

### EMS and First Stop Solutions

Richard Thompson is a serial entrepreneur. He was entrepreneurial even at school. He got his mother to make more packed lunch than he needed and then sold it in the playground. He even bought stationery from liquidating companies and then sold it to family and friends. He left school at 16 to join a company called Copycat which sold peripherals in the rapidly growing computer market of the 1980s. He quickly decided that there were more lucrative opportunities selling the actual computers but the company refused to move into an area that it felt it did not know enough about. Richard investigated the market and developed industry contacts whilst working for Copycat.

Because of his frustration at the unwillingness of the company to move into the personal computer area he decided to set up his own business. He drew up a business plan for a business that would make door step sales, delivering the computers by mail order. The company was called First Stop Solutions and was set up in 1986. On the back of his business plan he secured a £15,000 loan and, at first in his spare time, started buying and selling computers in Croydon, just outside London.

Richard Thompson quickly decided to leave Copycat and concentrate on his business full time. First Stop Solutions first rented an office in a shared workspace. But Richard wanted to sell premier brand computers such as IBM or Compaq to blue-chip customers. His first problems came with trying to persuade IBM to give him a dealership. Part of the process was a visit to his offices by IBM. Convinced that he would have a credibility problem with IBM if they realised how small his business was and that he shared office space, he persuaded the owner of the workspace to let him take down their sign and put up one saying First Stop Solutions. He also persuaded the other businesses sharing the space to pretend to be part of the business for the day. He introduced a company specialising in importing car parts as his administration department and another selling office supplies as his accounts department. The trick worked. He got the dealership and within two years the company was voted 'IBM Quality Dealer of the Year'. It soon dominated the local area but then went national, supplying computers to companies like McDonald's. By 1994 it was making profits of £400 000 on sales of £4 million.

In 1994 Richard Thompson set up a second business called EMS, which placed trained staff into computer stores to represent manufacturers. By 1996 this had grown so large that Richard decided to sell the old business to his employees for a few hundred thousand pounds. By 1998 EMS had grown to employ 500 staff on sales of £4.9 million and profit of £700,000. He then sold it to the US based Mosaic Group for some £5 million.

#### *Case question:*

From the evidence here, what do you think motivates Richard Thompson? Which entrepreneurial character traits do you recognise in Richard?