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How I Made It: Michael Conway; Founder of The Quayside Group

I nearly lost my shirt so often



Rachel Bridge

The day before Michael Conway was due to complete a £750,000 management buyout of the clothing division he ran for a big textile manufacturer, the venture capitalists backing the deal rang to withdraw their funding.

Conway had already taken on personal debts of £80,000, having remortgaged his house and run up debts on five credit cards. He had also taken four staff and several customers with him from his previous job. Faced with fighting on or giving up, he decided to start up on his own, running the firm from his flat.

It was not the first hurdle Conway had to overcome. Born in Sicily, he was brought up by his mother after his parents separated. They lived with his grandparents in Willesden Green, north London. His grandfather suffered from serious chest problems and Conway himself developed chronic asthma, which meant he was in and out of hospital and had to miss a lot of school. His mother remarried when he was eight and his stepfather ran a family business importing clothes.

By the time Conway was 15 he was fit enough to work for his stepfather during the school holidays. It was not long before he was getting clothes from the warehouse and selling them on to friends in the sixth form at school. "I used to sell suits and jackets from the back of my car to earn a bit of extra money," he said.

After leaving school Conway went to Leeds University to study textiles and management, and continued to make money getting clothes at wholesale prices and selling them to other students.

On graduating he went to work for his stepfather but after six months they fell out and he was sacked. "I was furious at the time and didn't talk to him for a while," Conway said. "But it was the best possible thing that could have happened to me."

He went to work for Puma, the sports company, and by the time he was 24 in 1988 was running its sportswear division. When the group decided to bring in management over his head Conway quit and got a job with the Trutex school uniform division of Tootal, the textile company, rising to become merchandise director. It was there, in 1994, that he decided to buy out the contract division, going it alone when the venture capitalists pulled out at the eleventh hour.

"We had orders but we didn't have any money," he said. "We had no working capital at all. I was running round trying to find the means of financing the business and financing orders."

It was a fraught but exhilarating time. He said: "One day our forwarders rang up and said they had sent the goods to my warehouse and they would be there sometime that afternoon. But we didn't have a warehouse, they had a 20ft container and they were going to drop it off outside my flat." He managed to stop them just in time.

Conway managed to find some trade finance to support the orders he already had but because the business was so short of cash it briefly became part of another company, the plan being that it would develop the business by supplying high street retailers. After a year, however, the other firm decided it did not wish to continue and Conway was back to square one.

With more personal borrowing and trade finance, the firm was soon supplying Next and House of Fraser with own-label clothing. But then came a series of shocks.

In 2001, one of its biggest customers, The Sweater Shop, went bust owing it £500,000. Conway was covered by credit insurance so did not lose money but the company had accounted for a large proportion of sales, so he had to quickly find another customer.

He started supplying C&A but then it pulled out of the UK and he lost those sales too. The same year he started supplying merchandise to football clubs, which initially went well.

"We went from having one club in the Premiership to having half the Premiership within 12 months. We thought this was the answer. But we found that if a club is doing badly people will not buy anything. And most of the clubs we chose were soon relegated."

Even those orders he got were dogged by dramas. "We were importing a lot of stuff from Bangladesh and it got to the stage where I was having to travel out to Bangladesh every month because it was going wrong. There was a strike, there was a flood. It was just horrific."

The situation was very precarious. "We had to restart the business every year," he said. Then one day Conway suddenly realised the writing was on the wall for clothes importers. He was at a meeting with a large department store pitching an order and suddenly realised that the only thing they were interested in was getting goods at a lower cost.

"I could see the future and decided I was not doing importing anymore."

He decided the internet was the answer and in 2001 Conway changed the whole nature of his business, starting up an online operation [Clothes2Order.com](#), selling customised clothing to corporate customers for promotional events.

Now all turnover, which this year is expected to be £3.9m, comes from online sales. Having spent a lot of time learning about internet marketing, Conway's big selling point is his ability to dispatch customised clothing just 24 hours after the order is placed.

Conway, now 45 and divorced with one child, has this advice for others thinking of starting up on their own. "Being an entrepreneur can be a very lonely and stressful existence so stay in contact with other entrepreneurs who really understand what you are going through. And never ever give up."

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