



Moving forward

A successful family buy-out and the subsequent relocation of business premises has led to a marked upturn in profits for Mike Thomas and his wife Helen, who run Ellis Morgan & Son in South Wales. **Mark Williams** reports

Relocating to new premises has had a profound effect on the fortunes of South Wales-based Ellis Morgan & Son, provider of transportation, warehousing and distribution solutions.

"Turnover has increased by 30 per cent, largely because our new premises enable us to offer warehousing and pallet-based services as well as transportation," explains its director, Mike Thomas. "Now we form a one-stop shop for our customers."

As a result of the move and the increased capability it provided, Ellis Morgan was able to join leading national pallet distribution network Fortec – and this alone has brought a great deal of new business. "Now we can take the product loose from a shipping container, palletise, wrap it, store if necessary, and deliver a consignment anywhere in the country," says Thomas.

Humble beginnings

The company was started in 1820, when a horse and cart was used to ferry goods to and from the Rhymney Railway. Pwll Glas Farm was the firm's HQ before it was moved to purpose-built Pwll Glas House in Pengam. The business has now been run by a succession of Morgan family members for 187 years.

A client of HW since 1999, Ellis Morgan is now based at a 4.5-acre site (including 42,500 sq ft of warehousing) on the Tregwilym Industrial Estate, Newport, close to the M4. The company has a fleet of 21 vehicles and has 33 employees, from drivers to warehouse and admin staff. "We looked at various locations," Mike recalls, "but the problem was that most developments didn't have enough parking space for our vehicles. Then a customer told us they were looking to get out of premises that were ideal for our needs. I didn't think we'd be able to afford them and thought no more of it. Then the owner got in touch and said he was prepared to negotiate a deal."

In August 2006, Ellis Morgan took over the remaining five years of the lease taken out by the previous tenants, Barloworld Scientific. "We didn't want to get tied into a restrictive long-term lease," says Helen Thomas, Mike's wife and fellow company director. "In time we plan to buy our own premises. If we can't afford to buy, we'll try to negotiate another short-term lease, perhaps with an option to buy. Obviously, owning your own premises makes your business more valuable – they're a great asset."

Family affair

Mike joined the company over 20 years ago. Meanwhile, Helen is the great, great, great granddaughter of the company founder. She began working for the family business in 1996 but in 2005 the husband-and-wife team successfully carried out a management buy-out of the firm.

Helen's father and aunt had previously owned the business but they wanted to end their involvement as, for a while, their involvement in day-to-day affairs had been limited and retirement beckoned. "I was very fortunate," Mike remarks. "A friend had been involved in quite a few MBOs [management buy-outs], and he put me in touch with the right people. Because we were buying from family who were keen to go it was straightforward. The process began in February and was all done by July."

Changing times

So what have been the key advantages of ownership? "The business has come on considerably since the buy-out," explains Nigel Williams, director at HW's Newport office. "Mike and the team have been able to make some important changes, such as moving premises, which have led to phenomenal growth." Mike agrees, adding: "Now we're masters of our own destiny. We're getting even busier by the day." ■