

HENRI HAMELÍN: THE CAREER PATH AN ENTREPRENEUR¹

THE ORIGINS OF HENRI HAMELÍN

Inspired by his father's passion for business, Henri began studying Business Administration at a French school² in 1983, with semesters in London and Madrid. Henri chose to specialize in finance.

First jobs

In May 1987, Henri joined BNP³ as a stockbroker with a planned three-year training program that included stays in Madrid, Chicago, Paris, Tokyo, and other top stock markets. However, after a few months – on Monday, October 19th, 1987 – one of the biggest crashes in the history of the world stock exchange cut his training plans short and led him to change companies.

Henri joined Fimestic⁴ (hereafter Cetelem) in February 1988. For the position of general director of the new Spanish subsidiary, the company had hired a French manager who did not speak Spanish. Henri was the second employee and was to take charge of the marketing area and basically anything the general director needed help with. Henri said:

"In eight months, our team had grown to fifty people. I learned a lot about marketing and segmentation, considering the loans we offered were aimed at the consumer and it was essential to know everything about our customers: who they were, how much they made, where they lived, their payment profiles, etc. I

¹ This is a case of the Research Division of San Telmo Business School, Spain. It has been written by Professor Bassem Nwelati Artillo of San Telmo Business School and is intended as a basis for class discussion only and not to illustrate any judgement on the effective or ineffective management of a specific situation.

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² Not a university but a private business school.

³ Banque Nationale de Paris.

⁴ French international banking group specializing in consumer credit. Founded in 1953, it was renamed Cetelem and subsequently acquired by BNP Paribas in 2001.

had to conduct extensive market research and find a marketing service provider to help us with mailing campaigns. This service provider was Directing."

DIRECTING: THE FIRST ENTREPRENEURIAL VENTURE

The Spanish subsidiary of Directing was founded in 1988 on the initiative of a French publicist who moved to Madrid when the multinational where her husband worked relocated the family. She brought the proposition to create a subsidiary in Spain to the founding partners of the French group.

Directing's initial value proposition to companies was the acquisition of new customers for them. The business involved obtaining large databases of individuals, sorted and segmented to approach them by mail with commercial offers on pension funds, personal loans, or encyclopedias, among many other products. The services were typically hired for specific campaigns. Therefore, revenues were uncertain, and there was no long-term commitment on the client's part.

Henri's relationship with Directing was so close that when the general director moved to a different country in mid-1991, he was offered to fill her position. Cetelem was his main client in Spain and, coincidentally, Henri had signed a one-year service contract between the two companies only weeks before his departure. Henri agreed with his former boss that Cetelem would receive preferential treatment and that he would function as an external marketing manager. Henri said:

"This felt like a great career opportunity. Directing belonged to one of France's most important communication and marketing groups with a client portfolio of more than 400 companies worldwide. I was told that the company had an excellent client base and the possibility of accessing the accounts of more French companies with subsidiaries in Spain. Moreover, considering how direct marketing had developed in France and the United Kingdom, I could sense Spain had much potential.

Also, the former general director had built a great team of young creatives who had relatively low salaries. As for the clients, this lady had excellent PR skills and was a talented salesperson, landing five very important accounts, including Cetelem, Abbott, and a major Spanish media outlet."

Shortly after taking over, Henri noticed that cash levels were very low and asked to see the financial reports, but the accounts were not up to date. He immediately hired an accountant and soon found out that the company had negative equity⁵. Directing's clients were generally good payers but Directing had cash flow problems, which had

⁵ The company had been incorporated with very low capital stock, and accumulated losses put the company in a tough situation.

temporarily been resolved through loans from the French parent company via credit facility (already fully drawn down) and recurring delays in paying suppliers.

In November 1991, when Henri was 27, he called a meeting with the Group's global CEO. He went to Paris with a lawyer and explained the delicate financial situation of the Spanish subsidiary. With the lawyer's support, Henri offered two options: 1) file for bankruptcy, liquidate the company, and face closure costs of more than 180,000⁶ EUR; or 2) sign a purchase agreement. The meeting began at eight in the afternoon and ended at two in the morning of the following day with a purchase agreement for one peseta⁷.

Directing's Business

Directing's entire business was based on having a good, updated customer database. Segmentation was vital as it made it possible to target marketing activities that were more efficient than conventional ones. Henri explained:

"Mastering marketing techniques enabled us to offer major brands customer acquisition and loyalty programs. For example, we created a large database for Nestlé through the Nescafé coupons that customers returned for the "A salary for life" campaign, where consumers entered a sweepstakes for a monthly salary for life. These databases were then used for loyalty programs. The combination of customer acquisition and loyalty campaigns set us apart from the competition at a time when relationship marketing and loyalty marketing were becoming increasingly important for large companies."

In 1995, Henri hired a classmate from his MBA program at a prestigious business school. The new hire was a doctor with experience in the marketing industry, and together they developed a line of direct marketing services specifically aimed at the pharmaceutical industry. Large multinational laboratories hired these services to send commercial information to doctors, sales representatives, OR managers, and hospital purchasing department managers through Directing. In this way, Directing extended its business towards the loyalty of prescribers in the health industry and inspired other loyalty lines for shareholders of companies such as Telefónica and Argentaria⁸.

That same year, they entered a joint venture with Fujitsu to explore the Internet marketing business, which was starting to take off. The company was called "webvertising" but did not have a trajectory worth mentioning.

The industry

In the advertising, marketing, and communication industry, companies and professionals used to fight for large advertising campaigns in mass media, including

⁶ The Euro was not yet a currency at that time; the amount was 30 million pesetas.

⁷ The peseta was the legal tender in Spain until January 1st, 1999. The conversion rate was 166.386 pesetas/euro.

⁸ A bank that would eventually become part of BBVA.