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The Local Approach to Globalisation

Craig Boundy, Logica's Global Operations Chief Executive discusses a customer centric approach to globalisation

Craig Boundy is at the heart of Logica's core team, delivering IT and Business Services especially the Programme for Growth, whose success is reflected by the company's recent strong 2008 preliminary full year results.

"Our Programme for Growth helps the customer work offshore whilst also retaining local buy in. The trick is listening to the customer - some will want a blend of 90% offshore and 10% onshore, others won't; it's all about getting the right blended delivery."

In a study of 200 global firms the Hackett Group found that one in four IT jobs will be outsourced to offshore locations by the end of 2010. Boundy admits some companies will want to take advantage of the skill-set, labour availability and cost advantages of offshoring, yet not necessarily always:

"Being local to customers whilst

delivering globally is the most effective model for globalisation" Boundy claims, "and don't maintain resource just for the sake of it. Listen to customers in order to individually deliver requirements, therefore resourcing will naturally fluctuate. Blended delivery is what the sophisticated customer is looking for."

Boundy emphasises the importance of building globalised teams based on understanding local cultures and effective communication. (See Page 3)

"Globalised teams develop people through working on different assignments with different clients. This creates a geographically diverse, experienced workforce with development and maintenance projects among their core skills. Logica feels this makes us an exciting and attractive place to work."

Continued on page 3

Viewfinder

We are living in demanding times - yet against this backdrop some companies are maintaining a clarity of purpose and developing innovative approaches to continue driving their business forward.

In this issue of GS-insight we focus on the key issues of globalisation, leadership, and entrepreneurialism, all of which have to be addressed by companies who having survived, are now putting in place medium-term plans to thrive when an upturn arrives.

Gillamor Stephens is the leading executive search company serving the international technology, online and cleantech sectors. GS-insight is published in both print and electronic formats, and can be viewed and downloaded from www.gillamorstephens.com.

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 Steve Morrison, Gillamor Stephens

On the Bridge over Troubled Waters

With businesses having to negotiate stormy economic waters, Professor Stephen Lee, Faculty Director, Strategy at Henley Business School explains the leadership and management skills that Board level executives should be demonstrating to help their companies survive and thrive

Much of the last year has demonstrated a dwindling of business confidence as the economic news worsened, with the malaise spreading like a virus from one company to the next. But, says Professor Lee, each organisation should treat their own positioning and outlook on its merits.

“There’s been something of a mentality that says, “If it’s happening to them, it must be happening to us as well,” when in reality, every company is different.

We’ve been somewhat gloomy about the current situation. But it’s not a complete catastrophe. Everybody should calm down!”

“The first thing any key manager should do is re-assess the environment in which the business is operating. What we’ve been seeing in recent months is a crisis in people’s confidence in their ability to cope with an environment that nobody has experienced before. There’s been a concern of ‘Where do we go for our reference point?’”

Now corporate leadership must be grounded in reality rather than in mythology.

“Great leaders stop, think and then examine their current and future environment. They reflect upon that, try and find what their actual position is, and then ascertain what is needed to overcome any challenge. Those leaders are already thinking ahead and asking themselves, ‘What will I need to do to ensure we come out

of this more quickly than the competition?’”

“That means securing their current position, considering any cost efficiencies and perhaps focusing on just one or two key areas, rather than three or four. Then, crucially, they must make sure they communicate that strategy to staff and key stakeholders within, across and outside the organisation, so that people have a clear sense that they’ve thought about it.”

Lee feels this communication to the organisation is critical.

“Once you’ve understood what the issues are and you’ve identified and successfully planned a programme, you have to communicate it, remembering that communication is not only about talking, but also about listening.

“Great leaders make themselves known. They walk around the organisation, constantly giving out three, four or five key messages. They are as honest and as transparent as they can be. And if there is bad news, they tell people the bad news first, then follow up with the better news. If they have to lose people, they do that as sincerely and carefully as possible and try and avoid the need to go back and do it again.”

What are the leadership skills that are required to manage in current times? Lee suggests intellectual ability and competence alongside analytical and strategic skills, the

ability to deliver practical implementation with alacrity, plus strong personal characteristics such as integrity, sensitivity, empathy, and clarity of purpose.

Leadership, he says, is about creating great teams and delivering, even in some of the toughest downturns. IBM and Marks & Spencer are typical of organisations that by exhibiting strong leadership, have survived difficult times and come back stronger.

“Organisations such as these have a strong consideration for management and leadership in changing the direction of the business and not losing sight of that when things get tough. In challenging times, organisations slow down management development, and they have to do that. But once you identify what the outlook is, you have to start planning for future management development. Although there are some executives I’ve spoken to who have been concerned about what they should do in today’s climate, others are already thinking and leading.”

“There’s been something of a self-fulfilling prophecy about the current climate and market decline, and you must avoid getting into that cycle. Your task is to keep people committed, and to achieve that, you must have a vision of what it will be like when you come out the other side.”

www.henley.reading.ac.uk

100 Water Cooler Conversations

Logica's Chief Executive for Global Operations Craig Boundy discusses how understanding local cultures plus verbal and non-verbal communications are all helping make a success of building globalised teams

One of the challenges of globalising operations is building committed successful teams, rather than merely a group of individuals working overseas. Craig Boundy has successfully built global teams throughout his career by having an understanding of why, when, how and with whom he is trying to communicate.

"How do you communicate with global teams? And how do you team-build when you're dealing with several countries and three different continents? You have to learn how to share information and how to talk to each other" he says.

Boundy feels that non-verbal communication is the key to building a strong understanding.

"Typically, we talk on the phone or via Instant Messenger and occasionally by video conference. The biggest thing to understand when you're face to face with someone is non-verbal communication."

"You have to fully utilise every last minute spent together, and always take the time to build a relationship. We talk about our families, our friends and our home lives. You've really got to have 100 water cooler conversations in one hour, and its essential you remember to do it."

The team-building effort is magnified, Boundy says, when you travel to see each other, although every effort must be made to make the most of the trip.

"You must build that personal relationship and that's why you travel for meetings. This personal relationship helps you deal with business issues.

"When I travel, I get every single instant possible out of the day. We always do a big 'town hall meeting' with the staff, and each meal is used - often twice! - to squeeze every ounce out of the time I have with the team. This means I've got to be absolutely on my game. If I travel to India, I have to make sure I inspire them to do a better job. It's all about the personal effect you have when you're there."

One of the results of building tight-knit teams, and senior executives being seen to walk the floors of every office is low staff attrition and high satisfaction, because people feel part of something.

"For example we've positioned offshoring as an important part of

the business, not as a back office development centre. We've created some key roles, such as the Head of Global Innovation outside of Group Headquarters, in India. In addition, one of our big change programmes focuses on software development and the guy running that is going to live in Morocco for six months.

"What that does is reposition the offshore centres as a core part of our business. The senior leaders of those centres actually form part of the strategic advisory group of the company. This blended delivery model shows in everything we do, it's a model we believe in."

Boundy's personalised yet global approach towards team building is a key element of Logica's Programme for Growth.

Logica's Programme for Growth

Focus for Growth

Strengthen relationships with clients through improved account management. Focus investments in areas where customers are expected to continue spending to generate significant new order intake. Ensure the best resources are deployed to win large new deals.

Accelerate Blended Delivery

Continue towards a goal of 8,000 people deployed in nearshore and offshore locations by the end of 2009. Define Blended Delivery as a key customer proposition.

One Logica

Focus Logica's business on a common strategy, common processes, a common focus on its customers and a consistent operational model, so that, for example, clients notice both a more ambitious sales-led organisation and that Logica teams around the world work well together and collaborate with their own teams.

Competitive costs

Deliver cost savings that can be reinvested back into the business, with some of the investment supporting an acceleration of the blended delivery capability.

Directing an ‘all-star-cast’ at LOVEFiLM

How corporate director Simon Calver has come to shine in the entrepreneurial lead role on the LOVEFiLM set

Having learnt his trade in leadership roles at such corporate giants as Dell and Pepsi, Simon Calver is now successfully applying those skills as Chief Executive at direct films business, LOVEFiLM.

In the last five years LOVEFiLM has developed a direct-to-consumer business model that comprises 65,000 movie titles and attracts over a million rentals a week. With the current austere market climate where “staying in” is the new “going out”, this is proving a recession-beating model.

“Our driver for success is this: we have a very strong consumer proposition that offers great value against other competing views. You’re not signed into a long contract as you are with cable and satellite companies, it is significantly cheaper than high street rental, and there are no late fees. So the consumer value proposition stacks up, which is equally important in the current market conditions” says Calver.

With his background in sales and marketing Calver understands that LOVEFiLM’s success will be underpinned by building and maintaining an attractive proposition. For LOVEFiLM this is based on the range of its product set and the convenience of being able to

download films online or having something delivered though the letterbox.

“That strong consumer proposition is why we have been successful and it’s something we should never forget for the future. We have a strong relationship with customers because they see us as a good and trusted brand to work with. Every customer experience has to be great. It has to be that way because there are no contracts. People have the ability to walk away, so literally, every transaction is vital for us.”

Calver believes that his experience in the corporate world provided the solid foundation necessary to build success in LOVEFiLM’s challenging, entrepreneurial atmosphere, where the total number of employees is just 430. Indeed, Calver maintains that many large-company employees harbour an aspiration to work as an entrepreneur.

“I think if they’re honest, most corporate people would say at sometime they’ve wondered what it would be like being in an entrepreneurial environment. The reality is it’s incredibly tough. The reason is that in a smaller business, you don’t necessarily have the same quality of people around you as

you do in large corporates. So one of my goals is always to raise the quality of people and we have a really great team around us that has enabled us to be successful.

“The key thing when I’m recruiting is that I always look for people who’ve worked in large corporates and who know what ‘good’ looks like. Large companies offer great training experiences, they give the opportunity to try things and even be able to make mistakes and learn from them. When I’m hiring for the business, I always look for real, tangible results, people who have delivered and can quantify their delivery. We are an analytical business - most online companies are like that - so I want people who have demonstrated that they can operate well in a team and are ambitious for their business ahead of being ambitious for themselves. If you are successful in building the business, function, department you work in, you will ultimately be personally successful.

“There’s a huge satisfaction you can get as a Chief Executive in being able to pull the different levers and think about culture, retention, recruitment as well as the operational elements in running the business, all that is a huge

learning. But I don't think I'd have been successful if I hadn't had some of that corporate foundation. We're now doing a million rentals a week and that requires maniacal focus on getting the supply chain right, managing the distribution and logistics. A company like Dell was great experience for that."

Calver is strong on core values, and believes following them is a key tenet behind LOVEFiLM's success.

"Being a new business, and wanting to attract new talent, I think you have to be clear about what you stand for. I think we have a set of values that really works for us. We are in the entertainment business and that's what it's about. The values we put in place are about being innovative and about having a passion for the business, being famous for the right stuff, loving our customers and being an all-star-cast. And we constantly reward and recognise people against that value set. Twice a year we do a staff survey online to measure what people think about their job or the management, or how the company works, and if there are gaps or issues, then we take action and we move quickly. If you think the culture isn't quite right, then you make a change and you move on. That sort of immediacy of response is a very exciting environment in which to work."

Calver says those working in

senior functions within corporations, aspiring to be a Chief Executive, should ensure they get as broad a range of experience as possible in order to prepare themselves for the challenges of leading a company.

"When I was a Marketer in Unilever, I actually did my finance qualification while I was still in marketing. Why did I do that? Because I liked business and I wanted to know who kept the score for business as well as how to build a brand. So I would say get experience, because as a CEO, you don't know where

there could be potential fires in the business that you have to put out, and you don't know what are the strength and weaknesses of the team you have. People say their goal is to be a CEO, but actually, their goal should be to become a successful CEO and to do that means you have to think about what skills you need to collect in order to be successful when you're there. Even though I'm now in my mid-40s, I never want to stop learning. You need to constantly stretch and challenge yourself."



Biography: Simon Calver

Simon Calver is Chief Executive of LOVEFiLM International, Europe's largest online DVD rental service which merged with Video Island in April 2006 - prior to the merger Calver had been CEO of Video Island since July 2005. Calver has held senior management positions at Riverdeep, Dell, Pepsi and Unilever, where he gained a wealth of relevant experience. He was General Manager and VP of Dell's UK and Ireland Home and Small Business operations. Before that he was International VP of Sales Operations for PepsiCola, and General Manager and VP of PepsiCola UK where he launched Pepsi Max, Pepsi Blue and development of the Pepsi Music activity.

Job hunting in a recession

Advice on getting back to work this year... assuming you want to that is

Writing this article I am reminded of a similar piece I authored back in 2003, at the tail end of the last, very Technology focused recession.

This time around it's a broad brush play and I seem to be consoling a shameful number of very talented executives who find themselves on the UK job market at present, through no fault of their own. Who could have predicted the Nortel Chapter 11 episode, the mass retrenchment by US Tech firms in terms of EMEA management roles and the "fashionable" response of almost every Tech firm in EMEA to "trim the fat" in terms of headcount?

Before exploring some advice for those looking to return to the grindstone, I wanted to share some of the more off the wall ideas that have emerged from career conversations recently:

Take time to breathe: One Managing Director recently told me that if "he didn't feel he had to find another job for the sake of his ongoing CV, he would take a year out and sail around the Mediterranean with his young family". I think my response of "just do it" took him slightly by surprise.

If you can afford to take a few months out from your career financially, now is the perfect time. You will miss little in terms of the strategic direction of the ICT industry by sitting out 2009 and will no doubt re-enter the job market more refreshed than the rest of us in January 2010. There would only be a few envious comments from

future employees to stand in your way to re-employment.

Indeed, forward thinking companies like KPMG are encouraging sabbaticals for their staff and no doubt this will be picked up by many others.

Set up your own business: That one you have always promised yourself "if only circumstances allowed". Look at flexible working, consider interim contracts as a great way to keep working in potentially interesting and lucrative areas. If you had value and currency with your clients and peers based on your experience and expertise the week before you were laid off, you still have that value the week after - just channel and package that value in a slightly different way.

If you are determined to re-enter the fray, here are my "top tips" based on 15 years of experience (and multiply that by five when adding my business Partners):

1. Revitalise and "work" your network hard - many senior roles are filled via this way.
2. Approach companies directly - specifically those that you believe would benefit from your technical / market knowledge.
3. Do talk to a small number of search firms; chose a trusted company, preferably through a referral - your CV in the wrong agency hands can cause you a world of trouble.
4. Think laterally and innovatively about where your value lies, and how it might be best deployed.

5. Use the online and digital revolution to your advantage. Do your research. All information is out there and some companies and sectors will ride this out better than others.

And more tactically:

- Have a short summary CV to be tailored for each job scenario.
- Don't be too flexible on your remuneration, this can devalue you.
- Stay positive and calm in interviews, I can smell desperation from a hundred paces.
- Do use the time for other things too, ensure those batteries are charged for your next challenge

PS. I'm expecting a postcard from my "nautical MD" shortly; I just hope he turned left and not right out of Gibraltar.

Call me if I you think I can help.



Dominic Burrows, Partner Gilamor Stephens 01494 687 000

The funding environment has improved; but for how long?

Industry Analyst Ian Spence of Megabyte provides insight into the funding conditions for LSE listed technology companies

In the run up to Christmas, following the crescendo of the banking crisis, the funding environment in the technology sector, as in other sectors, rapidly deteriorated and it started to get very uncomfortable for many companies. Since then however, appetite in the City, at least for the larger stocks in the sector, has improved and there is anecdotal evidence that the availability of debt has also improved slightly. However, this improved sentiment seems to be at odds with the continuing deterioration in trading conditions for many companies in the sector, so I thought it would be interesting to ask the question; how long can these improved funding conditions last?

Banking refinancing is slowly getting sorted

Whilst it is still perhaps too early to identify a definite trend, I am detecting that the lending environment has improved somewhat since the turn of the year. As evidence for this assertion I would highlight recent refinancing by Morse, Redstone and Statpro. What is interesting about these three examples is that two of these companies (Morse and Redstone) were essentially forced re-negotiations and yet they were successfully concluded with a minimum of fuss.

Increased institutional appetite...for larger stocks

At the same time as the debt markets seem to be improving, I am

seeing a significant improvement in institutional demand for stocks in the sector, although this is largely confined to the larger end of the spectrum. Larger stocks have significantly outperformed both the FTSE 100 and the FTSE 250 since the turn of the year. Moreover, this increased demand has resulted in two of the sector's leading companies, Autonomy and Micro Focus, completing substantial institutional placings with relative ease in recent weeks. Indeed, these two placings raised over £300m between them - significantly more than was raised in the sector during the whole of 2008.

It's still very tight out there

Despite some evidence that the funding environment is improving, we should not kid ourselves that things are anything other than very tough and getting tougher. Many companies in the sector are experiencing simultaneous pressure on volume, prices and cash flow. For many smaller technology companies, working capital management is becoming a real headache. Reduced lines of credit from suppliers, difficulties with credit insurance and slow payments by clients are all factors putting strain on balance sheets which, in many cases, are not in a position to take much more punishment. And this situation is not confined to smaller quoted companies. I am also aware of some leveraged PE backed companies that are struggling with working capital issues.

In response to the downturn, many companies have been paring back their costs and this has provided some respite from pressure on volumes and prices. However, I worry that this respite will be short lived. Several companies have already needed to make a second round of cost cuts and, as the slow down accelerates, many CEOs are struggling to keep their costs in line with rapidly declining revenues. This seems particularly the case for smaller IT services companies that suffer from low levels of recurring revenues and a short order book.

The consequence of these factors has been an increasing number of companies at the smaller end of the sector issuing profit warnings and, in many cases, seeing their market values fall to next to nothing. Invu and Touchstone would be two good examples of this. More worryingly, I have also started to see the first company failures. For example, Infonic called in the administrators in January having failed to raise money in the City or retain the support of its bankers.

So, in conclusion, despite the apparent improvement in the funding environment, I continue to believe there will be a 'double down' in H2 as the recession really starts to bite. I therefore expect the current improvement in funding conditions to be short lived and that we will see many more companies, particularly at the smaller end of the sector, running into difficulties before we see any green shoots.

Making a Summit Bid

Christina Domecq, Co-Founder and CEO of pioneering voice messaging company SpinVox talks about entrepreneurialism



Christina Domecq
CEO of SpinVox

SpinVox was conceived in 2003 and launched in 2005 - how has the business landscape changed?

Clearly the global economy wasn't in the grip of a credit crunch at that time, but the rules by which you make a success of a business have remained the same. You should always be able to summarise your business in 30 seconds, otherwise I don't believe you have a business and your proposition should be a real answer to a business or consumer need. In SpinVox's case we do one thing well - convert voice to text - and the fact that this dispenses with the misery of dealing with voicemail makes it an attractive proposition to telecommunications services user and providers alike.

Has the current economic climate impacted upon your plans for SpinVox's future success?

At the moment, we are one of only a handful of success stories in our sector and we aim to remain that way. Given that we enable telecommunications carriers to simultaneously increase revenue from existing customer behaviour and reduce costs puts us in the best possible position to weather the

economic climate and continue our growth.

SpinVox now operates on five continents, and converts voice to text in six different languages. How have you approached globalising the business?

We realised if we were to be successful we needed to be global from day one and that meant raising considerable investment funds. So far, we have secured over \$200 million including \$100 million in our last round which we concluded in 2008. Much of the rest has involved getting the right people in the right place at the right time and welding them together into a powerful team.

This is the 3rd business which you have built - what has drawn you so consistently to create and innovate rather than working in a more established environment?

One of the factors is undoubtedly that my mother died when I was in my early teens and being the eldest of six I had to play a large part in raising my five younger siblings. There's nothing that can prepare you for that, so all you can do is be creative and innovative in your approach to meeting that

challenge, so later any apprehension about starting a business paled in comparison. It's also true that the buzz you get from building something that could change the world - even if it means devoting yourself to it 24/7 - can't be beaten.

It must take a tremendous strength of will to build a business from an idea to an over 300-strong company. What drives you?

Passion - I just can't resist a challenge. Growing up in the USA also taught me that perspiration, inspiration and optimism properly applied can overcome the most fearsome obstacles.

How do you motivate yourself?

I think the thing to do is to constantly set yourself new challenges and push the bar ever higher as you do so. It helps if the challenges appear frightening at first, that way you'll constantly surprise yourself at what you can achieve if you put your mind to it.

How would you describe your management style?

I like to lead by example and earn the respect of my colleagues. But like anyone, I'm constantly learning

from situations and experiences. Over the years, I've learnt that listening to my trusted senior management team and to my network of mentors will ensure that the right decisions are made most of the time, even when we are navigating uncharted territory. As the saying goes, two heads are better than one; but as CEO you also have to accept that often the final decision will always fall on your shoulders alone.

How would you describe the SpinVox Values and Culture?

I think we've exchanged the idea of 'jobs', for one of 'tickets to a mission'. We use mountain climbing as a theme that underpins our cultural values. It's about ascending steep, sometimes unexplored terrain with a team of highly trained and courageous climbers and guides - making our way together around ice falls, avalanche-prone ledges and going places no one has yet dared. Our simple mantra is to "clip in and climb on", achieving together what others thought impossible.

On a day-to-day basis, our culture has also been described as 'seriously irreverent' which is another way of saying we take no prisoners but we have a lot of fun doing it!

Your hobbies include many extreme sports, are there parallels between these pursuits and being an Entrepreneur?

Very much so, they are both about discovering how much you have

inside and overcoming challenges that are initially very scary.

What qualities do you look for when hiring?

People that understand that no matter who they are, where they came from, what they do or where they are based, they are part of a team and will need to help SpinVox get to the top of the mountain we are climbing, however daunting that might look. We require individuals that understand we're all in this together. No precious behaviour is allowed or tolerated. We like grownups who are at the top of their game and who intuitively know their rights and responsibilities.

How do you attract the best people?

Success undoubtedly breeds success and confident and smart people naturally want to work with others who are similarly talented and share the opportunity they create. Because of this we have a highly successful employee referral scheme. But it's also one of our characteristics that we are transparent - from someone's first interview to their last day at the company - and communicate through action that we're serious about our culture of high reward exchanged for high performance. That's something which really appeals to the most able.

Is there a particular company or individual you admire?

Apple and Steve Jobs. He's done such a great job in recent years on building a brand based on design,

innovation and shrewd marketing. Apple produces 'must have' products that work with existing consumer behaviours that you just want to use over and over. I know my Mac Air, iPhone and iPod are never far away wherever I am.

Having achieved so much, do you have a business philosophy?

My philosophy is that everyone is at their best when driven - of course, I include myself in that - and I encourage all my team to amaze themselves. And to quote from FDR's inaugural speech delivered in times not dissimilar to those we are living through currently 'the only thing we have to fear is fear itself!'

What would be your advice for other aspiring entrepreneurs?

The most important thing when starting a new business is not to lose sight of what you originally intended to achieve and to resist the temptation to suddenly take your business in a new direction if that appears to be an easier option. What is vital is to use past experiences and trusted advice to help guide you, mentors are invaluable - you should learn from their mistakes and advice to ensure you realise the full potential of your new business.

What is the most valuable piece of advice you've received?

Always ensure that you are well funded so you can pay what it takes to get the best people around you. You should never compromise on talent.

Changing Dynamics

Mike Barnard, Cable&Wireless Europe, Asia & US Director of Strategy & Transformation explains how his company's 100 year Far Eastern heritage is paying dividends in the globalised economy

Globalisation is a much used word whose meaning is often not truly understood or easily defined. But for one of the world's leading international communications companies, Cable&Wireless Europe, Asia & US, globalisation undoubtedly means business opportunities.

"There are two parts to globalisation for us," says Barnard. "There's the customer part and then there's the operational part. On the customer part, what we see is two different dynamics that reflect the globalised economy. The first is as Western European and US markets mature, or go into recession, they're looking for growth opportunities, because their valuations are largely driven by profit and growth, which forces people to look into new areas of demand, such as the developing markets in Asia which provide big opportunities for European or US based multinationals. The second part of the customer angle is about the cost agenda and internationalising their supply chain because they can get unit cost benefits in India and China."

The net effect sees customers spreading outside their traditional domestic markets and looking to suppliers such as Cable&Wireless to provide integrated operations for UK based multinationals going into new markets. For example, Cable&Wireless provides the infrastructure for a UK retailer, helping their supply chain work not only in the whole of the UK but also

in Thailand.

For Barnard, the key drivers for globalisation are the changing dynamics within the world economy.

"Now capital flows are going from East to West. Singapore and China have seen a development of a home grown economy which generates significant trade surplus which they can then invest through sovereign wealth funds or private institutions. A chunk of Wall Street is now owned by Middle Eastern or Singaporean and China investors. What you then see is regional economies becoming multinational businesses. We are targeting local regional players, such as Huawei in China, and helping them go global. To complicate things, however, you have Indian companies also going regional, because the Indian companies are offshoring their own offshoring capability to new markets. So we're now providing call centre capability in the Philippines and China for an Indian company hosted by UK data centres!"

One of the benefits for Cable&Wireless in competing with rivals such as BT, and AT&T in the Far East is its heritage, having had a presence there for a hundred years.

"Cable&Wireless is a very strong brand in those conversations," says Barnard. "We have a strong regional association, a long term investment in the region, and there's an honest broker aspect to it. We can also provide the right

level of leadership and focus in the region because a quarter of our revenue is non-UK. You do have to remember the cultural element of what you're doing. You can forget you have an international capability and it just becomes a UK story. A simple example is ringing the Hong Kong team at 17:00 in the afternoon and saying, "Can we discuss this?" and forgetting that for them, it's 01:00 in the morning."

Is globalisation helped or hindered by the recession? Barnard is uncertain.

"On the one hand, the growth opportunities outside the UK and US remain more significant, so it would make sense to increase the balance of your investment in your other markets. The challenge is that the nature of a globalised economy means that Far Eastern exports go to UK, Europe and the US, so now they can't be growing as fast. So the global economy is integrated. We need to make sure we have the right propositions that address the right agenda in a recession which is ensuring that we have the right solutions, such as fixed mobile convergence, videoconferencing, and managed hosting, to help our customers take infrastructure and telecom costs out of their business.

That enables customers to take infrastructure and costs off their site. That's an increasingly important business case for CIOs rather than business cases to target top line growth."

A Question of Privacy

Tom Ilube, Chief Executive of online privacy specialist Garlik, discusses the challenges of managing an early-stage business in the first recession of the Digital Age

Tom Ilube has just returned from debating privacy risks at the World Economic Forum in Davos, with an upbeat outlook on the current difficult economic environment. Ilube has experienced this before, and feels better prepared this time around:

“It’s quite similar to the 2001 dotcom bust. There is a feeling of déjà vu, but at least the tech sector is not as alone this time. It’s interesting to see how other sectors are reacting - tech has been through these cycles before; other sectors are staggered by a 10% cut to their plans, and you think ‘You should try being a start up.’”

The recession may have a silver lining for Garlik’s business, as a downturn often means uplift in crime, as Ilube explains.

“In a recession, you often see a rise in lightweight, opportunistic crime such as burglaries and pick-pocketing. This is the first time we’re facing this sort of recession in the Digital Age, and there is some evidence of an increase in cyber crime. A growing incidence of identity theft will result in our services being viewed as more important, both by companies and consumers.”

On the wider privacy picture discussed at Davos, Ilube believes consumers are becoming more aware of the cybercrime environment.

“Facebook recently made some changes to its terms and conditions so that, effectively, it could sell your information forever. Consumers reacted immediately causing Facebook, to their credit, to change

position; this growing awareness is likely to play well for us.”

As for government-held data, Ilube believes the government must do more to enhance its privacy credentials.

“The UK government is the custodian of staggering amounts of our personal information. Yet it has not really appreciated it holds this information on trust for us as individuals. There isn’t the level of accountability that there is in the online world, where the bigger companies - Yahoo, AOL and Facebook - have Chief Privacy Officers.

If you ask who owns the customer database, you don’t know if it’s IT, Marketing, or Risk, which is how problems arise. There must be someone round the table who says, ‘That’s my responsibility.’”

Ilube recently posted on his blog www.tomilube.blogspot.com about the challenges of fundraising at the current time:

“August 2008 saw the VC community virtually freeze in their tracks, retreating into their portfolios, realising they were going to have to manage them longer than originally planned. There is a tension between VCs regarding the right thing to do - deep cuts are required, but these must be smart cuts, or you risk killing the company.

This is a tough environment for fundraising. Some VCs have moved into later stage ventures, looking for Series C companies who are break-even with the potential to grow through the recession and expand rapidly afterwards. Others prefer early stage - a blank sheet of paper



Tom Ilube
Chief Executive Garlik

whose costs are absolutely known, where a couple of hundred thousand pounds can strongly develop growth and proposition, and also buy a good chunk of the company.”

The advice Ilube gives entrepreneurs is simple:

“Look at your revenue and break it into three 3 streams. First, contracted revenue you are confident is coming in. Identify the cost base required to deliver just that revenue - push hard to strip it down to a base which will be solid and stable even if the revenue doesn’t come. Secondly, layer on top new business achievable from existing customers where you have existing relationships. Thirdly, and only at this stage, factor in additional new business projections from new customers. Always be very open with staff about funding, revenues, and the risks. There’s no upside to keeping it tight and closed.”

“The good tech companies with clear propositions are going to make it through this recession. There is a lot of innovative talent building long term companies. We just need to have the confidence to start building again, push ourselves harder, and think globally much earlier than we would have previously”.

Leading the drive

Former Wasps No. 8 Peter Scrivener has rejoined the Wasps team as Commercial Director, using the team's ethos of discipline and hard work to create a new commercial mindset off the pitch

Peter Scrivener first joined Wasps at 18 in 1991. He made 87 first team appearances as No 8, as well as winning honours with England A, Sevens, Barbarians, U21 and U18 teams. Having retired from the game due to injury, he's back with Wasps as Commercial Director.

Wasps have won the Heineken Cup twice, the pinnacle of European club rugby; historically the commercial team have collected less silverware. This year Wasps have had a challenging time on-pitch, but off-pitch they have scored, as Scrivener explains:

"I arrived in 2005 with the team beginning a commercial restructuring process. In 2003/04 we had 6 'products'. Now we have 30, including match day sponsorship, restaurant, full hospitality for all Twickenham England International games, Hall of Fame and a popular Business Club. Companies such as EMC, O2, Microsoft and Samsung have been attracted, all boxes are sold, and every part of the stadium is fully utilised. Commercial revenues have increased 300% since 2003/4, with a 49% increase last year."

For Scrivener, who has learnt from such rugby leaders as Warren Gatland (now Wales coach) and Sir Clive Woodward, the same principles apply in creating success off the pitch as they did on it.

"You must keep your eyes open and listen, picking the good and bad out of everything. I've made mistakes, everyone has - you have to pick yourself up, learn from it

and continue to strive to be the best."

"What have I taken from my playing career into the commercial world? Attention to detail. That was instilled by the best coaches we've had, such as Gatland. His attention to detail was spot on. If you put that into your business life, you'll go a long way. I was a networker when I played, and I always made that call, wrote that email, and kept in contact. The harder you work, the more successful you are. It's not rocket science."

Scrivener's commercial philosophy is as you would expect from a former No. 8.

"You should be proud of your work and always talk up your business and product. If you don't think it's right, voice those opinions internally, never externally - it's unbelievable how quickly bad news spreads. We've got to be known as the company that offers first rate product delivery on everything - otherwise we're out of business, just like any other company."

Winning businesses have strong cultures; Apple, Microsoft, and Dell are prime examples. This is no different for successful rugby teams.

"The boys will go into the gym and as soon as they cross that line, they mean business. If they are no.1 they must train as if they are no.2 in order to stay on top. The same ethos and values go right across the organisation, underpinning the Wasps family spirit. It's hard work, it's trust, it's honesty, it's understanding, it's



Peter Scrivener

attention to detail - it's a combination of 100 different things and if I bottled it, I'd make a lot of money.

"Gatland instilled values that took the club to a new level of professionalism. And that links back to business. A CEO with vision, who can get people working together has a winning formula and is worth their weight in gold. If you look at every top CEO they're able to build great teams around them, and that's what we now have at the club in Tony Copsey, and our new Executive Chairman Mark Rigby"

"To succeed we have to attract and keep top talent on and off the pitch. This is supported by a strong academy and apprentice team. We're investing in talent, just like you have to with any business. You also have to invest in people. If someone calls and asks if I have 5 minutes, I'll give them that time. People buy people and hopefully they will continue to buy from London Wasps."