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# Business profile: Tom Cullen of Wirral's Digital Europe

by Alistair Houghton, The Liverpool Post | Apr 20 2012 [Add a comment](#) [Recommend \(1\)](#)

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Tom Cullen, MD of Birkenhead based Digital Europe Group

**Alistair Houghton meets TOM CULLEN, managing director of Wirral's Digital Europe**

TOM CULLEN is a man with a mission – to get drive Britain back to growth in the internet fast lane.

Mr Cullen, a passionate enthusiast for the power of technology, founded Digital Europe 20 years ago to offer telecoms services to small firms.

The firm has kept pace with the global communications revolution, starting with landlines and moving on to mobiles and internet services.

Now Mr Cullen says the company is primed for its fastest growth yet with the launch of high-speed broadband service INET, which brings together voice and data services.

"We're a very strong regional telecoms company," he said. "We plan to become a strong national company."

As a champion for the telecoms industry, which he argues is the most important in the UK, he is quick to enthuse about how small technology firms will drive economic growth.

So the grandfather-of-four is also angry about the Government's decision not to bring superfast broadband to Liverpool, calling it a "kick in the teeth" which could leave firms lagging behind those in rival cities.

In his Budget last month, Chancellor George Osborne said ten cities – excluding Liverpool – would share from a £100m funding pot. But Mr Cullen says the Government needs to roll superfast broadband out nationally if the UK is to remain competitive, and says cities such as Liverpool could lose investment to better-connected rivals.

"Technology is absolutely key to the growth of the UK," he said.

"When you think that countries such as Korea have had superfast broadband for 10 years, and we are scrabbling and trying to deliver it now, the Government decided that it was going to fund superfast roll-out in Manchester, Birmingham, and other places and left out Liverpool entirely.

"What are we supposed to do here? What are the businesses here supposed to do?"

"Businesses like mine are doing something. But there should be a national plan for broadband."

Mr Cullen was born and brought up in Liverpool and after leaving Gateacre Comprehensive, he went to work for the North West gas board.

But in 1975, he and his wife, Ann, emigrated to Canada. He said: "At that time there was a three-day working week and the lights were going out all over the place.

"We saw that wasn't really for us. We needed a change in our lives."

In Canada, Mr Cullen took his first steps into the telecoms industry by joining conglomerate International Telephone & Telegraph (IT&T).

He soon headed its southern Ontario telecoms business, and progressed to running its Canadian operations "coast to coast".

He said: "It was the first conglomerate. They owned in excess of 700 companies around the world.

"Their core business was telecoms, but other companies they owned included The Hartford insurance company and Sheraton Hotels – not nit-picking little businesses.

"It was an aggressive organisation but it was a really good organisation to work for, because I started running its operations when I was 31.

"I got opportunities I probably wouldn't have got in other businesses."

Mr Cullen left IT&T after 10 years when it sold its telecoms business. He worked for IMB before moving to Trillium to run its sales operations in North American and Canada.

But in 1991, he returned to the UK.

"The question is why I moved back to the UK," he mused, unprompted. "That's a tough one.

"I really enjoyed North America. I travelled all over North America – at one point I had something like a quarter of a million Air Miles.

"But I remember being in downtown Toronto, at an IT&T corporate law event. I looked down and saw a small church in the middle of all this glass and chrome, an original building in Toronto. It struck a chord.

"That little church meant more in its construction – and not necessarily in a religious sense – than the 85-storey office buildings. It's an English thing – the UK tends to be built on a more human scale. That was probably the start of me considering moving back."

The family came to Wirral in 1991 and, after doing "some bits and pieces" in telecoms, Mr Cullen decided to channel his experience in the sector into his own business. He founded Digital in 1992.

Digital only exists because of the deregulation of the telecoms sector. As Mr Cullen remembers, that deregulation was sorely needed.

"When I first came back to the UK after eight years in Canada, I went to the British Telecom showroom opposite Central Station," he said.

"They had a business communications display there, and I couldn't believe the prices.

"For what it would have cost me for that system, I could have gone back to Canada, bought the system – retail – shipped it back to the UK, paid the duty, and still got something like 40% gross margin. It was ridiculous.

"At that point, BT was state-owned and had a god-given right to a certain amount of gross profit. Prices went up whenever they wanted. The bills were in 'units'. Nobody understood their bill. Nobody could argue.

"And you couldn't own a telephone. You had to rent one from BT."

And with that, Mr Cullen strode across the boardroom in which we met, reached into a drawer, and pulled out a BT-vintage cream dial telephone.

"It was a great business to be in," he said, putting away the phone, "but not a great one for the consumer."

In the 1980s, the Government allowed Mercury to build its own phone network to compete with BT - a duopoly Mr Cullen calls a "disaster" of a compromise that failed to ensure true competition.

So in the 1990s the market was totally deregulated.

"The decision to provide competition was an excellent one," said Mr Cullen. "It's in everyone's interests."

BT subsidiary Openreach, formed in 2006, still controls the "last mile" of cabling into the exchanges, meaning other telecoms firms are still reliant on their larger rival.

It's clear Mr Cullen is frustrated by what he sees as BT's lack of investment in its network over 20 years – a point which cropped up in many of his answers to my questions.

He said: "In my view, had the deregulation process taken place differently, and had there been a not-for-profit organisation which ran the network and whose prime objective was to deliver the best possible network which can match the technology, them may be we would be better off."

Now he is challenging BT to accelerate its plans to modernise its broadband network still further.

"BT really needs to step up to the plate and deliver today's technology today, not tomorrow," he said. "Then we'll all benefit from it.

Next generation superfast broadband technology means businesses will have one broadband "pipe" which will replace all their existing phone and internet lines.

Digital's INET next-generation service is available in most of Liverpool, Wirral, Halton and Warrington, and its reach is expanding as more exchanges are enabled. It allows firms to link together mobiles, desktop phones and computers.

Digital will keep adapting as television changes, Mr Cullen talks enthusiastically about IPTV, the technology which brings the internet to people's television sets. And he believes video conferencing will become second nature, at work and at home – "you'll be able to talk to Auntie Flo through a box on your TV set," he said.

Those technological changes will, Mr Cullen says, be driven by small firms and not by corporate giants.

"Growth will be delivered by ordinary people and small businesses throughout the UK," he said.

"We were described as a nation of shopkeepers. We still are in a way – we're a nation of SMEs.

"The focus needs to be on SMEs, not just because the employ people but because they will be the engines of recovery.

"Twitter and Facebook, and companies like them which are worth billions, were started by people in prune sheds in the States. SMEs are revolutionising the way we communicate."

Mr Cullen wants to see the Government set up a network of SME development offices, responsible for encouraging entrepreneurship and helping with issues from training to company registration.

And Mr Cullen plans to put his money where his mouth is by launching a programme where people can start companies selling INET.

"We want them to bring energy that will help drive Digital and INET nationally," he said. "It's the energy that will deliver success, not servers stuck in a corner."

While working in North America, Mr Cullen's long hours meant he spent too long away from his family. Now, the father-of-three makes sure he gets the work-life balance just so.

"One thing my wife imposed on me was that I couldn't live more than 20 minutes from the office," he smiled. "I live about 12 minutes away."

"But I still enjoy coming into the office. And I'm looking forward to probably the biggest expansion since the business was formed. It's exciting to be in business."

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