

THIS IS THE MOMENT FOR GAME-CHANGERS

What makes your venture unique, special and different? Entrepreneurs must have a convincing answer if they want to drive growth through the downturn and beyond, said business guru and broadcaster René Carayol.

Speaking at Barclays Commercial's Turning the Corner networking events, the presenter of the BBC2 series *Pay off Your Mortgage in Two Years* said firms that respond to change with bold initiatives and fresh ideas will survive and thrive as recession fades.

"The winners will be the ones that behave like a challenger brand; a hungry number two," said Carayol, a former board director at the world's best-know business underdog, PepsiCo. He pointed to convenience-store operator Spar, which has fought against supermarket rivals by forging strong community links: "Spar was being slaughtered by Asda and Tesco, so it put people with local knowledge and local accents into its stores."

With change comes opportunity – and entrepreneurs must seize the moment. Carayol cited Virgin Group as an example. Its decision to sponsor the threatened Brawn GP Formula One team has grabbed the brand some outstanding publicity. "What are the distressed deals on offer? Which top talent is for hire? This is the moment for game-changing moves. No mega-fortune has been made outside a recession," said Carayol.

The recent collapse of the Borders book chain into administration, and Dubai property group Nakheel's request to defer loan payments, have proved that organisations must offer something distinctive if they are to achieve long-term success. "Borders outsourced its online operation to Amazon years ago," observed Carayol. "And now, Abu Dhabi, Qatar and Bahrain have fantastic airports and shopping just like Dubai. They are 'me-too' propositions.

"How do you respond to global overcapacity? To commoditisation? To the knowledge that cheap is now standard? By being unique, special and different," he said.

Agile firms are already taking innovative steps to drive growth and prepare for recovery. Collaboration works, according to Carayol. Take the market for short-haul flights in Europe, where budget airlines have become so aggressive that it's impossible for national carriers to compete with them. Instead, the flagship airlines have teamed up to cut costs by sharing planes, ticketing systems, landing slots and catering. Meanwhile, they continue to compete fiercely for long-haul customers.

Carayol also urged entrepreneurs to think about offering extra goods and services that are low-cost but of high value to customers. For example, a recent promotion by a US Hyundai dealership promised that customers who bought company cars would get their

money back if they were made redundant. The result was a spike in sales for zero cost.

Carayol advised entrepreneurs to take advantage of the economic upheaval to make operational changes. "Now is the time to take tough decisions like moving headquarters or pulling out of certain territories. Stakeholders will not resist if you start to do things differently."

Generating ideas and energy requires visionary leadership, he added. Managers are important – and financial advisers can help companies improve cash flow and efficiency. But minding the numbers is not enough to set a business apart from its rivals, according to Carayol. Entrepreneurs must also be leaders who listen to staff and customers, embrace new ideas and create a unique commercial vision.

"Ask yourself what you do brilliantly and why the business should be run by you? Are you bold enough to surround yourself with people better than you?" he asked.

As the economy turns the corner, nimble, entrepreneurial firms are already preparing to take advantage of the upturn. "Corporations have been restructuring but entrepreneurs are reinventing," he said. "Recoveries are underpinned by confidence. Don't sit there whinging about the good old days. Start behaving like we are moving out of recession."

A version of Carayol's presentation is available to download at www.carayol.com/barclaysconnect/



"Start behaving like we're moving out of a recession," says business guru René Carayol

CARAYOL'S TOP TIPS FOR RECOVERY

COLLABORATION WORKS

Don't be afraid to partner with rivals to find new customers and stay competitive

TWO LEMONS

What can you give away that's low-cost to you but of high value to your customers?

TAKE YOUR ANGRIEST CUSTOMER TO LUNCH

It could be the best bit of free consultancy you get – as long as you act on the feedback

WHAT DO YOU STAND FOR?

Think about what makes you unique, special and different. If you're different you can charge more

TAKE A CLOSER LOOK

Like Mont Blanc and Swatch, dare to change your approach

KEEP AGILE

Act like an agile powerboat instead of a slow-moving ocean liner. Embrace a flexible culture instead of a fixed strategy

ENGAGE NOT CAGE

Customers are changing their habits, so talk to them instead of putting them into boxes

UNDER 25s

Have younger people at your leadership meetings to bring new mindsets and belief systems

WHAT DO YOU THINK?

Asda asks its stores every week what they could be doing better

WORD OF MOUSE

What are you doing to connect with your customers through social networking sites?

ONE MILLION

With their strong corporate identities, Google and Procter & Gamble each get more than one million unsolicited job applications a year

SELL, SELL, SELL

Nobody buys a vision without it being sold