

FROM THE INDUSTRY

Unplugged:

INTERVIEW WITH JERRY MILLS
CHAIRMAN, MILLS LTD

BY MELISSA COGAVIN





I love business. I love the way that you have to evolve, you have to change. I don't think there's one business that has stayed the same. You have to keep moving. You've got to be looking for the next challenge.

It is rare in any industry to encounter a 100-year-old, fourth generation business that is not only surviving, but clearly thriving. Rarer still is the ability to peer around the curve and anticipate technological and commercial change such that a business is able to adapt and exploit a rapidly changing landscape.

Even more unusual does the business remain sufficiently exciting that the fourth generation is clearly delighted to be a part of it. We talked to Jerry Mills, Chairman of Mills Ltd, a longtime member of the SCTE about the journey the company has been on and where they are going in the future. Strap in.

HOW DID THE COMPANY GET STARTED?

My grandfather was a tool maker who set the business up in 1918. My father came in the business about 1947. The company was an engineering distributor of small tools and their hunting ground was West London; they would go to many of the old MOD auctions and buy old ex-government stock and resell it.

WHAT KINDS OF TOOLS?

We were supplying a lot of lathe and engineering tools, drills, taps, dies, reamers - that sort of thing. When the war ended, British products were in great demand, the whole of British industry was a hive of activity. Park Royal was the largest manufacturing base south of Birmingham, employing over 50,000 people. The company was about 20 strong then. It was very much the 'guys in the brown coats', like the Four Candles

Two Ronnies sketch. They had everything from a screwdriver to a socket to a drill bit. It continued like that until I joined in 1977, at which point British manufacturing was moving overseas to Taiwan, China and Hong Kong. British manufacturing just wasn't competitive anymore. To make matters even worse, the council had installed double yellow lines outside the old Acton premises, making parking very difficult. On top of that, B&Q and Homebase had just opened. By 1986 we were thinking, what the hell are we going to do?

WHAT HAPPENED NEXT?

We had a big pow wow about where this was all going to go, because clearly there was no future in being an engineering distributor. The option seemed that if you weren't going to make it, then you'd probably need to service it. We realised we could build bespoke toolkits for the maintenance of appliances like coffee machines, general service and maintenance of office equipment in general. That led us into toolkits, for the large mainframe computers which were enormous in those days. We also supplied specialist toolkits to the aviation industry, and specially the tooling used by British Airways for the servicing of Concorde.

At that point in the 90s, the business operated from a warehouse unit in Park Royal, no shop anymore, achieving ISO9000 quality accreditation around then too, which I'm very proud of. We built the business at that time pretty much on tooling for maintenance and service industries.



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THAT'S QUITE THE PIVOT. NO WONDER YOU HAVE SURVIVED THIS LONG.

By then the cable TV industry had become quite large. What we know now as Virgin Media used to be about 20 to 30 different cable companies that originated from The States. These companies engaged in large civil projects running cable to most towns and cities in the UK, offering 20, 30, 40 TV channels, as well as a telephony service which offered at alternative to BT. That was the start of the Cable TV revolution; we were quite a big part of that during the nineties.

Cable TV led into telecommunications, and now we're one of the largest distributors to the big telcos and most Altnets, supplying not just tooling but also a complete range of telecommunication infrastructure products.

Then COVID happened. Everyone was working from home and needed a better fibre connection, which drove all these new Altnets and private telephone companies to invest in fibre networks as an alternative to BT. Therefore, telecommunications became a big growth area to Mills.

WHAT A JOURNEY. WHAT AREA ARE YOU LOOKING AT NEXT?

The next area of growth we see coming from the smart energy industries. These are the companies installing EV charging points, heat pumps, solar panels, smart meters and wind farms. Our evolution has been an engineering distributor, appliance and computer service, cable TV, telecommunications and smart energy.

WHAT HAVE YOU LEARNED FROM ALL THIS?

At the end of the day, you have to keep changing or you die. During our centenary year we did some analysis of how many companies actually made it to 100 years old, the old analogy is, normally it takes the first generation to start it, the second generation consolidates it, and then the third generation buggers it up.

Well, it's not of interest to them, the third generation, they've moved on. But because we've reinvented ourselves so many times, we now have a completely new business, one that's obviously enough of an interest for my son to now come into the business; he joined us in 2015. My wish is that it'll go on to even more generations, but I mean obviously Elliot's fourth generation. He's getting married in August. So, whether there'll be any more, a fifth generation of Mills at some particular stage, I don't know. That's some way off.

HAS BREXIT IMPACTED YOUR BUSINESS?

In my opinion, Brexit has been a complete disaster. It's had a big impact, specifically with Irish business, for instance a pallet used to cost circa £100 to ship and now it costs more than double that..

Carriage is a big issue. We had distributors in Spain, Italy, France, and they all said, 'It's just too difficult to deal with you guys.' There's an element too that a lot of the Continental Europeans feel 'Well, if you don't want anything to do with us then we don't want anything to do with you.'

The impact is, we don't really bother trying to get any additional export business because it's just too difficult.

EVEN WITH NON EU COUNTRIES?

Outside of the EU, we have agents in Dubai, South Africa, and Egypt, but the vast majority of our overseas customers are European.



DOES MILLS HAVE ANY DIRECT COMPETITION?

Our biggest competitors are Comtec Netceed and Telenco. We differentiate ourselves in many respects but most specifically we're proud to say we're the largest independent distributor in the UK. There are a number of new distributors to the market, but they generally focus on cable and infrastructure products, but I personally think they're probably going to struggle a little bit now.

TELL US ABOUT THE ALTNETS.

I suppose they started to grow around 2016, 2017; the whole industry went mad during COVID. Many of the Altnets business plans have been developed and funded on achieving a 20% penetration rate, but typically this has just been single figures. Consequently the race is now on to make customer connections, without which, further funding may very well not be forthcoming.

So, at the moment, the whole industry is concentrating on making customer connections, the customer service angle. They're not building anymore, they're not building out into new areas. All they're doing is they're banging on doors. As a result, there is consolidation in the marketplace. I think there may be quite a few casualties as we go through this year.

THAT'S QUITE OFTEN THE CASE, IN A NEW INDUSTRY THAT NO ONE REALLY SAW COMING.

There's no roadmap for it. Everything has a peak, and I think we have peaked. And like you say, investment's drying up, and it's just the natural way that the market consolidates. It was very cluttered, 150 Altnets for a country this size.

GERMANY HAS A FRACTION OF THAT. BUT THEN, THE UK IS KNOWN FOR BEING A NATION OF ENTREPRENEURS.

That probably explains a lot of it. It's been a massively interesting time though, and not dissimilar to the Cable TV roll out of the 1990's. Interestingly, but not surprisingly, many people now buy their properties based largely on, 'Can I get fast broadband in this area?'

WHAT OVERSEAS MANUFACTURERS DO YOU RELY ON?

We've have probably 30 key overseas suppliers, and we source predominantly from China and Taiwan, but recently we've been on trips to Vietnam and India. Clearly if China and Taiwan have a bit of a bust up, where do we go for the product? It could dry up overnight.

ANY PLANS TO RETIRE?

No. I think that would be the worst thing to do. I really still massively enjoy the challenges of the business, working with younger people and keeping the grey matter active.

WHAT'S YOUR LEGACY?

To have this title of being the largest independent distributor of telecommunication products in the UK.

From my old engineering background, I get much gratification from working with our customers to develop new products. Specifically, there's an awful lot of tools that were actually built for the old copper networks, which have now had to be developed for fibre; small changes, some of them a bit more involved. I love doing that engineering side of the business.

But to actually see the products in use at the sides of the roads and see the name of Mills being used, and basically helping build the network, four generations later, over 100 years, I think is a great legacy. One of the things that I absolutely love seeing is just driving down the road and seeing one of the engineers at the side of one of these green cabinets and he's sitting on a Mills' stool and you can see the Mills' logo.

CONGRATULATIONS JERRY ON A STELLAR JOURNEY, AND HERE'S TO THE NEXT 100 YEARS.

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