

Brexit

The UK-based Polish entrepreneurs unbowed by Brexit

Founders with global ambitions see opportunities in the UK



Polsteel chief executive Michael Krajewski © Charlie Bibby/FT
Zosia Wasik JUNE 21, 2017

Polsteel hires only Polish people, provides services mainly to small Polish construction companies, and even has the proud “pol” prefix in its name. Yet Michael Krajewski, the company’s Polish founder, voted Leave in the referendum last June.

Far from feeling so-called “Brexit remorse”, Mr Krajewski, a British citizen, is pleased about the UK’s vote to leave the EU. He recently stated publicly that Polsteel, a steel fabricator, “creates new jobs in the face of Brexit panic”.

Mr Krajewski does not think that [Brexit](#) will affect his business plans. “In the future we want to operate globally,” he says. “With or without Brexit, it will not have such a big influence on what we will be doing.”

Polish people have a large stake in the UK. They are one of the most entrepreneurial immigrant communities, establishing nearly 22,000 companies across the country, according to the [Centre for Entrepreneurs](#). The referendum and the subsequent uncertainty over the terms of Brexit have caused many to worry about their long-term prospects. Yet not everyone in the Polish community shares these concerns. A small cohort of entrepreneurs, including Mr Krajewski, have even welcomed the decision.

Mr Krajewski has had to overcome obstacles. He still keeps pictures of his first “office” — a garage filled with steel parts and a cardboard box that served as a desk.

Today Polsteel has a semi-automated production space in Hounslow in west London, and 21 employees. It will soon open a second unit for stock. Revenues are £2.3m.

Mr Krajewski plans to “revolutionise” the steel purchasing process with his new product, a mobile application that will allow customers to order cut and fabricated steel for delivery the next day.

But he believes the European single market does not foster innovation and entrepreneurial spirit, and that EU regulations have negatively influenced his business. For example, in 2014 regulations were introduced that meant all fabricated steel products must carry the CE Marking to demonstrate compliance with EU standards — something Mr Krajewski says was cumbersome to implement as well as costly.

Mr Krajewski says he is not worried about potential limits on the freedom of movement of people, though it could lead to an exodus of Polish engineers and the shrinking of his client base. “Leading a company is a rollercoaster anyway,” he says. “Brexit is only one of many small obstacles that could disrupt, but [it] could also help.”

Another Polish company unbowed by Brexit is Sescom. The facility management service company, which has 100 employees, was registered in Poland in 2008, soon after the financial crisis began.

“We were asking ourselves if it is a good moment to set up business,” says Slawomir Halbryt, Sescom’s chief executive. “We were young, flexible, smart and determined, and we learnt one thing: we have to know how to react to reality, we have to adapt.” The company’s motto was soon established: change is the only certain thing.

Sescom’s headquarters, in Gdansk on Poland’s north coast, manages and organises maintenance work for shops, banks and restaurants all over Europe. It provides services for brands such as British retailer Marks and Spencer, Rossmann, a German pharmacy chain, and Calzedonia, an Italian fashion label. Last year’s turnover was 70.4m zlotys (\$18m). “We follow our clients,” says Mr Halbryt. “They told us: we need you in the UK.” Sescom started operating in London last month.

“It’s not that we’re not afraid — of course, we are worried that Brexit will be an obstacle and will put our activity at risk,” Mr Halbryt says. “After the election the vision of the hard Brexit has been put away, but there is this uncertainty over what will happen next.”

Mr Halbryt believes that the British government will be supportive of business, for example through tax reductions. “They do not want to get rid of possibilities to develop the economy just because they will be cut off from the single market,” he says.

Sescom is focused on London because it wants to boost its co-operation with [digital start-ups](#). In exchange for new technologies, it will offer smaller companies access to its client network and expertise in retail.

“I still believe that the UK and London are the main places in Europe that dictate trends in design and new technologies, and it will remain so,” Mr Halbryt says. “Maybe I am naive.”

Sebastian Niklewicz learnt of the referendum result at the airport: he had just spent a couple of days in London networking and finalising preparations before his company, Eskom, was to open a new division in the UK.

“[The result] did not stop us. We want to start operating globally, so we had to make the first step, regardless of the circumstances,” says Mr Niklewicz. Eskom, an IT outsourcing company with 35 employees and an annual turnover of £3m, started to operate in the UK last October. Today it has its first clients — all Polish companies — and is looking for a business development manager to liaise with London businesses.

For Mr Niklewicz, Brexit presents more opportunities than risks. “Brexit will cause a crisis. Companies will reflect on what to do next, hold up the investment and look for savings. IT outsourcing could be a way to save money and our offer could be attractive for British clients,” he says.

He also expects to benefit from Polish IT workers who do not want to stay in the UK after Brexit. “If they have their customers in the UK, they can work at our headquarters in Warsaw for them,” he says. “They would get a job and a bonus, and we would get more clients.”

One of Mr Niklewicz’s concerns is [a weaker pound](#). Eskom is registered in Poland but the company’s UK clients pay in sterling — a disadvantage given today’s exchange rates. He also admits that he is worried about how Polish companies will be regarded in the UK after Brexit. “I only hope that our clients — people from London and the business sector — are not a group of people who are going to be prone to a more negatively charged environment,” he says.

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