

<p style="" class="MsoNormal">Kamran Rizvi, Navitus
April, 2014</p><p style="line-height: 125%; background-position: initial initial; background-repeat: initial initial;" mce_style="line-height: 125%; background-position: initial initial; background-repeat: initial initial;"><i>♦Reality is merely an illusion, albeit a very persistent one.♦</i></p><p align="right" style="text-align: right; line-height: 125%; background-position: initial initial; background-repeat: initial initial;" mce_style="text-align: right; line-height: 125%; background-position: initial initial; background-repeat: initial initial;">Albert Einstein[1] </p><p class="MsoNormal">We are living the ultimate virtual reality! This realization became even more intensified when, on my son♦s insistence, my wife and I joined him on the Simpson♦s Ride at Universal Studios in LA a few years ago. I made nothing of it at first, thinking its going to be fun in an animated environment. After all, the Simpson♦s family, a popular cartoon, will be harmless and hilarious. The queue for the ride was long and it made me wonder how something like this could draw such a large following. When our turn finally came, we entered this small and simple room, around 12 ft x 12 ft. It had what looked like an open top bus inside, with three rows of benches. The warning announcements and posters seemed like a gross over reaction, verging on paranoia. We took our seats and fastened our seat belts.</p><p class="MsoNormal">Within minutes the lights went out and it was completely dark and eerie. The simulator, in which we were seated, started to move a little, and a full-screen, 360♦ animation came on. Instantly, we were transported into a different world filled with dramatic scenery right before our eyes. It was as though we were gently floating in a boat through some of the most picturesque sights on earth. This serene and enchanting environment turned ugly within minutes. The river on which we were floating was coming to a fall bigger than that of the Niagra! Our boat dived into the abyss and the emerging sign before me read ♦the end♦! My heart was almost in my mouth, as all of my kinesthetic, visual and auditory senses were effectively and fully engaged by the simulator. What followed was a never-ending series of horrific maneuvers through unimaginable and terrifying terrain. My entire body was stressed out and adrenalin in high flow. I couldn♦t bear the horrifying experience any longer, so I shut my eyes for short respite. I breathed deeply and prayed for nightmare to end, and it did, ten minutes later. I came away realizing how simple it is for us to be taken in by what we see. How easily fiction turns into a virtually real personal ordeal?

The Simpson's Ride wasn't a reality as we know it! It was supposed to be a superb simulated adventure creatively designed and executed to maximum effect. The feelings it evoked in me were of the kind you would get from a supposedly real bungee jump! Yet, even full knowledge of the fact that I was in a make-believe world of animation, didn't help me and I conveniently surrendered my emotions to my senses and almost died of fear.

What the Simpson's Ride taught me is this; we take the short span of our lives too seriously. What do the seventy or 80 years of our lives represent in cosmic time? The time we spend on this planet is a miniscule fraction of a larger whole – a blink of an eyelid. We came to this world, only to return to where we came from. Our stay on this planet can best be described as us being in transit. We get stressed out mainly because we forget that this transient moment on earth is not permanent or everlasting.

We foolishly think that if we lost all of the things we possess, we would be finished. As if, somehow, our entire existence depended on the tangibles in our life – our properties, cars, jewelry etc. While our future is full of uncertainties, the one thing that is certain is death. We'll all meet with our fate, sooner or later – and this is a fact no one can deny – young or old. When the time comes, we'll leave behind everything material we treasure and cling to today. But, interestingly, no one quite knows when that time will come! Death is the only reality and certainty. Death is the guardian of our lives and teaches us how to live each day to its full – a life such, that when we move on from here, we are remembered fondly for our deeds by our loved ones. Sadly, it is the illusion of physical permanence that holds us hostage, preventing us from being who we really are – eternal beings spiritually, with immense potential.

Reality to each one of us is based on how we perceive it through our five senses. How we interpret and attribute the daily events in our lives is what matters in the end. For example, the uncertainty and instability we are experiencing in Pakistan these days is being seen by most of us in ways that are unhelpful. These self-inflicted stresses severely impair our capacity to think rationally and creatively. We end up making massive errors in judgment.

As you know, poor decisions, made in haste and under duress of circumstances, can be fatal. It is the cumulative effect of our tactical and strategic decisions that take our organizations into the future. But this is not always true. Even when companies are doing well, and their markets are booming, they unwittingly fall into the trap of complacency. It is the feeling of invincibility that blinds us and marks the beginning of our fall. Titanic's story continues to serve as a poignant reminder to us all!

Complexities in management arise out of an intricate web of interdependencies created by organizations the world over. Large corporations thrive on this. They attract people by offering them a sense of security on the basis of their heritage, size and market dominance. They play on this – persistent illusion –, which endures for a while, only to unravel in time, as we are witnessing today. How can any organization have the audacity to make godly claims such as protecting your future, when it has no way of assuring its own? AIG was once the world's largest insurer. Greenberg, who ran AIG for 38 years before being ousted in 2005, told congressional investigators that the company was healthy when he left and that controls he put in place were weakened or eliminated. – When I left AIG, the company operated in 130 countries and employed

approximately 92,000 people," Greenberg said in a written statement presented to the House Committee on Oversight and Government Reform in Washington. ``Today, the company we built up over almost four decades has been virtually destroyed."

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the world's largest automaker, has landed itself in a crisis with its crippling legacy costs that came out of promises made by its management to its people when the times were seemingly good. In April 2005, the Los Angeles Times on Sunday examined the difficulties facing General Motors, which reported a \$1.1 billion loss for the first quarter in part because of the increased cost of providing health care coverage for 1.1 million employees, retirees and their dependents.

According to the *Times* then, GM had "ample financial reserves" to fund this year's health care costs but must find a way to address so-called "legacy costs" - \$60 billion in retiree health benefits and \$87 billion in pension obligations.

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week, GM reported that it lost \$4.2 billion. That's up from the loss \$1.6 billion it reported a year earlier. Shelly Lombard, senior high yield analyst at Gimme Credit, an independent research firm, estimates that GM will need to get between \$10 billion and \$15 billion in federal assistance in order to avoid bankruptcy by 2010 and that the chance of bankruptcy without help is probably 80% to 90%.

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building for many years. It has not made money on its core North American auto operations since 2004, and since that time it has run up \$72 billion in net losses, including this latest period.

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mce_style="font-size: small;">However, the story of BHP (now BHPBilliton) inspires. BHP, a leading Australian company with its operations spanning the globe in the fields of mining, oil and gas exploration and steel, was riding the wave of success till it wiped US\$ 3.05 billion off the value of its assets, turning an after-tax operating profit of 1.3 billion dollars into a loss of US\$ 1.47 billion in 1998, its first loss since 1923!! Its shares fell in stock markets around the world.

mce_style="line-height:13.5pt;background:#FCFCFC">From being Australia's biggest company by market capitalization in 1997, BHP had slipped to sixth place

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[5]. In less than ten years BHP Billiton recovered, thanks to Paul Anderson's visionary and gutsy leadership. When Anderson took over as managing director and chief executive of the poorly performing BHP conglomerate, he made it clear he would be unsentimental about disposing of non-core assets and cutting costs to increase profits and reduce debt. The company has steadily grown stronger, posting operating profits of US\$ 4.7 billion in 2007.

mce_style="font-size: small;" mce_style="font-size: small;">At GM, people have become a liability due to the commitments the company made to them. Whereas at BHP, people became a source of strength, as only those who added value remained and delivered what was expected of them. GM continues to fight for its survival, while BHP Billiton is back amongst the movers and shakers. Both are reaping the fruits of their paradigms...one bitter, the other sweet, at least for now.

mce_style="font-size: small;" mce_style="font-size: small;">Life is about enjoying, learning, contributing and celebrating. This will be possible if we seek strength from what is real. The only way of knowing what is real is by asking ourselves, ♦What will last forever?♦ Nothing will. Everything we see around us will perish one day, even this planet, what to speak of dynasties, companies of all shapes and sizes and nations.

mce_style="font-size: small;">In this ultimate virtual reality we are part of, live each moment as though it is your last, and plan as though you will never die. This magical contradiction presents us with bliss that comes from a sense of detachment and a fulfilled life by being 100% engaged in the ♦Now♦♦the future will take care of itself!

mce_style="font-size: small;" mce_style="font-size: small;">We can empower ourselves if we change our beliefs about our current reality and connect with the promise our unfolding future holds for us.

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<i style="" mce_style="mso-bidi-font-style:normal">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.</i><i style="" mce_style="mso-bidi-font-style:normal"> </i> <p class="MsoNormal" style="">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. </p> <p class="MsoNormal" style="">

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.