

DELOITTE & TOUCHE INDY 100

TOP 100 UK
COMPANIES SHOWING
SUSTAINED GROWTH

Full list of winners, page 11

**Deloitte
& Touche**



COMPANY	BUSINESS DESCRIPTION
1 United Foods International	Pan-European producer of premium and fresh chilled juices, with organic juices trading as Grow Fresh
2 The World Brands	Branded sportswear wholesaler
3 Telecom Plus	Multi-utility supplier to the UK domestic market

At your service: Charles Wigoder, chief executive of Telecom Plus, which offers economy telecoms, gas and electricity

ANDY FRANKS

When cutting costs is a Plus

By Clayton Hirst

"You're not a customer are you?" asks chief executive Charles Wigoder. "Well, you can't possibly write a proper article about Telecom Plus without sampling our service. It's simple - just go to our website and fill out the form."

This is more than a jokey sales push from the boss of the company that offers discount telecoms, electricity and gas services. Telecom Plus is one of the UK's fastest-growing companies. And last year, it doubled its share price. But this was done without any marketing or advertising. Instead, Telecom Plus, which has 108,000 customers, relies entirely on word of mouth. Everyone from the chief executive downwards is keen to spread the word.

"We are the cheapest UK supplier of domestic gas and electricity and in telecoms we guarantee to offer a discount to BT's best service. It is an easy message for people to understand," says Mr Wigoder, or the Hon Charles Wigoder,

son of Lord Wigoder QC, to give him his full title.

"The first time someone hears this they may say, 'Well, I'm not sure'. But when their best friend, their brother and the guests at the dinner party talk about it, this is far more powerful than advertising."

Telecom Plus's business model is simple. Its operation is lean, it offers single billing and all unnecessary costs are stripped out of the business. It then buys wholesale gas, electricity and telecoms services and sells them on to consumers on a slim margin. This allows Telecom Plus to undercut most competitors.

Before joining Telecom Plus, Mr Wigoder spent the previous 10 years creating Peoples Phone Company, which he eventually sold to Vodafone for £77m. When he arrived at Telecom Plus in 1998 the company was on the verge of collapse. Mr Wigoder set about building a new management team, by hiring many former Peoples Phone staff. Under the old team the company had outsourced much of

its operation to contractors. But Mr Wigoder says: "These companies were charging Telecom Plus an arm and a leg. So in order to turn the company around we had to start doing everything ourselves."

Today, Telecom Plus has defied the gloom in the markets - and in particular the rout in the beleaguered telecoms sector. This is because the company doesn't actually own any telecoms assets, such as cables. During the boom years of the late Nineties and early Noughties the new telecoms companies that sprang up invested billions of pounds on laying new cable in the ground. There is now a huge oversupply. The premium today is on customers, not cable. As a result, Telecom Plus is able to negotiate very hard with the likes of Energis, Cable & Wireless and WorldCom which are still suffering from a massive oversupply and limited demand.

Similarly in electricity, Telecom Plus has benefited from the collapse in the wholesale price, which is one reason why

British Energy is in trouble.

Mr Wigoder says that Telecom Plus will always guarantee to be the lowest domestic electricity and gas supplier. Telecoms, he says, is different as it is not a simple commodity and Telecom Plus must ensure it provides a high-quality service. But he says that on average the company can offer a 35 per cent discount to BT.

Much of Telecom Plus's success, says Mr Wigoder, is down to the fact that its rivals are ex-monopolies. "They take decisions by committee and have a culture of blame. This makes them inefficient," he says.

This is why Telecom Plus can guarantee savings. Just don't expect to see the company shouting about it on TV or across a billboards. "If we did, we may not be able to make the promises," says Mr Wigoder. "Now, don't forget about our web page."

Telecom Plus is one of the UK's fastest-growing companies - and it was done without any advertising