

BGP Stories from the front-line

Mitesh Patel on Charting your own course and finding your niche

"The family tradition was that after completing your education you worked in the family business. I finished university and was told there was no job. So I had to create my own!" Mitesh Patel, BGP 2010



On Friday 24th February the January 2023 BGP cohort was joined by our second alumni guest speaker, Mitesh Patel, founder, CEO and 100% shareholder of Fifosys. In the twelve years or so since he took part in the programme Mitesh has grown his business by around 500%, acquired four companies and disposed of one for a six-figure sum – and all from a start-up that began by selling IT services door-to-door for a monthly retainer of £50.

Mitesh is the second-generation descendant of an East African Asian family that was expelled by Idi Amin in 1972. Back in Uganda his father and uncles had built a very successful film-processing business. Forced to leave at short notice, the family arrived in Britain with little more than the clothes they stood up in. Over the next 25 years through relentless hard work the Patels built the UK's second-largest colour-film processing business, with more than 90 outlets. At one point Boots even made a multi-million pound offer for the firm, which the family rejected. Success brought its rewards and Mitesh received an excellent education. The dream was shattered, however, when the arrival of digital cameras around the year 2000 made the business obsolete almost overnight.

Armed with a Masters in Computer Science, Mitesh set up in business with two friends from university, who departed soon after. Seeing what had happened to his own family, he was determined to build a company that would not be vulnerable to market shocks. The first ten years proved a long, hard slog. Operating out of unused

space owned by the family business in the West End, Mitesh trudged the streets of London selling technical support services to local traders. Eventually he was advised by a friend to join BGP, and he arrived in summer 2010 to find that his was one of the smallest businesses on the programme. He was overawed, he says, by some of the guest speakers like Angus Thirlwell of Hotel Chocolat, but BGP opened his eyes to the true potential of Fifosys. The biggest revelation was realising that his single biggest client accounted for 86% of the firm's turnover. Fifosys was far more fragile than Mitesh had thought.

Producing his plan for growth greatly sharpened his focus. His target market became fast-growing small businesses – essentially his BGP peers – for whom IT services were a vital component of their growth but not core to their purpose. A chance encounter on BGP also led to an acquisition opportunity, which reduced dependency on Fifosys's biggest client to 22% of revenues. By a quirk of fate, the same client took Fifosys with them into Russia, creating new revenue streams for Fifosys which served the business well until the client company relocated entirely to Russia. With its eggs no longer in one basket, Fifosys survived and prospered.

As time has gone on Mitesh has concluded that the key to building long-term, independent value is creating recurrent revenue streams. Occasionally Fifosys undertakes project work, but continuing service contracts are where the real value lies. From the earliest short-term deals of £50 per month, the company now operates with multi-million pound agreements lasting up to five years.

Fifosys is responsible for maintaining and upgrading the company's entire IT infrastructure. A client, says Mitesh, is under our protection 24 hours a day, 7 days a week, and we deal with the pain that IT too often brings: in fact he goes so far as saying that no IT professional should be working for a company with under 300 employees [except an IT services provider, of course!]. It's cheaper and better for his target customers to outsource everything to a company with the expertise of Fifosys.

Ten years on, and the business truly stands on its own two feet independently of Mitesh. He can take significant time away without worrying about what is happening back in the office. He has always run the business with the discipline that makes it saleable, but would he ever sell? Up till now he has considered it from time to time, but not only does he thoroughly enjoy what he does, he fears getting bored. After all, you can't be on holiday permanently. Recently, however, family events have made him rethink what he wants to achieve. Still in his forty-third year, there's a lot more life to live.

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Fifosys

Fifosys are officially one of the top 10 managed service providers in the world, providing managed IT services since 2001, and now serving as a major IT partner for SMEs in a wide range of sectors. Having consecutively maintained ISO 27001 every year since 2013 and named the UK's number one MSP in the Channel Futures' MSP501 2020 rankings.

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