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Mark Mills

Founder of Cardpoint

If you have ever used a cashpoint machine in a petrol station and been outraged at having to pay £1.75 to withdraw some money, Mark Mills is the man to blame. He got the idea of creating a string of privately owned cash machines after using one in a New York deli. By 2006 the business he founded, Cardpoint, had more than 6,500 machines in petrol stations and shops in the UK, between them dispensing more than £500 million a month and generating a turnover of £98 million a year.

Cashpoint machines were not the first time Mills had managed to turn an idea into a money-making venture. Indeed, his CV reads like a whirlwind tour of entrepreneurial enterprise. He started his first business at 18, his second at 20, his third at 22 and his fourth at 25. Cardpoint was his fifth.

He first discovered the desire to make money at the age of six when he starting selling his friends bags of broken biscuits which his aunt brought home from the factory where she worked. As he grew older, he would borrow his



father's cash-and-carry card to buy boxes of crisps at wholesale prices and sell them at school, undercutting prices charged by the tuck shop.

He says: 'I couldn't see the sense in giving something away if people were prepared to pay for it. I kept spotting opportunities and couldn't understand why people didn't fulfil them. Even as a child I could see that the more effort you put in, the more you got out.'

By the time Mills was 18 he was organising parties in nightclubs, hiring a room for £100 and then charging £5 entry fee for up to 300 guests, making a profit of £1,400 in a single night. He left school at 18 just as BT was being privatised and decided there might be an opportunity to make money by selling new-style payphones, which gave pub owners a better profit margin than the old ones. He did well, but soon decided there was no long-term growth in a business that did not have any recurring revenue.

Mills expanded into mobile phones, but when margins started being squeezed by growing competition he decided

there was no future in them either. So he closed the business and lost £20,000, which took two years to pay off. 'It was a spectacularly terrible judgement', he admits. 'I got out of mobile phones at the worst time – just before the market took off.'

Mills' next venture was to produce a booklet of dialling codes, but that led to a tussle with BT. Instead he turned his attention to creating a referral system that would put insurance brokers in touch with local tradespeople. It was slow to take off, however, and so in 1997 Mills came up with his best idea yet – advertising on the side of postboxes.

He says: 'I phoned the Royal Mail who told me I was the 50,000th person to ring up and suggest it – and the answer was no. But I decided there must be a way round it. I thought perhaps I could produce my own postbox and get the Royal Mail to do the collection from it.'

Unable to get a straight answer out of anyone, Mills enrolled for the first year of a law degree at night school so that he could use the law library and figure out if it could be done. He discovered a quirk in the Telecommunications Act that allowed someone to produce a private postbox, provided it had a lock bought from the Royal Mail, which was paid a fee to collect from it. Mills quickly produced a prototype and then asked the big oil companies if they would be interested in having a postbox in their petrol stations. Nearly all said yes. Then he asked Nestlé, the food company, if it would pay for advertising on the side of the boxes. It said yes too.

There was just one problem. Having developed the business, Mills had no money left to put it into practice. He managed to get six postboxes installed before selling the business to the advertising group More O'Ferrall Adshel, staying on as a consultant. The company quickly installed 1,200 boxes around the country, but when it was taken over

by another firm the postbox business was put up for sale. It was bought by none other than Royal Mail, which promptly took down all the postboxes and replaced them with their own. Mills, however, did not walk away empty-handed. He had cleverly negotiated a sell-on clause in his contract and received about £1 million from the deal.

Mills was out scouting for new ideas in America when he had the idea of operating his own cash machines. Back home in Britain he discovered that only financial institutions were allowed to become a member of the Link cash-machine network, but undaunted he rang every bank in alphabetical order to find one to sponsor him. Right at the end the Woolwich said yes. His first cash machine started operating in March 2000, and two years later the company floated on the Alternative Investment Market with a valuation of £7 million.

Over the next few years the business expanded through acquisition, including the takeover of its largest competitor Moneybox, and by expansion into Europe. Then in 2006 Mills received an offer for Cardpoint of £1 per share, a 50 per cent premium on the share price at the time, valuing the company at £175 million.

But while Mills, who had a 5 per cent stake, wanted to accept the offer, his co-shareholders thought the business could be worth still more. So Mills left the business, stating publicly that he thought the high point had been reached, and sold his shares, giving him a personal fortune of around £9 million.

In 2007 he decided to go into business again, this time buying bungalows and renovating them in order to rent them out. He called the business www.bungalow.torrent.co.uk.

He says: 'People laugh, but when you look at the pure economics, no one is building bungalows any more, builders knock them down to build houses because of the land value and the population is growing older and fatter so we don't like stairs. And there are more of us. To my mind, reducing supply and increasing demand means that rental prices will only go up, and given the current credit crunch I am buying them at extremely keen prices.' Mills has also been building a commercial property portfolio.

The secret of achieving success, he says, is having the confidence to take risks. He has a sign above his desk that says: 'Failure cannot live with persistence.' Now 38, he says: 'You must not be afraid of failure. If you keep going and never give up then eventually you will turn it round. You just have to keep your nerve and keep your feet on the ground.'

Fact File

Date of birth: 15 August 1970

Marital status: married with three children

Highest level of education achieved: grammar school

Qualifications: three A levels

Interests: spending time with family, collecting cars

Personal philosophy: 'Give 100 per cent to everything you do – and never give up.'