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No matter how big your organization gets, continue to empower your people at every level to deliver. Only this way will size lead to advantage.

It is always useful to explore the history of any company to understand how they got to being what they are today. Corporate success usually follows some combination of visionary entrepreneurship and luck. When companies acquire early successes and achieve a dominant position in some market or markets they become profitable and usually follow a steep growth trajectory in their early years.

With the passage of time, however, pressures on managers come mostly from inside the firm. Building and staffing a bureaucracy that can cope with growth is the biggest challenge. External constituencies are neglected. The firm needs, hires, and promotes managers, not leaders, to cope with the growing bureaucracy. Top managers allow these people, not leaders, to become executives. Sometimes top management actively prevents leaders from becoming senior executives. Managers begin to believe that they are the best and that idiosyncratic traditions are superior. They tend to become increasingly arrogant and aloof. The problem is compounded when top management does nothing to stop this trend and often ends up exacerbating it.

A strong, insular and conceited culture develops. Managers fail to acknowledge the value of customers and other key stakeholders. They behave in an inward-looking, sometimes political fashion and fail to acknowledge the value of leadership and the talent available at all levels that can provide it. They tend to stifle initiative and innovation. They behave in centralized and authoritative ways.

Consequently, as organizations grow, whether in terms of sales, number of employees, range of products and services, market share, or whatever, they start to lose the advantage they once had. According to John Naisbitt in the book *Rethinking the Future* it is the small companies who are creating the global economy, not the Fortune 500. And these days a small company can be as small as one person. In his book, *Megatrends 2000* he gave the example of his neighbors Linde and Lito who have a publishing company called Western Eye Press. He continues, It's just two people and they publish wonderful photographic and guide

books. They create them on Macintosh computers in their basement in Telluride. They print out the camera-ready pages on their own high resolution laser printer. Then they FedExed these pages to Seoul, South Korea, and the printer there manufactures their books and ships them to distributors all over the world. Western Eye Press is a key player in the global economy and its just two people on this little mountain perch in Colorado.

Large corporations and global conglomerates, if not careful, end up becoming highly bureaucratic, over-managed, rule-driven and inflexible by virtue of their size. In this day and age of cyberspace and nanotechnology, fetish with size of a business can become an impediment. This is particularly true for organizations that have grown significantly in scale in terms of revenues and market share. Organizations like Citibank have lost touch with their core constituents. It may be a major player with a strong brand image, but customers interacting with its frontline employees are often disappointed by their state of helplessness in resolving routine problems. This could be on account of slavish adherence to archaic procedures. Often, individual contributors in big companies don't take the initiative needed to listen and understand customer requirements with the intent to ultimately delighting them. There is a lot to be said for systems and processes, but if they are not customer oriented and responsive, the game is as good as lost.

Quality can now be replicated anywhere in the world. China is leading the way in this respect. With the falling of trade barriers and dropping of quotas, the Chinese have taken their global market share in textiles from 16% to over 50% in less than a decade. In recent years, the Pakistan market has been flooded with Chinese products (mostly electronic, light engineering) that are low priced and in much demand.

We no longer live in a world of big mainframes. We live in a world where the real power is large networks a lot of individuals connected together Facebook & Twitter are pointing the way. A network does not have any headquarters. Chinese excel in this field and have spread their global business through this means. Naisbitt cites Asea Brown Boveri (ABB) as a great example of a huge company that thrives and grows through networking. He quotes Percy Barnevik (Former CEO at ABB) as having said, We grow all the time, but we also shrink all the time. As the network gets larger, the nodes get smaller.

So, no matter how big your company gets, continue to excel by empowering your people at every level to deliver. Building agility and responsiveness is the key.

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