

Investment boost for insulation operator



West Bromwich West MP Adrian Bailey, Paul Kalinauckas, chief executive of BCRS and Will Walker, director of HIS Midlands

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A Midland insulation business that started life in a Portakabin has told how an early investment from a community finance development company has helped them grow into a million pound plus business.

Envirowarm, now HIS Midlands, was originally a social enterprise set up in 1999 by Dudley Council to fit cavity wall insulation into council houses.

Operations manager Will Walker took out a business development loan of £15,000 from the Black Country Reinvestment Society (BCRS) in 2003 to enable the business to increase profitability by recruiting another team of fitters.

In 2007 Envirowarm merged into Tipton-based HIS Midlands and it now turns over more than £1 million, supplying and installing insulations for lofts, cavity walls and draught proofing for local landlords, local authority tenants,

government grant applications and contractors and builders.

Will Walker, now operations director at HIS Midlands, said: "We started in a Portakabin and subsequently obtained a loan of £15,000 from BCRS to expand the business.

“Their original business model did not have enough capital to help it expand so we were able to step in and help

PAUL KALINAUCKAS, OF BCRS

"As a social enterprise, we couldn't secure finance from banks. The loan was over three years but we paid it off in two.

"We started to look for a larger company that fitted with our social enter-

prise ethos and found HIS Northwest. We merged to become HIS Midlands and by 2005 we had taken on a 1,400sq ft unit at Link One Industrial Park in Tipton. We've now expanded to 5,000 sq ft with 21 employees and expect to turnover of £2 million by the end of 2009.

"We will also increase our workforce further and plan to expand into heating systems and solar panel installation for the domestic and industrial markets."

Mr Walker said the financial assistance from BCRS gave the company a vital lift up the ladder.

BCRS is part of the Fair Finance Consortium which was established to help small firms to grow and was recently allocated more than £4 million of additional funding to help the region bounce back from the recession.

Paul Kalinauckas, chief executive of BCRS, said: "Envirowarm was one of BCRS' first clients. We worked closely with them from the outset to clearly identify what their needs were.

"Envirowarm is a good example of a social enterprise that can really demon-

strate a triple bottom line of profitability, social and environmental impact.

"Their original business model did not have enough capital to help it expand so we were able to step in and help," he added.

Mr Kalinauckas, chairman of the Fair Finance Consortium, has previously predicted that the consortium will lend more than £9.7 million in the two years to March 31, 2011.

West Bromwich West MP Adrian Bailey said: "BCRS have filled a gap in finance provision, which the more conventional finance providers are missing.

"The fact that there is a commitment to social enterprise means that finance providers are missing a trick because social enterprises have more resilience.

"BCRS has a good insight into this and is very good at picking winners," he added.

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