

THE CHALLENGE OF TURNING PROMISES TO REALITY

Tony Manning

The general election has come and gone. South Africa has a new State President and a new cabinet, and the government has a new agenda. If lawmaking took precedence during the first five years of ANC-led government, delivery is now the priority.

But delivery is not just a concern for those in the Union Buildings or in official offices around the country. It's an issue that affects all of us – and one that will plague this country for decades.

Experience in business teaches two things: first, it is not smart to over-promise and under-deliver; and second, that it takes a critical mass of effective managers to make the right things happen.

Politicians have made some bold promises in recent months. Now their fine words must be turned into action by people they may not know, who may not understand what must be done, who may not care – and who may not have the skill to do it anyway.

There is no doubt that South Africa has some remarkably bright and talented people at the top. They have given this country some of the finest legislation in the world and their vision of what is right for society is a breath of fresh air in a nation that was for so long a laggard.

But a handful of brilliant thinkers does not guarantee change. To connect a water pipe, plug in a phone, or string an electrical powerline in some remote area requires more than just an instruction from Pretoria. A long chain of administrators must find and allocate resources, motivate people, provide direction, and choose between this action or that.

The challenge facing government is one that faces every business. For just as politicians are suckered by rash words, so are managers. And just as our politicians and bureaucrats have already seen that delivery is easy to say and hard to do, so are companies finding this out.

It's probably true to say that over the past decade almost every company of any size has used the words "world class" in its vision, mission, or other graffiti. Managers talk of being "best of breed," of benchmarking themselves against the global superstars in their industry, of conquering international markets and seducing customers everywhere. But only a few have done it. And only a few have any hope of doing it in the foreseeable future.

The fact is, it's a jungle out there. Most of our managers gained most of their experience in a closed economy, where competition was something they'd only read about. Now, they must learn to be competitive at a moment when global competitiveness is increasing at an awesome pace.

Companies worldwide are transforming themselves in ways that few people anticipated even a year ago. The global financial crisis which began in June 1997 has forced close scrutiny of every cost. The Internet puts customers everywhere within reach of marketers anywhere.

Until quite recently, most South African managers based their thinking on this formula:

8 x 220 x 39 million

Most traded eight hours a day, about 220 days a year, and saw their market as being as being the local population of around 39 million people. Their world view was limited by the borders of this country, and fortunately the world view of outsiders didn't include this country.

The new formula that managers everywhere need to think about is quite different. Here it is:

24 x 365 x 6 billion

In the blink of an eye, the corporate landscape has been dramatically expanded, the corporate day has been lengthened – and there are more of them – and the corporate lifespan has been shrunk. The world truly is a global village, we're all competing on Internet time, and there is little mercy for the sick, the lame, or the lazy.

In this new environment, the IOD has a special role. As an organization representing the most powerful people in industry, its voice should carry serious clout. But to make an impact it needs to listen carefully to the voice of the market, define its goals precisely, and focus its resources where it can make the most difference.

Many organizations represent various business interests in SA. There is talk of some kind of alliance so that business can speak with one voice. But the fact is, different business audiences have different needs and a "one-stop shop" is unlikely to meet all of them. This organization doesn't pretend to speak for "business." Rather, it speaks on behalf of a small, important group of business people and their companies.

So what should the IOD concentrate on. In my view, there are three immediate goals:

1. **Diversity.** Right now, the IOD is largely white, mostly male organization. In another place and another time, this might have been acceptable; today, in South Africa, it definitely is not. Just as companies are employing more blacks and females, so do we urgently need to attract more of them. If we do not, we cannot possibly claim to be representative, we cannot claim to really understand the needs of directors, and our voice won't be taken seriously in many quarters.
2. **Education and development.** To be effective today, directors need to be informed on matters like social responsibility, crisis management, compensation trends, and the latest thinking in strategy – and on many new issues such as technology trends, "e-commerce," knowledge work, and new forms of organization.

The IOD has done fine work in director development; in providing useful information through this magazine, various newsletters, and other publications; and through invited lunchtime speakers, seminars, and conferences. But there's more to do. Through our own programmes, and through alliances with various educational institutions, we need to aim higher and to accelerate our efforts.

3. **Influence.** As the voice of directors, the IOD has played a key role in shaping both thinking and legislation in this country. Corporate governance is today an issue of global

concern, and likely to become even more important in the future. Many bodies are now involving themselves in shaping best practices one way or another, but the IOD is uniquely placed to be at the forefront of this wave.

For now, that is my list. It's tempting to add many other issues, and will no doubt find their way on to the radar screen. But it's a fact that if you try to do too much you wind up doing too little. And it's surely preferable for people to say of us, "They are focused and effective," not, "They are here, there, and everywhere" – rather like Chicken Man.

Fortunately, the IOD has a strong team of Councillors representing its members. Sterling work was done during the chairmanship of Solly Tucker, and hopefully we'll keep it up.

If we don't, let us know. And let us know, too, if there are issues we should pay attention to, causes we should champion, or events we should organize.

State President Thabo Mbeki has promised a great deal – and surely every one of us wants him to succeed. So let us do what we can to support his efforts. The new millennium will be what we make it together.

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