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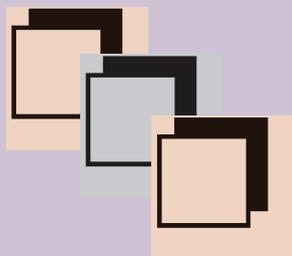
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Comment

When I logged onto the company's bank last week I was greeted by a notice which advised me that if we had been affected by the collapse of Carillion the bank is there to help and we should get in touch.

Now I am not sure about you but in, what is probably, an overlong career I have never known a bank want to help anyone but itself. Albeit that HSBC along with Barclays were prepared to offer Carillion a further bailout, Santander, RBS and Lloyds were not. So in the final analysis, you could say, it was the banks wot done it!

On the other hand would you have been prepared to chuck in another £300m? The government certainly was not. I like to imagine the panic in the department of business and Downing street that weekend. The Conservative government had been handing over contracts to a supplier that was so short of cash it couldn't possibly have properly fulfilled them. When a company issues a profit warning and the sharks in the stock exchange start circling to feed off of the carcass you should at least pause for thought before you ask them to take on more work.

As far as the fallout is concerned I find it hard to believe that the window industry will be unaffected. Carillion's spread of business was so wide that it was engaged in construction projects, which means windows, as well as maintenance work, which often includes windows. The Council for Aluminium in Building tells us that the majority of its members are confident about 2018. That may depend when the question was asked.

For me it just underlines my theory that our present crop of lightweight politicians do not have a clue about real business and how it works. It brings back memories of Yes Prime Minister: 'everything will be all right because he's a good chap'. It is easier to deal with a single source than many smaller suppliers; everybody thinks that they can offer a one-stop-shop and the prospect may be attractive to a buyer. Especially one who hasn't much of a clue about what he is buying.

A big part of Carillion's problem, it would seem, is that in order to gain contracts it cut its profit margins to the bone. Something that may ring bells with window manufacturers especially in the domestic market. And as much as I hate to say it, I still see advertisements offering to beat any price.

There have been other disasters brought about by those desperate to save money. Grenfell Tower being a very recent example. It seems that Kensington and Chelsea council sits on huge reserves but scrimped on the fire proof cladding for a tower block. Whether it was the government's scrimping to save that pushed Carillion over the edge we can only speculate. There were many other things going on world-wide that were causing it problems.

There will be enquiries but that will be no comfort to what may well be hundreds of small businesses struggling to get paid. I have no doubt many of them will be having conversations with their banks much as Carillion did and for many of them I am afraid the results will be much the same. No company is too small to fail!

John Roper
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