

JAN CAVELLE



scale
for
SUCCESS

Expert Insights into
Growing Your Business

BLOOMSBURY

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‘*Scale for Success* does a brilliant job of weaving together stories, lessons and thoughtful reflections. Each one of the eighteen entrepreneurs featured could write a book. Until they do, this is the one to read.’

*Oli Barrett MBE, Co-Founder, StartUp Britain
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‘Business is challenging at every level. Fortunately most of these challenges have been solved, you just need to know where to look. *Scale for Success* collates many lifetimes’ worth of insights, shortcuts and wisdom. Grab a copy, take notes and get to work!’

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‘Every year that a company survives in business should be celebrated – the tenacity to bring together essential ingredients for scaling an early stage venture should never be taken lightly. *Scale for Success* highlights these essential qualities and includes valuable references to entrepreneurs and their success stories.’

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and iQ360, Queensland, Australia*

‘*Scale for Success* tells the stories of growth enterprise, delivers some of the essential rules of growth, and will inspire anyone that reads it. The outrageously tough journey of building a company and actually enjoying the process is very rare but Jan has captured the stories of those that have worked hard to build their success.’

*Lara Morgan, Founder & Co-Owner, Scentered
and Founder, Global Amenities Direct*

‘What I love about this book is that Jan provides in-depth stories that truly engage and connect with the reader. This is how business books should be written.’

Joseph Meuse, Founder & President, Business GPS

‘Jan has an incredible knack of making scaling applicable and accessible for entrepreneurs and start-ups. Making the human connection between real examples and applicable strategies is golden. Relatable, human, and super valuable, this is a must-read for the business owner getting ready to scale.’

*Jo Gifford, Content Development Lead,
author and podcaster*

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Introduction

All my life I have been an entrepreneur. I have started micro-businesses that have stayed deliberately micro and one high-growth, multi-million business. That high-growth one happened organically, a roller-coaster ride I got on and for a long while, I couldn't get off again.

This fairground ride brought me glittering opportunities. During my 20-odd years of running that business, I won regional and national business awards. I was proud to represent the UK in the European Parliament as one of 50 women to spearhead a campaign for women's enterprise; I discussed the economy on BBC Two's *Newsnight* under the kind encouragement of both Jeremy Paxman and Emily Maitlis. I debated at the Cambridge Union. Perhaps the most exciting opportunity for me was to be able to write for a variety of business publications, most notably *Real Business*. Had I bothered with any education, writing was what I had always dreamed of doing. Not too shabby for someone who started businesses originally with not one jot of knowledge and probably just as little skill.

That lack of knowledge and skill became more significant when it came to growing the business rather than starting one. I worked at remedying that ignorance by applying to

become a member of a high-growth business club in London called The Supper Club. They were very selective about whom they interviewed and even more so about whom they let in. To my slight amazement, they accepted me, and for several years, I attended business dinners and training courses with some of the very best entrepreneurs in the UK. Everything we discussed was always under Chatham House rules (in which information shared can be disclosed, but the sources cannot be identified), and everyone was incredibly open about the problems they encountered in growing a business. I loved it. I never made any secret of the fact that I was a minnow among whales and no one ever seemed to mind.

They had all been where I was. I learned just what a difference it makes when you talk to someone who understands the issues you are up against from personal experience. It was a sudden feeling of belonging for the first time and I profited hugely from both that and the incredible stream of knowledge on offer. We all benefited because we really understood each other's problems – one of which was just how tough it is to scale up. I heard the same thing from the editors of the business publication *Real Business*, to which I was contributing regularly by that time. They, too, stressed how much people wanted to read real-life stories of what life is like running a small business. We all talk the same language and I am always fascinated to know what makes other entrepreneurs feel successful and what makes them succeed when they can appear to be so very different.

By chance, when I was starting to plan this book, I re-watched both the film *Rush*, telling the story of former adversaries Niki Lauda and James Hunt, and *Borg vs McEnroe*, a biographical indie film of the 1980 tennis rivalry between Björn Borg and John McEnroe. In both cases, yet in two

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different fields – motor-racing and tennis – you have world champions who appear to be polar opposites. Niki Lauda, a measured, controlled family man, versus playboy, devil-may-care James Hunt. Or Björn Borg, the ice-cold, ultra-controlled Swede versus the emotional, work-hard-play-hard American John McEnroe. Yet all four succeeded. Even odder, each pair ended up becoming close friends. The simple reason was that they understood each other at a very primary level. The more I have thought about this, the more I have become convinced that this is at the heart of why entrepreneurs learn most and best from other entrepreneurs. Who else can understand what drives us, especially when it is often extremely hard work and very far from the glamour that people outside assume it involves?

This book is for other aspiring stars of entrepreneurship. Some of you may be just starting, but already set on a course to scale from the get-go. Others may already be running a business, desperate to scale up but struggling to work out how to do so, as I did. Starting a business is hard and scaling a business harder. If you didn't know this, you wouldn't be reading this book. I reached the multi-million mark but couldn't sustain it and I had belated lightbulb moments while talking to virtually everyone involved in this book.

One problem with scaling is that every step is uncharted territory that we can get lost in. Another is that when we start, we are so excited about our new businesses that it is easy to bounce out of bed and go at a hundred miles an hour. It's a heady mix of fear and exhilaration, a bit like the one you get when you do adventure sports. But like that adrenaline kick from doing sports, it can be a temporary high and when it wears off, you are in trouble.

Jeremy Harbour of The Harbour Club & Unity Group nails it when he says later in the book: 'Most people start

businesses for more time and more money, or because they are pissed off with someone telling them what to do. Then they find they have no time, no money, never switch off, and while it is exciting for a time, in the end, it grinds you down.’

Unless we have a source that feeds our inspiration and motivation, our enthusiasm starts to wane. And when that happens, all the obstacles that come our way seem suddenly twice the size they were yesterday. We get stuck and can’t find the way forwards to take the business up to the next level. We start to panic that we are going to be stuck doing the same thing long term. And we have no idea how to change things.

The entrepreneurs interviewed in the book come from a wide variety of business sectors and from all over the world. Between them, they have many hundreds of years of entrepreneurial experience. In addition to their practical advice, they tell very relatable stories about the struggles they had, many of the same ones that you are going through right now. You can choose to read the book from start to finish, but you can also dip into or back into a particular topic you are stuck on for practical help.

The people in this book will inspire you on those days when you find yourself struggling. Read how DC Designs’ Durell Coleman’s family set an example for him, which has grown into a passion for helping the people whom society overlooks. Admire how Californian health entrepreneur Jeff Fenster combatted a childhood terror of cancer by becoming fascinated by nutrition. Read of the incredible Dame Shellie Hunt, born into poverty, now honoured by the Order of St John for her philanthropic achievements globally.

Discover how even James Davidson and his partners of tails.com, with some of the cream of entrepreneurial experience

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behind them, still came close to closure by making the nearly fatal error of concentrating on tech over customers. Or how Outland Denim's James Bartle gained, but nearly lost, from the Meghan Markle effect. And how multi-millionaire Jeremy Harbour's first two businesses both crashed so severely he had to move back in with his parents. You will come away braced by the fact that even the best of us make colossal mistakes.

When I first mapped out the concept for this book, I racked my brains for whom I knew, who had a great story to tell, or who had undergone business struggles that other people would identify with, or for those who were real, often global experts in their field. Then I added a whole lot of different names that I had heard of, which I felt would meet the same criteria. I sent messages out, asking for help.

I was utterly overwhelmed by the unqualified offers of help from incredible people, with hugely busy and successful lives. They had absolutely nothing to gain bar the knowledge that, maybe, chatting to me might mean their wisdom would reach others. This sort of generosity is typical of successful entrepreneurs in my experience, but I was still astounded by how far it went. They have all enabled me to set out the book how I originally intended. It will help you in your journey to scale, from forming a strategy, re-examining what you stand for, raising finance, nailing your sales and marketing, creating a great team, running the business and growing it from 1m to the next 5m-10m. Each of these sections has both entrepreneurs' own stories to inspire you, together with practical tips and advice on that subject and key takeaways.

You will hear from entrepreneurs in a wide variety of business sectors, some high profile, some less so, some names behind leading household brands, some niche specialists. Some are serial entrepreneurs who have sold businesses for

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millions, others are well established in current companies and some are early on their journeys. They are now your support team of 30 exceptional entrepreneurs. You will identify with their struggles and their wins, their tears and laughter at every stage, and they will provide invaluable support while you scale up.

Jan Cavelle

PART ONE

Planning to Scale

Even the most seasoned entrepreneur can stumble at one of the leaps up in scale. We make the mistake of assuming that the secret to scaling is doing more of what we have been doing. Much as that might sound logical, it doesn't work out that way.

No one knows better than I that it is entirely possible to grow a business up to around the £1m turnover mark by selling, anything, everywhere to anyone. I went way past that by running a lifestyle business from the kitchen table at home but there are all sorts of reasons why that is not sustainable as you grow further.

Growing further will involve bringing more people on to your team, inspiring them and communicating with them. It will require structures that work to deliver more of what you were doing before in a consistent way. You may well need finance. It requires a whole new approach to sales and marketing, as you cannot grow sales sufficiently to scale in the more-the-merrier haphazard approach that small-scale businesses often depend upon. All of this needs planning. In the following two chapters, both James Bartle and Bev Hurley share how being unprepared for growth caught them unawares. Bev delves further into what you need to do in

order to scale while James explains how purpose makes growth easy and why he believes a strong purpose has become a business essential. A purpose is often deeply embedded in our values and in Chapter 5, Nicole Lamond shares how her entire business is built around her values and the advantages of that. We have all heard that we need to find our passion, our personal motivation, but how do we find it practically? In Chapter 4, Durrell Coleman shares the process he uses personally and argues that what you do is immaterial in comparison to the reason you do it.

Finally, strategy. The core element of scaling. Stephen Kelly, currently chair of Tech Nation, is a true global expert. Starting his career at Oracle, Stephen was CEO of Sage, Micro Focus, and Chordiant during their growth years. He talks of why the leap between 1-10m is so often the 'Death Valley of Scaling Up' and how to survive it.

I

Your Vision and Mission

James Bartle, Outland Denim

JAMES'S STORY

James Bartle grew up in a remote Australian community. His parents were pastors and he regularly lost his bed to someone in need. James remembers his mum getting grief from a drunk guy and how she dealt with it with so much grace and compassion. He was a shy child and that sometimes held him back from speaking out for those in need, but he was always compassionate.

James did a traineeship in business just after he left school but never intended to be an entrepreneur, unless 'you count mowing lawns and things'. He was a freestyle motocross athlete and had a small metal fabrication business. By chance, he watched the Liam Neeson film *Taken* and was appalled by the human trafficking statistics at the end. He kept on thinking of his two young nieces and started to learn more about it.

James went to South East Asia with a rescue agency and saw a girl, only about 11 years old, for sale. He could see her terror, yet the agency said there was nothing they could do for her.

He learned that young girls were being sold everywhere, for sex and hard labour in mines and factories. James could see that the root of the problem was poverty. He didn't want to fundraise but instead decided to work towards changing the cause by setting up a business to give the girls respectful employment.

Living off his previously established metal fabrication business, James spent five years developing a sustainable business model. He did anything he could to raise cash, even cooking and selling sausages, but doing whatever it took. At first, he set up a non-profit, but failed to get sufficient funding and so had to transition to a for-profit model. At the end of five years, the project was helping the women in Cambodia with new lives, and they had beautiful jeans and a sustainable brand.

Rescue agencies refer women to Outland Denim in Cambodia. These women learn to be seamstresses at a fair, living wage, but are also enabled to take control of their lives. They are paid to attend lessons, learning English, how to manage their finances and especially how to get out of debt, which nearly always caused their situation.

The women's health course taught the benefits of breastfeeding. This was necessary as, years before, a marketing campaign from a baby formula company had convinced many mothers in South East Asia that buying expensive formula was a better option for their babies. Due to poverty, many were unable to afford the formula and had to use water that might be contaminated. By the end, all the staff knew the truth about breastfeeding.

James also learned of how other garment factories were polluting the streams children used for drinking. In response, Outland Denim developed stand-alone washing and finishing facilities, where their denim is finished using industry-leading

water- and energy-reducing technology. Garments are dyed responsibly with only vegetable, organic dyes or dyes tested to ensure they are free from harmful chemicals.

They started marketing via influencers. James says it created brand awareness but resulted in few sales. Paid-for recommendations are no longer a good fit for the current market, which demands transparency and honesty. He finds community marketing much more effective.

The game-changer for Outland Denim came suddenly in 2018. They had launched in Canada and Australia. James had just arrived in Cambodia on a two-week trip. The first morning, his social media and phones were all going crazy. Meghan Markle had just stepped off a plane wearing their jeans. World media was going crazy and sales went through the roof. He had to fly back immediately to cope with the press conferences.

James says it was an overwhelming and emotional experience that brought them credibility, brand awareness and led to the hire of 46 more women in Cambodia. But there was a downside: a year of instability followed. He was still green and the growth was extremely rapid; they were fighting to meet orders. They had just opened a new facility in Cambodia and the culture got lost in the expansion. They had to work hard to return it to the loving and respectful ways they had previously.

Despite the fact that James had no prior fashion experience, Outland Denim became a top-end global jeans label. The drive towards their mission is what has helped them endure. James always asks himself ‘how hard can it be?’ and looks for a way through.

They have met plenty of challenges. Finance is always a challenge when you scale. Covid-19 brought another test, when New York closed down just at the moment when James had

opened in Nordstrom's flagship store. Another huge learning curve was the cultural differences when they first started in Cambodia. James learned that when instructions result in nods, that is a gesture of respect and doesn't necessarily mean that the instructions have been understood. Relationships are currency there. It is chaos, yet they get through because they respect each other. James considers that because of this, they are more advanced than we are in other countries. He describes the people of Cambodia as 'brilliant, incredible and smart'.

James's plans for the future include involving wholesalers more to get brand exposure, pushing more into digital and to change the fashion cycles. Showing smaller ranges, more often, would mean less waste at the end of each season. They are also starting to manufacture for other brands – the first being Karen Walker.

James's definition of personal success: *'Being able to achieve the objective of influencing the industry for good and eliminate exploitation. Also, to achieve a balance of work and family relationships. My walk with my six-year-old today was interrupted by constant urgent calls and I don't want my family to sacrifice time with their dad. I want both sides to get what they need. Ideally, I want my time and space, but I am not sure if it is possible at the moment, maybe in my 50s or 60s.'*

VISION AND MISSION

Vision and mission statements are a part of virtually every business course now. What they are exactly and what their

function is still confused by many business owners. By definition, a vision statement should describe what you want to achieve, your overall ambition for your business. A mission statement describes what you do, who does it and how you do it currently. Unlike a vision, a mission may change. Both statements too often end up being irrelevant and ineffective, more of a marketing tool than something arising from gut and emotion.

James and his company are a powerful force aiming at having a massive impact. Yet, when I spoke to him about mission and vision statements, he says that putting together these sorts of things is something they are bad at. Initially, this struck me as an anomaly. I wondered how such a purpose-driven company could not be shouting vision and mission statements from the rooftops. Then I realized that even at first contact with the company, you are left in no doubt about what they are aiming to do.

They do have some powerful straplines on their website. Their story starts with ‘denim to end poverty’, their crowdfunding page talks of ‘made on purpose’ and the mission is made inclusive of their customers with, ‘Today, my jeans are creating social justice’.

I asked James for his definition of vision and mission. He strips the concept back and defines vision as the target of what you are trying to achieve, the ‘where I want to be’. Then, he says, you add your ‘why’, the reason you want to get there. This ‘why’ is what gives it guts and the two together provide you with purpose. When you have a purpose-led company, you have one that is super-charged. You become focused on your target and not bothered about the direction you take to get there. Missions become interchangeable, and somewhat immaterial, provided that you are heading

towards the vision. Focusing on purpose makes challenges far less critical.

James sometimes talks to entrepreneurs and asks them why they do what they do. When they say that they're in it for the money, he thinks, 'That isn't going to keep you going.' Others say that they are doing it to make a difference, but when he asks for more detail, they aren't sure exactly what they mean.

A vision or purpose is what gets you out of bed.

I asked James if companies about to scale should go out and try to find a purpose and a mission. He says that there is always a mission in there. You have to discover it. It may be as simple as providing for your family, and that is OK, but then you also need to help the people who work for you to find and achieve their reasons and missions, too. James believes that life is about loving one another and he is not sure why so many of us find it hard to accept people who are different.

Your vision is, therefore, always about the impact you will have on others, changing their lives or improving our planet. James believes that impact has to come through a product or a service. He also advises that you need to be very clear on how that is going to have an impact, what the concept is, how you are creating it. It has to be meaningful. You can create a social, economic or environmental impact in the community and the workplace. The whole vision then becomes part of the product and the product part of the vision.

This circle, I realize, is why there is no need to see a statement to understand Outland Denim. The customers buy into it, literally. When you buy a pair of jeans, you create an impact. Fashion has a vast ecosystem and capacity to make an impact, and brands can achieve a great deal. James's dream

is to eradicate poverty and encourage purpose, not just in Cambodia, but also in other areas worldwide with similar socio-economic problems.

James says that people buy in because they too have a desire to impact for good. We all want our lives to have some meaning and make a difference. He believes our job as leaders is to help each person find their own meaning. He never micromanages but instead lets the whole team take the wins and have the pride.

What happens when you have a vision and a purpose-led company is that the staff buy in at a very different level. James speaks with warmth and admiration of a lady in Cambodia who no longer lives under a piece of plastic, has bought her own house and has paid to get her sister out of slavery. He speaks of his Australian team, whose reaction to tough conversations at the start of the Covid-19 crisis was to ask to do without their pay if it meant the vision continued and the women in Cambodia could receive theirs. That is what real buy-in to a mission looks like.

James is unusually positive about challenges and believes that you can develop resilience from having this clarity and strength of purpose. It gives you the grit to cope with the challenges and get better, and results in a close-knit, resilient team. You will never get resilience without the hurdles. Success takes hard work and dedication. James believes that too often, people run in business when times get tough. It took him 10 years from starting the research and development stage to getting to where he is now, and there were many people along the way who told him to give it up. He believes we have to change the way we talk and become more accepting of not succeeding at every challenge, and concentrate on the reason for keeping going.

James stresses that his team are strong in their own right. However, his passion for what he is aiming at is evident; he has total commitment and it shines through in everything he says. This integrity comes from genuine, natural belief in what you are doing.

James believes that any business that does not shift to having a real purpose and proper economic sustainability will become dust within 10 years. Equally, he believes that almost anyone can pivot and learn. He explains that it is the customers themselves who are changing the climate and changing it fast. It is up to brands to set prices that are right so that consumers will be able to afford to buy into the missions and be a part of a positive impact.

You need to decide if you want to be part of the problem or part of the solution. For James, owning a company is about creating change, not about having a business.

Key takeaways:

- Your vision is where you want to be and why you want to get there;
- Concentrate on the vision and missions become merely a route to getting there;
- All businesses need to adapt to be genuinely sustainable and purpose led.