

ARE WE WATCHING THE REAL RISKS?

Tony Manning

We live in risky times. But while companies are acutely aware of *obvious* risks, they are dangerously unaware of a slew of new risks that may be the real trouble-makers.

The ones they watch include: financial; natural disasters; crime, corruption and fraud; product failures, environment, health and safety matters; computer crashes; reputation; distribution; terrorism and political conflict; and now even cyber-terrorism.

These are all potential areas of threat. But others may cause even more trouble. The ones that demand more time and attention:

1. The “African renaissance”. South Africa is playing an increasing role in matters outside its own borders, and particularly elsewhere on the African continent. This is important, as instability to the north does negatively impact on this country. The danger, though, is that by emphasizing SA’s “African-ness”, we make it easy for foreigners to carelessly lump us together with basket-case nations that are different in every way.
2. The myth of “one right way”. Delivery is becoming a major problem in this country because there is a dearth of effective managers. One response is to draw responsibility back to the centre, on the assumption that someone “up there” has the answer and will make things happen. But the one clear lesson of these complex, chaotic times is that doing the right things – and doing them well – depends on many people. And as more power is centralized, it’s likely that getting things done will get more difficult.
3. Too many/over-ambitious goals. The national agenda is a long one. Companies, too, have laundry-lists of “critical objectives”. But the fact is, simplicity works. Too many goals is no goal at all. Here again, delivery is threatened.
4. Unrealistic expectations of business. The history of this country has left many people seeing business, if not as an enemy, at least as a cash cow. Companies are under great pressure to do all manner of things, when their over-riding concern right now should be their own competitiveness.
5. Uncompetitive strategy. Many organizations use thinking processes, strategy models and management practices that have long since fallen from grace. Result: they are unlikely to make the progress they expect as quickly as they need to.
6. The growing shortage of talent. Globally, business is in a talent war. South Africa faces a crucial shortage of skills in almost every category.
7. Diversity drag. Affirmative action is absolutely necessary, given the demographics of SA. It must be accelerated. But let no one be fooled – it comes at a cost. And as efforts increase to drive the process further and faster, the costs will rise.
8. Bureaucratic blocks. Doing business in SA is not easy; companies face many hurdles. Unfortunately, a lot of these are erected by bureaucrats who complicate or delay things.
9. The collapse of social values. There can be no doubt that we face a massive social challenge today – and it will get worse. Already, there is an attitude of anything goes”,

which makes crime an almost intractable problem. Psychologists report growing numbers of dysfunctional people. The impact of Aids will have a devastating effect on communities in the very near future.

10. The widening trust gap. For all the efforts that Nelson Mandela made at reconciliation, this is a seriously divided society. More attention is now being given to the issue of racism – with the perverse effect of promoting racism.

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