



## Individual capitalism

**At a time when business and industry are going through mega-changes and Wall Street capitalism comes under fire, the energy and innovation of the entrepreneur are more important than ever, says the founder and CEO of Ariadne Capital.**

It takes a certain kind of person to be an entrepreneur. **Julie Meyer** (MBA '97D), founder and CEO of London-based Ariadne Capital, is such a person.

“Being an entrepreneur can rip through your personal life and be all consuming,” she says of the need to spend the kind of time and focus necessary to getting an idea off the ground. Yet in Europe, where Meyer is based, she says she is seeing a group of entrepreneurs who are working furiously to create game-changing new products, selling them for large amounts of money and then going back and doing it all over again – becoming ‘serial entrepreneurs.’

In 2000, Meyer herself created a unique model for the financing of entrepreneurship in Europe and the UK, which she describes as “Entrepreneurs Backing Entrepreneurs”, which connects potential investors with entrepreneurs who have creative, industry-changing solutions to bring to market.

### The Steve Jobs model

These individuals are living out the model set by the late Steve Jobs, who worked for years to build Apple from his garage. INSEAD Knowledge asked Meyer how she believes Apple will fare without Jobs. She

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says that the legacy of Steve Jobs will live on, because his genius went far beyond his ability to create computers and phones. “People focus too much on his unbelievable knack and intuition for beautiful devices,” she says. “What he really was, at least from my perspective, was an industry architect. He took on the mobile carriers and the music industry - two very large industries that were stifling innovation. Jobs rewrote the economics of these industries and that is not going to change overnight.” Meyer acknowledges that there is a certain amount of genius that the world will no longer be able to absorb. However, Jobs created what she describes as “Ecosystem Economics (TM)”, in which companies and industries are mutually dependent. “The world has gone network and he understood that before anyone else,” she says.

While Steve Jobs was a remarkable entrepreneur, Meyer says she has found entrepreneurs with brilliant ideas everywhere she looks. At first, she assumed that innovation was happening primarily in the fields of media and financial services. Yet in fields as established as construction, property development, and oil and gas, she has found entrepreneurs attempting to transform and grow these industries with enabling technologies. Meyer believes that these entrepreneurs are the solution to the economic problems that ail the world.

## Growth your way out

“The GDP that we crave in Europe and North America has got to come from new growth and new revenue,” claims Meyers. “There is only so much you can iterate; there is only so much cost that you can take out of the system.” While large corporations have many assets such as established brands, customers, and the ability to scale, they do not tend to be good at innovation.

Meyer believes that entrepreneurs are well placed to rejuvenate the large, established industries by creating new revenue streams and creating high-growth business models. She describes the relationship between the individual entrepreneur and the corporation as, “a game of asymmetrical warfare”. It is a David and Goliath situation, with small startups challenging the business models of large, established companies. Meyer says, “I’ll put my money on the digital Davids to transform those Goliaths.”

Meyer believes that the way out of the global recession must come from growth, not just cutting back. Smart corporations must have the foresight to see where the world is headed and allow entrepreneurs to hop on their backs to produce new revenue streams. Ultimately, some subset of this new revenue will go back into national treasures and will get recycled back into public services. “If we want to continue living the way that we do, we’ve got to drive revenue.” Meyer believes governments should create incentives that will allow corporations to invest in entrepreneurs who will produce the enabling technologies and high-growth business models of the future, thus creating new kinds of jobs and reshaping society.

Meyer has devoted her career to entrepreneurship because she firmly believes that the world is changing so that the unit of capitalism has shifted from the corporate to the individual. To Meyer, entrepreneurship, or individual capitalism, is a powerful force because, “it aligns and releases people’s ingenuity for solving the world’s problems at macro and micro levels as well as accelerating the future”.

As the market moves towards the web and the internet, Meyer says that people no longer need to work for multinationals to make a difference in the world. They can do so from the kitchen table at home. “Some people - men and women of all ages - want to take their expertise to the world. They want to set up e-commerce businesses or be consultants. They want to work for themselves and just be a one-man band out of their home.”

## The future is feminine

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If Meyer is betting on entrepreneurs as the future, she is also betting on women. She believes that the world is becoming feminine. By this, she means that the characteristics that have been historically aligned with women’s leadership such as a focus on the group dynamic, careful listening, empathy, and high emotional intelligence, are coming into ascendency. In the new world order where everybody is socially in networks, women’s interest in the group is now more relevant to how society works.

In her own life, Meyer has noticed that women, like herself, who have had strong relationships with their fathers, have grown to be confident, empowered adults. To encourage more fathers to develop bonds with their daughters, Meyer started the Dads and Daughters Foundation. She believes that it is crucial for young girls to receive the message from their fathers that they can succeed at anything that they set their minds to. Instead, most girls are told from an early age that what matters is how pretty they are or whether they have a husband. “I think that everybody has an important contribution to make,” says Meyer. “If we’re not telling our young girls that, why should we be surprised that by age twenty-three they are freaking out because they are not married?”

Meyer believes that women’s success should be driven internally, from their confident and empowered outlook, rather than from external quotas. Quotas, she says, can end up disempowering women. “Men will never accept someone who is there because of a handicap.” In fact, she is glad that there were no quotas in place when she was younger, because she may have been asked to be on boards by virtue of her gender, rather than her experience and expertise. “I know that today I am chosen because I understand entrepreneurial culture and understand business models. My voice is not neutered because I’m there for a reason.”

Meyer is hugely optimistic about women’s future in the global marketplace. She believes that now is the time for women to shine. “Although there is still huge exploitation of women - there are awful things happening everywhere in the world - there is one thing I know. In twenty years’ time, we are going to see a world that has been shaped by women. At the country level, at the company level, at the family level. Women’s role in society is definitely on the rise and I feel really fantastic about that.”

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