

**QUONEX ALSATEL**



# COMPANY PROFILE



## KIND OF PROCESS

Take-over (after liquidation)

## ALLOCATION

France

## PREVIOUS ACTIVITY

Enterprise telecommunication solutions and unified communication

## CURRENT ACTIVITY

Same

## DATE OF CONSTITUTION

2018 (the company originally was founded in 1947)

## LEGAL FORM

SCOP

## TURNOVER

(Dec. 2019): 7M euros

(Dec. 2020): 7,4M euros

## CONTACT PERSON

Enis Musicic



[www.quonex.fr](http://www.quonex.fr)

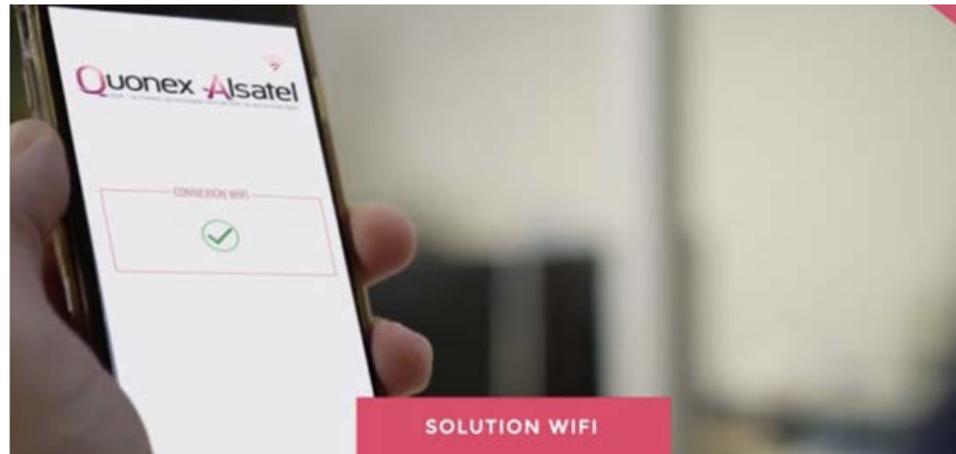


## BACKGROUND

In 1947, ALSATEL, Société Alsacienne et Lorraine de Télécommunications et d'Electronique was created. In 2007, the EIFFAGE Group acquired 100% of the shares of Alsatel and TTE Transel (founded in 1958). In May 2016, the holding company Quantum Capital Partners acquired 100% of the shares in Eiffage Energie Communications, Réseaux et Sécurité (name change to ALSATEL in 2011) and Sécurité and Eiffage Energie Réseaux et Télécom (name also changed in 2011), which become Quonex.

In December 2017, Quonex IDF was placed in judicial liquidation at the Bobigny court and all employees were dismissed. As a result, some assets (maintenance contracts) were bought back by Foliatteam and ITC Ariane.

In May 2018, there was a redundancy plan at Quonex GE that included voluntary departures and conventional terminations (about 30 people). July 2018, Quonex Grand Est went into receivership, then in liquidation with proceedings on September 10, 2018. The employees took over the Voice & Data, Applications, Operator and Security activities in the form of a cooperative company which became Quonex Alsatel.



## The telecommunications market:

- communication systems (voice)

## Evolved towards:

- exchange of computer information (data, email, video, sound...)
- bringing people together and promoting exchanges (videoconferencing, cloud, unified communications)
- providing security for goods and people (access control, video protection, sick call...)
- gain in speed with continuity of service (cabling, internet access, mobility)

The cooperative present regionally and has a national coverage.

## Quonex customers are:

- SMEs and ETIs (Intermediate-Sized Companies)
- hotel business
- community
- industry
- health
- building and public works

## Fields of activity:

- voice and data
- applications
- security
- radio
- services

## EMPLOYEE INVOLVEMENT FORMULA

The employees were not very familiar with the cooperative model since they were company workers. The need/willingness to take over the company led them to the SCOP model through the URSCOP. They thought about the cooperative model of sharing even before they knew this social model. The SCOP structure would bring the solution to take over the structure and solve many problems. During the process of creating a company in SCOP, the concern of transparency was very important. During the takeover, concessions had to be made, in particular on the abolition of the 13th month of salary as well as one week of holidays and to go from 6 to 5. This made it possible to reach a break-even point.

## DESCRIPTION OF THE PROCESS

The reasons for the company liquidation:

- cost of oversized support services compared to operational services.
- investments made on a group projection -> requiring a time that the company did not have (over 3 years).
- high supervision and management fees in relation to the structure.
- costs borne mainly by Quonex Grand Est.



- overheads were too high.
- low financial participation of the investment fund Quantum Capital Partners.
- a strategy based on unrealized external growth.

When the company was liquidated, the dismissed employees made an offer to get a clear picture of the value of the company. They are prepared to put in EUR 400,000 euros, while a large group wanted to put in EUR 23,000 euros. While the latter withdraw its offer because the employees wanted to keep 51 employees instead of 27, the group increased its offer to 100,000 euros, which was nevertheless cheaper for the state. Quonex employees also improved it by participating in the €20,000 euros PES. The €420,000 euros offer was more expensive for the State, but it ensured that 47 employees were kept. The court then ruled in favour of the employees.

From a legal point of view, the employees let themselves be dismissed and the compensation was invested in the company. The capital of 850,000 euros were raised with various aids, including aid from the Grand-Est region (Bourse d'Emergence).



SWOT analysis of Quonex' WBOs - Source: LeScoop Presentation on Quonex

Arguments put forward for the takeover of the company by the employees include:

- Accompanying letters from large companies.
- Letters of commitment from 4 regional companies initially interested in taking over the company that finally joined the SCOP as associates and are no longer competitors but partners.

**MECHANISMS USED TO IMPLEMENT THE PROCESS**

The unions were not really involved in the takeover of the company. The works council had the support of lawyers who were able to help and direct them towards the URSCOP (Regional Union of SCOPs). There was also a financial support/assistance mechanism (creation aid ARCE, emergence grant and personal participation - redundancy bonus). The genesis of the cooperative project was born from a common human ambition, the creation of a group (cohesion, mutual trust, etc.). The employees of the company have established it after an in-depth analysis of the SWOT grid which brings a total legitimacy to this project.

Strengths

OUR ASSETS			
ITEMS		OUR STRENGTHS	
Stable client base	+	Positive contribution to the sustainability of the cooperative	+
Alsatel reputation	+	Acquired local and regional reputation	+
Major customer support to the cooperative	+	Positive contribution to the sustainability of the cooperative	+
Low technical turnover	+	Guarantee of follow-up and service quality	+
Geographical proximity	+	Reactivity and customer satisfaction	+
Pre-sales expertise	+	Guaranteed design of scalable solutions for customers	+
Trained sales team	+	Continuity to support customers	+
Confirmed and certified technical team	+	Guaranteed continuity of service	+
Experienced managers in the field	+	Increased efficiency / maturity in decision making	+
Several customer account penetration offers	+	Several gateways for business development	+
Loyal and solid partners	+	Facilitates the development of the structure	+
Loyal and strong partners	+	No operational disruption	+

Weaknesses

OUR IDENTIFIED WEAKNESSES AND OUR ASSOCIATED ACTIONS			
ITEMS		ACTION PLAN	
Competence INFRA / NETWORK SECURITY Mono-constructor	-	Local integrator partnership became extern partner	+
Enterprise Resource Planning outdated	-	Study for evolution with external partners	+
No Software as a service (SaaS) offer (OPEX)	-	Study in progress for the distribution of a major operator offer	+
Multisite => national clients voices	-	Study and exchange in progress to finalize with a national actor	+
Fragile recurring income	-	Study in progress for distribution of major operator offer	+
Difficulty in recruitment / Expertise	-	Mutualized competences with external partners	+
Restricted access to certain public markets	-	Possible opening via co-contracting with external partners	+
Demotivation and demobilization of employees	-	The cooperative has gathered and involved motivated employees	+

Opportunities

OUR ANSWERS TO MARKET OPPORTUNITIES			
ITEMS		OUR ASSETS	
Deployment of local shops	+	Cooperative skills sufficient to position itself	+
WIFI – LAN network potential	+	Proven expertise and resources for this type of solution	+
Dynamics linked to the permanent evolution of WiFi standards	+	Expertise and resources confirmed for this type of solutions	+
Cloud solution acceleration	+	Existing offer	+

Threats

EXTERNAL THREATS IDENTIFIED AND ASSOCIATED ACTION PLAN			
ITEMS		ACTION PLAN	
Deployment of SaaS solutions to come by operators	-	Study in progress for distribution of major operator offer	+
Poaching by competitor	-	Code of conduct with external partners	+



## MAIN BENEFITS FOR THE COMPANY, EMPLOYEES AND ENVIRONMENT/SOCIETY

A structure in the form of a co-operative has allowed employees to:

- highlight the company's assets,
- establish strong partnerships to correct the weaknesses,
- respond to market opportunities,
- set up associated action plans with business partners.

Further benefits:

- keeping the jobs in a remote area,
- the challenge of not offshoring - being able to compete with "bigger" companies,
- mastering one's own professional future.

## TRANSFERABILITY

For the creation of a company, it is necessary to have a structure that has a soul, a knowledge, a history and people as well as to have administrative support.

For creation, engineering, support:

- to have legal support,
- to give the possibility to act, to reassure the collaborators,
- to have financial support:
  - for the takeover (cheque of 420k euros€) – Aficoop
  - for the start-up (financial assistance and agreement of the banks)
  - various grants + dismissal for infection in the capital
- to have support from an HR point of view to accompany the management team in order to regain control, organize, and carry a new model.

For succeeding, the most important thing is to have one or two leaders who implement the project and who have a core source of legitimacy.

## VIDEO, DOCUMENTARIES, INFORMATION ON THE CASE STUDY

<https://www.quonex.fr/presentation>

9 études de cas de Sociétés cooperatives (e-book published by LES SCOP)

<https://www.7switch.com/en/ebook/9782376871392>

The case study was prepared by Paul Hammoud and Luca Pastorelli (Diesis Network).



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