

1

2

SHARING EXPERIENCE

Continuous Learning About Professionalism,
Leadership and Partnership

Dick Kramer
May 25, 2000

1

PURPOSE

- To share career experience as a means of helping improve business leadership
- To focus on keys to successful management in the Nigerian environment
- To challenge business leaders to build a Great Nigeria

2

2

PERSONAL VIEWPOINT

- An active life is like an unfinished symphony – you must always strive to furnish the best work that is within you.
- The moment one quits learning, he starts dying
- Life is lived forward but understood looking backwards – wisdom can not be told, it must be experienced
- As a result, my plan for “retirement” is to *wear* out rather than *rust* out

3

TODAY'S STATUS REPORT

1. Life shaping forces
2. Building on basic beliefs about –
 - Professionalism
 - Leadership
 - Partnership
3. Creating Nigeria's Future

4

(1) LIFE SHAPING FORCES

- Both our environment and our “will to manage” our life are critical to long run results.
- Seven key experiences
 - Family/childhood
 - Marriage
 - University
 - Arthur Andersen & Co.
 - Expatriate Life
 - Nigeria
 - ACA/CAN

5

5

(1) LIFE SHAPING FORCES

Family and Childhood

- Deep family commitment to doing the right things right
- Great depression/dust bowl/WW-II
- Pioneer stock
 - Strong family structure and culture
 - Rugged individualism
 - Helping others help themselves
 - Stories/sayings/rules to live by
 - Premium on character

6

(1) LIFE SHAPING FORCES

Family and Childhood (contd)

- Rural life
 - Laws of nature
 - Hands-on leadership/room to grow
 - Enabling environment
 - Church (Bible belt)
 - School/Books (pre-TV)
 - Sports
 - Activities
 - Farm work
 - Community service (duty)

7

(1) LIFE SHAPING FORCES

Marriage

- Married Wanda as we entered Kansas University (1952)
 - Over 50 years of partnership
 - 2 sons, 3 grandchildren
 - Separate careers
 - Unified purpose in life
- Good marriages produce synergy and let one live beyond his lifetime
- True partnership is the key ingredient

8

(1) LIFE SHAPING FORCES

University

- Kansas University (1956)
 - Law after Accounting
 - Accounting internships
 - Professors advice
 - MBA
 - Arthur Andersen

9

(1) LIFE SHAPING FORCES

University (contd)

- HBS (1958)
 - Waived work experience
 - Married students circle
 - Men only and ties!
 - Wanda received PHT degree
 - Later – Cliff ('78) and Kirk ('81)
- **Result = Strong foundation with commitment to lifetime learning**

10

10

(1) LIFE SHAPING FORCES

Arthur Andersen & Co. (1958-1994)

- Clearly last in the Big 8 but “the Firm to watch” due to unique success formula
- Key principles
 - One Firm/one voice
 - Global standards/global partnership
 - Uncompromising professionalism and ethics
 - Major investor in people and teamwork
- Period of rapid expansion, particularly outside the US.

11

11

(1) LIFE SHAPING FORCES

Arthur Andersen & Co. (contd)

- Audit → Consulting → Managing
- Partner (34), then Managing Partner (36)
- Career expatriate since 1967
 - Middle East (1965 and 1977/8)
 - Latin America (1967)
 - Europe (1974)
 - Africa (from 1978)
 - India (1990 visits)
- Commitment to develop national leadership ¹²

12

(1) LIFE SHAPING FORCES

Expatriate Life

- Kansas – the heartland of provincial America
- Travel/work abroad = total change in ways of thinking – including Cliff, Kirk and Grandchildren
- Key benefit is the exposure to different cultures, languages, ways of thinking, issues, etc.
- A. Rocca – “we send our people overseas with a ‘one way’ ticket”
 - Resulting in commitment to link my work with the future of each nation where we live

13

13

(1) LIFE SHAPING FORCES

Nigeria

- Toughest place to achieve sustainable results but highest potential
- Key milestones
 - Andersen - NESG
 - HBSAN - V-2010
 - LBS - ACA/CAN
- Focus on leaders/managers who will create the “New Nigeria”
 - **Decision to stay as long as productive**

14

14

(1) LIFE SHAPING FORCES

ACA/CAN

- Create premier private equity firm
- Private equity model = learning new professional discipline
- CAPE I = \$35+ ml
 - Foundation for future funds/investment
- **Key = Institution building with people who can create their own future**

15

15

(1) LIFE SHAPING FORCES

Tentative Conclusion

- Our environment and our lifetime decisions define the end result
- First we form habits and then habits form us
- We're happy with life but not on automatic pilot
- My own challenge now is to make ACA/CAN a complete success and to foster private sector leaders who will create a dynamic Nigerian economy.

16

16

(2) BUILD ON BASIC BELIEFS

- The secret of success is constancy to purpose
- Focus on three critical success factors
 - Professionalism
 - Leadership
 - Partnership
- My approach is to –
 - Articulate a proven *global framework*
 - Focus on application in Nigeria
 - Suggest further research

17

17

(2) BUILDING ON BASIC BELIEFS

Professionalism

- Key driver during my career
- Professionalism applies to all areas of business management
- Professionalism is critical to a nation because it elevates work above money to service for the greater good
- True professionalism creates a lasting success formula for career, firm and nation building

18

18

(2) BUILDING ON BASIC BELIEFS

What Is True Professionalism?

- The *courage* and *will* to do the right thing
- What to do is generally clear
 - Listen to (*understand*) your clients/customer
 - Deliver superior service
 - Develop the best team of people
 - Structure your methods (process) for efficiency and continuous innovation
 - Lead by example through teamwork

“The problem is to find the strength and courage to do what we know to be right.” *David H. Maister*

19

19

(2) BUILDING ON BASIC BELIEFS

My Experience In Nigeria?

- Argentina and Belgium were training grounds for Nigeria
- Leonard Spacek –
“The Test for Professionalism = be ready to go on nationwide TV and explain your actions”
- Thus far, I’m yet to discover anything worth doing in Nigeria that requires one to be unprofessional

20

20

(2) BUILDING ON BASIC BELIEFS

My Experience In Nigeria? (contd)

- The challenge has been to lead by example and to help others become true professionals
- The LBS philosophy of “Oasis of Sanity” makes complete sense to me –
 - Work on your circle of influence – starting at “home”
 - Oasis → River → Sea → Ocean
 - Best global practices plus unquestioned integrity

21

21

(2) BUILDING ON BASIC BELIEFS

Leadership

- Leadership is Nigeria’s biggest challenge
- Distinction between management and leadership

- Drucker

Efficiency = Doing Things Right

Effectiveness = Doing the Right Things

- Bennis

Managing is about *how*. Management focuses on systems, controls, procedures, policies, structures

Leading is about *what and why*. Leadership focuses on trust and people

22

(2) BUILDING ON BASIC BELIEFS

Six Keys To Leadership

1. Create a compelling vision
 - Get people's buy-in
 - Then translate vision to action
 - Challenge your people to find out *how*
2. Create a climate for trust based on competence, congruity and constancy
 - Reward people for disagreeing
 - Reward innovation
 - Tolerate failure

23

23

(2) BUILDING ON BASIC BELIEFS

Six Keys To Leadership (contd)

3. Create meaning – by creating an environment where people are continuously reminded of what's important and what's right
4. Create success – this requires learning from failure, always doing it better, not making the same mistake twice and willingness to take risks

“You miss 100% of the shots you don't take”

Wayne Gretsky

24

24

(2) BUILDING ON BASIC BELIEFS

Six Keys To Leadership (contd)

5. Create a healthy and empowering environment
– put people at the heart of things
6. Create modern organizations
 - Flat
 - Flexible
 - Adaptive
 - Decentralized
 - Learning

25

25

(2) BUILDING ON BASIC BELIEFS

How To Pick Leaders in Nigeria

- **Fundamentals (Drop Dead)**
 - Brains
 - Ambition
 - Expertise/professionalism
 - Energy level
 - Integrity (ethics/moral values)

26

26

(2) BUILDING ON BASIC BELIEFS

How To Pick Leaders (contd)

● **Five “Plus Factors”**

- Acceptance of and experience with global realities
- Ability to articulate a vision (“business concept”)
- Ability to embrace error (accept risk)
- Ability to encourage “reflective back talk”
- Ability to implement a success formula with persistence

“The secret of success is constancy to purpose”

Disraeli

27

27

(2) BUILDING ON BASIC BELIEFS

Imperatives for Nigerian leaders

- Must know what to do and generally how to do it
- Must have someone around who tells you the truth
 - Frequently your spouse
- Must be able to learn from failure and never quit trying

“Never, Never, Never Give in”

Churchill

28

28

(2) BUILDING ON BASIC BELIEFS

Imperatives Nigerian Leaders (contd)

- Must have humility and self confidence
- Must work for a cause – find the way to serve the nation (mankind)
- Must be able to create your own future
- We at ACA/CAN are always looking for champions who we can build a business around

29

29

(2) BUILDING ON BASIC BELIEFS

Partnership

- Nigerians need to learn to work together constructively and effectively for a common canal
- My experience is that partnership is the superior form of professionalism, teamwork and synergistic results
- Four personal experiences
 - Marriage
 - Kramer Family Farms
 - Andersen
 - ACA/CAN

30

30

(2) BUILDING ON BASIC BELIEFS

Partnership

- Major lessons
 - Partnerships are increasingly essential to business success – including alliances
 - Success depends on fundamental principles that can be learned and must be lived
 - Must jointly work out methods/processes that are systematically applied

31

31

(2) BUILDING ON BASIC BELIEFS

Partnership Principles

- Build on deep commitments to long term shared values
 - Andersen = One Firm Concept
 - One Firm → Two Great Firms?
- Simple, powerful values
 - Andersen – “Think Straight, Talk Straight”
- Walk the Talk (beyond the words)
 - Must walk the extra mile

32

32

(2) BUILDING ON BASIC BELIEFS

Partnership Principles (contd)

- The bonds (or glue) that hold great partnerships together are based on deep, synergistic relationships
 - Must be “win/win”
 - “Dancing Lessons” – a natural process for Nigerians who have music in their very being

33

33

(2) BUILDING ON BASIC BELIEFS

Six Steps to Great Partnerships

1. **Focusing: Preparing to Partner**
 - Find the common purpose which inspires partnership greatness
2. **Auditioning: Picking Great Partners**
 - Use discovery and disclosures for learning and communicating expectations
3. **Rehearsing: Getting the Partnership in Shape**
 - Define the key steps, walk through them together, and never quit focusing on the fundamentals

34

34

(2) BUILDING ON BASIC BELIEFS

Six Steps to Great Partnerships (contd)

4. Dancing: Keeping the magic in motion

- Find/keep the feel/flow of the dance music

5. Hurting: Managing the Pain of Partnership

- Nothing is flawless/you must overcome the aches/pains and never give up

6. Bowing out: calling it curtains

- If necessary, recognize ending signals, then prepare to bow out and end the dance gracefully.

35

35

(2) BUILDING ON BASIC BELIEFS

Results of Great Partnerships

- Partnerships are *not* for everyone or for all situations
- They require extraordinary energy, commitment and openness on the part of each partner
- But great partnerships produce exceptional synergy and end results – typically more than any other way of structuring relationships

36

36

(2) BUILDING ON BASIC BELIEFS

Results of Great Partnerships

- As a result –

The principles of strong partnership are embedded in successful approaches to teamwork and alliances with others

37

37

(2) BUILDING ON BASIC BELIEFS

Relevance To Nigeria

- Few Nigerian multi-generation firms/companies
- A strong economy cannot be built on foreign investment
- Many proprietorships and partnerships fail to become institutions
- Partnering – in its broadest sense – is the key to building institutions that enable the private sector to become the engine of Nigeria's economic development and the nation to reach its full potential

38

38

(3) CREATING NIGERIA'S FUTURE

Personal Experience

- Brazil – Land of manana
- Argentina – move every Argentine to Buenos Aires and rent to Japanese
- Iran, Ivory Coast, Kenya, India, Lebanon, South Africa, etc.
- HBSAN → NESG → V-2010

Three Questions (V-2010)

- Where are we now? and Why?
- Where do we want to be?
- How do we get there?

39

39

(3) CREATING NIGERIA'S FUTURE

Lessons Learnt

- Nigeria is slow to accept global realities and its own responsibility for creating the current situation/outlook
- There is no reason (other than leadership) for us not to be among the leading nations of the world – and certainly the driving force within Africa

40

40

(3) CREATING NIGERIA'S FUTURE

Lessons Learnt contd

- The Roadmap for success is well known and there are many relevant success stories
 - Since WW-II, economic growth has been exceptional – particularly in emerging countries
- The local blueprint has been developed (NESG, V-2010, etc.), needs to be converted to action plans, and implemented rigorously

41

41

(3) CREATING NIGERIA'S FUTURE

Lessons Learnt contd

- The private sector must take the lead – but it is nether ready nor courageous
 - High potential in SME's
 - Enormous E-Business potential
 - FDI must also be romanced/attracted
- A leapfrog strategy is needed
 - Incrementalism will not work, the gap is too big
 - We must go for accelerated growth
 - Adapt rather than invent
 - Work from modern society model backwards to what works in Nigeria – then make it work

42

42

(3) CREATING NIGERIA'S FUTURE

What Are the Critical Success Factors?

- Commitment to help ourselves (*Michel Camdessus*)
 - Debt relief
 - FDI
- Macro Economic Stability
- Infrastructure
- Right sized, good governance
- Privatization, competition and free markets

43

43

(3) CREATING NIGERIA'S FUTURE

What Are the Critical Success Factors? (contd)

- Private domestic savings and investment
- Democracy → enabling environment → free markets
- Institutional rebuilding
- Infrastructure
- Technology transfer

44

44

(3) CREATING NIGERIA'S FUTURE

What Are the Critical Success Factors? (Contd)

- Management and leadership
- Entrepreneurial risk taking

45

45

(3) CREATING NIGERIA'S FUTURE

Who Needs To Take The Lead?

- Private sector and its institutions, including HBSAN
- Entrepreneurs who believe in creating the future
- Private sector leaders who –
 - Work with professionalism
 - Serve as role models
 - Create synergistic partnerships at all levels
 - Global
 - National
 - State
 - LGA

46

46

CREATING THE FUTURE

“It is truly amazing what one generation of committed leaders can achieve” *Manuel Soto*

Our challenge is to develop the one generation of committed leaders who will build a great Nigeria

My dream is to both help and praise those future leaders who will create the Nigeria of all our dream

-17