

Phone company weathers storm

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A TRICKY period for a mobile phone company which saw revenues plummet seems to be over after it secured a multi-million-pound contract with one of the world's main network suppliers and set itself on track for annual sales growth once more.

Fone Logistics of Cramlington is one of the UK's five main providers of hardware and network communication solutions to businesses of up to 50 employees.

Since 2006 its turnover has fallen from £100m to £50m following the closure of its dozen-plus stores and the loss of its Vodafone tie-up.

But in the past few months founder Ian Gillespie has resumed a hands-on role after buying out his former partners. And the company is experiencing growth once more in a highly competitive and fast-moving market.

In the last few weeks it has been

recognised by mobile firm O2 which named it as its best distributor for the third quarter of last year.

It has recruited a new sales director and has now negotiated a new deal with Vodafone, which it says should add a further £3m to £5m to sales.

Finance director Michael Fitzpatrick said: "The contract with Vodafone is great news for the business and our staff. We already deal with all of the other main networks so this is a significant development."

"Ian has come back, we have restructured our senior management with recruitment of sales director Duncan Edward from Cannon and we are now a much better position than we have been for some time. We are well-placed for growth in what is a very competitive market place."

Mr Fitzpatrick said it anticipated adding 10% to 2009's sales of £50m with its nationwide sales force aiming to boost customer numbers from their current level of 350.

Fone Logistics sees 80% of its revenues come from the communication

solutions it is able to provide to businesses of up to 50 employees.

While most of the larger corporates deal directly with the main network providers, the smaller businesses are looked after by companies like Fone Logistics.

It is one of the UK's five main providers of small business solution with the rest being based in the South East. The remaining 20% of its sales comes from hardware products such as mobile phones and BlackBerrys.

The company currently employs 70 staff, well down from the 100 it employed in 2007, but it anticipates adding further staff in the coming year.

In 2006 company founder Mr Gillespie sold two-thirds of his share of the business but he is now back in charge and taking a more hands-on role. He has paid off the company's debts.

In 2007 he was a runner-up in the North East Business Executive of the Year award run by *The Journal* and its sister paper, Middlesbrough's *Evening Gazette*.

During that year the company sold its 14 retail outlets across the North of England. In 2008 Fone Logistics bought the airtime division of Dextra Solutions, which at the time was the UK's largest independent reseller of mobile accessories and airtime.

Fone Logistics was set up in 1996 and grew out of the Gillespies' family garage and car-hire business in Blyth.

His father was sceptical when he said he wanted to take the business into mobile phones with a view to car installations.

New recruit Duncan Edward joins Fone Logistics from Canon UK where he headed the London-based Canon Business Centre handling an £8m sales budget and managing more than 30 staff.



HELP Katherine Johnson is using her experience of depression for others.

Help from ex-sufferer

A MOTHER of two who suffered from depression and anorexia has started her own business to help others with similar problems.

Katherine Johnson went on a counselling course and has now set up the Counselling 4 U practice at the Community Resource Centre in Willington, Weardale, to give advice to people with trauma, depression, addictions, bereavement and marital problems.

"I offer a confidential and personal service to each individual. I know how hard it is to open up about your problems, having suffered with long-term depression and anorexia nervosa myself," she said.

"I look at things a little differently compared to other services around. Instead of just treating the effects, I look to find the root cause of a person's problem, and treat both, as you can't have one without the other."

"If I can help just one person, then all my hard work has been worth it, no one should have to suffer."

Before starting her business, Ms

Johnson was unemployed, due to ill health.

Recent research carried out by the charity Mind for the Time to Change campaign revealed that 92% of the British public believes that admitting to having a mental illness would damage someone's career.

Ms Johnson said: "It's true, a lot of people are reluctant to go to their doctor with mental illness as they feel that it will affect their career if it goes on their medical records."

She launched the business with funding and support from Be Enterprising, Durham County Council's Local Enterprise Growth Initiative programme.

Michael Smith, her Be Enterprising coach, said: "Katherine has spent many hours on the other side of the desk, receiving support, so she knows what patients gain from counselling sessions."

"I am confident her business will be a success, she knows what she is talking about, and she's been there herself."

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Starting a High Growth Business

Software Ventures in the North East

The next Software Ventures programme commences on Tuesday 16th February 2010

Developed by industry experts, Software Ventures is an initiative designed to encourage the creation of high growth software based businesses. It is aimed at individuals who have the seed of a software related idea, a full blown idea for a software related business, or are looking to buy a software related business.

The seven week programme, fully subsidised for successful applicants, provides the unique opportunity to present your business plan to a panel of investors.

The modules are designed and delivered by top industry professionals and, throughout the programme, delegates are provided with appropriate mentors.

For more information about Software Ventures call Angela Haworth on 0191 516 6087 or visit www.sunderlandsoftwarecity.com

Provided by

Togetherness works

LATER today we'll see the jobs data from the Department for Work and Pensions on the number of people in employment at the end of last year.

What was the most turbulent year in business will have finished with around one in 10 adults in the North East unemployed.

Yet, things could be so much worse. Most UK regions - except London, the East Midlands and the North West - have seen unemployment increase faster than in the North East. And nationally economists estimate that there are around 400,000 more people in work now than we should expect considering the previously unseen 6% reduction in the value of the UK economy.

While this will all be of little comfort to those currently without a job or facing redundancy, and we are clearly not yet completely out of the woods, it does suggest that the North



East economy has shown remarkable resilience.

One startling feature over the past few months has been the remarkable partnership between employers and their workforce, perhaps typified by the relationship some businesses have developed with trade unions. It is no surprise that the most passionate, committed and creative voices in the pressing debate about the future of steel on Teesside are those of the unions.

Many industries that were once characterised as strike happy have instead seen owners, managers and

the wider workforce agree new ways of working that help secure investment, innovation and ultimately jobs. Whilst this may be true of much of the private sector, with some newsworthy exceptions, the jury is still out whether such a partnership exists across the public sector. And as the belt tightens on public spending it will become starkly apparent whether conflict or consensus will be the watchword.

It will be in this context that I'll be at a meeting of NECC partner members with the general secretary of the Trades Union Congress, Brendan Barber, this Friday. No doubt we will uncover different perspectives on what is best for the workforce of the North East but I expect that our views will be closer than any of us might once have thought possible.

Andrew Sugden is director of membership and policy, North East Chamber of Commerce.