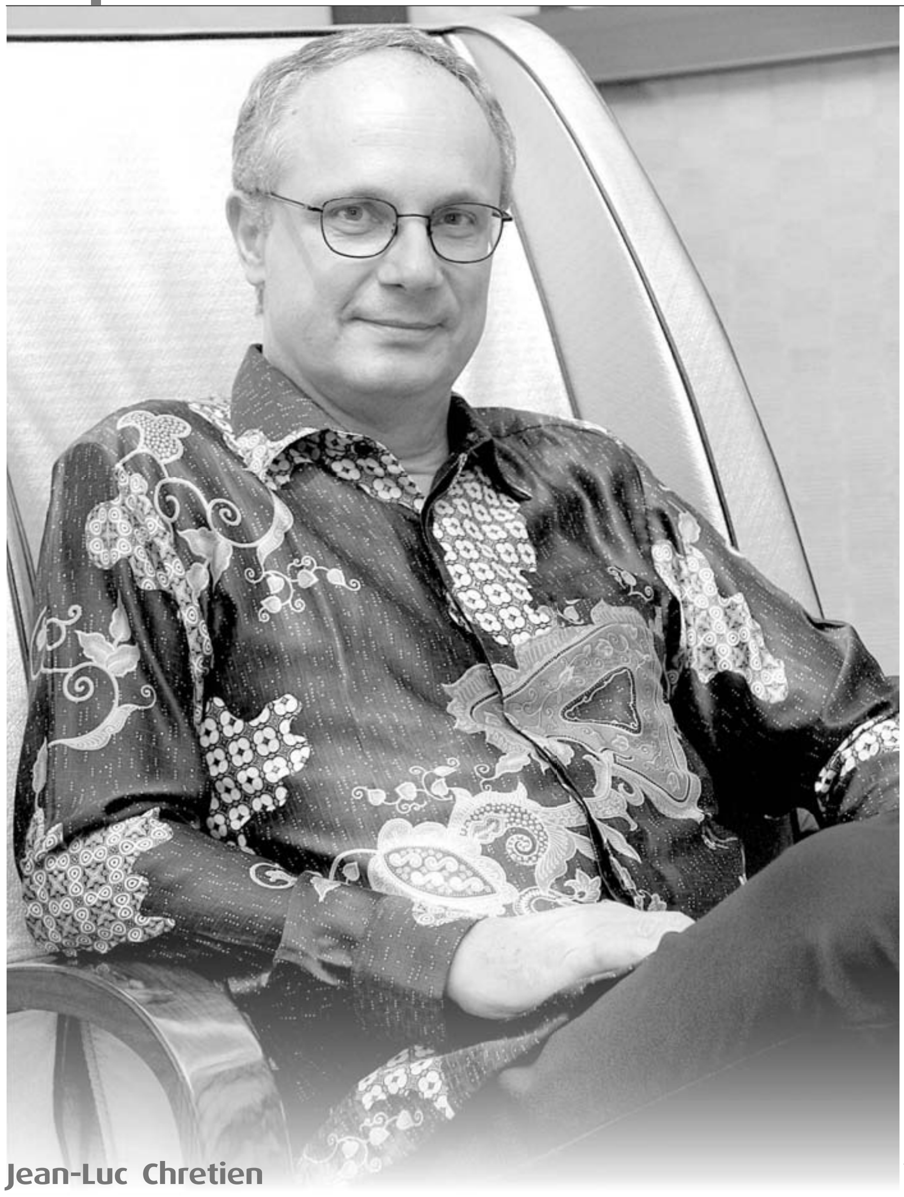
The Jakarta Post



JP/Rian Farisa

Jean-Luc Chretien

Putting a foot wrong can be step on ladder of success

Rian Farisa
CONTRIBUTOR/JAKARTA

Learning from mistakes is an inseparable part of achieving success. It is something Jean-Luc Chretien of Accor has gleaned from his career in the hospitality business.

"I learned a lot from experience because we don't have the hotel anymore," he said of the hotel group's failure to develop its business in Thailand.

"We learned a lot in terms of pricing, how to work with local operators, choosing the right partners for distribution. From that we try not to do the same mistake twice."

Accor opened its first hotel in Thailand in 1988, two years after Chretien joined Accor Resort as its marketing and sales director, but closed it abruptly.

Seasoned by the experience, he vowed not to make a second mistake twice in anything. He quoted one of his superiors in Accor who said: "You can always make a wrong decision but what you cannot do is to make the same one twice."

Chretien, Accor's executive vice president for sales, distribution and loyalty in Paris, was in Jakarta recently to inaugurate an Indonesian-language version of *accorhotels.com*.

He pronounced it one of his most memorable moments with the group because it has been a long journey to transform traditional distribution into something web based.

"It's a very symbolic thing because we transformed e-commerce into a strategy beyond traditional languages and markets," said the 54-year-old.

"Every time, every step that I take and every company that I work with, I become a part of the transformation process. Clearly my mission with Accor is to increase its capacity in distribution and to help develop new channels from e-commerce."

He is self-effacing when asked to describe modern challenges in distribution.

"For me, the biggest challenge is the fact that I was not born in the Internet era," he said disarmingly. "It's like when I told my kids that TV used to be black and white and they didn't believe me."

He emphasizes the urgency of adapting to the changes through building a team of experts for optimal use of technology.

"The key to success in this is not simply about the website but about how you're going to use it, to develop it, to create the traffic, to develop a partnership, etc...". It also has been a learning process.

"We were not properly up for the challenge and we didn't have the internal experts. We created a strong team for our website and in each country we recruited new people," he explained.

"It's a whole new management scheme in the hotel business since it requires so much expertise. But the people need to be looked after. We need to give them opportunities to develop themselves, otherwise they will sell themselves to somebody else."

As a result of these focused efforts, his team has gained the trust of Accor hoteliers all over the world with unprecedented revenues.

"I try for my team as well for my company to be creative, but also to be very result-driven. We need to deliver the best results and to transform the way we do business," he said.

When it comes to solving problems, he underscored the importance of listening to what people had to say and analyzing the situation first before deciding on a course of action.

"Because the worst thing you can do is to not to listen to what people tell you before making a decision. It's not that you have to cope with everything they say, but you benefit from all the advice and then it's your responsibility to make the decision."

It's all about teamwork in the end because, according to him, he will never become as good as the talented mix of people who work for him.

Multi nationals

Chretien's career in the hospitality business dates back to 1986 when he started with Accor Resort as its marketing and sales director. A few years later he was appointed senior vice president for distribution for the Disneyland Resort Paris; after a series of distribution and marketing endeavors with high-profile companies in Europe, Chretien returned to Accor in 2007.

Chretien's ability to work on an international scale and to manage people from different nations and cultures probably also stems from the diversity in his family.

He and his wife, who is from New Zealand, adopted children from Cambodia and now they all reside in France. From the state of his family, he feels the world is now open to new things in many aspects of life.

While his job takes him all around the globe, he has also short-listed his dream places to vacation.

He picked Monument Valley near the Grand Canyon in the US as the best spot because he is fond of cowboy movies. Next up is Luxor in Egypt, New Zealand and Angkor Wat in Cambodia.

"That's it. I have to stop there because I hope the fifth place will be Bali," he said cheerfully.

Although it's a rare treat for him to visit Southeast Asia, he wishes to see more of the country, learn about its many cultures and work for the betterment of its people.

Name: Jean-Luc Chretien
Age: 54

Experience:
Jan 2011 – present: EVP Sales, Distribution & Loyalty, Accor Paris Area, France.
June 2009 – April 2012: EVP Marketing & Distribution, Accor Hospitality
Oct. 2007 – June 2009: EVP Distribution and Sales, Accor Hospitality
Feb. 2005 - Oct. 2007: Administrator, Rail Europe Group
Feb. 2005 – Oct. 2007: Director, International Distribution, SNCF - French Railways
May 2001 – Nov. 2004: SVP Sales and Marketing, Pierre & Vacances Tourisme
Nov. 1992 – April 2001: SVP Distribution, Disneyland Resort Paris
Jan. 1986 – Oct. 1992: Director Sales and Marketing, Accor Resort Hotels Division

Five tips on building a socially responsible business

Paul de Burger
CONTRIBUTOR/TORONTO, CANADA

Travel to Argentina and you will marvel at the sweeping vistas, the friendly people, and the beautiful beaches. Go inland, however, and you will see a country rife with poverty.

While visiting Argentina, Blake Mycoskie, a contestant on the American reality television show *The Amazing Race*, was amazed that children didn't have footwear to protect themselves from the elements. After finishing the show, he had the idea to start a shoe company that would allow him to make a profit while donating shoes to kids in need. Mycoskie self-financed TOMS Shoes in 2006, and since then more than a million pairs of shoes have been donated to children in 20 different countries.

TOMS utilizes a "one for one" model, whereby a pair of shoes is given to a child in a developing country for every pair of shoes sold through their retail stores and online outlets. This model is profitable enough for Mycoskie to build a successful business while also serving a social need.

The notion that you can't be profitable while being socially responsible is outdated. Companies are becoming more socially aware in their business practices, and being "green" is no longer a bad word. In fact, corporations regularly hire consultants to help them build their reputations as socially responsible organizations.

To be a social entrepreneur, or a socially responsible business, means you can have the best of both worlds; a profitable venture, and one that makes a positive difference.

So how do you do this? Getting started can seem like a daunting task, but fear not; here are five tips on building a socially responsible business:

Choose the right suppliers

If you own a business that sells a product or uses materials, find out who manufactures the products you are using. In the case of TOMS Shoes, all their shoes are made in China, Argentina and Ethiopia, and according to their website, they "require that the factories operate under sound labor conditions, pay fair wages and follow local labor standards."

Find out who is supplying you, and if it's a company or organization that is not operating in a socially responsible manner, find someone else. This can extend out to the airlines you choose, the printing companies you hire, or anyone else you use in your business.

Let your mission statement guide you

Every business ought to have a mission statement — or at least a mantra — that guides them to make decisions. More and more companies are building socially responsible messages into their missions, meaning that they are consistently making decisions that have a social benefit. If you let your mission guide you, you will be on the right track.

Choose a cause and donate

More and more businesses are giving a percentage of their profits to causes they identify with. Crystal Flaman, a business consultant, hostel owner, and social entrepreneur from Canada, has personally raised more than US$1.4 million through fundraising and giving a percentage of her profits to causes she believes in. Like other entrepreneurs she has a busy schedule, but still finds a way to help those in need. If she, one single person operating a small business can do it, so can you.

The trick is to identify how much you can afford to give. Many social entrepreneurs give away too much in the beginning; analyze your financial statements, make sure you have a solid foundation for your business, start with small donations, and grow from there.

Host a fundraising event

Giving away a percentage of profits may be too difficult for some. This is where hosting an appeal or fundraising event can allow you to raise money without having to empty your personal bank account. It also allows you to give far more than you would likely be able to contribute on your own, so everybody wins.

The Financial Times held its 2010 seasonal appeal last year and raised more than $4.37 million for Room to Read, an organization that builds libraries and provides scholarships for girls in third world countries. With that money, Room to Read announced that 173,000 children would have access to educational programs. This staggering result came out of one single appeal, spearheaded by a for-profit company.

Volunteer your time

Get involved with charities and causes you believe in. If you can't donate money, donate your time. Many small businesses donate in-kind support to causes that need the help. Achieng, a small charity working to provide educational support for girls in Kenya, receives in-kind support from local graphic designers, web hosting services, and business consultants. These businesses donate their services, allowing Achieng to send what money it does have to go to those who need it most.

There are many other ways to build a culture of social responsibility into your business, but for now these five tips will help to get you started. Consumers are paying more attention to companies that are socially responsible, and there is certainly no shortage of causes that can use the help, so look at your business and see how you can make a positive difference in the world.

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Four common pitfalls in cutting back

Michael Wade and Peter Tingling

You work for an organization that has grown steadily by getting the fundamentals right — hiring and developing good people, instilling a strong work ethic, conducting solid analysis, and making smart choices.

Yet, despite these efforts, your company is struggling to make ends meet. The economy has faltered, your reserves are dwindling, and your biggest clients are scaling back.

It is time to make cuts, but where do you start?

Many organizations currently find themselves in this situation. Recently, major cost-cutting programs have been announced by Hitachi, BNP Paribas, Yahoo, Johnson Controls, Pfizer and Air France, not to mention many of the world's national and regional governments.

Contraction is a critical part of the business cycle. Unfortunately, most organizations are not very good at it. As a rule, we are much more comfortable expanding rather than contracting, buying rather than selling, adopting rather than discontinuing, and hiring rather than firing.

Our research shows that spending reduction programs tend to be dominated by an inward-looking focus, revolve around emotionally charged arguments, and result in uncourageous decision-making.

In order for companies to succeed in scaling back, we uncover some of the most commonly encountered bad habits:

Remaining a slave to the budget cycle

Too many organizations fail to adjust their budgeting process to changing market conditions. Budgets remain on annual cycles, where performance is measured "to budget", even after it becomes clear that budget levels are no longer reasonable or sustainable given competitive or market changes. At best, budgets are static representations of last year's reality; and at worse, reflect conditions that were relevant many cycles ago.

In place of a planned and deliberate re-consideration of all options, many organizations simply try to "cut the budget" and thus do less of their original plan. Instead, they should reevaluate the entire budget in light of changing conditions, and proceed accordingly.

Going for the easy wins

When it comes time to make cuts, firms often look no further than the most obvious targets. Unfortunately, the best targets are not always those that are most visible. For example, since they tend to be large and distinct, capital expenditure projects are often the first to be cut. However, in most cases, the lion's share of expenditure (and inefficiency) is hidden in operating costs.

Operating expenses should be examined with the same frequency and rigor as capital expenses, ideally on the assumption of zero base budgeting. Courageous decision making means going beyond the most visible targets, and attacking the real sources of inefficiency.

Not culling the herd

It is well known by vintners that in order to make great wine, vines must be pruned during the season so that the rich flavor is not spread too thinly among the grapes. Companies should follow the same practice, particularly during economic downturns. When times are good, companies tend to let a thousand flowers bloom; however, when performance falters, they fail to effectively go through rounds of pruning.

Most organizations try to manage far too many initiatives. Only proven or promising projects that show a clear "path to performance" based on well-defined metrics, and an unambiguous timetable can be spared. Initiatives that do not clearly demonstrate these factors should be considered for cutting.

Across the board cuts

A much too-common reaction to a downturn is to decrease spending across the board, perhaps by 10 percent or 15 percent. Governments are the main culprits in this regard, although many large corporations have also been known to follow this strategy. CEOs have argued a need to "spread the pain" so that "no one will be spared the knife".

This approach to contraction is, in fact, the very absence of strategy! What it really says is that management lacks the courage to act; is disinterested in making the kind of tough choices that are necessary in a downturn; or is unaware of the real priorities and where value is created. Across the board cuts are destructive because they are based upon the unlikely premise that all areas of an enterprise are equally important. Indiscriminate horizontal cuts only serve to penalize managers who have actively and correctly managed their businesses.

Rather, vertical cuts or strategic divestiture, based on clear priorities and rigorous measurement, should drive decision making during these periods. They provide a welcome opportunity to get rid of nice-to-have projects that offer little in the way of profits or synergy.

So, how should executives approach strategic decision making during a recession? We believe that the first step is to define a clear strategic direction, and from this, to develop a set of high-level priorities.

Each funding request, both for new and existing expenditures, should then be rigorously assessed and ranked against these strategic priorities. While there will always be exceptions, like for reasons of safety or compliance, forced ranking enables a stage gate hurdle process that winnows out non-conforming requests and allows management to compare opportunities and clearly delineate preferences.

Although priorities can be discussed in groups, we believe it is important that the rankings are analyzed and assessed individually, in order to reduce group think and other biases. Only in the final stage should the results should be aggregated into an ordinal ranking.

If managed properly, the objective of budget allocation is not so much to reduce costs as it is to prepare the organization for a better future. This process turns on establishing priorities and ensuring that only activities that support these priorities are advanced.

Due to decades of buoyant economic conditions, few managers today have experience with prolonged periods of contraction. It could be argued, in fact, that a true test of management is the effectiveness of decision-making during a downturn. We are currently in a shakeout period, where some firms will succeed while others will struggle and fail.

In the future, we will associate this period with the rise of new global giants and the fall of others. To be successful in today's economy, managers need to carefully and strategically learn to avoid cutting flowers and watering weeds.

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