



Secrets to building a £billion business

By Richard Harpin



“This booklet is the culmination of almost 45 years of business learning. Decades of hard work that gradually, year by year, decision by decision, changed my working life in ways I could never have imagined.”



Introduction

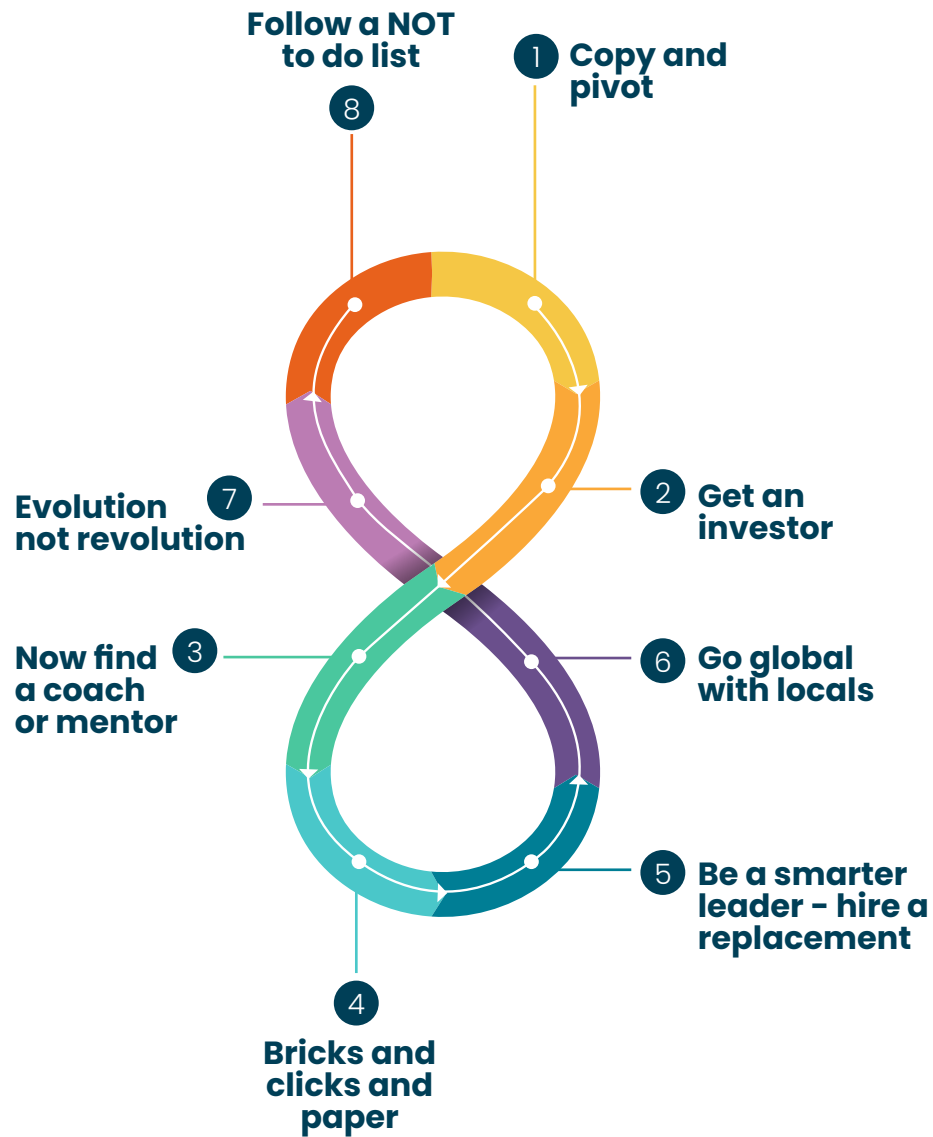
The lessons I learned can transform your business

When all of my childhood friends were building Airfix models, I was trying to build businesses. From the moment I set up my first venture aged 14, through to the seat-of-my-pants moment when I snatched success from the jaws of failure with help from my first investor, all the way to the essential lessons I learned as I expanded globally, I've been obsessed with how to build a better business.

But this is not about me. It's about you, and thousands like you. If I can achieve this success, then I'm certain you can too. You just need a steer on what to do and when, to hear from another entrepreneur about how to make the transformation from good to great.

I believe these are the eight secrets to building a strong, large, sustainable business. They also happen to be the eight things that I wish I'd know when I started out. Armed with this advice, I'm certain I could have avoided mistakes, been able to make decisions with an extra level of certainty that I sometimes needed, and that I'd have been able to develop HomeServe that much faster.

Each rule or message has been specifically designed to build on each other. You might find that only two or three apply to you at this very moment and that's fine, use them as required. However, think of these eight stages in order; one leads to the next.



Today, my passion is to inspire your success, to turn medium-sized businesses into large ones by following this simple step-by-step guide which reflects the smartest moves and silliest mistakes I've ever made.

With my investment business, Growth Partner, I'm ploughing millions of my own money into medium-sized ventures that I feel certain can be turned into far larger and more successful businesses. We're already in partnership with nine separate businesses and are on the look-out for many more. And with every entrepreneur I meet, every project I get involved in, I'm constantly guided by these eight rules.

At the end of each chapter, there are a few questions for you to answer. The idea is that you can use this as a permanent guide as your business grows. Whenever something comes into your head or you stumble upon an insight that you want to use in some way, write it down, keep a note, build on my advice so that it feels even more relevant and useful to you.

These are the messages that I believe can inspire Britain's entrepreneurs. We are a nation filled with success stories, men and women who've dreamed big and turned ideas into thriving businesses. But we're also a nation that, I believe, is not achieving its full potential.

It's why I've been lobbying the Government to create policies that focus on doubling the number of large UK companies from 7,700 to over 15,000 by supporting

medium-sized enterprises, of which there are around 111,500 in the UK. Typically, the latter employ 25–249 people. It's an ambition that I believe can transform our economy.

These are testing times in business and yet the opportunities for success are greater than ever. Sometimes the missing ingredient is that nugget of advice that shifts your thinking and helps you make that decision which will change your life – and your business – for ever.

That's what you'll find inside these pages. Pieces of advice, stories of success and failure, personal testimonies and reflections that I'm certain can help you achieve the same kind of success I have had.

Thirty years ago, Jeremy Middleton and I invested £50,000 of our own money in setting up HomeServe. We started with the wrong business model and very nearly didn't make it. What I learned between then and when I sold the company recently for £4.1 billion is that business is not that complicated.

The following pages will show you why. It's the opposite to the thousands of business books out there that unnecessarily complicate what we do. Finding the opportunity to win – and win big – is simpler than you might think.

I hope these insights inspire you just as they continue to inspire me every day, and that they'll become your secrets to building a billion-pound business. So let's get started...



Copy and pivot

Everyone is always in a rush to be the first. That's certainly true if you want to shape the business landscape. But if you want to change the game, sometimes it helps to be second. Watch what's happening, get a better understanding of where strengths and weaknesses lie, what opportunities are around the corner.

Our natural instincts are sometimes to admire a success story and conclude that if only we'd thought of it first. After all, why crowd into a space that's already controlled by someone else? Except that control is an illusion.

If Mark Zuckerberg had thought like that, we'd still have MySpace and not Facebook. Blockbuster had the market sewn up...until Netflix decided it had a better way of doing things. One of the reasons disrupters succeed is that they're first. But second-movers have the advantage of watching, learning, becoming more aware of the realities of a business situation. Then they can either correct what's already happened or adapt it for their own purposes.

By copying a good idea, pivoting to turn it into something that's different, unique and 'yours', you will get the best of both worlds – you're innovative but also better placed than if you'd launched on your own. Which means you're that much closer to being able to scale.

Disruption gets the ball rolling. That's always followed by a learning curve, during which people understand how things can be improved. Here's where a copycat newcomer can appeal to growing tastes by adapting a good idea and turning it into a new offering. Then, as an industry starts to mature, the breadth of opportunities widens at an accelerated pace – and the one who's copied, pivoted and improved is in a better place to take advantage.

Pioneers are essential for British business. They make things happen, they change the way we see and do things. But what they also inspire – and this has certainly been something that has transformed my career – is to encourage another way of doing things. Instead of feeling put off by being second, entrepreneurs should feel proud to be the copycat. There's always the opportunity for a second mover to come in and tweak what's already being done. To make it different. To make it better.

Perhaps we can flip the old saying – be a follower and not a leader. Sometimes, as an entrepreneur, it's far more advantageous to be a small step behind. We can still be innovators and pioneers, but we're also using our skills as fast-acting students and judges of where a market is heading and how to capitalise on sudden shifts.

Never worry that you've missed your chance. The truth is, it's right in front of you. The market is primed, you've spotted the mistakes and opportunities. Plus – and this is key for the next step – by coming second you might find it easier to raise capital. If something has already worked and you think you can make it work better, then there may be more backers than if you'd been first out of the blocks.

The moment I realised the power of copying and pivoting

The truth is, I almost didn't make it. The plumbing repairs business I founded was down to its last few thousand pounds. I went to every water utility company and no one saw the same opportunity I did. Until I came across South Staffs Water in Walsall, north of Birmingham. They saw something in me and realised there was a great opportunity here to offer something different. For 52 per cent of the business, they invested £500,000. The business grew but our flawed business model meant that as we expanded, losses grew. Down to our last £10,000, we found another water company based in Surrey that had developed its own plumbing insurance product that we adapted. With our last pounds in the bank, we developed and sent out 1,000 mailshots and suddenly people were signing up. We were saved. More importantly, we learned that sometimes the best way to build a great business is to copy and improve something that already exists.

What is the gap in the market that has been created?

What is it that you think will encourage investors to back you?

Is your idea sufficiently different enough to the original – are you truly taking something in a different direction? If so, how?

2

Get an investor

An injection of capital is what you need not just to fund growth in the company but also to provide you with personal inspiration, accelerating your momentum. The key is to make sure that a financial partner is the right fit, especially if you've invested so much time, energy and costs in getting here in the first place, creating your own success story.

To take it to the next level, you need to make sure you're getting the best support and feel comfortable with the person you're about to be in business with.

It can just be a small investment but having someone with skin in the game is a key step to developing the growth of your company. It will also help to de-risk your life so that you can focus on what matters most – the business, not your mortgage payments.

Since medium-sized business are, in theory, able to grow at a more rapid rate than larger ones, the attractiveness of investment is that much higher.

Look for investors who are there to boost business confidence, enable growth and increase competitiveness, providing you with not just their expertise but moral support as you seek to achieve your goals.

You need someone who believes in your vision, who trusts your judgement to make the right decisions, who'll advise and provide direction rather than try to control or tell you what to do.

Seek out investors with a strong network, who know how to open doors and have a wide portfolio of companies so that introductions happen more easily. It's also useful if they have some experience in your industry and understand the kind of tough questions to ask you.

Another important aspect is to ensure that an investor is the right fit, culturally, that they 'get' the brand and what you're trying to achieve. And, of course, that they have the time and commitment to make on your behalf.

Having that investment also provides you with the freedom and confidence you need to get on with the job, to not be distracted.

It's something that goes to the heart of how we operate at Growth Partner, where we place a premium on creating long-term partnerships specifically designed to help entrepreneurs exceed expectations.

How Craig is cleaning up with a simple tweak

Easy Bathrooms is a business run by Craig Waddington from Huddersfield and it's one that I have personally invested £12 million of my own money. What Craig noticed was the phenomenal success of kitchen company Howdens. Their showrooms are on industrial parks where there's plenty of space and low rents. And there was a gap – no one was doing it for bathrooms. He saw something, copied it and turned it into something new. He now has 128 branches and is opening a new one every two weeks. Providing Craig and his team with that investment meant that they could focus on rapid growth. The financial comfort that they felt inspired them to build at a rapid pace.

Finally, a great investor can lead you to the next stage. Towards people who can offer new perspectives on your growing business, who can stand shoulder to shoulder with you and reach the places that pure capital can't...

What would be the minimum investment you need to take your mind off the day-to-day worries to focus on the business?

What kinds of questions do you want to ask a potential investor to establish whether they share your sense of mission?

What kinds of network, skills and contacts are you hoping to gain from being in business with your chosen investor?

3

Now find a coach or mentor

It doesn't matter how successful you are – or think you are – every business leader needs a coach or mentor to help them achieve their ambitions and fuel greater growth. Just because you're smart, experienced and successful, it doesn't mean you know it all!

A mentor can bring business experience whilst a coach provides a safe space to help with your thinking and concerns, as well as expanding your options.

Coaching is one of my passions and through my work I hope to inspire breakthrough for Britain's entrepreneurs and CEOs, helping them to achieve the same kind of success that I've enjoyed. In fact, I'm becoming a qualified business coach, receiving extensive training at INSEAD business school. It means that I can conduct individual coaching sessions with the entrepreneurs I'm investing in as well as group coaching sessions for other medium-sized businesses.

In my experience, a good coach is someone who'll give you their undivided attention, is patient, empathetic, a good listener, asks open questions, and is able to provide a safe space for others to share their worries and aspirations.

When choosing a coach, there are several key values that you need to look for in him or her – courage, persistence and integrity for sure. After all, those are the kinds of business skills that have brought them success in the first place. You also want someone who's willing to go beyond simply being honest and to help you confront the brutal facts of business and personal performance. They're there to help us push ourselves beyond the limits that we've set. So it's vital to have someone who is not a colleague or too closely connected to the business. An outsider who's unafraid of expressing their opinion but also perhaps someone who has invested in your business and understands what you need.

They're not afraid to criticise and a good recipient is not unwilling to accept that criticism. In my experience, that's one of the best ways of fulfilling your true potential. A coach or mentor's experience means they can provide a fresh perspective, seeing and solving a problem through a different lens. Their feedback helps us to make the right decision and to do so with confidence – as well as avoid costly mistakes.

Coaches and mentors are also there to help you build the right relationships and develop your skills so that you can grow the business more effectively.

Skills such as management techniques, better communication, more transparent planning, clearer strategic thinking and more decisive problem-solving.

The best are those who not only think differently but also understand how your company is regarded in the market, the shifts in the sector that are happening and which you can benefit from. They have eyes and ears in places you haven't even thought of.

Importantly, mentors and coaches have a ready-made network which you're able to tap, expanding your own connections so that you can grow opportunities. They've been there, done that and met the right people – that's something you should be able to benefit from, too.

They should be the kind of people comfortable with allowing you to extract from them snippets of advice and insight – don't be embarrassed to absorb all you can from them.

You might have the map to where you want to go but a coach or mentor can act as your compass for those moments when you're not quite sure of the direction you want to take.

However, don't confuse mentorship and friendship. They might share many qualities but they're very different. If mentorship is to be truly effective, it needs full honesty, something that friends sometimes find difficult to provide.

Building and running a business is not rocket science but it does mean that you have to nurture positive relationships and feel confident enough to take the right decisions at the right moment – and that's when you need to be able to turn to someone for advice, insight and sometimes even direction.

Learning and growth can be accelerated by engaging with leaders outside of your companies, people who can connect you to others and who understand the value of being connected to you. It can get lonely at the top – but it really needn't be.

You've got to keep raising your game and you always need to remember that what brought you success in the first place may not get you where you really want to go.

Indeed, they might help you to the next stage, where it's time to rethink your entire strategy...

The start of your coaching manual

Here are some of the questions that a coach might ask you. It's worth you considering what your responses might be to them:

For business growth...

- What (challenge or opportunity) are you here to talk about?
- What do you want to achieve from this coaching conversation?
- What background information or brutal facts would it be useful for me to know?
- What are the obstacles to a way forward?
- What options or solutions have you tried or thought about?
- What can I help with in all this?
- What support will you need?
- If you had a magic wand what would you change?

For personal growth...

- What childhood achievement are you most proud of?
- How have you overcome adversity at a certain point in your life?
- What are your strengths and weaknesses?
- What is your purpose, dream or aspiration?
- What three words describe your values?

For organisational growth...

- What is the culture of your business?
- What does the organisation look like?
- Where in your business/organisation is it not working smoothly?

What are the gaps in your own approach, mindset and skillset that you need to fill?

Trust in this relationship is vital so are you sure that you trust each other? What might the warning signs be?

How do you think your mentor will be able to correct the mistakes you've already made or fear that you might make?

4

Bricks and clicks and paper

To build growth within a small and medium-sized business, it's vital to have a clear and robust omnichannel strategy. Customers want – in fact, demand – a seamless experience whether that's in bricks and mortar or online.

That means forcing yourself to break down silos and devise new ways of working, reimagining your business so that it's fit for the future. Not abandoning more traditional outlets and what has already brought you success. Direct marketing through leaflets and catalogues, for instance, have always been essential to the success of all the businesses I've worked in or with, no matter how large and profitable and digital they are. The growth of Checkatrade has relied heavily on door-to-door leafleting. It's a dirty little secret that share of doormat is easier to achieve now that many businesses have gone online. Embracing digital shouldn't mean ignoring what's worked for you already.

The difference between omnichannel and multi-channel is that the former connects all of a company's touchpoints, so that customers can move between physical and digital offerings seamlessly. Whereas a multi-channel strategy means that these touchpoints often operate separately.

There are vast opportunities for businesses who are able to manage multiple channels and ensure that they work in tandem, rather than against each other. Amazon is among the best online experiences yet that hasn't stopped Jeff Bezos from opening high street stores – he knows that customers want a blend of both. It's why click-and-collect is such an essential element of so many high street retailers. Experiences matter as much as price, especially when personal advice is a vital element of that experience.

There are three types of customer – those that purchase online only, those that purchase in-store only and those that do both. Your strategy needs to appeal to all three types.

Instead of thinking of yourself as an offline brand with an online presence, you need to recognise the benefits to the offline business from the online business, and vice versa. That interconnectedness reinforces the huge opportunity that each offers to the other. It doesn't mean replacing the established business by transferring it to a new platform, it's about enhancing it.

For many bricks and mortar businesses, an online presence through website, app, email and social media will be the most important way of interacting with customers. But with an omnichannel approach, you can use these platforms to bring customers into the store. Businesses can take advantage of the very things that brought them success in the first place – particularly their brand equity and physical presence. It's part of the strategy with Easy Bathrooms, using printed catalogues to help customers make their purchase.

So, invest wisely in order to get the basics right – that means devoting resources to technology and digital capabilities so that you can nourish good customer relationships and inspire long-term engagement. No doubt AI tools such as ChatGPT will transform how we do business but we need to understand their role in the business before unthinkingly using them just because everyone tells you to. Define the capabilities which are most important to you.

Second, do not regard online as a standalone entity. It might be the best portal to sell but it also has another function – to increase the offline business too. Collaboration within a company is essential if it's to grow. That's as true of channels as it is of teams which is why leaders need to clearly articulate the mutually reinforcing roles of each channel.

Third, remember to take full advantage of a bricks and mortar presence that is not just trusted by your customers but is the primary source of physical interaction. Offline only businesses lack this accessibility, so you need to make more of it.

Perhaps use online to promote in-store events, to connect with the community or offer product demonstrations, providing memorable and sensory experiences that e-commerce simply can't match. By uniting multiple channels, you reinforce their strengths so that they are more powerful than they would be on their own.

It's not good enough for businesses simply to create a website and offer pretty good customer service. Omnichannel means being exceptional in all that you do – that's how to grow and remain competitive. A seamless omnichannel journey with 24/7 customer service, personalised communication and the promise of human interaction will break down boundaries and truly put the customer at the heart of what you do.

In a perfect world, a business is an entity where digital and offline businesses are merged and where marketing is effectively used across all channels so that they feel integrated. This improves customer lifetime value, you're able to reach new markets and audiences, your entire operation becomes more efficient so that you're able to reduce costs, you can fulfil orders and replenish stocks faster and with greater ease. And – with plenty of graft and a little luck – you'll increase sales.

Set your sights on growing like these two brilliant successes

I've long been fascinated by the success stories of two very different consumer companies. The first is Warby Parker, an American spectacles company, which grew increasingly nervous of opening its first store in New York because it feared it would cannibalise its successful online business. In fact what happened was that the online business in the very place in which they had a bricks and mortar store grew exponentially because the company had the credibility of another channel, using both to build each other. When it listed on Wall Street in 2021, just over ten years after it began trading, Warby Parker was valued at more than \$6bn. However, few are as successful at omnichannel strategies as LVMH. Founded in 1987 through a series of mergers, it controls 60 subsidiaries that manage 75 brands including Tiffany, Loewe and Marc Jacobs, with each having its own website. The company also has 5,600 stores across the world, as well as significant retail distribution. It's why the company, with a market valuation of nearly 400 billion Euros, is Europe's most valuable. It's worth 100 billion Euros more than its nearest rival, Nestlé. And, in 2022, its CEO Bernard Arnault was officially recognised as the world's richest person with a fortune of £180 billion.

Which allows you to move on to the next stage...

Which are the right digital channels and tools for your brand?

Does your omnichannel strategy mean you need new recruits or skills training for your current teams?

How can each channel reinforce the success of others, so that they work in harmony?

5

Be a smarter leader – hire a replacement

Business guru Jim Collins coined this wonderful phrase – ‘first who, then what’. You’ve got a great idea and the beginnings of a good business. But before you squeeze the accelerator, make sure you have the right team in place. It’s people not things that will get you where you need to go.

I firmly believe that the success of HomeServe has been down to our team as much as the offering. And particularly the people that I’ve placed in the most senior positions of all. To replace me. With Jonathan King taking my place in running our UK business eight years from set-up, I could focus on what’s next rather than feel tied up in the minutiae of the day-to-day – and it dramatically fuelled our growth.

Successful entrepreneurs have incredibly high levels of self-belief. They know what to do, they want to make every decision and don't want to be the passenger. But great entrepreneurs also need to exhibit one of the most essential leadership traits of all – humility. The knowledge that if they really want to experience growth, they're going to have to delegate. Not just delegate but do whatever it takes to find someone who'll replace them.

You can be incredibly driven and ambitious, and also have a healthy sense of self-awareness, one that puts the needs of a business and of others above their own. That's why focusing on people, not just things, is essential. If you have someone ready to slip into your role, it means that you can provide even greater stability and direction by being focused **on** the business rather than being wrapped up **in** the business.

Entrepreneurs are, by nature, relentlessly determined but we also have to show that quality in doing the right thing. It's easier to stay in control but that doesn't mean it's the right thing to do. Having that humility, that personal understanding of strengths and weaknesses very often means that we're better able to find the person who'll take our place, freeing up the time for us to pursue real growth. And, crucially, to keep learning. With the right people in place running the day-to-day effectively, we're able to have a laser-like focus on the greater purpose of the business.

One useful tactic is to flip everyone's favourite new-employee question on its head. Instead of asking others where they want to be in five years, ask this of yourself. If you truly have the drive, skills and emotional maturity to fulfil that ambition then you'll also need someone as good as you to take over your current role. A Chief Executive or Chief Operating Officer.

We're here not just to advance ourselves but to inspire people to take our place, to follow us, to feel empowered to take on responsibilities. Determination is not simply about getting where you want to go, it's about doing whatever it takes to make a company great. That means hiring the best and empowering them to do their best. Encouraging them to learn, sharing knowledge and combining strengths to focus on growth.

That sense of empowerment also comes from not being too insular. If we approach succession-planning with an open mind, we'll make better choices. The tendency is always to look for talent in the same places, which often leads to blandness. I like to do things differently, cast my net wider and trust my judgement of good character.

Being a great leader is also about being a great talent-spotter.

When you hire the right people, you can focus on running your business, rather than worrying about whether employees are getting the job done, and done right, the first time.

Having the strength to work out the transition

Only three years after Ben Francis founded his incredibly successful business, GymShark, he had the foresight and courage to hire his replacement, Steve Hewitt. He was a humble enough leader to know that Steve, a veteran of Reebok, would be a far more successful Chief Executive. Five years later GymShark was worth £1bn. Leadership can make a big difference.

And making sure you've hired your replacement allows you to work on the business and not in the business, so that you can lift your gaze to new horizons as you seek to expand globally...

Where are you most likely to find the new you, if not internally?

Where do you want to be in 5 years and do you have the company structure and personnel to allow you to do that?

Are you able to identify your strengths and weaknesses in the context of how to grow your company?

6

Go global with locals

One of the great ironies of our global economy is that geographic and other distinctions haven't been consumed by what we think of as globalisation. In actual fact, they've become even more important, even more valuable to the business. By having a regionally-focused strategy – with all the resulting cultural, administrative and economic knowledge gained – you can boost your company's performance and reach. You've got to understand the local ecosystem. The tried and trusted model that worked in the UK will very likely fail if it's moved lock, stock and barrel to another country.

Multinational corporations can afford, as the slogan says, to 'think global, act local'. With a global product, they can dominate local markets through a vast economy of scale. The trouble is, most business activity by small to medium-sized firms takes place in regional blocks, not in a single global market. So perhaps it's time for a different slogan – be global, hire local.

Individual local leaders know the market, they understand where the untapped value is, they have the insight into where growth lies. Sometimes, of the four Ps of marketing (Product, Price, Promotion and Place) it is place that matters most, because it's local knowledge that will put you on the path to success.

When you launch in new territories, keep the same product but ensure that a local General Manager is in position to sell into retailers there and ensure that the business aligns to market needs. You may also need to have local warehousing and fulfilment.

Individual leaders provide the right local character and the link to the communities in which they have lived and worked. We're all citizens of the world but we're also people of our place. It's an essential part of our self-identity and it should be a part of your strategy too. Find the right leader to take your ideas and successes forward in a part of the world you're unfamiliar with – but that wants what you have.

Expanding globally is not easy, it's fraught with complications many of which you can't even see coming. But persistence pays. Don't give up. You can adapt whilst staying true to your original business model but you might need to loosen your grips on the reins.

And as you grow abroad, with the right local talent, you'll enter the next stage of growth in which you begin to do things differently...

How growth was restored with some Miami advice

It had always been my dream to go to America and copy an idea that existed over there, adapt, pivot and bring it back to the UK. Well it eventually worked out... but the other way round. Utility branded plumbing cover didn't exist in America, so I took my idea from the UK and sought to grow it over there. However, I made plenty of mistakes on the road to success after first landing there in 2002. The next year, with dollar signs in my eyes, I sent my UK Managing Director to run the American business from Miami, Florida. We made great progress, but I wanted to grow even faster. Two problems – we should have been on the East Coast, not sunning it down south. It's far easier to recruit experienced American businesspeople there. Second, we needed a team of Americans with in-depth, instinctive understanding of the market. Before we made the shift, we were making \$10 million a year, today it's making over \$200 million a year. You can go global – but with locals.

What are the cultural differences between your current market and where you next plan to launch, and will your product or service work without being changed?

Does the team you're about to hire have the skills needed to build your business in their country?

What minor changes will be required in your next country (for instance, regulatory issues)?

7

Evolution not revolution

Business today is fuelled by relentless change. To stay competitive, companies must continually grow and evolve. That word 'evolve' is crucial – small to medium-sized businesses do not want to emulate the move fast and break things mantra of the start-up. It's not about revolution but evolution. Revolution is dangerous because it's two steps removed from your central proposition – it risks throwing the baby out with the bath water.

It's this strategy that will help you to become more competitive. Perhaps your core business is under threat from rivals or you've reached the limits of your natural market and you need to push and reach further. Maybe your resources aren't being used effectively enough, you're bringing in new people or adopting new technologies. No entrepreneur feels comfortable sitting on their laurels – instead, you need to focus on the next hurdle to overcome.

We are always busy looking for new ways to stay competitive, to keep and sharpen that edge, to thrive rather than simply survive. Needs, markets and economies change but successfully evolving businesses retain existing customers and keep attracting new ones.

I've seen businesses pursue growth for growth's sake, embarking on large acquisitions as if that will provide some kind of short-cut to success, even though such an action can be costly and disruptive.

Always be in a position to watch and measure the external environment, be able to spot insights that are truly useful and recognise relevant patterns in new behaviours and data. With so much information instantly at our fingertips, this is sometimes easier said than done. Which is why a good starting-point is to seek a broad range of opinion and to ensure that there is diversity of thought and experience in your management structure.

The decision-making context is a crucial part of how companies evolve successfully – different people analysing the pros and cons, identifying the challenges and opportunities. That has to be followed by co-ordination and agreement, so that everyone understands the common goal – the why and how of the destination. You must have proper communication across the company to ensure that everyone is well informed.

Evolution is also gradual not sudden, it needs to be supported by strong and accurate data to limit mistaken decision-making. The more testing you can do, the greater the speed at which you can evolve.

Entrepreneurs need to be confident in their ability to experiment, using new technologies to innovate and test, at speed and at lower cost, alongside customers and suppliers. Such experimentation can sometimes lead to failure but entrepreneurs need to be tolerant of when things don't go to plan, sometimes even celebrating it if it helps you find a better path. Which means responding quickly and proactively.

We live in an era of uncertainty and instability, with a business environment that seems to be in perpetual flux. But that volatility should be embraced so that we are better able to harness the skills of adaptation. Instead of being really good at doing something that you've always excelled in, small and medium-sized companies have to be really good at learning how to do new things, to act swiftly as things change, to be unafraid to experiment with products as much as processes.

And, to be unafraid to use the most powerful word in all of business...'no'!

Take a bite of the Apple growth philosophy

One of the most successful companies on the planet was so entwined with the leadership of its CEO that many feared his passing would hamper its development. But in the years since Steve Jobs succumbed to cancer, Apple has gone from strength to strength. Not by reinventing his brilliant products but by evolving them – AirPods, Applewatch, iTunes app store, cloud storage and instore purchases. The brand remains true to its principles but it has gradually evolved into something more than Mac computers. Just over half of 2022's \$394.3 billion in revenue came from iPhone sales. Its home and wearables division grew more than 7% in 2022, including 82 million AirPods, 53 million Apple Watches, almost 90 million Apple Music subscribers and 75 million for Apple TV+.

Are you sure this is an evolution rather than a revolution, does it make sense for the core business?

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How can you experiment at high speed and low cost in order to make that evolution more seamless?

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Do you have a broad enough set of perspectives to enable you to make more confident decisions and, if not, how can you get them?

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Follow a NOT to do list

There are always things in life that you want to do but, deep down, know that you simply can't fit them in. So you say no – to invites, tickets, nights out. It's not easy but sometimes turning something down is the right thing for you. It pays off in the long run.

Starting out as an entrepreneur, yes is the only word that really matters. A defiant positivity and incessant drive that fuels everything we do. Nothing is going to get in our way. Negativity is not allowed. Saying yes is our way of proving ourselves – to peers, clients, customers and ourselves.

So it might surprise you to know that saying no can actually help your business. We all have to-do lists but I've learned that having a NOT to do list is just as beneficial.

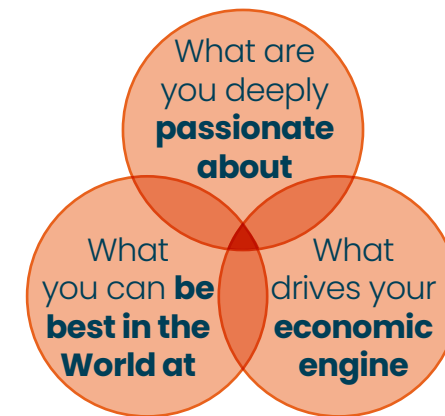
As a business grows, an automatic yes can harm your growth. Think of it like the fox and the hedgehog. We've all been foxes – forever on the look-out for the next opportunity, chasing things incessantly and energetically, with a fearless curiosity, always considering options and taking on new challenges. The hedgehog, however, moves in a methodical way but with purpose. When it comes up against obstacles, its prickles go up. It's not going to change course, it knows where it's headed. The meticulous plan will not be derailed by something getting in its way.

That's how to create a clear competitive advantage for your business. Use "no" to your advantage so that it establishes a clear offering, to keep yourself and your team focused on the true mission of the business. The hedgehog-like path that you've set out to follow, as long as it's not diverted by sudden fox-like urges, will keep that focus intact.

So if you're an entrepreneurial fox, look for a hedgehog to help you run the business and embed this four-pronged strategy.

First, never lose sight of what you're really passionate about, your business's purpose. Second, focus on what you can be the best in the word at, creating a unique solution that no one else can match up to. Third, remember the economic engine, the means by which you'll make money. Finally, answer those three hedgehog conundrums – purpose, ambition and profit – and you'll have your mission statement or hedgehog strategy, a sentence of no more than

20 words that encompasses all elements. And if the things you're doing in the business, or are planning to do, don't chime with that single sentence, don't do them. Just say no, put them on a NOT to do list.



That could mean being clear and precise about who you employ, partner with and serve, helping you to create a clear and unique customer value proposition. Say yes to every offer, every chance and you'll very swiftly get lost. Being selective reduces the risk of failure. To good ideas, to clients and customers. Make sure they're the right ideas, the right clients and customers.

It's also about staying true to your character so that you don't compromise your values. The reason you've got where you are is because of a certain set of core skills, a mantra that you live by, an idea, a purpose, a way of working. Having clear boundaries for yourself and the business, knowing what to prioritise, means that you won't have to sacrifice the things that really matter to you and what's in your business's best interests.

Saying yes to everything means taking time away from other more urgent or critical tasks. So ask if a certain decision makes sense for your business, its mission and vision. Be wary of over-commitment, adding things to overload you.

Being in business is about making decisions. Sometimes we want to avoid conflict and confrontation and, by saying yes, we end up losing strategic focus and alignment.

No is a decision that can be as powerful as yes – and sometimes even more consequential. Saying no and rejecting opportunities is a way of harnessing your focus. It's a discipline – not always a comfortable one – but absolutely essential if you want your business to grow and if you want to grow as a business leader. Don't be afraid to say it. It will also make your next yes that much more valuable.

In the world of business, good strategy is as much about what you don't do as it is about what you do, and good leadership is knowing when to say no as much as knowing when to say yes.

And remember a NOT to do may just be a NOT to do for now. There's always time to revisit it, when the moment and opportunity is right.

Staying focused is the secret growth ingredient

The B&M phenomenon is one of my favourite stories, in part because its CEO Simon Arora is so incredibly focused. He's just stepped down as Chief Executive of his company, which has more than 1,100 stores across Britain selling homeware and other goods at discount prices in out-of-town stores. For him, the secret of success was simple – stay focused on the model and keep opening more outlets. Don't tamper with it, we've got a good thing going. That's the value of a business prevention officer who understands the importance of what not to do. It's gone from a £500,000 acquisition in 2004 to a company that's now worth over £3bn.

What will help you to become bolder in creating a NOT to do list – do you need to collaborate with someone who's the hedgehog to your fox?

Is the decision that you're deliberating over highly or less likely to grow your business at pace?

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Can you truly say that your mission statement is strong enough and that you have the will to stick with it?

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Space for thoughts...



growth
partner

Let's start a conversation

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