you.

“If you’re growing at the rate we’re growing at, our supply chain is almost as important if not as important as our client base because we can’t deliver without it.

“So, we really need to get this whole ethos beyond our company and down into our supply chain so that they’ll know that we are a partner of choice. One that they want to work for and this has helped us consistently deliver for our clients.”



From Adare Manor to Slane Castle

The restoration and enhancement of Adare Manor by JP McManus has created arguably the finest hotel and golf resort in Ireland. The project was a labour of love

for its Limerick-born billionaire owner which has won the prestigious rights to host the 2026 Ryder Cup.

Kirby delivered full mechanical and electrical services to Adare Manor. At its peak Kirby had 215 people on-site working across nine buildings from its original manor house to its golf club and new bedroom wing.

Flanagan recalls the project fondly. “It was a pleasure working for JP,” he said. “He’s a gentleman, and he had a great interest in that project.”

“It’s not a sector we do a lot of work in but in this case, we knew the calibre of person we were dealing with. JP’s done so much for the region and we were just proud to be able to work on a project of that type,” he recalled. “It was a very unusual project with some very unusual challenges but it is today one of the best hotels in Europe.”

Another interesting project Kirby worked on the construction of a new distillery on the grounds of Slane Castle in Co Meath for American spirits and winemaker Brown-Forman. Kirby’s contract was to install and commission all of the mechanical and electrical services required to distil whiskey as well as a large visitors centre and co-products building. Kirby has a long history of working in the drinks industry going back 20 years ago to when it first worked with Irish Distillers at its famous whisky distillery in Midleton, Co Cork.

Flanagan said working on the project had helped him get to know Alex, the son of the owner of the estate Lord Henry Mountcharles.

“They basically met us when the project kicked off and sat with us and said that each generation brings something to the family. So, Alex’s father brought the

concerts to Slane and now his son is bringing the distillery. Legacy is the way they look at it and we were delighted and very proud to be part of that.”

Kirby believes it can hit revenues of over €360 million this year. It is hiring locally and overseas. It competes with and often beats companies many times its size. Does Kirby set itself goals in terms of numbers like revenue?

“No, we haven’t and I think that’s very important as well,” Flanagan said, adding that Kirby was more concerned with developing lasting relationships with its clients than hitting a financial target at a point in time.

“Turnover really is second,” he said. “At the moment we’re growing probably at an optimum rate and we don’t want to grow any faster than that.”

“We can only grow at the rate the market allows us and at the capacity that we can deliver each and every time for our clients. Being honest with you, we probably could grow a lot faster than we are right now but we are very, very conscious of our span of control. You’re only as good as your last game.”

“That is a differentiator. It mightn’t be sexy and exciting...but we’re very happy with where we’re at. If revenue was to increase because the market allows it, well and good. If it were to decrease somewhat and we could look after our people, and mind our clients, that would be fine also.”

“The market will drive where things go to a large degree. But what we want to do is set ourselves up to deliver for our key clients and have sustainable growth. That’s what is important to us, people and values.”

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