**FLOTILLACAPITAL**  
*A Business Model for the 21st Century*

This is a brief Paper covering the salient features of FlotillaCapital-ism and puts forward an argument of why its time has come.

The dictionary definition of a Flotilla is “a grouping of generally small boats/craft” – in contrast say to a Fleet an Armada or a Convoy- which has more militaristic connotations.

A further defining feature is that a Flotilla is generally heading in the same overall direction, sailing toward a common destination. It does not however have implications of pecking order/prioritisation, one behind the other. Indeed, the boats are all sailing in harmony, they are helping each other if so required along the voyage, and there is no friction/anxiety- they are united in journeying along the same compass bearing – the speed each one goes is up to each one, and it is not a race/winner takes all.

Furthermore, a Flotilla will gather up other craft along the way- there is no bar as to any craft joining the Flotilla from the almost limitless horizons of its journey ; indeed joining the Nikken Flotilla costs £43-00 (the approx equivalent of one tank of petrol in a mid size Family car in the UK), and you must be over 18yrs of age.

Significantly, the Flotilla has one larger Vessel in the background- this has a role which is a combination of:

i) A Mother ship which sets the overall direction, the speed, and the core operating practices, business model, and

ii) A Tender ship- ie one which contains all the raw materials, the victuals, the stores, the training/know-how/technical support for each member of the Flotilla.

This Vessel, Nikken, is a Japan founded R&D organization, celebrated its 30th birthday in May 2005, is 5A Rated by D&B, and operates in over 35 countries with sales thru its distribution network now in excess of $2.0 billion per annum, with a business plan stretching far into the 21st century; indeed its 2010Vision is to be in 100 countries and to have created 10,000 Healthy Millionaires….and it is wholly on track to achieve this.

The Vessel is not in competition with its Flotilla- indeed the health and success of its flotilla is directly reflected in the health of the Vessel and vice versa- ie total mutual Inter-dependence (and therefore mutual Trust).

The core feature of the business model is that it takes the best aspects of the two most highly respected existing business structures evolved over centuries, namely

i) The Corporate triangular/hierarchical/pyramid model of every Corporate entity worldwide, but which has all its dependency relationships/pressure points from CEO to most junior clerk within it, and

ii) The Franchise distribution model which allows for some greater independence/growth but within a certain framework (eg the Golden Arches of McDonalds)

In Nikken however, one becomes not only a Franchisee but also in offering the opportunity to others, one becomes a Franchisor; the model is wholly transparent/no secrets, and is absolutely geared to blossom in the Internet era- where each small craft
can communicate directly with the Tender Ship for replenishment/resource etc instantaneously 24x7- and thus there is no pecking order/processing/payment flows between members of the Flotilla. Each little boat can grow as fast as it decides- and some have become highly successful with businesses spread in countries around the world.

Furthermore, it is substantially the most efficient model- because there is minimal overhead. Each member of the Flotilla is their own business, independent from each other and there are no middlemen/bricks and mortar overheads. At one end, the raw material/product set is procured by Nikken to a very high standard spec (Nikken is fundamentally an R&D organization), and subsequent overheads thru delivery to the Distribution network at wholesale price and on to the end customer (at a recommended retail price) are minimal- ie the end price is highly competitive for a top quality product.

We believe that this concept of FlotillaCapital-ism is set to boom in the 21st century networked world- as a healthy and natural counterweight to the march of mega-corporations/mergers with global reach at the other end of the spectrum. The two are complimentary, to some extent inevitable, and mutually balance each other in the inexorable trends of globalisation/ interconnectivity. Arguably the organizations stuck half way along the spectrum will have problems- we are already seeing such pressures in traditional High Street Retail today.

Finally, in Nikken we are involved in addressing what is undeniably one of the biggest, (maybe the biggest) challenge facing Humans in the 21st Century- namely Wellness in an aging population (baby boomers) - and one where the upsides are enormous, and the business itself is wholly a satisfying activity for all parties. Striving to keep people (and indeed animals/pets) in Wellness rather than waiting until they have to go to the National “Sickness” Service is surely a good thing. The product set is non-intrusive to everyday lifestyle, all built around things we do/things we use/we wear/we ingest every day , as opposed to “nice-to-have, but not essential”

If you feel a stirring of interest (“this is the kind of business what I have been looking for”), please contact Tania or John Bullard - and we will give you plenty of opportunity to assess the overall Flotilla- it is great fun, aswell as being a worthwhile voyage.

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