

Better Business

TIPS, IDEAS AND KNOW-HOW

Secret Millionaire

Channel 4's *Secret Millionaire* Gill Fielding on why the recession is a great opportunity for small firms to win a slice of the action from the big boys.

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Secret Millionaire shares her formula for success

There has never been a better time to start a business, according to Gill Fielding, one of Channel 4's *Secret Millionaires*.

And she should know. This self-made businesswoman left school at 16, where her teachers thought she was "hopeless".

Some 40 years later, Gill is a self-made millionaire many times over, with multiple businesses and homes, and need never work again.

But business is in her blood and for the past 12 years she has run The Wealth Company, offering mentoring and advice to entrepreneurs and business professionals.

Gill says that tough start was just what she needed.

"I was born in the East End of London with absolutely nothing – no money, no support, no education – but what that gave me was the freedom to love money," she says.

"It's something I think every child starts with in life, but most get it knocked out of them through education and social pressure – our whole education system seems to be determined to stop children being entrepreneurial."

First house at 19

Gill even used to save money in a sock, and that habit of looking after her pennies was to stand her in good stead. When she was 18 she started investing in shares, and she eventually saved enough to buy her first house when she was 19.

"I decided I wanted to get myself educated, and having no money I had to work very hard doing three or four jobs and managed to buy a house so I could go to university."

She bought the house in 1977 for £7,490, and when she left university three years later she sold it for £30,000. It was effectively her first property investment.

Gill went on to qualify as a chartered accountant with Price Waterhouse in London, and many high-profile positions followed in the City, including a spell as chief executive of a financial services group.

She married, then in 1997 she had her first baby and decided a lifestyle change was in order.

"Once I had got a bit of sleep and got a nanny on board, I thought, 'What do I do now?' I looked at a spreadsheet and realised I didn't ever need to work again. I was flabbergasted I was a millionaire. So I've spent my time from then to now showing other people how to do it.

"I realised that if I could do it, everybody could do it. When you realise your product or your service is good, you think, 'I can sell this to everybody'. I realised

Gill Fielding is one of Channel 4's *Secret Millionaires*, and what she doesn't know about running a business isn't worth knowing. Richard Reed caught up with her.



I had knowledge that could be of service to people.

"I think one of the things about being an entrepreneur is having a winning idea. It was in my head. All I had to do was get it out of my head into books, into courses, and everybody could have it.

"I think all entrepreneurs get that 'lightbulb' moment when they think, 'I've got a fantastic product here and it's a winner and I believe in it.'

"I had a friend who had a magazine called the *Achiever* and I started to write articles saying, 'This is what I do with my money'. In starting to do that I realised I was unusual. I'm not afraid of money, I love money – I think it's funny, I think it's sexy, I think it's powerful. I don't have any hang-ups about it.

"Because I had this accountancy and business background, it was a natural fit

to go and talk about it. I'm passionate about the mission of what I'm doing."

As well as her mentoring service, Gill also offers weekend courses at £199 a day, and there are plenty of free resources on her website.

When we spoke, Gill was preparing for a course in business basics, aiming to show people how to take their gem of an idea, create a business structure and

write a business plan. She will also offer advice on "where you go when you get 29 rejections for money".

But despite the recession – or rather, precisely because of it – Gill thinks this is the perfect time to start a business.

"I've been sitting here today thinking of all the fantastic business ideas there are when the economy is at rock bottom. It's very exciting," she says.

Why it's a great time for business

Why is Gill Fielding so excited about business opportunities when there are so many doom mongers around?

She likens the business cycle to a bicycle. "The front wheel is about understanding the market you're in," she says. "The other wheel is your individual business – your ideas and how you create it. The two wheels have to go round for the business to go forward."

She says business opportunities come when the wheels are in different positions.

"For example, at the moment the wheel on the macro economy is at the bottom, and generally industry is going through a contraction phase. What that means is that big companies are cutting their overheads like topsy.

"That tends to impact customer care. Whereas in the past you have not been able to compete against a big company, now you can because you offer much better customer care, you offer a much more competitive price, because you're not carrying a big overhead, and thirdly the customers are aware of all the media talk about the recession and they are specifically looking for cheaper alternatives.

"You can come in from underneath and take market share from the big companies."

Gill cites the example of the biggest retail casualty of the recession so far, Woolworth's – and how the manager of one former branch in Dorchester, Dorset has used her entrepreneurial flair to reopen the shop as Wellworth's, selling similar products, but more in tune with local needs.

It's something she is going to use on her business course. "I'm going to look at Woolworth's and Wellworth's and what the differences are, and how, because Woolworth's created a void, another business can come in where the vacuum is.

"Wellworth's can react to the specific location they are in. They are not

'You can come in from underneath and take market share from the big companies'

dictated to by head office, or carrying overheads such as personnel or centralised order functions.

"When you are in a contraction phase in the economy people don't want the bells and whistles, they want the basic option, the cheap version. And, of course, it's much easier for a small company to provide the basic option than ever it is for a big company to take the bells and whistles off, because by doing that you are immediately denting your customer care perception."

Product diversification

Product diversification is the next part of Gill's mantra for success. "In times like these the customer will buy the cheapest version," she says.

"For instance if you are a cake-maker and you make wedding cakes and birthday cakes, the customer may not be able to afford the wedding cake – but you can sell them the recipe. They will still come back to you in six months' time when people realise we're OK, but in the meantime you have been able to sell them something extra."

Gill says it's also important to be able to respond quickly to events, and changing public perceptions.

Perhaps surprisingly, Gill says she saw a perfect example at Marks & Spencer's recently. "I came into Gatwick and popped into M&S to get something for my daughter's tea, and at the checkout, instead of sweets, there were little pots of antibacterial hand gel and tissues.

"What the M&S food store has done is react to the market psyche – the fear of a swine flu pandemic – and come up with a 99p bottle of hand gel the size of a thimble, and everyone was buying one at the checkout instead of a KitKat or something. That's brilliant market positioning – it's just extraordinary."

Escapism and making do

Gill says another opportunity thrown up by the recession is cashing in on the nostalgia boom.

"We know that when times are tough, people buy a lipstick and a new hat. There is no reduction in sales of electronic games, and cinema attendance is up.

"You can't afford a holiday, you can't afford a new house, so you get a lipstick. People do something to cheer themselves up. So any business that can turn its basic product range into something that hits one of those buttons will succeed.

"Again, we know that shoe repairs have gone through the roof, clothes repairs, computer repairs.

"People aren't having a new website design, they are getting someone in to tweak their old system. So if you're a web design business, stop trying to flog new sites to people, because that's going to be tough at the moment, and offer to add an extra page and a make-do-and-mend option."

Gill quotes research by Saga which shows that 54% of people are currently buying reduced price food, 71% are using leftovers, 50% are mending their own clothes and 29% are growing their own veg. She says it's a typical consumer psyche reaction to what people are being told about the economy.

"If you know that, you immediately bring out a recipe for using leftover food, you immediately bring out a container for storing leftover food. You react to the market panic," she says.

"People feel the pressure of the

economy and they go back to the fridge and eat bangers and mash. So if you are a purveyor of foodstuff, start selling comfort food.

"People feel out of control. They worry they could be made redundant at any time and they are beginning to twig their pensions are not very secure."

Common problems

So what are the common issues Gill encounters among business start-ups through her work as a business mentor?

She says most of the problems in the early days are generated by "delusions of grandeur". "I get people coming to me and they say, 'I've got this fantastic idea for a business.' I say, 'OK, show me your business plan.'

"They may or may not have a business plan – in the main, they don't – but they come at it the wrong way. Let's say someone comes to me and they say, 'We've got this idea for a hat shop; will you invest in hat shop, and will you give us some guidance?'

"So I say, 'What have you got done already?' "And they say, 'Well, we've found a business card in the shape of a hat, and it's really funny. I'm going to have a red one and Sally's going to have a blue one. And when we researched on the internet we found a hat-shaped desk, which we're going to put in the corner, and we've even found some hat-shaped hooks to put the hats on. Isn't that marvellous?'

"You can see immediately what the problem is. They don't concentrate on the business, which is getting a customer through the door and selling them a hat.

"People sit round in the pub and have this idea about being Duncan Bannatyne and approach it from the wrong end. [It should be] 'Let's see if we've got a marketplace here, let's see if we can find a customer here and then flog them a hat. If we can flog a hat, maybe we can

get a hat-shaped business card, but we don't need a hat-shaped business card to flog a hat.

"The second thing they do which is a fundamental mistake is they don't research their competition. What I say to people is this: this hat shop – fantastic idea; who is your competition?

"They say, we haven't got any. I immediately go to the web and click on 'hat shops in Surbiton'. I come up with 53 different options, and I say, 'What about these people? Have you visited them, have you tried to buy a hat from them, have you gone to look at what stock they have, are you aware of their pricing levels, are you aware of where they market? Where do they sell, where do their customers come from?'

"People get too emotionally attached to their idea – they can't possibly believe somebody else has had the same idea."

Identify your customers

Another common problem Gill encounters is a failure to identify their typical customer – because unless you know your customer, you can't market to them successfully.

"I always say to them, 'Who is your customer?' and they say 'everybody'. And I say, 'It's going to be pretty difficult to market to everybody. We've got to bring it down a bit more than that – is it a man, is it a woman, are they white, are they black, who are they?'

"I get them to say exactly who the customer is. I even get them to name names – 'Is it Carol Vorderman, is it Ruby Wax, who does it look like?' Once you know, you can immediately start marketing to them."

Gill says she always takes a 'Who is it?' card game when she carries out business consultancy work. "I say, 'OK I want you to show me what your customer looks like.'

"I did this with one woman once and she left out what looked like a random selection of people. Normally I can spot a common link and then I can do a marketing plan but I couldn't see the link.

"I said, 'Why have you left them out?' and she didn't know. She said, 'They are the only people that I think look funky.' Of course, once you know the word funky, you can immediately create a marketing plan – you know where your positioning is in the marketplace, you know it's got to be edgy, you know it's got to be off the wall."

Finance and cashflow

Raising cash, of course, is a perennial problem. She believes organic growth is probably the best route for most start-

ups, but says if you are trying to raise cash, you have to approach it correctly.

"People just don't get the money thing. People don't realise there are different types of business plan. If you are writing a business plan for the bank, it will be different from one you write as a directional tool.

"You need to be persistent and go the extra mile if you need to raise finance."

As a former accountant, it's perhaps not surprising that Gill believes cashflow is critical, particularly in the current climate.

"Cash is king, cash is queen, cash is everything. You have got to have cashflow," she says.

Tips for business advisers

Gill has special advice for business advisers. "My analogy is about taking your clients on a journey. As an accountant, people have to come to you. But first of all you have to make sure you are in the same car as them when you set off and make sure they're on board.

"You've got to get the connection. You have to identify closely with the client. Gone are the days when you can sit the other side of a great big desk and impress the client, because the client isn't having that any more.

"Show them the route, identify where you can take them, show them a very specific, targeted plan, and show how you can get there together.

"There is no substitute for walking the walk and talking the talk. The closer you can get to your client the better."

Future plans

When it comes to the future, this self-made millionaire is still very much on a mission. "I want to tell everybody in the world they can be wealthy if they choose to," says Gill.

She has written a book to be published this autumn about why people are financially successful – looking back in history to the Babylonians and the Romans, and travelling the world interviewing people. She won't reveal more, so if you want to learn her secrets you'll have to wait! ❖

Gill's top tips

DO

- ✓ Look at the opportunities being created by the recession.
- ✓ Be prepared to diversify and think on your feet if orders start dropping.
- ✓ Identify your customers.
- ✓ Check out the competition.
- ✓ Look after your cash – good cashflow is critical to your survival.

DON'T

- ✗ Start believing your own hype.
- ✗ Get distracted from the real issue – finding a market for your product or service and then selling it.

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