

### Colchester

# My First Million: Jeff Dewing, Cloudfm founder

## Facilities management boss recovers from earlier bankruptcy

NATALIE GRAHAM

Jeff Dewing, 58, had made a fortune and lost it by the age of 39. Starting out as a fridge and air-conditioning engineer, in 2012 he founded his second business, facilities management company Cloudfm, from his garden shed, putting in £10,000 in savings. Within four years the company's turnover grew from £1mn to £70mn.

Based in Colchester, Essex, the business started with three employees – himself, his wife and daughter – in 2012. By 2018 it employed 350, with offices in Newark, Harlow, Dublin, Barcelona and a training academy in Colchester, though its headcount fell to 180 as a result of the pandemic.

Today the company's 14 clients include Tui, PizzaExpress and Chiltern Railways. By Christmas it will recruit another 50 staff to take on new clients in the financial, leisure and hospitality sectors.

Dewing founded Essex Air Conditioning in 1990. However, after investing time and money in Clacton FC for five years, he lost focus on his business and it went bankrupt in 2003. He wrote a book about the experience, *Doing the Opposite*, published in 2021.

### Did you think you would get to where you are?

At 16 I had no clue of what would come, but I could not accept the status quo. I did not want to work for a bank, then come home and watch telly. My parents told me to do what I loved. I said I wanted to make everybody's life better. Exams did not mean anything to me. What mattered was emotional intelligence and being streetwise.

My dad was a fridge engineer and he said that you will never find a good fridge engineer out of work. I took his advice because I loved my dad, and he was my role model. I always wanted to go in the opposite direction, because everybody was trained the same way to do the same thing.

In refrigeration they have a device called a compressor that weighs half a ton and used to take three men to lift. I said I can do it on my own. I changed the dynamic through using a trolley jack. Now everyone has learned how to change a compressor with one man.

### Was your first £1mn a major milestone?

The first year we made a profit that exceeded £1mn was in 2016. In 2013 our first client, Republic Clothing, went bust, owing us £250,000 that we needed to pay the supply chain. We were two



Jeff Dewing: 'Going bankrupt was the lowest point in my life because I had let my family down' © Jeff Dewing

weeks away from closing our doors because of that debt. At the time we were in negotiations with Pret A Manger.

We managed to negotiate advance payment from Pret, about £400,000, which saved us without them knowing it. Their contract bought us time to secure our biggest client, The Gondola Group, the parent company of Pizza Express, Ask and Zizzi restaurants, and Byron Burgers.

The Gondola Group was worth £10mn a year for five years, and that is what turned us into profit. We made £1.6mn profit.

Of course, we celebrated. The 12 of us on the main board drank champagne, relieved we had overcome the biggest adversity we could ever face. The next big client, KFC, came in 2015, worth £13mn a year for five years.

### Has the coronavirus pandemic affected your business?

It did, but in a good way, and by changing our focus. While everybody was on furlough, which we did too, there was one team we did not furlough, our software development team of 18 people. While everyone was sitting at home on furlough doing no work, we kept paying our IT team. As there were no distractions, we asked ourselves how can we create technology to change the world?

Pre-lockdown we were collecting £6mn a month from our clients. From April 3 2020, that was reduced to £200,000 a month. What we did have was capital reserve in the business, £5mn or £6mn, which enabled us to invest in our IT development team to work at 100 miles an hour.

They came up with some new technology. During Covid we linked arms with Essex university, adding six PhDs to our team. The PhDs did not understand the words "we can't" and they could do anything. IOT – the internet of things – is about thousands of sensors. We wanted to achieve the

same outcome without sensors.

We monitor the electrical harmonics, which give us more information than a sensor ever could. The PhDs allowed us to predict the failure of a piece of mechanical equipment four weeks before it failed. Had it not been for Covid, it would have taken us 10 years to achieve the same result.

During Covid we had to reimagine the business and go from 350 staff to 180. However, we looked for three people keen to start their own venture. We helped them to set up three new businesses as part of our supply chain. By getting that right we were able to transfer the 170 staff who would have been made redundant into the same type of work they had been used to.

### Have you found it difficult to recruit staff in recent months?

No, because as we were coming out of lockdown, we changed our working environment. Though we had to close offices in Newark, Harlow and two Colchester offices, we refitted our two remaining Colchester buildings to provide a home from home environment, with sofas, a canteen and free food. It was a fantastic idea.

We said to every member of staff, you will decide how you work, and where you work, and you only come to the office to solve problems with your team and have fun. No one is clock watching. We have had no problem recruiting people. As soon as they understand our culture, they want to join us.

### What did you have to sacrifice to start the business?

If you want to change the world you have to make huge sacrifices. I did not spend anywhere near enough time as I should have done with my children. I am now a grandfather of eight children. I look after them two days every week and never stint on time.

They are my second chance to be with my family.

### What was the most challenging period of your career?

Going bankrupt was the lowest point in my entire life because I had let my wife and family down. For three months I did not leave the house, then I had to draw Jobseekers Allowance for six months.

I was well known because of the football club so people saw me in the unemployment office. One day my wife asked me to buy some bread. I put my card in the ATM to draw out £10, the minimum, but I only had £7.60.

After nine months I realised I needed to get a job. I found one with a refrigeration company as head of contracts. That was the beginning of getting back on track.

### What was your best preparation for business?

It was going bankrupt, because you realise how easily it can happen, and what is important when you are running a business. At the football club I did not learn about scoring goals, but that I could motivate people into achieving 50 per cent more than what they were doing. I knew that I was good at inspiring people.

### What do you consider as an indulgence?

Living in Portugal because I feel guilty for enjoying life to the extent that I do. Our first ever holiday was in Portugal. We then travelled all over the world but came back to the Algarve for the next 15 years. We have been living here for two and a half years, but I am always available. Engineers often FaceTime me in a difficult situation, to show me wiring and control panels, seeking my advice.

### Do you believe in leaving everything to your family?

Absolutely not. My view is that I will give my children the best opportunity for the best life, but they will only get opportunity. I will set aside money for the education of my grandchildren and great-grandchildren. None of my children will receive anymore than a deposit on their first home. The rest they must do on their own. I have five children, three with Michelle, and two with my first wife.

### Have you made any pension provision?

I have a pension. It is called Cloudfm. I have always paid into a small pension, but nothing of any significance. I absolutely believe in pensions unless you are

an entrepreneur. I don't want for anything in my life right now. If I get bored of working one day, I will sell the business and live off the capital.

### Do you believe in giving something back to the community?

We are the main sponsor of Essex County Cricket Club, who have Sir Alastair Cook. We own the ground naming rights. It is called The Cloud County Ground.

We pay £500,000 a year, which contributes to train the youth going through the club, from age eight to 25 or 26. Essex had not won anything in the Championship for 20 years. Since our involvement in 2017, they have won a trophy almost every year. In 2019 Essex became the first team to win both the Championship and the T20 tournament in the same season.

## CV

**Born:** Walthamstow, London, February 13, 1964

**Education:** two state schools in Walthamstow:

Age 11-14: William Fitt School; 14-16: Sir George Monoux, left with two O-levels  
1980-85: City & Guilds refrigeration course, Willesden College of Technology

### Career:

1980-83: Apprentice engineer, Carter Refrigeration, Hanwell  
1990: started Essex Air Conditioning  
1997: bought debt-ridden Clacton FC for £35  
2002: sold Clacton FC for £100,000  
2003: EAC goes bust  
2012: started Cloudfm

### Lives:

Albufeira, in the Algarve, with wife Michelle, a key accounts supervisor for Cloudfm. Kelly, his daughter, is supply chain manager, and youngest daughter Hayley is head of mobilisation.