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## Editorial

Who is a Business Visionary?

Visionaries are the architects of a new dawn.... architects of shaping a new era.

They are not only business oriented, but social transformers, working with the power of higher intentionality, imagination, novelty, vigor and most essentially determination. They are able to transform not only the processes and the people around them, they go much further to effect the society at large.

But most of all a business visionary is a great communicator...a good teacher, who can inspire his followers to work hard for his vision with greater commitment.

I chose the theme "Business Visionary" as a highlight of the newsletter starting with the August issue for its very compelling and contemporary value. Over the next few months, IMSLnews will introduce you to a compelling group of influential visionaries from around the globe, who had relentlessly worked for a vision to change the world for the better.

Let's discover the golden lessons for the benefit of our souls and the lives of our own people.

That's my earnest wish!

**Manu Tissera Gunasekara**

*Twenty years from now you will be more disappointed by the things that you didn't do than by the ones you did do. So throw off the bowlines. Sail away from the safe harbor. Catch the trade winds in your sails. Explore. Dream. Discover. -- Mark Twain*

## The new look of IMSL

### Appointment of Sub-Committees

Following a decision made at the First Council Meeting of 2008/09 held in July, the following subcommittees were appointed on key areas of IMSL agenda to add more vigor, focus and direction to its activities.

(1) Admission & Ethical Practices, (2) Education, (3) Seminars & Lectures, (4) Membership Development, (5) Finance & Fund-raising, (6) Publications, PR & Media, (7) Social, (8) International Relations, (9) Image Building & Networking and 10) National Management Conference 2009.

### New features of the IMSL web

New features were added to the IMSL web ([www.imsl.lk](http://www.imsl.lk)) as a means of providing a platform for knowledge sharing among the membership.

**(1) On line discussion forum**, focusing on monthly live discussion on a contemporary management issue of interest. The discussion will be conducted by a management expert, who would act as the moderator providing expert advice at the end of each session.

**(2) On line management puzzle**, an interactive monthly competition

**(3) On line management course**, a tailor made management course covering basic management concepts.

### The new face look

All IMSL corporate communication material, including the logo, letterheads, envelopes, faxes, banners were redesigned. Consideration was mostly to uplift IMSL as a professional association engaged in uplifting the status of professional managers of Sri Lanka.

## Highlight: Business Visionary

### Golden Rules from Business Visionaries

A transcript of an article where it was asked some key business visionaries, what single philosophy they swear by more than any other — in business, life, or both. Here are the secrets of their success. **Read their story.**

#### Make Hiring a Top Priority

*Steve Ballmer, CEO, Microsoft*

Not long after I joined Microsoft in 1980, Bill Gates put me in charge of recruiting. The business was growing fast, but we were badly understaffed. I asked Bill to approve the hiring of about 50 people. He said no. I told him I thought we needed more great people in order to grow; he thought I was going to bankrupt the company. Bill was pretty conservative. He's since said that he always wanted to have enough money in the bank to pay a year's worth of payroll, even if we didn't have any revenue coming in.

We didn't hire as fast as I wanted, but we did hire, and I did all the hiring myself for a long time. No one joined Microsoft without my interviewing them and liking them. I made every offer, decided how much to pay them, and closed the deals. I can't do that anymore, but I still invest a significant amount of time in ensuring that we're recruiting the best people. You may have a technology or a product that gives you an edge, but your people determine whether you develop the next winning technology or product.

#### Believe in Something Bigger Than Yourself

*Carlos M. Gutierrez, U.S. secretary of commerce; former chairman and CEO, Kellogg*

My experience and observation have shown that if people see you looking out only for your own best interests, they won't follow you. You have to believe in doing good for those you serve, knowing that it will allow them to do extraordinary things. Another important lesson I learned from my father, who was the first great leader I observed. He taught me that you have to keep your perspective and have a sense of humility. As he used to say, "Tell me what you brag about, and I'll tell you what you lack."

### Share and Share Alike

*Scott McNealy, founder and CEO, Sun Microsystems*

You learn to share in preschool. Later you learn that if you make the pie bigger, everyone gets a little more. These lessons came together when we started Sun. We didn't have the resources to do everything ourselves, so we shared what we had to attract customers and get their help in building the business. There are now 4.5 million Java developers and about 950 companies worldwide all collaborating on a technology Sun shared with the community.

This is possible because sharing creates communities, which create new markets. It's also changing business models: Companies can no longer expect to lock in customers with proprietary standards. They must now compete on the value of their business execution. They monetize that value a little bit, spread over the entire community. With 1 billion people on the network today, and several million more joining every week, there's a lot of opportunity. So while it may seem counterintuitive for a company to share, it's the key to larger economic growth — not only for Sun, but for everyone in the world

### At the Height of Success, "Break" Your Business

*Ed Zander, chairman and CEO, Motorola*

Companies that don't innovate don't survive, so the key to success is driving this innovation. This lesson is especially important to remember when things are going well. Though it's counterintuitive, successful companies actually need to be more innovative than the competition. It's like kids playing king of the hill — everyone aims for the kid at the top. Leaders that don't innovate are displaced by those willing to take risks. This is why, when a company reaches the height of its success, a good leader will shake things up by "breaking" the business. One example of this is moving people around. Changing the company's organizational structure allows different people to interact and allows new, innovative ideas to take shape.

Every day I look for ways to break Motorola. Employees are excited to come to work every day because they, too, live, breathe, and imagine the next big thing. Breaking the business may sound like a strange thing for a CEO to do, but this strategy has sparked innovation at Motorola and it is the reason for our success.

Read more @ [http://www.life2point0.com/2005/12/golden\\_rules\\_fr.html](http://www.life2point0.com/2005/12/golden_rules_fr.html)

## In Focus

### *It's the time for extracts... and expertise!*

**Sakichi Toyoda**  
*(1867-1930), inventor and founder of Toyoda Automatic Loom Works, Ltd., father of Kiichiro Toyoda, the founder of Toyota Motor Corporation*

*"Always be studious and creative, and strive to stay ahead of the times. Five Main Principles of Toyoda, 1935"*

Throughout his life Sakichi Toyoda believed in and lived by the three maxims of labor, gratitude and service. Although ordinarily a man of few words, Sakichi would often drill the importance of teamwork into his staff, saying that "Entrepreneurs, managers and staff must all work together." He encouraged his subordinates with comments like, "Let's give it a try" and, "Don't be afraid to make mistakes," mottos he himself put into practice.

He reminded those working under him that even the smallest things have their proper place and must be valued. Even after he became company president, he could often be seen picking up nails, bits of cotton or anything else that might have fallen onto the factory floor.

Sakichi always maintained a sense of gratitude, not only towards members of his family or those who helped him, but also towards society as a whole. He believed that he owed his success to the world at large and that it was important that Toyota be of service to humankind by working in good faith, not purely for monetary gain.

The Toyota Production System, which is steeped in the philosophy of the complete elimination of all waste and imbues all aspects of production with this philosophy in pursuit of the most efficient production method, traces its roots to Sakichi Toyoda's automatic loom. The TPS has evolved through many years of trial and error to improve efficiency based on the Just-in-Time concept developed by Kiichiro Toyoda, the founder (and second president) of Toyota Motor Corporation.

Central to the TPS is the philosophy of "the complete elimination of all waste."

Waste can manifest as inventory in some cases, processing steps in other cases, and defective products in yet other cases. All these "waste" elements intertwine with each other to create more waste, eventually impacting the management of the corporation itself.

The automatic loom invented by Sakichi Toyoda not only automated work that used to be performed manually but also built the capability to make judgments into the machine itself.

By eliminating both defective products and the associated wasteful practices, Sakichi succeeded in tremendously improving both productivity and work efficiency.

Read more @... [http://www.toyota.co.jp/en/vision/traditions/jan\\_feb\\_06.html](http://www.toyota.co.jp/en/vision/traditions/jan_feb_06.html)

### **Patrick Cescau, Group Chief Executive, Unilever Leadership and Transforming an Organization**

I am delighted to have this opportunity to talk to you about the transformation of Unilever. I know that Unilever will be well known to many of you, but it is worth noting that the company is today the world's third largest consumer goods business, turning over •40 billion a year. Our brands help people look good, feel good and get more out of life - 150 million times a day, in 150 countries. Twelve of those brands now have sales revenues in excess of one billion euros a year. To avoid disappointment, let me say straight away that this is a story that does not yet have an ending. Unlike other companies, we in Unilever are in the middle of a transformation, not at the end of one. For while transformation may be a modern word, the reality is that successful businesses have been transforming themselves since commerce began. Companies that do not embrace this need, die. That is why the average life of a Fortune 500 company is 40-50 years..... *What is not changing? A vital task for the leader in transforming an organization is to be crystal clear about what NOT to change. As the English would say, not to throw the baby out with the bathwater. Every organization has a unique set of values. The role for leaders is to reassure people that while the business may be transforming our values remain the same.*

Read more @... <http://www.sovereign-publications.com/ceo-art-leadership.htm>

## IMSL Article

### Basis for Business and Civil Society Partnership in Good Governance and Social Responsibility\*

The social responsibility of the business sector has come under increasing scrutiny. What constitutes corporate social responsibility (CSR) and what is appropriate action that covers CSR are some questions raised in this context. Most companies undertake projects addressing welfare needs of a community under its CSR agenda. The companies have developed elaborate systems to implement these programs. During the recent Tsunami aftermath, quite rightly many private sector companies rose to the occasion to address the suffering of people and communities across the coastal areas. Yet this approach to social responsibility is challenged and increasingly seen as inadequate.

In recent times the CSR agenda has been scrutinised and a departure from the conventional interpretation is called for. Supporting civil society in its quest to be a responsible pressure group that influences governance in a positive manner as well as strengthening processes that make private companies more socially accountable are expected. Among the many approaches to implementing initiatives under the CSR mandate is to develop constructive partnership with state and non state actors.

Partnering with non-governmental organizations has special advantages. Often NGOs work more closely with people and at community level. They are often more sensitive and aware of community needs. Further, there are many NGOs that specialize and address issues of significance to the country. For example issues such as environmental pollution, corruption and good governance, gender justice, human rights, reproductive health, HIV/AIDS, child rights, human trafficking, globalization, folk knowledge, folk drama and sports etc. Issue based NGOs work on similar themes for longer durations and develop an important knowledge base and refine intervention methodologies and strengthen credibility among stakeholders. In the long term it is a great advantage and strength to have organizations that are strong and credible to address social issues on behalf of the public. There are numerous examples globally, of credible, professionally managed, effective non-government organizations often referred to as civil society actors, who play a very vital role in the development of a country. Such organizations become equal partners shouldering collective responsibility with the state in a country's development efforts. Strengthening

these partnerships is to the advantage and benefit of all stakeholders. It is quite apparent that by and large the corporate / business sector focuses on welfare oriented interventions while the NGO or civil society organizations tend to focus more on the structural and social transformative processes. In the long term what is required is the latter although as entry points welfare oriented interventions may be of strategic use. Overall, the social responsibility must move away from pure welfare and marketing oriented strategies to promote

#### *Principles of good governance for formal organizations:*

1. *Transparency: Organizations are required to have accounting systems that are known to stakeholders, adhering to international standards and adopting best practices to ensure stake holder satisfaction.*
2. *Accountability to the stakeholders: Decisions can't be limited to the executive officers. Social responsibility goes beyond the company and encompasses the consumers and a broad range of stakeholders.*
3. *Organizational independence and integrity: Decision making is not influenced by extraneous or personal factors.*
4. *Ethics: Ethical conduct of the organization as a whole and all its employees especially of those at senior management.*
5. *Efficiency: Develop the capability, systems and structures to assure all operations are carried out efficiently and effectively.*
6. *Outcome oriented: Having the capability that all operations are carried out optimizing outcomes and not limited to outputs and internal processes alone.*
7. *Core values: Have a set of defined and values and principles that are upheld by management and promoted by the leadership.*
8. *Justice and fair play: In all decisions and practices an all pervading sense of justice upheld and demonstrated in best practices.*
9. *Democratic representation: Ensure that the processes of election of officials, selection of management, network partners, suppliers and contractors are governed by democratic principles and meritocracy and not based on nepotism and favouritism.*
10. *Objectivity in recruitment: Management positions are filled by most suitable persons, who are independent, professional, caring and apolitical.*

aspects of good governance among a larger group of stakeholder organizations and institutions including the state.

The business sector has a special advantage to link with civil society actors or NGOs to implement their social responsibility agenda. Such partnerships will be of mutual benefit but also adds value to social capital formation. However when organizations come to partnerships they will be effective and grow only if they share common

## Members' Forum

ethos and operational strategies. Strains and conflicts may develop if there are mismatches not only in the expectations but also in organizational cultures but more important in the internal management systems. There are some core values and practices that have been globally adopted by the business / corporate sector under the realm of good governance. This framework provides a common platform for both civil society organizations or NGOs and the business sector organizations to work together to identify, plan and implement interventions that are more meaningful under the social responsibility agenda.

The organizational culture and systems of management if matched will make the working relationships between the business and non-government organizations more compatible. Ten basic principles related to social responsibility and good governance are discussed and appear in literature quite frequently (see box). These values can be the basis on which business – civil society partnerships can be nurtured. Business – NGO alliances are best based on shared values that are effected at operational levels and visible by both business and NGO partner organizations.

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(\* This article draws heavily from the views of many including those from a paper submitted to IMSL by Chandra Jayaratna, Former Chairman, Ceylon Chamber of Commerce, *Management Sri Lanka*, Vol. 9, Issue 1)

The first issue received a good welcome from the membership.

We look forward to receive more feedback, criticism, and suggestions to improve the quality and presentation of this newsletter.

Also, we'd like you to contribute to this monthly bulletin, may be with a business success story, crisis management, or challenge which you might like to share with your fellow members. Write to us.

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or

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