

Unleashing the powers of the living organisation

Endless expansion is the eternal dream of every dynamic corporation, small or big. Though it is an historical fact witnessed decade after decade, the process remains unseen and poorly understood, say Fred Harmon and Garry Jacobs, authors of *The Vital Difference*. We tend to look upon it in awe and admiration, rather than scrutinising its origins and history for a clue to the process. In fact, we are so sure that this high achievement is the result of some exceptional talent or extraordinary luck that we rarely even ask the most fundamental question: "What is the process by which enduring corporate success is achieved?"

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An infinite power of expansion lies hidden within each of the major components of a company — people, organisation, technology, market, and money. An equally great potential lies waiting to be tapped in the society around, especially at the live points of its growth.

Energy is the basis of all achievement. The key to

perpetual growth lies in continuously releasing potential energies both from within the organisation and around it. These fresh creative energies have to be given an upward direction by striving to achieve high corporate values and distant goals. One hundred years ago AT and T adopted excellent customer service as its primary value and a national telephone system as its distant goal. It achieved them both and went on to become for half a century the largest corporation in the entire world.

These energies, once released and directed, have to be controlled by a central authority and channeled through an appropriate hierarchy which converts them into organisational power. Tomas Bata, an uneducated shoemaker in Czechoslovakia, stumbled on some of the latent powers of organisation during the post-First World War recession. He utilised them to expand his company 15-fold in five years and build it up into the largest shoe manufacturer in the world. J Willard Marriott and his son discovered some other powers of organisation and exploited them to convert a US\$1500 investment and a few small drive-in restaurants into a US\$3.4 billion international hotel, restaurant, and airline

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catering business.

Organisations consist of a personal side — people — and an impersonal side — systems. Both possess unimagined productive capacities which are barely tapped by most companies. A simple, friendly, lovable man named C E Woolman transformed Delta Airlines from a crop-dusting operation into the world's most profitable airline by releasing the power of people. General Mills has tapped people power to bring forth a perpetual stream of youthful, exuberant energies that have made this middle aged corporation the most admired food manufacturer in the US.

The power of systems is so well known and so much talked about that its greater potentials are taken completely for granted and rarely exploited. Henry Ford started with US\$25 000 and tapped this one organisational power to fuel a 25 000-fold expansion of his company in 25 years, without any additional investment. Sears, Roebuck and Company discovered the enormous unmined wealth in the golden gaps between systems. Sears bridged the gaps between mass production, mass distribution and mass consumption to become the largest retailer in the world.

Higher corporate values release greater energies for achievement. Organisation mobilises those energies and converts them into productive power. But for that power to become effective, a company requires a vast array of different types of skills. Skills are the final link in the chain connecting intentions with actions. The values and decisions of top management determine a company's direction; the will of the organisation determines its strength; systems determine its efficiency; and skills determine the quality of its performance.

A company's skills depend on the education and training of its people. The importance of education has

The living organisation is a child of society

always been a controversial topic in business circles, even though it is probably the single most important factor in the commercial success of both the US and Japan. But while everyone else was engaged in endless debating, Thomas J Watson was busy building up IBM into a worldwide organisation by recruiting a highly educated work force to form the foundation. He firmly believed that "there is no saturation point in education," and his company continues to base itself on that conviction. Watson did not stop there. He trained and trained and trained to equip his employees with the formidable array of physical, technical, social, and interpersonal skills that have made IBM Number One in the world in its field.

A company's values, goals, organisation, people, systems, and skills are supported by a corporate body consisting of its facilities, technology, equipment and other assets. All together they combine to define and determine what the company is and how it functions. But a company is more than just an amalgam of independent parts and inert pieces. It is a living being with a personality of its own, of which all these parts are components. It is that personality that chooses the direction, releases the energy, creates the organisation, establishes the systems, acquires the skills, and harmo-

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nises all these elements for continuous expansion and lasting achievement.

But the whole we have been describing is itself a part of a greater whole. The living organisation is a child of society and it grows at the maximum rate by identifying with the society that gave it birth and striving to serve its deepest needs. Harmony with the real needs of society has been the ultimate secret behind the growth of Sears and Coca-Cola into national institutions. Sears is conscious of this truth and has allowed itself to be guided into such a distant field as the marketing of financial

services, taking the world by surprise and embarking on its second century of growth. Even 99 years after the creation of Coca-Cola the company has never fully grasped the secret of its own success. It is not the secret soft drink formula that has made Coke so popular all over the world for half a century. It is the identification of the product with the aspiration of the common man for success, leisure, and enjoyment. By trying to improve the taste of Coke, the company failed to see that it was changing Coke's image as well, with near disastrous results.

It is time to explode the myth of limits. Infinite potentials lie unused within the organisation and boundless opportunities await without. The concept of a fixed, limited market is an illusion. Conceivably there may be a limit to society's physical needs, but its social and psychological needs are inexhaustible. Coca-Cola proved this truth at the turn of the century. Companies like Apple Computers are revalidating it today.

While the principles of endless growth are universal, the US provides the world's most vivid case study. The idea of endless progress and towering achievement has been the dream of American society for two centuries. But in the past it has been recognised as a real

Those who have used this potential have learned how to make a vital difference

possibility only for a minority and actually realised in their own lives by just a few individuals who possessed some exceptional talent or made an extraordinary effort. There were very few Thomas Edisons, Andrew Carnegies, and Henry Fords a hundred years ago.

But this is no longer true. Today the possibility of unlimited achievement has become real in the minds of many, and an actual realisation in the lives of a significant number. The highest levels of education, social status, political power, and commercial achievement have been attained by thousands and tens of thousands of people whose ancestors immigrated to the shores of America a century ago, outcast, impoverished, and illiterate.

Many companies have made almost as many millions in the last few decades as the whole nation produced during the entire nineteenth century. Apple Computers traversed the ground between a garage-scale operation and a multi-billion-dollar corporation in eight years and made more than a hundred of its employees millionaires in the process. Opportunities in every field are greater today than ever before. And if we still persist in being more conscious of the obstacles than we are of the potentials, it only reflects the limitations imposed by our vision and our attitude, not the actual limitations to our growth.

When a market is expanding, many companies prosper, but not all. Those that fail in a buoyant market are labelled incompetent or unfortunate. When a market is shrinking, many companies fail, but not all. Those that

Corporate strategies

survive in a period of declining market are labelled efficient or lucky. But what about companies like IBM, Sears, Delta, Marriott, and General Mills which have not only survived during harsh times but continued to expand? All our labels prove inadequate. How can we explain away the fact that out of the top ten companies on *Fortune's* most admired list in 1984, only one of them ever reported an unprofitable year, and that was way back in 1921?

There is a pattern behind the enduring success of these companies. There is a process which they have unconsciously or half consciously followed to rise from tiny origins, grow and grow, multiply and expand in a movement of corporate development that need never end. It is a process that is available for any company to follow, provided it has the knowledge and is willing to make the effort.

Each of the components of the corporate personality possesses huge untapped potentials for expansion. When energy is released from any one component, the company begins to grow. That energy has to be directed by higher values, controlled and disciplined, harnessed and channeled through countless interconnected structures and systems, and transformed into organisational power. When that power is focused and refined through the appropriate skills, it is converted into an effective force for achievement.

The science of management has developed many powerful tools and techniques for increasing the productive efficiency of an organisation. To be efficient is to utilise fully the available resources. But today many corporations are no longer preoccupied with problems of efficiency. They have mastered the skills and techniques for smooth organisational functioning and are searching for ways to accelerate the pace of growth. What they need are not more efficient operational tools but more powerful energising processes for continuous expansion. Powerful energising processes do exist and they can be converted into methods which any company can employ.

There is an inexhaustible potential within the organisation. It is inexhaustible because the more it is drawn from, the greater it grows. The more enthusiastically it is tapped, the more it increases at its source. The more it is enjoyed, the more it expands.

People and companies have grown to where they are and they continue to develop by drawing from this boundless potential. Those who have used this potential to unleash the powers of sustained corporate success have learned how to make a vital difference, in their lives and in the lives of their organisations. The first qualification is to want it. The more you want it, the more you grow. The more conscious you become of it, the more it beckons you to further growth. □