

Update



DIRECTOR OF THE MONTH

SHAKS GHOSH

Chief executive, Private Equity Foundation

Accusations that private equity achieves results through risky financial trickery, combined with the vast rewards reaped by private equity directors have resulted in a less than favourable image for the sector. But Shaks Ghosh, the former head of homelessness charity Crisis and now chief executive at the Private Equity Foundation (PEF), has seen the positive face of the industry. "You would not believe the amount of time they [private equity firms] put into the PEF," she says. "Every day I meet dynamic, stimulating people who are genuine, →

committed and who really want to make a difference. And they want to see their money being used effectively.”

The foundation’s mission is to empower young people to reach their full potential (to be “learners, workers and good citizens”) by investing money and expertise from the private equity community to help charities grow and have more impact. If Ghosh thought for a minute that the sector was involved merely for enhancing its reputation, she wouldn’t be there. “If this was just about PR, they’d write me a cheque and go away,” she says. “These people are successful because they’ve looked after their money; they’re used to making a difference, having an impact, and by being involved in the foundation they could be doing something world-changing.”

Ghosh is accustomed to defending her cause. When she led the repositioning of Crisis from focusing on feeding and housing the homeless to delivering education and skills, she came in for flak. But all change is difficult, she reasons. “What we did was focus the organisation on helping people to rebuild their lives. We closed down a lot of the old services, and that wasn’t easy. It took a long time to persuade people that this was the right way forward. But the reality is probably that Crisis would have been an irrelevance if we had stayed the same as we were.”

Ghosh loves the foundation’s collaborative business model: “Private equity firms are giving collectively through the PEF with considerably more impact. And we run our portfolio [currently 13 charities] pretty much like a private equity

“WE DON’T BELIEVE IN DRIBBLING MONEY INTO THE SAND”

firm. We’re saying to the charities, ‘by working together we can shift the needle on the important social issue of disadvantaged young people.’”

The foundation intends to have only up to 16 charities in its portfolio at any one time. Once it has helped those to scale, they will exit and be replaced. “We rarely give anything less than £500,000,” says Ghosh. “We don’t believe in dribbling money into the sand. It’s large amounts of money to make a really big difference. We’ve got a mix of charity and business that I hope will affect powerful social change.”

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WHAT’S THE BUZZ?

The future for organic producers

£2.2bn

The value of the UK organic food and drink market in 2007

£37m

Total weekly sales of organic produce in the UK. Consumers living in London, the south-east, the south-west and Wales are most likely to buy organic food

£190m

The value of the UK natural and organic beauty market in 2007

£107m

The value of the UK market for organic cotton products

£4bn

The Organic Trade Board’s target for the value of the organic market by 2012

Source: Organic Monitor and the Soil Association

The Co-operative Bank’s ninth ethical consumerism report, published last November, found that spending on ethical food and drink (which includes organic products) was up by 14 per cent to £5.8bn. In the same month, Mintel produced research saying: “As a result of the current economic climate, as many as half (48 per cent) of all organic shoppers will reduce or even give up buying organic food in the next year alone.”

Two directors in the organic sector see no reason to panic. Samantha Burton, founder of organic product specialist So Organic, says it’s not a gloomy picture. “Those consumers who have just started buying organic or those who are not committed might stop buying organic products in favour of cheaper alternatives,” she says. “But it will be a much harder decision for committed consumers who are absolutely aware that these products are better for them and the planet.”

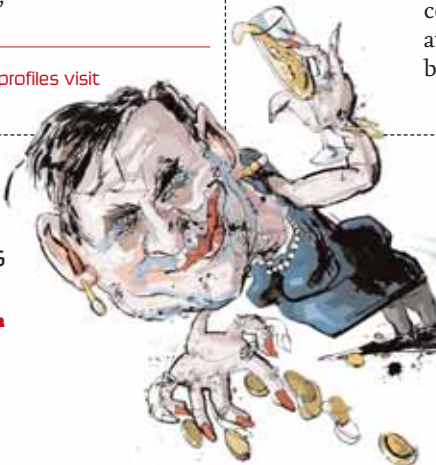
But if the sector cares about

its future, warns Burton, it must produce “really good quality products that have another USP other than organic”.

Abi Weeds, co-founder of organic health and beauty business Essential Care, says those businesses that focus on good value with uncompromising principles will survive.

“Organic is not just a one-trick pony that has to rely on being in fashion to grow,” she says. “It appeals to a huge range of customers for very different reasons.” Nevertheless, she plans to make sure her own firm’s customer service is exemplary this year, and that it releases the kinds of new products buyers are demanding.

Food for thought: Samantha Burton of So Organic says committed consumers will think carefully before turning away from organic products



“I didn’t lay on private jets. They either came in their own private jets or by regular airline”

Hotelier Sol Kerzner says the £15m launch party of Dubai’s Atlantis resort was a frugal affair

“He’s like some sherry-crazed dowager who’s lost the family silver at roulette”

London mayor Boris Johnson on Gordon Brown’s handling of the financial crisis

“We did sell all our gooseneck barnacles, but I still have Taiwanese milk fish in the freezer”

Running a mail order fishmonger business throws up challenges, says Alistair Blair