



# How proper use of money can foster economic and social progress.

19th November 2009 / Auditorium / 11.00 am

**G rard MULLIEZ**

Founder - Groupe AUCHAN (France)

**Philippe VASSEUR**

Pr sident - World Forum Lille (France)

The speaker for this lecture was a member of the wealthiest French family, an entrepreneur and leader of the second largest superstore chain that sells consumer goods throughout the world. This is one of the businesses under the umbrella of AFM (Association Familiale Mulliez). This presentation was delivered in the form of an interview with one speaker asking questions selected from the hundreds that were specifically sent for Mr. Mulliez.

Mr Mulliez started introducing his business by pointing out the fact that his family is employing around 350,000 people in France.

The second most important thing we can stress in his speech was his modesty when explaining the way of leading the family business. Although top management wages differ up to between 200-300 times compared with those of operational level employees in large corporations, the difference is close to 17 in Mr Mulliez's company.

Mr Mulliez, along with his brothers and sisters, was raised learning how to earn a living even though he had plenty of money. When he was only 10 years old, he competed in gardening competitions with his older cousins so that he could earn money. Being a gardener taught him to value others' work and time.

His education on how to respect one's work shaped his business approach. Mr Mulliez argues that his parents forbade him to subscribe to loans, so he needed to sell his heritage to finance his first ventures and even his wedding.

Later, Mr Mulliez explained what the key elements for his success in business are. Although he suffered failures the first time he entered private equity, he never gave up. Then, he managed to create the company based on his ideals that is to say trust, transparency and ownership.

Though not being listed, share options are a success within the corporation, and eventually became the core element to running the business. Today 200,000 employees are owning shares worth 2.5 billion euros. According to Mr Mulliez, it is a competitive advantage indeed and it boosts his company because it makes employees even more likely to care for the firm, be dedicated to their tasks, and makes them feel like working for it. In addition to this, his organization only pays 1% of the profit as dividends, therefore keeping the pace with the philosophy of saving money. Almost all earnings are reinvested so the company can stay sustainable.



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When faced with the question of whether his model will be a success in the future, he answered with great passion by saying that he believes in success and if his family, customers, and employees keep on this way, there will be no problem for sure.