



Enterprise and leadership: what entrepreneurial leadership does our country need?

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In his book *La deriva de España*, Enric Juliana explains the different specific sorts of crisis the Spanish economy suffers from: economic, growth model, political, etc. And he mentions something else: he says that one of the main effects of this crisis is «perplexity at a new map placing us on the edge of the world», and he does so with the following words:

«Once the economy has slowed down, the times of easy money and overblown ambition are over, arrogance has collapsed and the quality of politics is devaluated, at the centre as in the periphery, there is a third crisis factor: the map we were used to has been changed. Carolingia does not live here anymore.»

He refers to the shift in the geographic paradigm from West to East, with the loss of Europe's central role to the benefit of new emerging powers (Brazil, Russia, India and China – the BRIC), the difficulty of the political process in Europe, etc. All in all, there is a loss in references and a need to build new ones.

We can say that crisis brings about change. To tackle it, we need to be able to recognise what our position as to the global world is.

In another book, *Empresa i valors*, published by the same ESADE chair that has invited us here today, its author David Murillo states that with the crisis «many things will remain the same, particularly global governance struggles, the dictates of the market and the need of business to reinvent itself to find the way out of the crisis». He also asserts that «the sluggish spirit of a part of the population will remain the same, but need also generates virtue: we need to get by». «The competitive logic will still rule in the next years.»

The common denominator of the ideas presented by Enric Juliana and David Murillo is resorting to own initiative, own responsibility, the commitment with changing this reality.

We can say that crisis brings about change –Joseph Schumpeter's creative destruction. To tackle this change, we need to be able to recognise, far from frustration or discrimination in a seeming periphery, what our position as to the global world is: we need to know where we are, what we can do with our relative advantage, what we want to do with our ambitions and especially with what attitude we are going to do it.

I would like to make clear that I am not going to make a diagnose of the crisis. Although I consider a good diagnose of the situation to be crucial – and I try to have it, of the world, the country, the industry and Abertis – I am today more interested in publicly reflecting on what we need to do, and I think that Carlos March and myself have the task of sharing with you our criteria of what we need to do as entrepreneurs and try to find an answer to the question of what the entrepreneurial leadership in our country needs. It will be up to other panels in the meeting to think about what needs to be done to run the country.

To start this reflection in a positive manner, I will do a rather positive analysis of who we are (*who* we are is not the same as *where* we are) by mentioning the traits we attribute to Catalonia, taken from an editorial by President Jordi Pujol in the *Butlletí del Centre d'Estudis Jordi Pujol* published in March 2009. Jordi Pujol said the following there:

«We have:

- ▶ a solid economic tradition;
- ▶ considerable capacity of civil initiative;
- ▶ will of and experience in international openness;
- ▶ sense of identity and will of existing;
- ▶ a tradition of good coexistence;
- ▶ a positive experience in social progress;

► we have had and still have, though with a need to strengthen them, our old values of labour and personal effort.

We have what we have and we are what we are. And with this we need to get to work. And with this, with appropriate use, we need to go forward. And we can do it.»

We are an environment with a solid basis and strong enough to believe more in ourselves and to do things well.

Just in case this seems too philosophic to you, I will provide you some data Minister Antoni Castells summarised on a **conference at the London School of Economics in January 2009:**

«Catalonia is today a strong economic environment with almost 7.5 million inhabitants (more than eleven of the 27 Union member states), with GDP per capita 12% above the eurozone average. It is by far the main economic driver of Spain. In 2007, the Catalan GDP made for 18.7% of overall Spanish GDP. In the last twelve years, the Catalan economy has grown at 3.6%, 1.1 points above the European Union and 1.4 above the eurozone.

This has allowed Catalonia's GDP per capita to be €31,000 at purchasing power parity, which is 117.2% of the Spanish average and 122.6% of the EU-27 average. Only five EU countries have a higher GDP per capita (at purchasing power parity).»

In another part of his speech, after coinciding with some of President Pujol's concepts I mentioned before, Minister Castells said, talking of what we are:

«The Catalan economy is about to thoroughly change its competitiveness model. As occurs with other European regions (Bavaria, Baden-Württemberg and Lombardy), Catalonia's economic model is that of a region with a strong industrial base, a first-class asset and strength...»

What was the purpose of these quotations that, by the way, are similar to what other Catalan political leaders have said on different occasions? The same I presume they think when saying it: to explain that we are an environment with a solid basis and that we are strong enough to believe more in ourselves and to do things well. And I would say to do things better than we are doing now.

It is at this point that we have to see the need of reacting in the light of difficulties. It is at this point that we have to develop the leadership allowing us to make an opportunity out of the crisis. For we are able, within the perplexity mentioned by Juliana, to do something else. And I want to spend the remaining minutes to tell you some things I believe we need to do as entrepreneurs. It is just two ideas.

The first is believing in our resilience. This concept describes the capacity of materials to recover their shape after being exposed to deforming pressure. Applied to people and social groups, resilience reminds of positive capacity, strength to overcome negative events affecting us; the capacity to go on projecting ourselves into the future. It requires a certain self-esteem and capacity to depend on ourselves to drive a project built not out of comparison – what we lack – but acknowledgement of our own potentialities.

We have to develop the leadership allowing us to make an opportunity out of the crisis.

One cannot be an entrepreneur without being resilient, not to resist but to reinvent oneself, to live up to the attitude of starting over. Those only wishing to resist under current circumstances, thinking that the storm will clear, are wrong and dying a bit every day. But those having the same spirit as the day they started have good chances of making an opportunity out of the crisis as:

- ▶ They have the experience they did not have when they started and can thus avoid the mistakes they made the first time.
- ▶ They have a market, smaller than before the crisis but infinitely bigger than the day they started the company.
- ▶ They have talent and organisation that perhaps will need to improve and become more efficient, but if they do not lose them in negative selection typical of a crisis taken the wrong way, they will become a competitive advantage lost by those reducing costs and getting rid of the necessary talent to make progress.

Those only wishing to resist under current circumstances, thinking that the storm will clear, are wrong and dying a bit every day.

I could go on like that, but I am sure that you got the idea. What is needed to put it in practice? What is the key making the difference in resisting? Those resisting may have losses, the loss of starters is an investment and we know that money is not made the first day nor the first year of a business. Capital is needed to rump up and those unable to conceive their project this way are lost, no matter whether there is or not any objective opportunity for success.

To have this attitude, our environment and our country need to be trusted, and this is why I wanted to talk to you in the beginning of who we are, as without such identification, without this trust in strengths to be used and reinforced and in weaknesses to overcome, it is difficult to start up a project.

It is based on this that I want to develop my second idea: we entrepreneurs need to be more committed with the collective project, with the country, not only out of patriotism, which as such would be a good argument for many, but out of need. The country project cannot be simply

delegated to policy-makers, thinking that our task is just to do things well inside our company.

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I do not know if it has ever been convenient, but now it is clearly not possible, and the voice of entrepreneurs needs to be really heard with the heartfelt support by the whole of the most aware businesspeople. Otherwise, it will be void of credibility, no matter the goodwill of the one playing the music or those ritually listening to it.

In good times, we entrepreneurs did not care about our environment, nor are we now giving enough effective, constructive and, if necessary, critical support to those formally representing us in order to interact with policy-makers and other social stakeholders. This has to change towards a more proactive vision to improve our environment. Our environment is now vital to develop our project.

We often complain that we lack political, entrepreneurial, social, etc. leaders. Perhaps it is true, but what does this depend on? Some time ago, at a dinner with a group of young engaged entrepreneurs, I heard the same complaint. And I asked them: how many of you are ready to take the risk and assume this responsibility?

We do not lack any qualities nor country basis to have leaders, and even good leaders; what we lack is involvement and readiness for this sort of risk, basically because we firstly do not appreciate those who, being better or worse, are able to take the risk of leadership in politics and any other sort of social leadership.

It is necessary to identify and support leaders who articulate a collective project with courage and consistency. It is by intervening and sharing in what is happening to us that we will not lose

self-esteem. Otherwise we will regress and keep perplex at the edge of a world (of a new paradigm) that does look ahead. We will be, but we will stop being there.

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To summarise, I will finish by reading out what I said some time ago in an interview with the *Paradigmes* magazine:

«We have a population that has been feeding well for a long time, is well-off and has quite a high preparation level in relative terms. We have a group of people able to contribute and to think. This, added to the entrepreneurial

spirit, which I do not know if it is found in stones, in walls or in people, are prerequisites to grow. There is a demographic critical mass, a good geostrategic position in the world and, if you will, culture as well as a capital city that is a place people say is good to live and want to live in. So we are able to bring over talent to process. We have quite some things, also a certain financial strength with institutions playing a key role, both in the past and in the present. What is needed is to gather and combine all these factors.»

Now I would add: we practise resilience and help potential leaders in our country. This is true for all citizens, but especially for big, medium-sized and small companies.

It is by intervening and sharing in what is happening to us that we will not lose self-esteem.

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