

## Chicken shed to channel dominance

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In the corner of a frozen chicken factory, four guys crouched low over telephones, ears pressed tightly to the handsets. This was the beginning of In-Tech. Just three years ago, a small office in the chicken factory and a lot of enthusiasm for the job kicked this reseller off the ground. Now, In-Tech is spreading its wings nationally with the roll out of offices across the country, plus several strategic acquisitions made or in negotiation.

In-Tech currently has five offices in the UK. Its head office is based in Fareham, between Southampton and Portsmouth. Its e-commerce division, In-Tech Media, is based in Guildford. It has just acquired mobile phone company, Brunswick Telecom, in Gloucester, and also has a small office in Exeter. Additionally, in May it signed contracts for the opening of a London office in Hammersmith. This is now peopled with a brand new team of sales manager plus sales and telesales staff, totalling eight people.

Its expansion is increasing pace, with a Cardiff office set to open as soon as field sales and extra engineering staff are hired. This office will be based on In-Tech's acquisition of a reseller there two years ago; two engineers were retained, who currently service kit on the premises of 800 customers around South Wales. A new Birmingham office is set to open by this Christmas. By the end of 2005, the company will also have offices in Leeds, Manchester and Glasgow.

John Cousins, head of In-Tech, comments on the expansion: "Our business plan has always been to have a national company. I had a vision of having a business with separate divisions that cover all the bases; we have In-Tech Telecoms, Media, Rentals and with the acquisition of Brunswick Telecom, also Mobile. With those rolled out across the UK, all of a sudden you've got a very good proposition to go to your client and offer them a bundle with one bill."

Additionally, In-Tech struck a deal in May with Lloyds TSB to provide its customers with a finance package. Cousins says that a bundled proposition, one bill plus finance is a sure fire way to tie customers into the business and protect his customer base being chewed at by competitors. He comments: "The key to this is ownership of each client. When we roll this out across the UK over the next 24 months, we'll be in a far stronger position than my competition. We will grow very quickly and will become a very profitable business with one bill for all these services, which makes us very difficult for the competition to attack."

Cousin's goal is about growing his business to the point where it will make an attractive acquisition for a buyer. However, it's all about giving himself and his share holders choices, he says. He may sell or he may not; he may float or he may not. The point is, the choice to do either of these options or keep going. "We do have an exit plan; I think all businesses should have an entry, progression and exit plan. But whether you ever follow it through is another kettle of fish. I want to be in the position in five to seven years time where if someone comes in with a good offer, we can consider it."

In-Tech's focus on tying customers into the business with bundled services and products is not only about increasing revenues. Cousins also intends to use this concept of customer ownership as a carrot to dangle in front of any future buyers of his business, to push the value of the company up. He explains: "We need to make sure our accounts are clean and that all our customers are owned. This will mean that any due diligence will be an easy process."

Cousins explains why he decided now was the right time to take his company forward: "The market place is picking up. We've seen some powerful growth in the South East. Down here, business is very buoyant and there is an upturn in the telecoms sector itself; people are seeing tangible benefits and reasons to expand. I've seen 15 years of industry peaks and troughs, and I believe now we are in a slow upturn. I just have that belief that we can do it. Every year, year in and year out, we've doubled our turnover. We're targeted to do between £10 million and £20 million by year end June 2006. Riding this crest of the wave now, I've got the feeling that the time is right to expand."

His staff are also feeling the pick up in opportunity, Cousins states: "There are some very good people here and they can see and feel it too. It's about being enthusiastic, using positive thinking. I've got a goal and I'm working as hard as I can with my team here. It's all about team spirit, about coming to work, getting the job done and having fun."

In-Tech is also in the process of acquiring a 20-employee Manchester-based data company. This will give In-Tech the ability to understand, maintain and deliver IP services. Cousins predicts an IP boom in three to four years time, and when that boom hits, he wants In-Tech to be running with IP-based skills in order to take full advantage of it. The company is also in acquisition negotiations with a small telecoms reseller in Gloucestershire.

However, Cousins has realised that it is not possible to create a national company on the back of just one vendor relationship. To that end, In-Tech is set to expand from being a purely Toshiba house, to signing up

Siemens as its second vendor partner. He says: "We're 99% sure Siemens will be our second supplier."

The secret to In-Tech's success is its attitude to the way it approaches daily life, Cousins says. The company is completely focused on the customer's needs and expectations. It is also extremely flexible, Cousins states, so if someone has an idea that will be beneficial to the business and its clients as a whole, it can action that idea almost immediately. Cousins says that the company is not so big that it is entrenched in the bureaucracy that plagues many other businesses and prevents them from making fast changes in response to internal and external factors.

In-Tech is proof that small companies can survive hard times. It began life three years ago with four people in a £45 a week office surrounded by poultry corpses; today, after launching and operating in a major telecoms industry downturn, it has 60 staff across five offices. Within the next 18 months, the company will have added another 80 staff to its ranks and many more offices as it goes national. After its first year, which began from scratch with no stolen database of customers to entice away from a competitor, In-Tech had 500 clients that all had maintenance contracts and were all billing, Cousins says. From there on in, it became an issue of focusing on quality of service and customer care, plus keeping a tight rein on the company's cash flow, Cousins adds.

The future for In-Tech will be hectic, Cousins says with a snigger of excitement. "We want to be a £15 million business by 2006. Over the next three years, we want to concentrate on building In-Tech. Once we're there and it's all working and we've got the right staff, we can decide what to do. But right now, we've got two or three years to get to our ultimate goal."