

the lyone's roar

DOMINIQUE LYONE

FACING BANKRUPTCY, *Dominique Lyone* made a DAVID AND GOLIATH move into a SPACE dominated by a GLOBAL COMPETITOR and managed to WIN his own niche in the industry, turning over MILLIONS OF DOLLARS a year.

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When Dominique Lyone sold his car to start COS, Complete Office Supplies, in 1976, he had no idea how much the industry was about to change in the coming decades.

He had previously been a successful salesman for a company that sold typewriter parts, and realised how much potential there was to sell a greater variety of supplies to offices, such as pens, pencils and paper.

The only problem was there was already a big multinational company supplying the majority of companies around Australia and it seemed there wasn't much room for a young man in his early 20s in the industry.

Still, he was convinced he could offer better service and so decided to take the profit from his car sale – just a couple of thousand dollars – and start up COS.

He believes this entrepreneurial streak probably came from watching his dad run a small typewriter repair business back in Egypt, before he moved 'Down Under' at the age of 13. "Australia was this land of opportunity to me," he explains. "And I really thought that the business was worth taking a chance on."

It's this type of foresight that would help Dominique grow COS into a brand with 300 staff and an annual turnover of AU\$115 million and growing. But, of course, there were some (rather large) bumps along the way.

"My business has really been a David and Goliath kind of story and it continues to be, even now that I'm bigger. I still come up against global companies, it's just a bigger Goliath than it used to be – right now despite our healthy profits we only own 10 per cent of the industry," he explains.

During COS' first decade, business was booming – Dominique even branched out into retail with a little corner shop in the



'80s and it succeeded. "It made me think, 'Oh my god! This is it!' and I decided retail was my future," he explains. In order to fund that growth, he was advised to start borrowing money from banks and creditors. "I convinced my father to give me all of his superannuation payment in a lump sum and told him that we could set up a store with it and be set for life. I thought I was bulletproof."

But unfortunately the economy took a downturn and Dominique and his family lost everything.

"The store went, everything went. I was advised to declare bankruptcy," he says. On the verge of calling it quits, Dominique was looking into getting a full-time job with a big company, until a friend sat him down and told him he was being irresponsible.

"I had got this company into this mess and now I was going to get this cushy job with a pay cheque while a whole lot of creditors were going to lose money," he says. "I decided if I had any level of

responsibility I would use the skills I was about to give to this other company and use them myself. It was a tough night, but very influential," Dominique says.

He decided to stick with the company, pulled out of the retail market and focused instead on the business-to-business model that had provided his initial growth. But first he had to look his creditors in the eye one by one, and tell them he had screwed up. "I owed about half a million at that point," he explains. "It took me about three years to get back to zero."

That huge crash inspired him to educate himself further and spend more time working on the business. So he signed up to a course run by up-and-coming financial guru Robert Kiyosaki of *Rich Dad, Poor Dad* fame. "It was all about personal responsibility – what is it about you that's holding you back from playing a bigger game? I started looking at things from another angle, and saying things like, 'so what is it that I don't have that my bigger competitors have?'"

He realised they all had the same products and brands and so technically he had the same potential to make as much as the big guys. He took on a business development manager and starting pumping the sales side of things, and by the early '90s COS was growing once more and was turning over a profit of AU\$8 million.

A big turning point for the company was being appointed by Caltex as their supplier – a customer that was 10 times bigger than anyone COS had worked with before. "It gave me the confidence to go for bigger and bigger pieces of business," explains Dominique. "I began to understand the different needs of a large organisation and made it my business to align our objective and our value proposition to address those needs. The better we did that, the more work we got." >

In 1998, realising how important the internet would be, Dominique developed the industry's first company web-based ordering system, known as COSnet, which now drives over 75 per cent of the company's sales.

COS has since expanded greatly into technological products, as well as kitchen supplies, but Dominique believes that with their solid business model, their business doesn't have to change much, just the products they sell.

"There isn't a limit to my expansion now, but we need to keep on top of the way the industry is changing and maturing into something else that involves less paper and pens," he says.

"There's huge online opportunities – we already have the logistical capability to take an order by 5.30pm and have it delivered the next morning. So expanding into other categories is full of possibilities. No matter what we sell, products will always need to be moved."

He now hopes to continue to turn a profit, but also wants more for his little company.

"My dream today is that COS becomes an iconic Australian brand. I tell my staff that I hope one day we can tell our grandkids that when the company was really small we had something to do with it," says Dominique. "That's where I want to take things."

And while his biggest challenge – the omnipresent multinational competitor – hasn't gone away, he still believes that there are things he continues to offer his customers that they can't.

"I've never stated that I wanted to be the biggest, but I have always wanted to be the best at what I do. Our customer experience is better than the global players," he says. That's something he hopes will inspire entrepreneurs. "Today, a lot of the competition is global, but I truly

Wise words

believe having a locally owned company provides better results for the clients," he adds. And that's what keeps him fighting.

DOMINIQUE'S TOP ADVICE

FAILURE: "Every time you fail you are one step closer to success so you need to be okay with failing a lot. Fear of failure and therefore never taking a risk is the biggest reason why people never live the dream and keep playing small with their lives."

LEADERSHIP: "Leadership is not something that is given to you, rather you have to choose to be a leader – remember 'if it is to be it is up to me'. These 10 two-letter words have motivated me to take the lead countless times."

VISION AND MISSION: "An entrepreneur will usually have a vision, the big picture idea of where we want to go – the challenge is articulating that vision with clarity. That becomes the glue that will make talent stick with you, customers want to support you and investors put their money into you."

CULTURE: "Culture is crucial and is driven by the owner and the executive team – know that your staff are crucial to your success and accept responsibility for their performance instead of laying blame."

FOCUSING TIME AND ENERGY: "Personal discipline will be your biggest friend. We all have the same time resources – 24 hours a day. But you need to spend a reasonable percentage of your time on the business, not just in it, if growth is of interest."

TALENT: "The competition for talent is at an all-time high at present so you need to keep them engaged. Most human beings want to be acknowledged and appreciated for their contribution, so get out of your seat and walk about the office to find a reason to say well done and thank you."

WHAT'S THE ONE THING YOU'D WISH YOU'D KNOWN BEFORE STARTING OUT...

"I can't really remember back that far – it was 37 years ago!" jokes Dominique. "But I suppose I wish I'd trusted my instincts more – before we almost went bankrupt, everyone was telling me to borrow, borrow, borrow and keep growing the company, but instinctually I knew it was a problem. I wish I'd learned to listen to that." ■

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