

African Management Challenges



Thoughts on Learning

*Arie De Geus,
Head, Strategic Planning,
Royal Dutch Shell*

“Over the long run, the ability to learn faster than your competition may be the only sustainable competitive advantage.”



SHIFTS IN THE BASIS OF COMPETITION

FROM

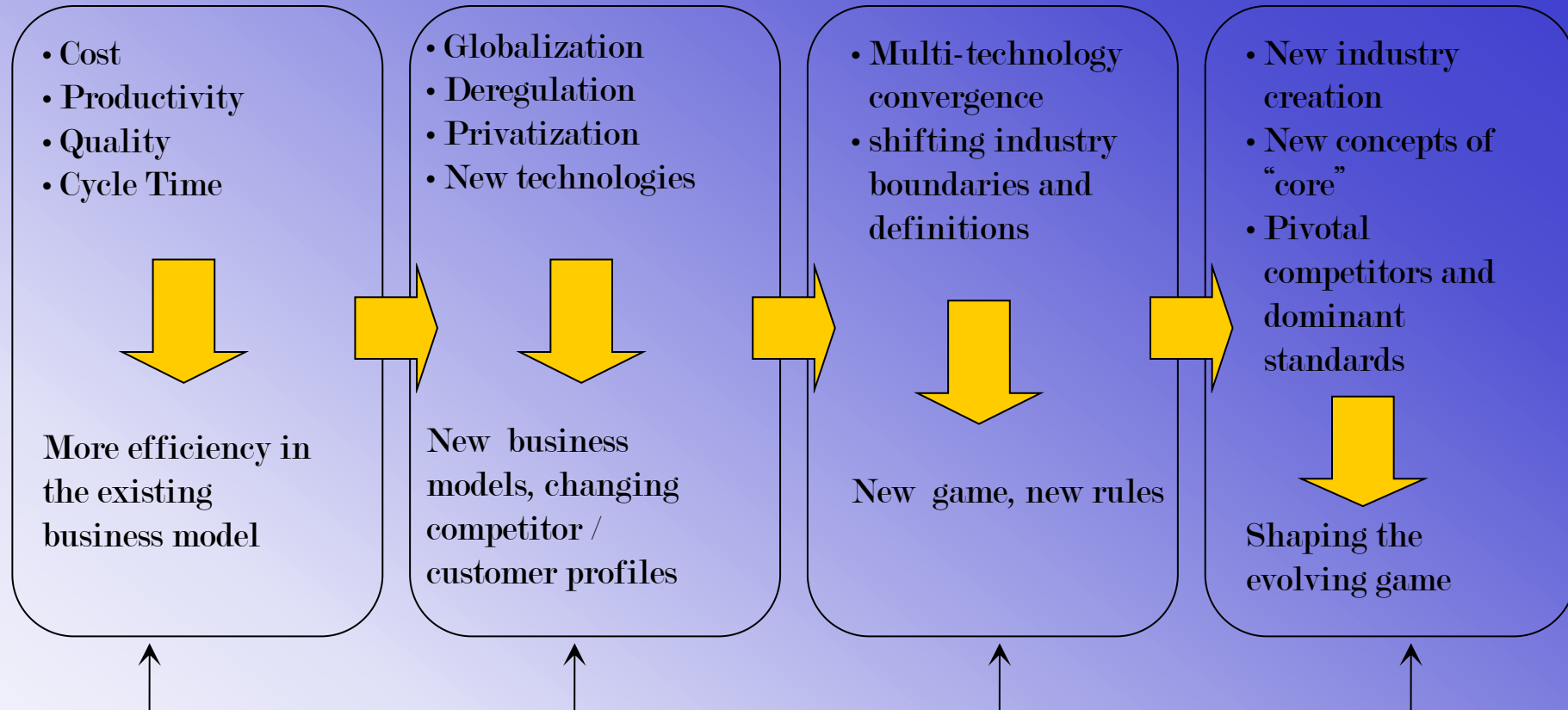
- Price / Performance
- Format
- Customer Satisfaction
- Foresight + Vision
- Brands

TO

- Rival Economic Models
- Future Functionality
- Customer Lock-In
- Control of Migration Paths
- Industry Standards



COMPETING FOR VALUE



- Cost
- Productivity
- Quality
- Cycle Time

More efficiency in the existing business model

- Globalization
- Deregulation
- Privatization
- New technologies

New business models, changing competitor / customer profiles

- Multi-technology convergence
- shifting industry boundaries and definitions

New game, new rules

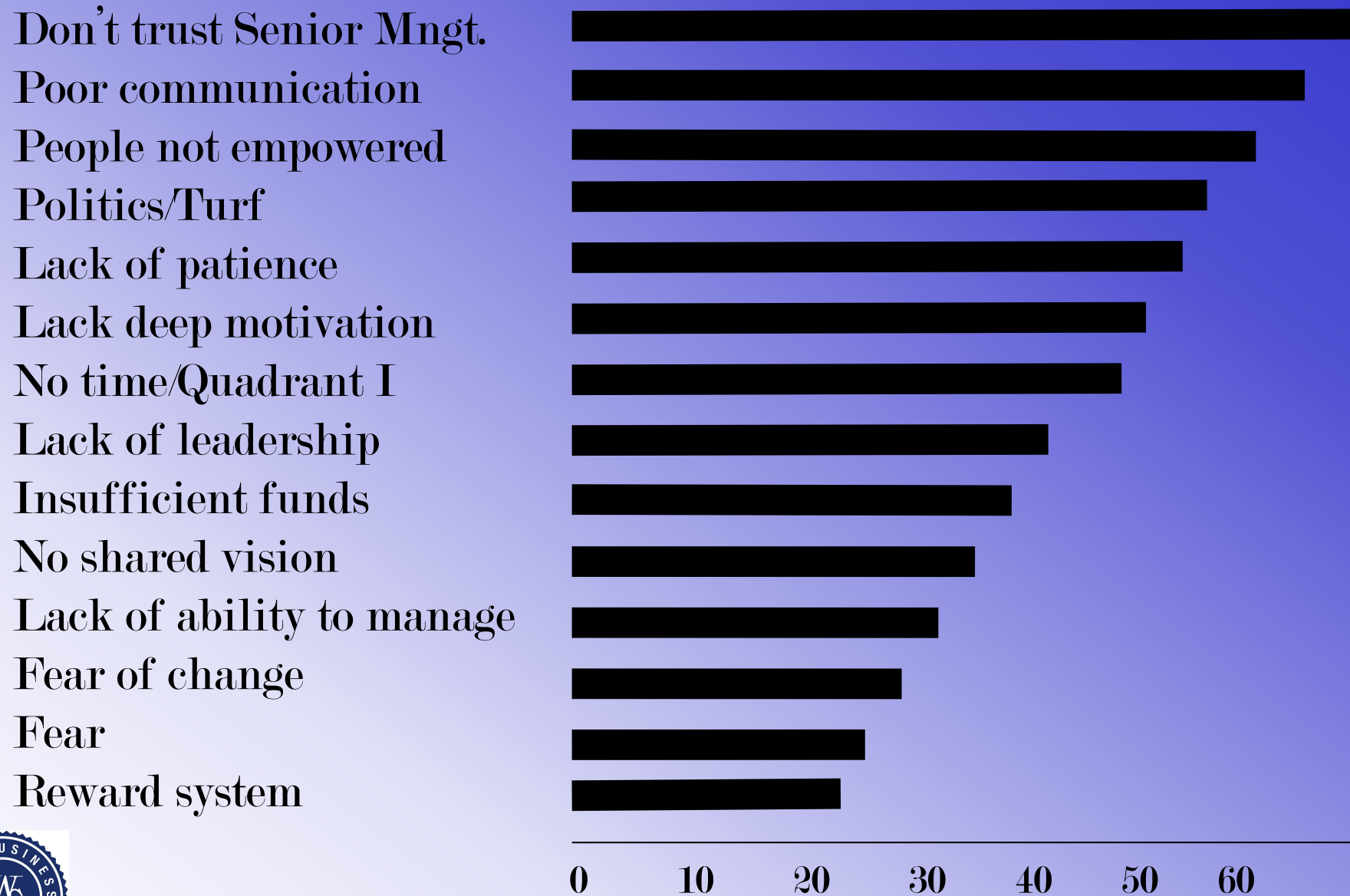
- New industry creation
- New concepts of “core”
- Pivotal competitors and dominant standards

Shaping the evolving game

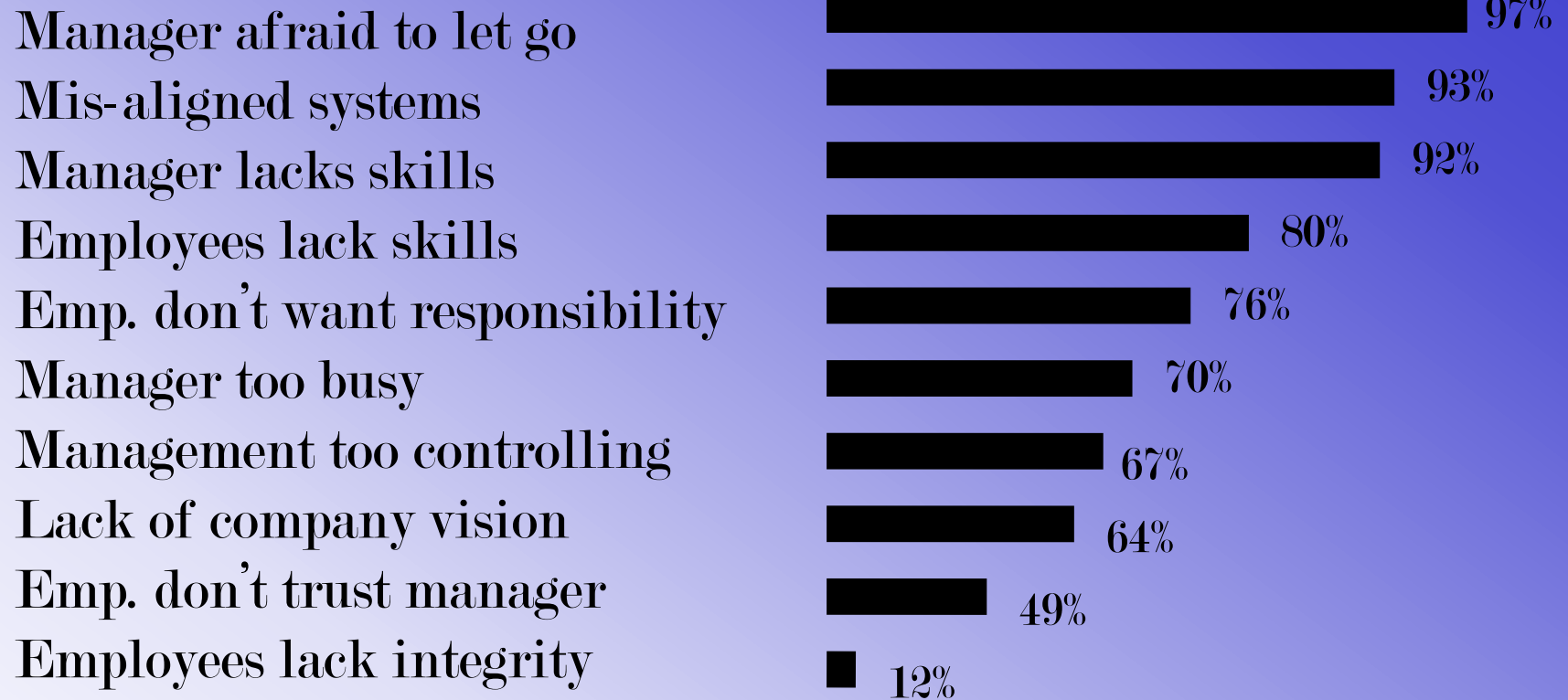
- Value-creation potential?
- Competitive advantage?
- Industry leadership?
- Focus of senior management?



What is Holding Back Quality?



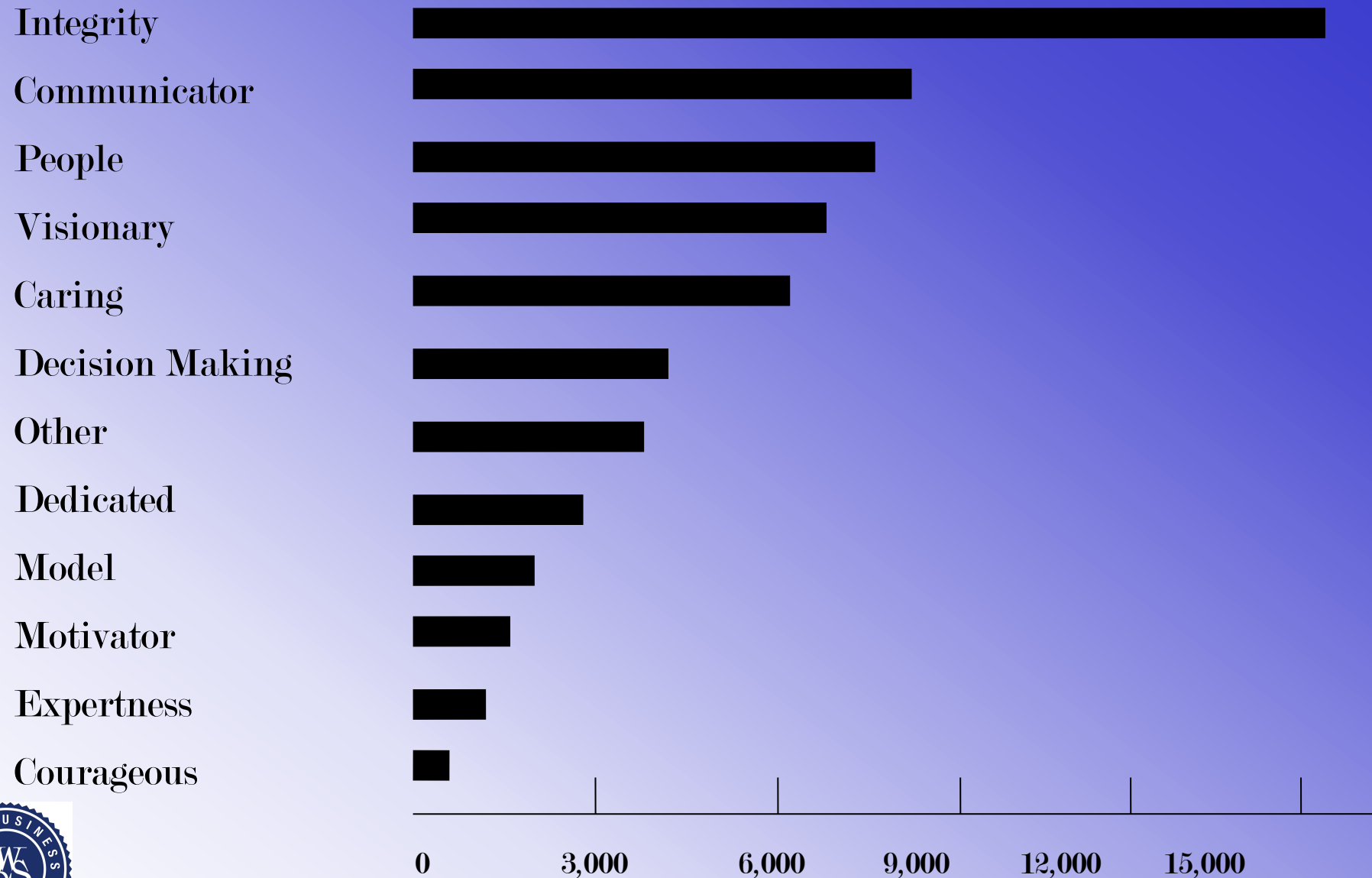
What is Holding Back Empowerment?



0%

100%

An Effective Leader is



STRATEGIC ROLE & VALUE ADDED OF SENIOR MANAGEMENT

• Organizational restructuring	→	Industry transformation
• Reengineering core Processes	→	Reengineering core strategies
• Operations Management	→	Opportunity management
• Resource allocation	→	Resource leverage
• Achieving synergy	→	Building new competencies
• Reinforcing the logic	→	Changing frames of reference
• Planning, budgeting, control	→	Direction, stretch, purpose



CHALLENGES FOR MANAGEMENT 1

- Integrity in leadership
- The corporation and the community
- Maximizing an organizations intellect
- People first, strategy second
- Informality liberates v bureaucracy



CHALLENGES FOR MANAGEMENT 2

- Passion – great organization ignite passion
- Stretch – reaching for more than what you thought possible
- Collaborations – business has to be fun
- Differentiation - develops great organizations
- Culture counts



CHALLENGES FOR MANAGEMENT 3

- Appraisals all the time – everyone must know where they stand
- Managing loose – managing tight
- Investor relations
- Speed



**On the road to the future, who will
be the windshield, and who will
be the bug?**

Gary Hamel, Fortune, June 23 1997



KEY STRATEGIC CHALLENGE

“What is our capacity to capture a disproportionate share of the future value which will be created in the next stage of the evolution of our industry?”

