

# Playing fast and smart PAYS

Denmark's biggest supplier of low cost mobile services M1 decided to outsource its debt collection as part of the company's lean management approach.

WORDS DAVID NOBLE / PHOTO TORBEN NIELSEN

It's lunchtime at the office of Denmark's highly successful low cost mobile operator, M1, situated in the northern Danish town Aalborg. Like most days, M1 co-founder Mads Peter Veiby is top spinning, back spinning, lobbing and overhead smashing in the outer office making it hard for his opponent to return his shots.

A fierce game of tennis is underway, but not as many of us know it. Mads is playing a colleague for vital points in M1's Wii Sports Tennis Challenge, played daily to win

sporting acclaim and keep mind and body alert in the tough mobile telephony business. Mads believes any exercise demanding focus and skill is good for business. That's why he launched the lunchtime Wii Sports Tennis playoffs that are now a popular daily pastime for most of the company's 20 full-time employees.

"Sport and business are both about quick reactions and smart reactions," Mads says.

**Reacting quickly** and smartly to market opportunities helped Mads and co-founder Thomas Havermann start M1 in 2003 as one of Denmark's first mobile operators not to have its own mobile net. It has propelled the company into a top position as the country's biggest supplier of low cost mobile telephony services and equipment.

M1 has cut to the bone and focused on low subscription prices and online self-service in order to attract subscribers. The launch of Mobile SupportWare in August 2007 further enabled M1 to focus on providing its subscribers with online top-level support.

M1's business model is constantly proving itself. For example, M1 has slashed the average waiting time for customer service to an outstanding low of 42 seconds on average. M1 prides itself on winning such accolades as 'Denmark's entrepreneur of the year' in 2006 in the start-up category and the 2008 Gazelle Award recognizing it as Denmark's fastest growing company.

M1 can justifiably pat itself on the back for

having built up a customer base of close to 200,000 consumers.

"We make our money by ruthlessly keeping costs to a minimum without sacrificing either quality or service. We are very focused on providing online support functions that guarantee service 24 hours a day.

"We do not have our own mobile net, but rent from Denmark's TDC telecom operator that provides terminals and networks. This model allows us to utilise all our energy in building an excellent product and good service."

**Early on, the company** decided to outsource its debt collection services as part of their lean management approach. And after a stringent vetting process of the main collection players in Denmark, M1 partnered with Intrum Justitia in 2004.

"We liked their infrastructure and approach. They understood our desire to sustain a low cost operation and adapted their processes to our own online approach," Mads recalled.

"Intrum Justitia is a strong brand name in Denmark and the name is a bit intimidating, which we see as a bonus when chasing payment."

Mads is impressed by Intrum Justitia's commitment to help M1 optimise its own reminder services to speed collection before it becomes a debt management issue.

"We send out three letters before cutting off services to a non-paying customer and handing the case over to Intrum – and their success rate has proven satisfactory."

M1 has no current plans plan to expand outside Denmark.

"We still have a lot of potential in Denmark, so we're happy to stay focused on this market until we reach game, set and match – in real life, not virtually, of course," laughs Mads. ▀



"Intrum understood our desire to sustain a low cost operation and adapted their processes to our online approach," says Mads Peter Veiby, co-founder of low cost mobile operator M1.



Early on low cost mobile operator M1 decided to out-source parts of its credit management