

MALTA'S LEADING BUSINESSMEN

SHARE THEIR VIEWS ON DIVERSIFICATION

BUSINESS DIVERSIFICATION IS REGARDED AS 'VITAL' FOR GROWTH BY MANY OF THE ISLANDS' MOST PROMINENT BUSINESSMEN, ESPECIALLY IN A SMALL MARKET SUCH AS MALTA. CHIARA BONELLO SOUNDS OUT MALTA'S TOP BUSINESSMEN WHO DESCRIBE THEIR JOURNEY, AS DIVERSIFICATION HAS MADE THEM A FORCE TO CONTEND WITH IN THE BUSINESS WORLD. THEY DISCUSS THEIR VIEWS ON THE IMPORTANCE OF DIVERSIFICATION, ESPECIALLY IN THE LIGHT OF INCREASING MARKET COMPETITION AND THE CURRENT ECONOMIC CLIMATE.



"Keeping all one's eggs in a single basket is a risky affair, since market failure in the only market an enterprise operates in will lead to the failure of the business," well-known AX Group Chairman Anglu Xuereb warns, adding that he puts the continuing growth of his Group down to diversification, a principle he believes is applicable to all businesses that wish to grow.

At the tender age of 22, Mr Xuereb founded AX Group, fuelled with determination to create his own business. He started his career by

carrying out small construction jobs and within eight years had established himself as one of the country's leading contractors.

Mr Xuereb agrees that it is only once a company has garnered enough strength in another market and has the necessary free resources, that it should consider diversification.

"With a strong position in the construction industry, I realised that there was potential for success and growth in the hospitality industry and built the Group's first hotel, quickly followed by the Suncrest Hotel. Today the Group administers five hotel properties, among them the deluxe boutique The Palace in Sliema, and is actively looking for further investment opportunities," he says.

"A very important rule to observe is to diversify in areas where the organisation already has a certain level of expertise. During 'good

times' one should never let one's guard down about the dangers of rash investments," Mr Xuereb says.

Commenting on competition today, Angelo Xuereb states that the strength of an organisation lies mostly in its originality and innovation. Areas which are unexploited come up from time to time, however Maltese markets are pretty cut-throat due to their size and quick saturation. Opportunities in diversification also exist in extending the diversification process to foreign markets, particularly those third-world markets which are still not mature and are ripe for investment, he explains.



Anglu Xuereb - Chairman AX Holdings Group, with his daughter Denise

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