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The

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## From confusion to commitment: a journey in courage

by Tony Manning

To every generation, the present is not only a surprising place, but the most surprising place of all time. There's always too much change, too much confusion, too much uncertainty. Yet management is about laying bets, about making commitments in the midst of this mess. So while information, insight, imagination and innovation are essential ingredients of success, courage is the key that unlocks the door to the future.

### Prepare or respond?

The events of September 11, 2001 were an awful wake-up call to politicians, the military and civic authorities. And to business executives as well. For they highlighted the scary fact that no matter how many scenarios you dream up, no matter how much intelligence you gather, no matter how carefully you plan, surprises will happen. The unexpected is inevitable.

Former New York City Mayor Rudy Giuliani and his team prepared for eight years to deal with a terror attack. The odds of one happening were high. What they had no way of knowing was where, when, or how it would occur.

Thanks to their rehearsals, they were able to respond fast and effectively after the attack on the World Trade Centre. But *respond* was all they could do.

Just four days after the strike, Jeffrey Immelt, newly-appointed chairman of General Electric Corp., hosted his first presentation to investment analysts since taking over from Jack Welch. Financial markets were in panic. Companies everywhere were slashing costs as sales plummeted.

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Yet Immelt never skipped a beat. GE was on track, he said, to deliver the results it had forecast. The firm had started *preparing* many months earlier for an economic slump.

The popular management maxim of 'no surprises' is unrealistic. But to be hurt by sudden events - or to miss opportunities - because 'you can't see the future' and therefore don't bother to look, is both stupid and irresponsible.

You can prepare for many of the changes that may come at you. And you can prepare to respond to others. But prepare you must.

## Look forward to the future

Every executive has to make decisions despite the fact that 'visibility is poor'. Few risks can be entirely eliminated, so there's no point in trying to avoid all of them. If doing nothing is your best choice - and sometimes it will be - best you make it on the basis of as much information as possible, and after careful thought.

Forecasters have a terrible record.

They've tried many tools in the hope of improving their accuracy, but to little avail. Simulations, scenarios, systems thinking, and many other techniques have been eagerly studied, applied - and found wanting.

What's more, efforts to develop foresight can have dangerous consequences.

According to psychologists, most people search for information that *confirms* what they already believe, and reject whatever challenges their opinions. Secondly, the process of environmental scanning can make you overconfident. The harder you work to gain insights into what lies ahead, the likelier you are to convince yourself that your view is not only correct, but also the only right one.

To look forward, you have to stop thinking backwards. Replaying yesterday's tapes blocks your vision and closes your mind. It blanks out new possibilities, makes innovation impossible, and ensures that any change will be too little, too late.

Careful analysis is a necessary first step in deciding on a strategy. But while logic matters, it's never enough. You also have

to have the guts to go with your convictions. And that may be the most valuable factor of all.

## Focus and perseverance

However you think about strategy, you can't avoid the need to make hard choices. You have to lay bets.

In an age when products and services become commodities in no time at all, and when the 'me too' trap means price wars and shrinking margins, you have to be different to stay ahead. But you can't stand out by trying to be all things to all people.

Focus is an essential factor in being competitive. So is commitment. If you expect to succeed, you have to apply a critical mass of resources to the achievement of a clear goal. Without enough time, energy, money, and so on, you will never capitalise on your strengths or opportunities.

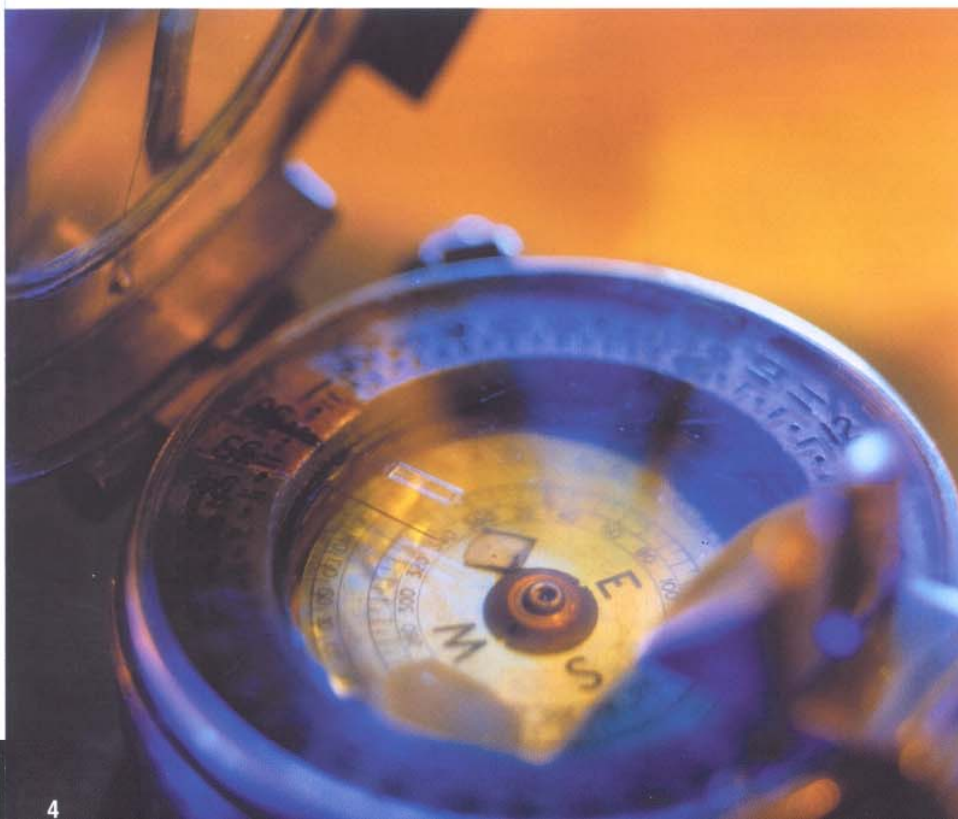
Some business decisions require only modest commitments. You don't have to sink a lot into them to make them pay off. Others demand serious investments of important resources - maybe for a long time.

Opening a sidewalk stall allows you a quick exit if things turn sour. But setting up a greenfield car plant in the United States is a longer-term matter; and establishing a deep-level gold mine in South Africa can lock you in for 20 or 30 years.

It's one thing to have the courage to start something. It's equally important to persevere for as long as it takes to get the results you expect. Giving up is usually easier than forging ahead.

Organisations are excellent at losing momentum and abandoning their grand plans. Sometimes there are good reasons to change course. But all too often, important change efforts start with a bang and die with hardly a whimper. 'Drift' is more natural than drive.

One reason for this is past success. Another is culture. And a third is the embedded systems and processes that make it easier to keep repeating the past.







Leaders have to constantly fight inertia. Relax, and 'the good old ways' will come back to haunt you. If getting over the first hurdle is hard, staying on track is far harder. Without extraordinary perseverance, it's impossible.

#### It all comes down to courage

In the 21<sup>st</sup> Century, courageous leaders are vital to every organisation and institution. But we need courageous *followers* too. For in these complex times, it's impossible for one person - or even a small group - to see and know everything, to make every decision, or to implement every key action. These tasks must all be shared.

In recent years, there has been much talk of how to create 'learning organisations'. That is still an important topic, but in the future more emphasis must be given to building *courageous* organisations. They are the ones that will own the future.

The good news is that both learning and courage develop in the same ways. They are natural by-products of effective strategic conversations.

By involving people in 'big conversations' rather than 'small'

ones, by including them in discussions about the future, about the challenges your firm faces, and about the strategies you will pursue, you engage their intellect, tap their knowledge and insights, and inspire their spirit.

Jan Carlzon, the famous former CEO of SAS airline, once said, "People without information cannot take responsibility. People *with* information cannot but take responsibility". It's the same with courage. Involve people, and they can demonstrate both their potential and their strength in the face of adversity. Cut them out of the loop, and you'll never know what they are made of - and nor will they.

All people want meaning in their lives. Challenges give them that meaning, and unleash their courage. So while it is the duty of leaders to be courageous, it is their responsibility to create a context in which the courage of others is revealed.

In a risky world, cowardly companies will not be around for long. Courageous ones, on the other hand, will have the confidence to see tomorrow's possibilities, to make hard calls and to take whatever tough steps are needed to get there first.



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# 10 keys to courageous leadership

1. Lead from the front. Get your hands dirty. Show, by example, that you will do what it takes to make your firm a winner.
2. Make bold plans. Stir people's imagination. This generates excitement ... and a sense of achievement.
3. Look the future straight in the eye. See things as they are, not as you wish they were. Anticipate what lies ahead. Encourage people around you to do the same.
4. Practice disciplined curiosity. Devote time every day to learning about your world. Make your organisation 'information rich' so others have the raw material for making sound decisions. Separate 'signals' (that mean something to your business) from 'noise' that is merely distracting or interesting.
5. Don't wait for *all* the information before you make decisions. Rather, take smaller, cheaper steps that you can learn from.
6. Clarify your point of view. Know what you stand for. And let others know, too.
7. Focus on the few things that will make the big difference. Flailing about and trying to be all things to all people is a recipe for disaster.
8. Get some small wins under your belt fast - they teach you what works and what doesn't, and they build confidence.
9. Involve people in 'big conversations' that stretch their minds and test their capabilities and their resolve. Test their assumptions. Make them fight for their ideas.
10. Follow through relentlessly. Don't give up too soon to give success a chance.