



It's Nicko Williamson founder of Climate Cars

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Nicko is a young entrepreneur doing great things to help people travel across London in more environmentally friendly taxi's. We managed to catch up with him in his very busy schedule!

Tell us a little bit about Climate Cars and why you started it...

Climatecars is an environmentally friendly taxi service operating in London. We do this through only using hybrid vehicles, plus CO2 offsetting. Our clients are primarily corporate account holders (we have over 600) from a range of sectors, however we take cash and credit card bookings. Our service is competitively priced and we provide extras including leather seats and Belu mineral water.

The idea came to me while driving past an LPG conversion garage called Green Fuels on the way back home from Bristol University one weekend. I thought why not try and make taxis green. The idea developed from here and I settled on hybrids with a view to adding pure electric cars in the near future.



I started Climatecars as I saw a niche in the London Taxi / Car Service market and decided to go for it. I was 22 when I started planning the business and 23 when we launched.

Climate Cars seems like it have huge start up costs. Did you raise finance? How hard was that?

Yes we did have huge start up costs. We needed to arrange finance for cars, take office space and deal with the fact we would not make money for a while. I raised £200K of equity finance to start the business from family and friends in 2007 then a further £300K from business angels in 2008. Raising the money was hard, however for the first round I was very lucky that through my own network of contacts I had met a number of people who were supportive and willing to take a punt on somebody of my age (with a lack of experience!).

The business angel round was more difficult as we got a lot of resistance from investors who were concerned about the lack of IP / ease of somebody copying our idea. However I met one investor who liked the product and believed in the company, they put in £225,000 of £300,000 so this was great and they have proved to be hugely helpful. Car finance was, and still is, difficult. We use some mainstream asset finance funds and banks to fund our cars by hire purchase, which is very low risk as the assets are very sale able.

However like all small businesses we find it difficult to get the support we need, but luckily have negotiated some good credit lines that will see us through our next phase of growth. I won't go on and moan but UK banks need to start lending to small businesses.

How much hard work was it to go from idea to set up to profit?

A lot! Climatecars is a full on business; we operate 24/7 and have been for over 3 years, this comes with all kinds of issues if for instance somebody crucial to the business is ill. In the beginning I was answering phones at weekends and getting up at 5a.m. at the weekends to make sure the bookings we had went well!

When I raised the 2nd round of funding things changed as we were able to hire more people, move to bigger offices and generally it took some of the pressure off me personally. However it was by no means easy and took long hours to get it to where we are now. We turned profitable in 2009 after 2 years of trading and pretty aggressive growth. We have remained profitable ever since.

How supportive were friends and family when you started? How important is this?

Very. Note my comments about raising money from family and friends. I got so much free advice and help, people seemed to want to help a wide eyed 22 year old with ambition! It was very important to get the advice and encouragement in the early stages. Ivan Massow, who I met early on, was a real catalyst telling me to get on with it.

Do you feel the current economy is the best time for students (and young people) to start up on their own?

I don't think there is such a thing as a best time. We started during the recession and built the business through a very tough period, which was difficult. However even in a buoyant economy starting a business is all about having a decent idea and then working very hard to execute it well. The current economy presents an interesting opportunity as the safe road of joining a bank, law firm etc is no longer so due to the tough jobs market and all the lay offs that took place during the recession. As a result young people can look at starting their own company as an alternative to the traditional route.

What would be your top tips for them?

My top tips would be:

1. Plan and research spend time really evaluating your business model and carrying out market research
2. Raise funding assume your business is going to need at least twice as much cash as you put in your projections
3. Make sure you have a good numbers person to help you budget, project and keep on top of your financials
4. Make the most of your contacts get as much free help as you can. There is plenty available so make the most of it.

There are many more tips but I won't go on, most of this is common sense stuff.

To book a Climatecar please go to www.climatecars.com and click Book Online or call 020 7350 5960.