

SMART TALK: JOHN McGRATH ON STAYING ENTHUSIASTIC

BRW.

Know which way business is heading.

WINE OF THE TIMES

How to invest in a vintage year

CLIVE PALMER UNPLUGGED

Mining tax won't happen

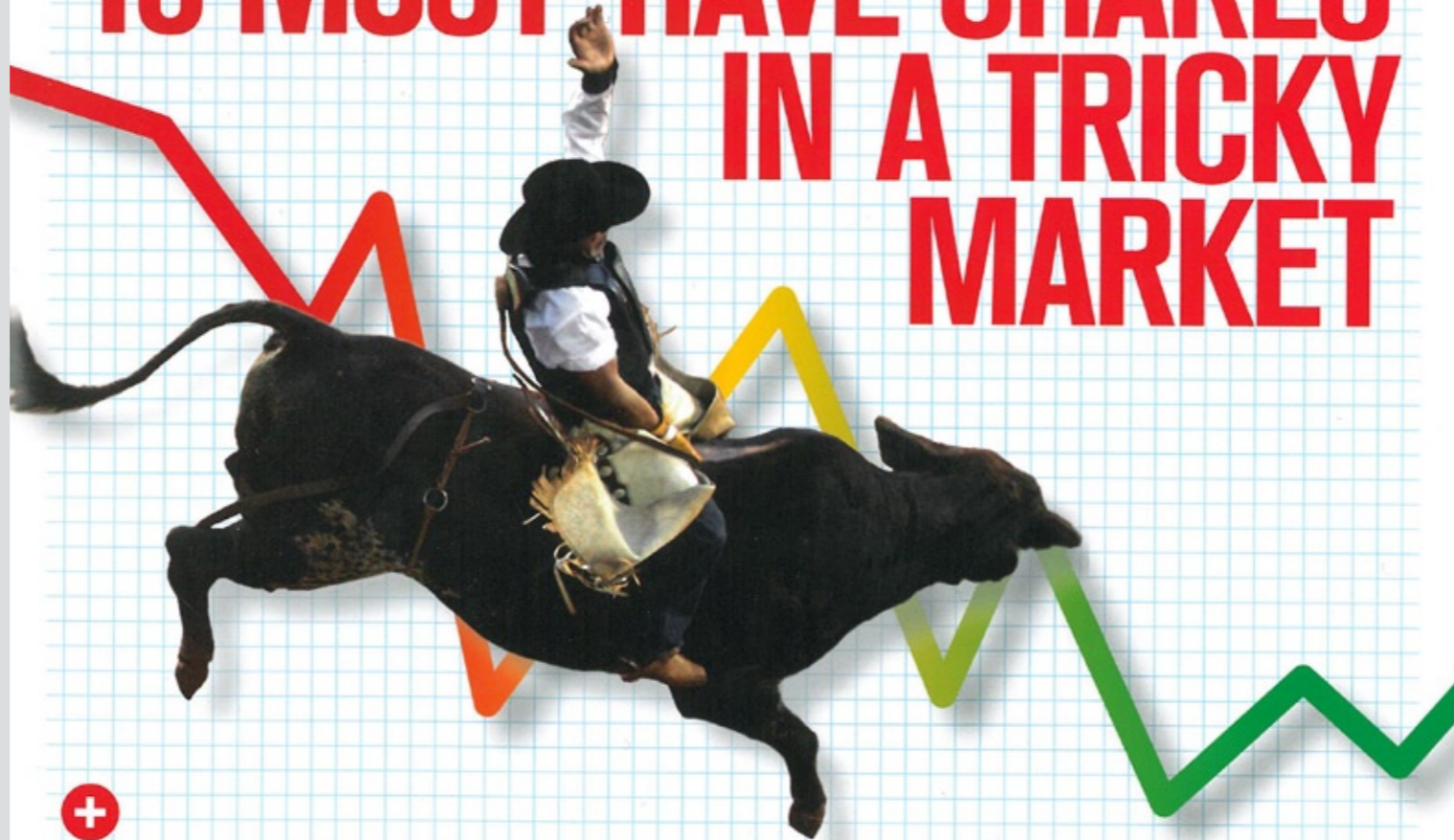
CRACKS IN THE BANKS

Are the big four really safe?

WHY TWITTER IS TWADDLE

Social websites can't build brands

10 MUST-HAVE SHARES IN A TRICKY MARKET



**PROPERTY:
USING BUYERS'
AGENTS**

**MIXING
MARRIAGE
AND BUSINESS**

**MBA MAZE:
CHOOSING
A DEGREE**

**MYOB BOSS
ON QUITTING
CHINA**

June 17-23, 2010
\$7.95 (inc GST)

www.brw.com.au

ISSN 07277458



9 770727 745003

23

Continued from page 47

risk. "I am your typical Aussie – save, save and get into a house," she says.

Still, her career in the media is teaching her some tolerance for uncertainty and she has persuaded Marks, who ran a hedge fund in London, to soften his gung-ho approach to share investment and spare her some anxiety.

"He is respectful of my conservative approach and I am respectful of his high-risk approach," Dennison says. "I know people don't achieve great things without taking risks."

While the Garrards move closer to each other in their risk tolerance, Dennison and Marks use their differences to gain balance.

"Penne is very chilled," Marks says. "I love her calmness, she is a real Buddhist. She likes things tranquil. Now when I walk into our apartment, I try to slow it down, enter in a peaceful way. I am not a quiet person, I have a big personality."

All three couples have one thing in common – a determination to shield their family lives from the pressures and uncertainty business demands.

Vanessa Gerrard has three children and is currently on maternity leave. "Sometimes Phil will come and swap days so that I can go into the office," she says. "I learned from the break-up of a [previous] relationship about the dangers of working too many hours. When I started E3, I was very conscious of wanting more flexibility. You just have to do it. Make sure you leave by 5.30."

Dennison insists that Marks leaves his chief executive persona in the office. "I said, please do not come home and have the CEO role with me," she explains. "We have very small children. Sometimes there is chaos. You can't workplace manage me. It is all about the level of respect we feel for each other. He is such a dedicated father and husband. We cut each other slack."

Marks says: "I have learned to give up my authority. At work, I am a leader. The platforms align when I am at home."

Jade Martinus says: "I am not just a version of a 1960s wife, prettying myself up when the husband comes home. I am happy with my role. I love being creative and having a project and being fulfilled. Right now, I get that through the kids but I don't want to live my life through the kids."

She expects to work in the family business when the kids are at school. "We get along like a house on fire." **BRW**



Tangible results: Alex Ritchie, left, and Robbie Robertson, E2 founders

CASE STUDY

SENSORY EXPLANATION

Designers say working with the look, touch and even smell of a brand can earn big capital returns for all kinds of clients. **Report: Damon Frith**

● When experiential design company E2 sits down with a new client, design is not on the agenda.

For founders Robbie Robertson and Alex Ritchie design may be the final product, but it is a secondary result that falls out of the process of talking to the client.

Sydney-based E2 managing director Robertson has two masters degrees, one in business and one in design. Creative director Ritchie has a masters in architecture. They talk the talk of designers, describing the look, feel and smell of a brand.

But at the end of the day, they are focused on the return of capital both for their company and clients.

"We start the process with an audit of the business to understand how it interacts with its clients, its business strategies and the strength of its competitors and sector trends, staffing and training and the journey that a customer takes before finally engaging with and purchasing product from the client," Robertson says. "The process allows the client to view the brand through the customers' eyes."

The procedure requires engagement from both sides. For E2 it means getting to understand the business model of the client, even if it's a big corporation such as Qantas or Vodafone.

For the client it means embracing the process from the chief executive down to give the design company the input required to create unique, cultural and, hopefully, profitable change.

From the initial audit, E2 incorporates key performance indicators into the process so that the client can track progress and outcomes through each subsequent stage and continue to track results after project completion.

The procedure to design a \$10 million centre of service excellence facility for Qantas took 12 months from start to finish. The design concept for a revolutionary branch office for Commonwealth Bank of Australia took five months and both projects took a leap of faith on the part of the client to accept that real change would emerge.

"Some clients want to immediately choose the design elements, and we say 'no, you have to do the planning first'. There may be a point where they say it's too hard, but we take them through the process and there is a light-bulb moment when they say 'can you do that for our brand?'," Robertson says.

E2 has been in business for three years and this year made it on to the *BRW* Fast Starters list. But it has not all been upward momentum.

In the depth of the financial crisis in October 2008, the business was losing contracted work. The hatches were battened down for six months and half the staff were let go.

In May last year, confidence returned and hiring started again.

Robertson says the Sydney team of 19 staff is now the right size to keep a boutique feel but with the ability to take on any job presented. Growth will centre

on creating hubs of excellence with the six-month-old Melbourne and Singapore offices to be expanded to the same size as Sydney.

As financial conditions improve internationally, new offices in London and Abu Dhabi will also be planned.

Ritchie says E2's experiential design approach, with a focus on traceable returns on equity, has given the company its niche. Although Sydney alone has hundreds of design firms, he considers only four of them competitors, and even then he says the competition specialises in specific areas such as design graphics or interior design.

The final concept plan of an E2 design will incorporate degrees of all five senses – touch, hearing, sight, taste and smell.

For a brand such as global mining house BHP Billiton, the touch and feel of its brand would play an important part of overall brand concept and design and smell could add interest. But you would

probably "dial down" taste in the concept, Ritchie says.

The interaction with the senses would also vary across the journey of the customer. For instance, at an airline check-in it should be about speed and charm. At the security gate it would simply be about speed, but at the airport lounge it is time to relax, so the focus changes to charm and style. Materials used at each point of the journey would reflect not just the engagement of the senses, but also the corporate culture, history and strategic direction.

For Commonwealth Bank chief executive Ralph Norris, it probably involved more management time than he initially would have envisaged when E2 was appointed to create a "branch of the future".

However, he was reportedly pleased with the result, and CBA branches across Australia are incorporating aspects of the design. **BRW**

TRENDS

SALES CRUSADER

Selling change to the sales profession is a tough gig. **Report: Kath Walters**

● Bryn Hughes is a salesman with 22 years' experience, but his latest campaign might be the biggest challenge of his career. Hughes – a former principal consultant with global sales firm Huthwaite and founder of a sales training company, Soapstone Group – is on a mission to sell the sales profession itself, and turn around the poor public image of sales staff.

"Nothing kills a dinner party conversation faster than saying you work in sales," Hughes says. "Everyone thinks you are going to try to sell them something."

The fear is not about being sold something per se; it is about being sold something that is not wanted and not needed. Hughes says in business-to-business sales, such as information technology, financial services and consulting companies, the typical approach is worse than useless. "Four out of five sales staff are wasting their clients' time and their employer's money," he says.

And, he says, the most recent sales trend – solution selling – is dead. "We used to say, OK, tell us your problems, and we will solve them. But over time, all the solutions start to look the same."

Sales commissions add to the problems. "All the salesperson wants to do is close the deal at any cost and move on to the next potential client."

A new sales trend, starting in 2005 and so far only used by fewer than 10 per cent of sales forces, is to sell customers products that improve the productivity of their business, says Lou Schachter, the managing director of the global sales practice at BTS and author of *The Mind of the Customer*, which outlines this trend.

It's a sales technique companies can use to differentiate their product, keep clients and get repeat business. Hughes says sales staff and their managers need to ask themselves two questions before they speak with their clients: "Before I have this conversation, how will it make my customer feel? [and secondly], on the basis of the recommendation I am about to make, what results will my customer see?"

Falling sales during the global financial crisis focused the attention of senior executives on how their sales divisions operate. Hughes hopes to capitalise on this interest by bringing Schachter as a keynote speaker to the second national sales conference in Melbourne in August, entitled "Optimising the sales force".

But is it all just more spin, another way for sales staff to get under the guard of customers? Not if the commissions paid to sales staff are, at least in part, paid after evaluating the customer's satisfaction with the value of the product or service, Hughes says.

Sales staff need to stick with customers after sales are made and measure the results of implementing their products. **BRW**

GROWTH BUSINESS

LYONS

Contact John C. Lyons:
john.lyons@lyonsanddebono.com.au



Revolutionary adaptation

● Dick Smith once told me that if he wanted to start a new business tomorrow, he'd simply walk down the street and find a business that was not giving good service, open up next door and give outstanding service.

If this sounds like an oversimplification, to some extent it is; but that, in essence, is what Smith did when he founded Dick Smith Electronics – he brought retail service convenience to a then industrial service electronics industry.

Like all talented entrepreneurs, Smith's mind is open to the probability that there is a better way to do anything, and his mind is always in active search mode to find, copy and improve it.

Ironically, Smith is a copier – even though most would think he's an originator of ideas. Copying the best from around the world is his primary stock in trade.

Dick Smith Electronics, which he sold to Woolworths in the 1970s, was not only a copy of the Radio Shack concept he had seen in the United States, but an improvement in that he incorporated, for example, the idea of a catalogue which he copied from Henry Radio in London.

Then he added a business system copied from McDonald's. Yes, he literally went and asked them if they'd help him copy their best ideas – and they agreed.

To create *Australian Geographic*, which he sold to Fairfax in the 1980s, which subsequently sold it, he copied the best from the then emerging "in-country" Alaskan and Canadian geographic magazines, not *National Geographic*. Then he added a subscription system copied from, and with the help of, *Reader's Digest* magazine.

Smith's personal business rule is honestly and earnestly to seek advice, copy the best bits wherever he finds them and bring them together under one roof.

He believes every good business does at least one thing extraordinarily well, and this is what he likes to learn from and copy if he can find a home for it.

At heart, however, Smith is an industry rule breaker forever using lateral thinking "to do things better and at a lower cost". Rather than dream up better ways himself and hoping they will work, he manages risk by finding others' proven ideas and adapting them to a new purpose. *John C. Lyons is a non-executive company director with a background in market research, marketing and entrepreneurship.*



BRW.COM.AU

For more columns by John Lyons, go to BRW.com.au



Dick Smith copies the best from around the world and manages risk by adapting proven ideas to a new purpose