Mid-cap companies: small but global

by

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Overview

Mid-cap companies are implicated to a very large degree in the process of globalisation, and regard it as a major factor in their strategic development. However, when they choose a niche market which allows them to be among the leaders in that market, their nationwide activity quickly becomes limited. Therefore, they must set up their businesses outside France and Europe in order to take on the world market. This is especially necessary because their global clients need their suppliers to be close to their production sites. Globalisation, however, is expensive and may be dangerous. One needs to know what sort of internal and external resources and skills are necessary when setting up a business far from company headquarters, how to establish business relationships which conform with local traditions, and how to finance development. Bruno Bouygues and Joseph Puzo discuss how they set out to conquer the world by using their resources sparingly, and Anne Guérin explains how Bpifrance provides financial support to companies which wish to export.

Report by Élisabeth Bourguinat • Translation by Rachel Marlin

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My father and I run GYS, a company in Laval (*département* of Mayenne) which manufactures machine tools for three sectors: welding, battery recharging, and car repair materials. The company has experienced three major changes in ownership: it was created in 1964 by Guillaume and Yves Stéphanie; it was sold at the end of the 1970s; and it changed hands a number of times before my father bought it in 1997. At that time, there were about thirty employees; today, there are just over five hundred.

From the electro-technical industry to mechatronics

The world of machine tools changed enormously with the arrival of electronics and mechatronics. The electro-technical industry and transformers were replaced by power inverters. When we bought GYS, the main product of the company was a welding station which weighed almost the same as a motorcycle, and was worth the same price. Today, our leading product weighs less than 4 kilograms and costs less than 100 Euros. We were lucky to acquire the company when this change was starting to take place, and we anticipated the disappearance of transformers, and instead we invested in electronics. Because we were the first to do this in Europe, our sales increased greatly, and we were able to follow a strategy of vertical integration (ie. complete in-house production because of the purchase of upstream and downstream suppliers). In 1997, the main factory covered 2,800 m^2 compared to 42,000 m^2 today. In 1997, we manufactured one thousand machines each year; today we produce two thousand every day.

Growth of the domestic market

This change was not without its problems. When the machines were heavy and took up a lot of space, transportation was more difficult, and this protected our domestic market. As products became increasingly technological and lighter, they became easier to transport, and we realised that we had to expand our domestic market if we wanted to compete with our rivals. Because of the creation of two subsidiaries in Germany and England, our domestic market increased from 60 million to 200 million consumers.

A factory in China

After 2008, we were faced with the 'Chinese tsunami'. Based on his international experience, my father felt that China was going to become an even greater economic force, and so we decided to construct a factory there. Our intent was not to transfer European products there, but to develop specific product ranges and to understand the local industrial cost price. Today this factory is an asset because it is very important for us to understand our competitors' prices and how they evolve.

Incidentally, I have some good news about this: as a result of the reversal of the rates of the Euro compared to the dollar, the hyperinflation of Chinese salaries, the difficulty in keeping home-grown talent, and accumulating skills in middle management, products currently manufactured in China would scarcely be more expensive if they were manufactured in France. This is a real paradigm shift.

Drastic reduction in costs

This change is also the result of substantial efforts which we have made to reduce costs in France. With the arrival of Chinese products, we have been faced with significant price reductions of approximately 15% every year for the past six years.

To remain or to become competitive, we have chosen to use very innovative technologies and have decided to buy our suppliers. This has resulted in lower transport costs and in savings made on suppliers' margins. Furthermore, we have profited from the French government's policy of research tax credit and tax credit for competitiveness and employment which play a very important role in our competitiveness.

GYS today

Today, GYS's turnover is just over 60 million Euros. The French factory employs nearly 350 people whereas the Chinese factory employs 100, the German commercial unit 48, and the English commercial unit 18. We have just created a subsidiary in India with the purpose of advising our importers and car manufacturers. The Indian markets are not yet quite ready to commercialise our products, but we hope that we can contribute towards the development of standards (which is currently underway) in order to create a market there for ourselves in the next five to ten years. Our growth areas for the coming years are the entire African continent as well as the United States, and all the countries which use the US dollar (cf. the Euro). In the Middle East, for example, we have regained nearly 15% of our competitiveness in a six-month period.

Talk: Joseph Puzo

In 1980, I was in charge of a company employing one hundred people which manufactured standard cables. With the arrival of President Giscard d'Estaing's telecommunications plan and the development of nuclear power plants, the number of companies manufacturing cables greatly increased. This led to over-production which was made worse by the economic crisis which took place between 1981 and 1984.

Going upmarket

Faced with the risk of bankruptcy, the only solution I could find was to go upmarket and copy Goretex, the company which produced the most sophisticated cables in the world using porous Teflon to manufacture coaxial microwave cables. As Goretex's product was patented, I started looking for French university researchers in fluorine chemistry to try to develop a different process. I found fourteen researchers and I chose the most pleasant one who worked at the Montpellier *École de chimie*. We signed a partnership agreement. Students who came to the company for work experience quickly perfected a new process which allowed us to manufacture microwave assemblies without infringing Goretex's patent.

On a number of occasions we imitated our rivals' best methods. We also had numerous discussions with our clients in order to understand which products they needed. In 1990, the company only made highly technical cables, and employed two hundred people.

Developing exports in a rational way

I realised that it would be hard for us to develop the company if we did not expand our market outside France.

Until then, we had only 'dabbled' in export. We had exhibited at a few trade fairs abroad, and our sales staff had gone to Turkey, Argentina and Algeria in order to learn more about projects that they had heard about. I decided to progress in a more rational way by adapting our strategy to the prospects offered by different markets.

Assessing their size was difficult. Even though Sycabel (the French cable federation) provided statistics about sales of energy or telecom cables, it was nevertheless difficult to get figures for the cables which we manufactured

which were used inside electronic appliances. I made do with the information I had on the volume of Teflon sold in each country. Luckily, DuPont de Nemours, which at the time was the sole supplier of Teflon, agreed to give me its sales statistics, country by country. I also obtained figures for electronic connectors from the French Federation of electrical, electronic and communication industries.

Armed with these data, I was able to calculate that if the French market was the equivalent of 1, then the US market represented 10, the Japanese market 4, German market 3, and the British market 1. I decided to create subsidiaries in all the countries where the market was greater or equal to 1, to establish sales offices when the market size was greater than 0.2, and to do nothing in all the others.

Financing the creation of subsidiaries

How does one finance the creation of subsidiaries abroad? This was even more difficult for Axon' because I had put the company into considerable debt when I bought it in an LMBO (Leveraged Management Buy-Out).

I decided to use a scheme called the International Business Volunteer Programme and which consists of recruiting complete beginners and sending them abroad after training them for one year at company headquarters. Our subsidiaries, created initially with just one person, started off slowly and needed a large number of volunteers to start making sales. Then, as the results started coming in, I took on local employees.

The choice of sites

Another difficulty was choosing the sites for our subsidiaries.

In the US, I chose Chicago because one can call from France when it is morning there, and one can telephone both the east and west coast of the US during working hours from Chicago. Additionally, I found a potential client in Chicago with a possible contract worth two million Francs. The order had not been formalised, but I created the subsidiary anyway.

As far as Japan was concerned, I chose the site of Tokyo having had a partnership with a Japanese company, Totoku. In Germany, the centre of the electronics industry is Munich, but I preferred Stuttgart because it takes only five hours to drive to Stuttgart from Montmirail, my company HQ, compared to eight hours to Munich. The first agent I recruited in Great Britain was Scottish, and he explained to me that ever since the Auld Alliance signed in 1295 between France and Scotland, his compatriots were much more French-friendly than the English which motivated me to establish our subsidiary in Edinburgh.

From export to globalisation

In 2000, Axon' had nine hundred employees. Suddenly Eastern Europe opened up to the international market, and China started making its presence felt. To keep growing, it became essential to progress from the stage of exportation to that of globalisation. To do so we had to completely rethink our organisation.

With the advent of globalisation, our clients created subsidiaries in countries that had low costs, and expected us to suggest price reductions which were equivalent to those they achieved with their subsidiaries. Therefore, we also set up subsidiaries in countries with low costs. In Hungary, we have a subsidiary for flat cables intended for car airbags (each one of you in the audience has approximately one Euro of Axon' products in the airbag of the steering wheel of your car); in Latvia, our subsidiary handles round cables; our subsidiary in Mexico exists to serve our American clients, and so on. Our Mexican subsidiary is located in Querétaro which turned out to be an excellent site choice because many car and aeroplane manufacturers have subsequently established themselves there. In India, we chose Bangalore which is the centre of the electronics industry.

In China, we chose Canton where the salaries are not growing as fast as those in Shanghai (15% nevertheless, after some years at 30%) and where the staff turnover is a little less. Often, for car projects which last between

four and six years, we start by producing in France, and then, once the lines are completely operational, we transfer them to China. We begin by training our Chinese employees in Montmirail, then we create a temporary stock for the changeover period, and finally we send the machines with French technicians to China to assist with the installation and start-up.

Having factories in countries with low costs enables us to say to our clients 'Trust us with all your orders and we will produce them in the country which is most suitable. Some orders will be less expensive to produce in France, but if others have to be manufactured elsewhere, we are able to do this as well.' This gives us great credibility.

This organisation has additional advantages. For example, our Mexican subsidiary enables us to sell our products in Brazil, thereby benefitting from an advantageous tax situation: the tax import rate is 40% between Europe or China and Brazil, 10% between Europe and Mexico, and 0% between Mexico and Brazil. Another example is that the fact of having a subsidiary in India gives us the possibility of satisfying the requirements of partial, local production, for example for military aircraft, according to the 'offset' principle.

Industrial GDP

To decide the location of new sites, I simply look at the industrial GDP of each country. If one takes the GDP of France as 1, Mexico's would be 0.8, that of the US and Europe as a whole would be 7, China 6, and India 2. Of course, there may be some differences. In Mexico, for example, the market is primarily suitable for low quality cables in large volumes. Industrial GDP is quite a reliable indicator for our markets.

In 2020, one may predict that the share of Asia in the world industrial GDP will be 57%, compared to just 22% for the Americas, and 18% for all of Europe and Russia. However, for the time being, Axon' generates 72% of its turnover in Europe, 17% in Asia and 8% in the Americas. Therefore, we need to accelerate changes to adjust ourselves to working in the Americas and above all in Asia.

Axon' today

The company now employs one thousand eight hundred people with a turnover of 117 million Euros. The relatively weak ratio between these two figures is explained by the fact that, like GYS, we have also chosen vertical integration. We only buy raw materials (such as copper and plastic) and we manufacture everything else ourselves. We draw the copper in order to make the conductors and, for the microwave cables, we treat the surface with silver plating. We also make the connectors, some of which are extremely miniaturised. Finally, we assemble the cables and connectors by using a little electronic technology.

Sales outside of France represent 70% of our turnover and we spend 10% of our turnover on research and development (R&D). For each new technical development, we open an additional R&D department, and we create partnerships with university researchers. In total, these departments employ about one hundred people exclusively in France.

Recent Axon' successes

One of our recent successes is the cabling for the Airbus A350 flight controls which are subjected to the highest safety standards. We are Airbus's sole supplier. Not only are these controls replicated four times so that if a cable breaks there are still three others to transmit the controls, but Airbus asked us to manufacture them on two separate production lines with different components and procedures. As a result, if, for example, a small transformer is faulty, then two out of four cables will still function. Because of Axon', the A350 is the safest aeroplane in the world.

We export our products increasingly widely around the world, not only to China and India but also to Mars! The cabling for the Curiosity camera, the robot which is currently exploring Mars, was made at the Montmirail factory, and this explains why the photographs sent by Curiosity are of such good quality! We have also supplied

the cables for the American satellite Maven, the Indian satellite Mangalyaan, and we are in the process of equipping the satellite that Europe intends to send to Mars. We are optimistic about future Chinese orders in this field because we have already equipped most of the Chinese satellites.

We have also supplied extra-flat cables and cables which are resistant to very low temperatures intended to power the magnets of the CERN's (European organisation for nuclear research) particle accelerators.

Finally, we have made part of the cables for the Carmat artificial heart. The second patient who was fitted with this device survived more than seven months: without this transplant, he would not have had more than a few days to live.

Talk: Anne Guérin

Bpifrance (*Banque publique d'investissement*) was created in July 2013 from the rapprochement between several bodies: the Oséo (which financed companies in the form of help for innovation, guarantees for bank loans and direct financing), and the direct and indirect investment funds of the Caisse des Dépôts known as CDC Entreprises, the FSI (*Fonds stratégique d'investissement*) and FSI Régions.

Bpifrance has four key activities: direct and indirect investment in capital; direct financing in the long-, medium- and short-term; support for innovation by means of financing; and guaranteeing bank loans. Its aims are to support the growth and development of companies, and also to develop successful companies.

Its main areas are innovation and international markets. These are two important elements in the growth of companies. This evening I shall outline the resources we give SMEs (Small and Medium-sized Enterprises) and mid-cap companies to help them find new markets not only in Europe, but also throughout the world. This has now become an essential factor for them.

Support resources

Our partnership with Business France (formerly Ubifrance) involved employing in each of our regional headquarters one or several international project managers. Their objective is to support companies with strong international potential: we think there are about one thousand such companies in France. They help them to develop their strategy, select relevant markets, and decide how to approach these markets.

Representatives of Coface *(Compagnie française d'assurance pour le commerce extérieur*: French insurance company for external trade), the centre of State guarantees, are also present in our regional headquarters in order to offer a complete range of resources on the same site.

Financing resources

Four forms of activity enable us to provide companies with the necessary financial means to work internationally.

First of all, we can supply equity in order to reinforce the company's structure.

Secondly, we can also offer companies development export loans lasting seven years with a grace period of two years. These loans enable the head of the company to finance his international development either for working capital requirements, or the acquisition or the creation of a subsidiary, or even to help towards the recruitment of a team. These loans are awarded without any guarantee and their sum may vary between 30,000 Euros and 5 million Euros.

Thirdly, we have recently decided to provide more help by offering short-term financing. Our Avance + Export scheme allows companies to have sufficient funds to settle payments made abroad by means of a committed credit line over a twelve-month period.

Lastly, in February 2015, we established a credit export scheme intended to finance sales made abroad in the medium- or long-term. This enables the exporter to offer his client the product and the financing of the product. This scheme is widely used for important contracts, but not used enough by SMEs and SMIs (Small and medium-sized industries). Our aim is to make them accessible, in particular to companies which sell capital goods.

Guarantee resources

As well as these direct financing resources, there are guarantee resources. Firstly, these are the Coface management of public guarantee resources which cover a great variety of needs from prospecting new markets to concluding contracts with down-payment guarantees, bid bonds, and completion bonds. They also include medium- and long-term credit insurance for export credits, and exchange guarantees which help SMEs and mid-cap companies protect themselves against exchange rate risks.

We include a guarantee to help companies to protect themselves when they invest in equity capital or in quasi-equity in a foreign subsidiary. Their investment may be guaranteed up to 50 % in the event of the subsidiary's business failure, with very advantageous conditions.

Developing our offer

We already offer a wide range of products, but we try to supplement this offer by developing our partnership with Business France. We realise that this offer corresponds to a real need not only in terms of financial resources, but also in ways in which we can support companies. SMEs and mid-cap companies do not always have the time or the necessary teams to discover new markets and to avoid the pitfalls which they may come across abroad.

Bpifrance's selection of companies

Question: *Does Bpifrance opt in favour of sponsorship, or does it select the companies it finances?*

Anne Guérin: Public funds are primarily intended for companies which are likely to grow and create jobs. Our aim is not to finance every project but to support companies which are the most likely to succeed or those whose management team is of such a calibre that ordinarily they will be able to overcome potential difficulties.

Q.: *What is your rate of selection?*

A. G.: There is no such thing as a 'rate of selection'. Our aim is to offer each company the product which is most suitable to its situation. For example, if we are not sure about offering direct financing because we do not know enough about the company, we act as guarantors for the bank.

Financing the creation of subsidiaries abroad

Q.: *Did GYS and Axon' ask Bpifrance (or its former owners) to finance the creation of their foreign subsidiaries?*

Bruno Bouygues: Like Axon', all the GYS subsidiaries were created using the International Volunteer Business Programme. We began eleven years ago, and approximately one hundred volunteers have worked for us for between six and twenty-four months. The young people who have benefitted from this experience provide the company with a fantastic reserve of talent. Having sent them abroad, we can then hire them as middle managers. Having multilingual employees in a company, based in Laval, is a rare asset and they are very precious to us.

Nonetheless, setting up a subsidiary is relatively expensive. Our German subsidiary required an investment of approximately 8 million Euros over eight years (a sum which included the purchase of the site, construction of the buildings, financial aid given to employees sent to Germany, research costs, and so on). This amount is slightly less than today's turnover (9 million Euros in 2014), and the subsidiary is only now starting to make a profit.

When I travelled abroad, I noticed HSBC's advertising posters in all the airports. When we were considering building a factory in China, we met with HSBC representatives in France. They thought our company was wonderful, but made it clear that it was impossible for them to finance a project situated in China from France. We also asked our Chinese banking partners, but they would not give us long-term financing conditions as they could only grant renewable yearly credit. We shied away from the idea of financing a factory with a banker who could decide to refuse us a credit line from one day to the next. In the end, all our subsidiaries were financed by the parent company using loans and injected capital. It is worth noting that in Germany there is a very interesting financial product which does not exist in France called 'quasi-equity' (or mezzanine financing) which makes it possible to finance a subsidiary with zero interest rates.

Joseph Puzo: At Axon', we only took on eighty International Business Volunteers. We shall have to put our skates on in order to catch up with GYS!

As far as State financing is concerned, I called on all the bodies, one by one, such as ANVAR (*Agence nationale de valorisation de la recherche* : French National Research Promotion Agency), Oséo, the BDPME (*Banque de développement des PME*: French development bank for SMEs), Sofaris (*Société française de garantie des financements des PME*: French company for guaranteeing financing for SMEs), Coface and Bpifrance. Each of the meetings was very useful. From time to time, I had to change my requests. For example, the first time I saw ANVAR, I requested money up-front, but I was told that ANVAR only financed innovation.

These bodies are very valuable in times of crisis. The simple fact that a technical Bpifrance auditor can carry out a positive assessment for a project is often enough to reassure the bankers. For example, in 2009,

two of my six bankers got cold feet and withdrew their backing, leaving the four others hesitant. However, when Bpifrance granted us a 50% guarantee, they felt relieved and reassured.

With hindsight, I think that any foreign subsidiary starts out by costing money. This continues for about the first ten years of its existence before it starts making any profit. This was the case in Scotland, for example, despite the Scottish love of the French. In Germany, we had to wait fifteen years before we started making a profit, however I did find out that the person in charge of the German subsidiary was taking money from the till and I sacked him.

As far as the Chinese subsidiary was concerned, I was advised to start by creating a company in Hong Kong to manage the subsidiary in order to facilitate the flow of money. I was unable to get the necessary bank loans and in the end all the investments were financed by the parent company. By chance, one of our clients was the Nortel Group (before it went bankrupt) and this helped us to earn money in China from the beginning of our second year. The third year, we decided to construct buildings rather than rent them, and therefore we started losing money until I realised that the manager of the subsidiary was also taking money from the till! When I replaced him with one of his assistants, the company started making money, and this enabled us to make sufficient money to pay back the parent company's loan.

At the same time, I found out that three employees had started working for their wives' companies while still on my company's payroll, and so I sacked them. This gave me the opportunity to appreciate the efficiency of Chinese courts regarding employment law. The three employees who were sacked for serious misconduct lodged an appeal with the industrial tribunal, but the tribunal ratified my dismissals and sentenced them to pay me six months' worth of wages each. When they did not comply quickly enough, the judge imposed daily penalties!

China, Germany and India

Q.: *Where do you think it is the most difficult to set up a company, China or Germany?*

B. B.: It is more or less the same. The governments work remarkably well in both countries and their justice systems are efficient. This is far from the case in India where one has to wait ten years before a case goes to trial.

J. P.: I agree that the Indians act as if they had all the time in the world. Perhaps this is because they believe in reincarnation! What normally would take a year takes four or five.

Q.: *Indian social systems are indecipherable and corruption there is abominable, but we cannot do without being there.*

B. B.: When you manufacture a product in a region in India, you have to obtain export documents to sell the product in a neighbouring Indian region. Our importers find it difficult to sell our products from region to region because of regulations regarding local transfers. Because of these idiosyncrasies of Indian culture and the need to build long-term business relationships, our Indian office is currently more of a cost to us than a source of profit. However, we are optimistic that the situation will turn around soon.

Vertical integration

Q.: *Is the strategy of vertical integration, which you have both adopted, a choice or a necessity?*

J. P.: Whenever you manufacture highly technical products, it is difficult to find suppliers. When producing cables for conductors which are thinner than a hair's width, one cannot use copper because merely blowing on it will break it. Therefore, one must resort to alloys, and these can only be found in Japan, a small number in the US, and now in China. Then there are problems with regard to supply.

When we started manufacturing conductor cables made from silver plate, the best manufacturer in the world was American. To secure our supplies, I bought a surface treatment company. Its products were mediocre but, by working on the quality, we got better results than with the American company. In the meantime, the American company started losing money. Had we not bought the surface treatment company, today we would have had to

get our supplies from Japan which is problematic because the Japanese always give priority to their own companies.

Vertical integration has also freed us from suppliers' constraints and deadlines, and allows us to innovate more. If on the same site you can master technologies as different as wire drawing, annealing, extrusion and plastic injection, it often happens that when specialists from these different technologies talk among themselves, new ideas emerge about how to make unusual combinations resulting in new products.

B. B.: We have also noticed that vertical integration has allowed us to become more competent and invent new processes at different points in the chain which result in the production of very innovative products. Like Joseph Puzo, we have realised that the more technical we become, the smaller the supplier ecosystem becomes because these suppliers are not able to follow changes in clients' requests. It is certain that we would not have been able to manufacture our most sophisticated products if we had not chosen a strategy of vertical integration.

Being the unique supplier

Q.: *What is Axon's market share in its market?*

J. P.: I am the only supplier for 80% of my clientele. Assessing a supplier is very expensive, and it is all the more expensive when the new product is highly technical. This also results in a scattering of information and heightens the risk to the safety of intellectual property. Therefore, it is best to work with a sole supplier. However, there are dangers with this too. If the sole supplier goes bankrupt, manufacturing processes can be set back for six months to a year. Therefore, one must keep up to date regularly about the supplier's operations and make sure that his finances are in order. All the major aeronautical manufacturers and industrial companies working in the space industry are very vigilant about this as are car manufacturers, apart from French car manufacturers…

Looking for talent

Q.: *How do you manage to attract good prospective employees to Montmirail and Laval?*

J. P.: When I decided to go upmarket, I tried to hire people who had experience in rival companies, but instead of combining their knowledge with what I wanted to do, they were happy to sit back and reproduce the model they already knew. Additionally, it was difficult to attract graduates to Montmirail, a large village with a population of 3,000 people, 30 kilometres from the nearest large town, and with no public transport. So I decided to hire complete beginners. To attract young people who had studied in Paris or Reims, I started offering them paid work experience for six months. This helped them to see what the company was like, what it was like to live in Montmirail, and hopefully encouraged them to stay longer.

B. B.: By contrast, Laval is a large town with a population of more than 20,000! In fact, when one introduces more technology and chooses to integrate vertically, the company slowly becomes a 'paradise for engineers'. At GYS, there is a research centre, a sheet metal shop, a wiring workshop with cables for electronics and also power cables (some of which operate at 15,000 amps), tanks for coating the electro-technical elements, plastics processing workshops, workshops for machining solids and making electronic cards, and finally 24 assembly lines producing 142 different machines with one million references. For an engineer, it is fascinating to be part of an innovation, to see prototypes and products which one has designed being manufactured very quickly, and also to be able to change activity easily while remaining in the same company.

In such circumstances, the main problem is to attract engineers to let them see our industrial tool. Once they have seen it, they can't sign the job contract fast enough!

Q.: *And their spouses?*

J. P.: In the beginning, I refused to hire their spouses. Today, I am not against it, but I make sure that the couple does not work in the same department. This is also true for parents and children. I have noticed that if several members of the same family work in the company this makes them more motivated.

Q.: *But how does one make a career in a small company?*

J. P.: Just as corporate acquisitions often result in failures, one can often have setbacks when one recruits managers from outside the company. This is why I always prefer internal promotion. If the person does not have all the necessary qualifications then one puts him in a team which can compensate for his shortcomings. For example, I put someone in charge of a subsidiary and I add a commercial assistant to help him in this area.

On the other hand, I never give anyone the title of 'director'. If I have made a 'casting error', this allows me to move the person to another position without humiliating him by losing his 'director' title. For example, it may happen that someone who is very good at managing a workshop with fifty people is no good in charge of four hundred people if the company should suddenly grow very quickly. If I put him in charge of a team of fifty people, he will be very good again. By refraining from giving him or her the title of 'director', I do not need to sack someone who is unable to follow the company's development.

Inversely, if a manager complains to me that he has not been promoted, I answer 'Me neither! I've had the same job for the past twenty-five years. Having said that, the work I do today is much more complicated, interesting and enjoyable than the work I did in 1980.' When the manager of a subsidiary expands its activity and its team increases, this in itself constitutes a form of promotion.

Presentation of the speakers

Bruno Bouygues: graduate of ESTP (*École spéciale des travaux publics, du bâtiment et de l'industrie*), MIT (Massachusetts Institute of Technology), and the INSEAD Business School. He worked for Merrill Lynch, Société Générale and Oliver Wyman. He has been managing director of GYS for eleven years. He is a member of the YPO (Young Presidents' Organization) network and the UIMM (*Union des Industries et Métiers de la Métallurgie*) Mayenne committee.

■ www.gys.fr.

Anne Guérin: graduate of ESCP Europe. She was the chargé d'affaires for CEPME (*Crédit d'équipement des petites et moyennes entreprises*) for nine years before she joined Avenir Entreprises, the capital investment structure of the group in 2000. In 2008, she was appointed regional director (Île-de-France Ouest) for Bpifrance and became International Finance director in 2014 with the aim of launching a new credit export activity for Bpifrance.

■ www.bpifrance.fr.

Joseph Puzo: graduate of INSA (electronic engineering) and the INSEAD Business School. He worked for IBM in Paris for seven years as a technical sales engineer before working for Omega in Switzerland for four years as Diversification project manager. He has been CEO of Axon'Cable in Montmirail (*département* of Marne) since 1980. He is a member of the Académie des technologies.

■ www.axon-cable.com.

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