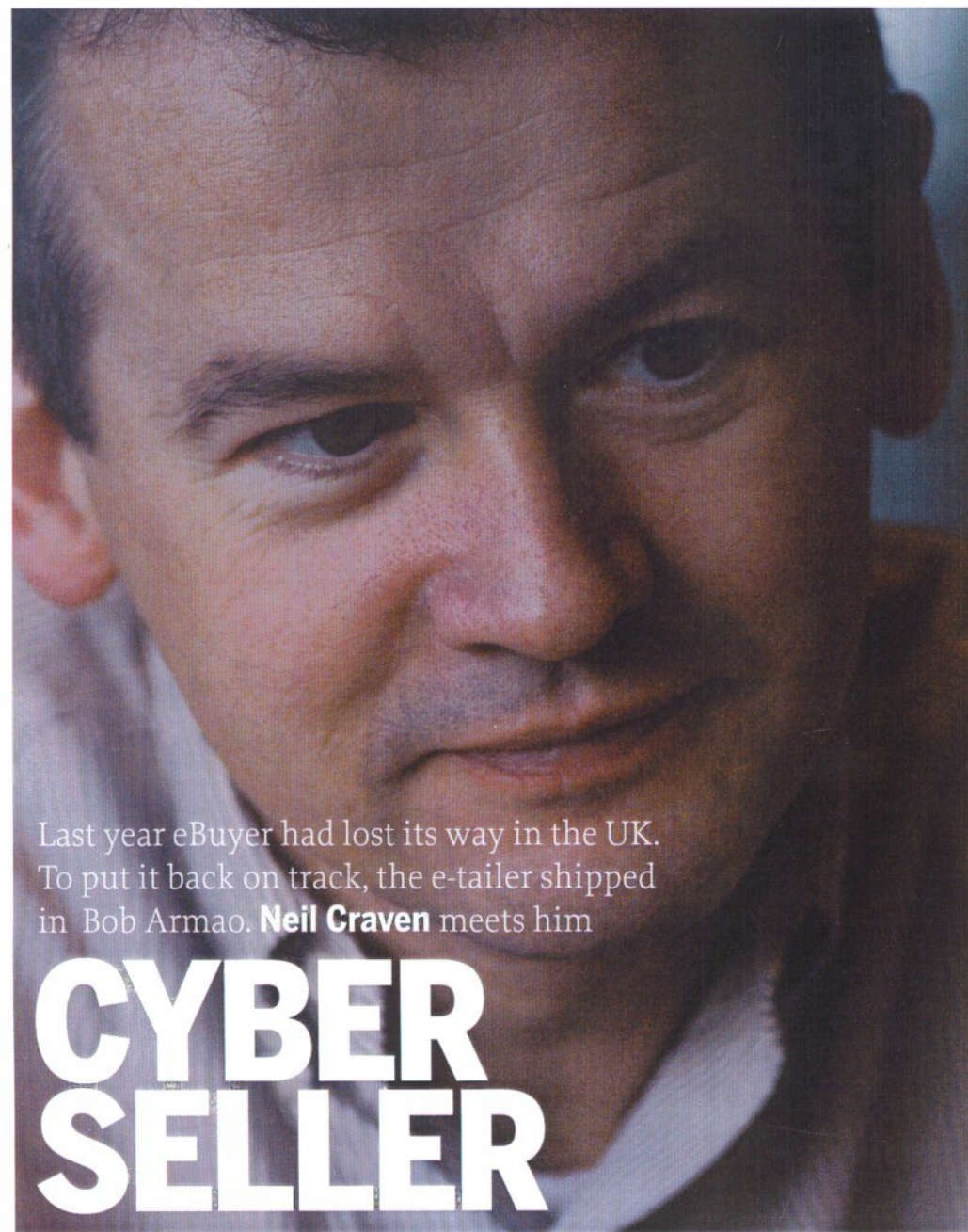


PROFILE: BOB ARMAO



Last year eBuyer had lost its way in the UK. To put it back on track, the e-tailer shipped in Bob Armao. Neil Craven meets him

CYBER SELLER

TECHNOBABLE

Age: 42
Status: married, twin boys of 12 years, son of 7
Lives: San Diego, California; Sheffield, UK
Education: Masters in business administration, Perdue University, Indiana; Batchelors Finance, Bentley College, Massachusetts
Interests: running, tennis baseball

CAREER HISTORY:

July 2005-present: Chief executive officer, eBuyer Group
2003-05: President, eBuyer US
2001-02: chief operating officer, NextGig
1998-2000: chief operation officer, Com2001
1997-98: executive vice-president international, Insight
1996-97: vice-president business operations, Packard Bell/NEC
1990-96: business unit controller, Intel

2006, with sales targets for the year somewhere in the region of £275 million to £300 million from the £220 million this year.

An ad agency will be appointed this month to work on strengthening the brand with its core 18- to 40-year-old male market. The product extensions will continue, more effort will be made to build sales in the business to business sector, which represents less than 10 per cent of sales at present, and work will be conducted by a new IT director to provide a solid framework for growth.

Meanwhile, it was announced in October that Paul Cusack, the entrepreneur who founded the business from his garage in 1999 with £250,000, is again involved in the business.

Armao first met Cusack while at Insight, when he bought the entrepreneur's previous two start-up businesses, Choice Peripherals and Plusnet. The latter is now a broadband provider that listed on Aim this year with a turnover of about £30 million.

Also involved is the mysterious and wealthy figure behind Vida Capital that Armao will only describe as "a rich Brit". What he does say is that both are involved in the strategic planning of the business, particularly encouraging key suppliers to come on board.

With some smaller online players struggling, others – such as Dabs.com – are seeking a buyer. Acquisition is a route that Armao says eBuyer would consider for growth and says that it has money available for the right deal.

Meanwhile, PC World owner DSG International is hunting for online acquisitions and Best Buy in the US forever has one eye on new opportunities – so there are options for Vida Capital to exit its investment.

But for now, Armao says eBuyer is "making a slight amount of pre-tax profit" and concentrating on investing in future growth. He says: "If we wanted to milk the company for profit and make it a cash cow we could, but we are happy investing for growth."

Maybe sticking to his own script isn't such a bad idea after all. **RW**

EBuyer chief executive Bob Armao appears to be reading a different script to most of the electricals and PC retail sector.

Talking time out for a spot of breakfast at a west London hotel before one of the most nail-biting Christmases on record, talking to Massachusetts-born Armao feels like entering the eye of the storm.

"It's nice doing business here in the UK; it's a much nicer market than the US," he says. It is hard to believe that just a month ago, DSG chief executive John Clare prophesied doom and gloom for dotcom electricals businesses.

Armao explains: "The difference between here and the US is like the difference between night and day. I think the UK is about two or three years behind." And he should know.

He was responsible for setting up eBuyer US in February 2003 before he was appointed to head the group and give a boost to the UK.

He says the number of price-focused PC and electricals web sites in the US far outnumber those in the UK. "Just look at a price comparison site in the US and you'll see the difference. There you may get 50, whereas in the UK you might get more like five or 10."

The key difference isn't so much in the variety of generalist and niche sites, but the disparity in price with the UK. Armao says: "Depending on the specific product, prices in the US can be 10 per cent or 25 per cent lower than in the UK."

Armao arrived in the UK in July after increasing sales in the US from nothing to £27 million. At that point,

Armao and eBuyer's financier Vida Capital felt it was losing its way.

"Growth at the business had tailed off in the first part of 2005 and we were starting to see things on the site like fans and even swimming pools. When I arrived, customers were beginning to get confused," he says.

Armao set to work making changes, including appointing buyers to increase the e-tailer's presence in consumer electronics and white goods, categories that represent about 10 per cent of sales compared with 5 per cent last year. The 85-strong team is also moving into a £19 million head office and distribution centre in Howden, East Yorkshire.

With muted growth this year as a result of the changes, Armao says the business is set for a more confident