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Fighting fit for the future

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When I ask top executives in strategy meetings about the major challenges facing them, their answers are predictable. Yet while they're hot on the "what", they ignore the "how."

Corporate governance has become a headline issue. Hostile competition, the strengthening rand, HIV/Aids, and employment equity rank high on their lists. Some worry about war in the Middle East or about the sorry state of the global economy. A few mention poverty and famine in Sub-Saharan Africa, or the need to care for the environment.

Clearly these are all very important matters. One way or another, they all impact on company performance. Dealing with them effectively is critical. Some managers will do better at it than others.

The losers will be what I call "fair weather" managers. They perform reasonably well when things go their way. There are plenty of them around.

In tough times, the "foul weather" managers win. There are far fewer of them. And for obvious reasons, they're the ones who'll be most highly prized in the years ahead.

The difference between the two lies partly in their skills, experience, and personalities. But it lies largely in their approach to business.

The first type *oversee* organizations that break apart in storms. The second *build* organizations that can take a beating, learn from the experience, grow stronger, and forge even more powerfully ahead.

Survival is job number one for management. But merely staying in business isn't enough. There's more to life than just making it through another day.

"Like all organisms," says Arie de Geus, formerly worldwide planning coordinator at Royal Dutch/Shell, "the living company exists primarily for its own survival and improvement: to fulfill its potential and to become as great as it can be."

When managers are given custody of a firm's assets, they aren't paid to produce ho-hum results. They have a duty to deliver as much value from those assets as they can. They're paid for growth, for pushing the limits of performance, for stretching, innovating, and exploring.

The best managers know that exceptional results don't come easy, and that delivering them year after year is a rare feat. The odds against doing it are great.

But these managers also know that the only way to be consistently excellent is by setting the highest standards and by pushing relentlessly towards them. They know they have to build teams that are acutely alert to changes around them, that prepare not only for the best but also for the worst, and that move fast to adapt to whatever's ahead.

Building a great company is like building a great body. It's harder than you think. Every day you lose is gone forever.

The business bookshelves are loaded with titles promising easy success, power, fame, and wealth. On the premise that a sucker is born every day, the tabloids are full of ads promising you can have a wonderful physique in no time at all, by doing a few easy exercises, without equipment, in your own home.

The truth, of course, is quite different.

Getting fit is a terrible slog. Getting your body into peak shape is even tougher. The fact that making the effort may add years to your life – and would certainly improve the *quality* of your life – should be incentive enough to get moving.

But watch what actually happens.

Around mid-November, the gyms start to fill up. You can't get a place on the treadmill. There's a queue outside the aerobics class. Sweat flies about.

Then a couple of weeks of huffing and groaning are followed by a month or so of lying in the sun, eating like a pig, and drinking as much as possible. After which there's another month of settling back in to the office routine, getting the kids off to school, cleaning the pool, and so on.

When the terrible truth dawns – that you feel bloody awful and look even worse – you finally drag yourself back to the gym. But since there's lots else to do, your resolve quickly weakens. You dump your personal trainer, catch up on your sleep, and get your strength up with a large breakfast of bacon and eggs.

Until next November....

Companies behave in exactly the same way. They try to shape up and stay healthy in fits and starts. When there's time, the top dogs dash off for a *bosberaad*, to talk strategy. When people need perking up, they're sent on teambuilding exercises. When there's budget, there are courses on sales, telephone skills, and stress management. And of course the big event is the company conference – complete with tedious prize ceremonies, comedians, magicians, booze, and lechery.

And then it's back to work.

With luck, someone might hit on a new strategy or find a way to improve sales. A few people may feel good after “bonding.” And it's always good to have a few laughs. But what's the real impact on the organization? Is it smarter, stronger, more resilient, more aggressive? Not likely.

Competitive advantage is not something that you read about today and have tomorrow. A winning strategy must be underpinned by a superior organization.

Building a great organization, and taking it towards its potential is a marathon, not a sprint. There are no easy answers and no short cuts. But the longer and the more diligently you work at it, the harder it is for anyone to catch you.

So when will you start?

Today would be good. Tomorrow or three months from now or next November will be much easier.

The choice is yours. It all depends how much flab you want to take to the beach.

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