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Oliver Shah Agenda

Even if he's right, Stelios is throttling easyJet

It's not what you said, it's the way that you said it. Who hasn't been chastised after making a decent argument a little too aggressively? It's a shame no one took Sir Stelios Haji-Ioannou aside before his latest tirade at easyJet, because the way he has hurled his toys at the board obscures some valid points.

Monaco's toddler king had barely wiped the crumbs of a £60m dividend from his mouth in March when he fired off an epic letter to the budget airline he founded, warning that £4.5bn of payments scheduled to Airbus for 107 planes over the next three years represented "the largest single threat to the solvency of the company". Never mind the £1.8bn of payouts easyJet has distributed since 2012 – of which Sir Stelios, 53, has devoured £620m.

The collapse in air travel – which will be exacerbated if Boris Johnson goes ahead with plans for a 14-day quarantine period for arrivals – has left easyJet badly exposed. Like most founders who have risked their own capital, Sir Stelios has an instinctive feel for the market in a way hired hands often don't. The aviation slump could last for years and Airbus is in no position to negotiate hard. Taking a tough line with the Franco-German combine may well be the right thing to do. The easyJet board has been in no danger of looking overly alert, with 75-year-old chairman John Barton deciding that July will be the perfect time to take on an additional chairmanship at Ted Baker, the retailer of floral shirts that has also had one or two issues with its founder.

Yet the way Sir Stelios has gone about communicating has alienated the board and set up a showdown this Friday, when shareholders will vote on his proposal to oust Barton, chief executive Johan Lundgren and two other directors. The tycoon threw a tantrum from the start, threatening to sue the bosses if "a single penny" were given to Airbus between the grounding of the fleet and any insolvency or emergency equity raising. He insinuated that Airbus might have paid bribes to easyJet affiliates for clinching the deal, which easyJet has denied.

Sir Stelios doubled down on the latter point last Tuesday with a stock market statement offering up to £5m for any information (the address he supplied, easyJet-airbus-scandal@stelios.com, suggested he may have rather pre-judged the outcome).

There is a broader point. Entrepreneurs have the energy and the vision to create businesses, but they often lack the patience or the tact to pilot them after they reach a certain size.

Rico Back, founder of European parcel delivery business GLS, abruptly resigned as chief executive of Royal Mail on Friday. Back, 66, was highly regarded for the way he built GLS, which was bought by Royal Mail in 1999, but came a cropper trying to run the 500-year-old postal service from Switzerland. He failed to manage its relationship with the Communication Workers Union, whose members voted to strike in March. The skills that make someone successful in growing a young business tend to make them unsuited to managing a more mature one. The Jeff Bezoses and Bill Gateses are few and far between.

It is a rare entrepreneur that realises this. Nick Robertson stepped back elegantly at Asos, but most either hang on too long or leave and come back. It was ominous that Sir Stelios stood down early as chairman in 2002 not because he wanted to do other things but because of pressure from institutional investors. When he left the board altogether in 2010, he did so for "greater freedom" to influence easyJet's strategy.

Sir Stelios undoubtedly has sense on his side when he says the next three years should be about conserving cash, but his style has been polarising and

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unconstructive. It is no coincidence that easyJet took off as a professionally run company after he stood down, nor that he has had similar gripes with successive management teams. Whatever the outcome of Friday's vote, Sir Stelios's wobbler has destabilised the group at a turbulent time and will do nothing to strengthen its hand with Airbus.

Go big and go early

One of the most surprising things about stock markets, other than their V-shaped recovery on both sides of the Atlantic – which seems to have been fuelled by the belief that central banks will provide a safety net and the worst is already behind us – has been investors' appetite for putting in new equity.

By the first Thursday of this month, almost 50 listed companies had raised more than £4bn, according to the broker Peel Hunt. This has not been without controversy: the money has come via "placings", which allow groups to tap the market for up to 20% of their capital quickly and easily, without giving existing investors right of refusal.

That means retail shareholders are diluted and left out of any share price bounce that follows. Estate agency Foxtons and Wagamama owner Restaurant Group were both criticised for this last week. Companies that have carried out placings, either for balance-sheet repair or to take advantage of opportunities, have seen their stock move up by an average of 26%.

Yet placings underline one of the key attractions of the public market: access to almost immediate liquidity. Online fashion retailer Boohoo, which raised £200m on Friday, has given itself a war chest to pursue more distressed brands such as Karen Millen, which it bought last year. The FTSE 100 caterer Compass, which has seen its business cut in half by the virus, could launch the biggest share sale so far this week, raising £1.6bn, according to Bloomberg.

You have to think that fully fledged rights issues, which take more time to prepare, will be on the way soon, too. As the rally in London-listed shares shows some signs of running out of steam, boards may be well advised to follow the old City adage – go big and go early.

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