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GUEST OPINION

FORGET NUMBER CRUNCHING – REALISE THE DREAM

A world of imagination and creativity may be scary, but finance professionals must realise that you cannot analyse your way into the future. You have to take risks, according to **Roger Mavity**.

One of the classic mistakes in business is to promote the finance director (FD) to chief executive (CEO) – leadership by charisma is exchanged for leadership by control. Of course, control is important; that is why a good FD is an excellent support to a good CEO. But in simple physics, in order to control momentum, you need to have momentum in the first place. Which is why good chief executives have charisma: it helps to generate momentum. By charisma, I do not just mean surface charm, I mean leadership that is driven by ideas and imagination.

If you look at Britain's state of health in the recent past you see a perfect example of what I am talking about. A charismatic CEO (Tony Blair) was replaced by a control-obsessed FD (Gordon Brown). No wonder the Labour Party became short of big, brave



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new ideas and no wonder the public grew tired of its political masters.

I believe much of the reason for our sense of national inertia is our reluctance to embrace the world of ideas and our enthusiasm for the world of control. And when we do have great ideas, we do not trust ourselves to develop them and succeed with them. The demise of our car industry makes the point. I drive that fine British car, a Mini – but it is now part of a German company. Before I got all environmental, I drove another fine British car, a Jaguar. Which is, of course, now owned by an Indian company.

CEO values have given way to FD values. No public figure expresses an opinion until it has been checked with focus groups. Every social problem is dealt with by passing yet another law, rather than solving the problem at its source. Teachers are required to spend ever-increasing amounts of time producing statistics, so politicians can boast about rising standards, while they spend correspondingly less time actually teaching the children. Large corporations regularly hide from making a decision: instead they hire management consultants to make it for them.

NUMBERS

We are in love with numbers, to prove that what we are doing today is OK, and we dread using our imagination to find a better way of doing it tomorrow. That might not be so bad if numbers could justify what we do. But any plan is only of value if it is going to work in the future, and no number can tell you what the future holds.

If you think I am being cynical, ask yourself which group in society uses numbers more thoroughly than any other to plan the future with relentless accuracy. Yes, you've got it – bankers. They are the ones who got us into the present mess, if I remember correctly. While it is fashionable to blame their greed, I would also blame their overreliance on spreadsheets and analysis and their underreliance on good old-fashioned judgment and common sense.

The arch-culprits of the numbers obsession are the management consultants: a breed which relies always on theoretical analysis and

'You cannot research your way into the future, you have to make a leap'

never on practical experience. Their lives are spent telling others what to do, but they never have to do it themselves. Personally, I would be reluctant to take life-saving lessons from someone who had learnt to swim on dry land. Management consultants are frequently clever, but rarely wise.

A good example is James McKinsey, founder of the company that still bears his name. He believed that "everything can be measured, and what gets measured gets managed". It sounds good, but it does not work in practice. Of course you can measure whether, for instance, sales in the southern region are up on last year. But you cannot measure truth, beauty, love – the things that really matter.

When Jonathan Ive, designer of the mould-breaking iPod, showed Steve Jobs at Apple his now ubiquitous design for the first time, did a lot of measuring go on? Somehow I doubt it. I suspect Jobs simply had the vision to recognise something remarkable, and had the courage to go with it.

IMAGINATION

It is a sad irony that Ive is English, yet it was an American company that had the bravery to back his original and imaginative design. And that gets to the heart of my concern: as a nation we are becoming increasingly concerned with numbers, with analysis, with proof, and less and less concerned with the uncountable potency of a new idea. The world of numbers gives us comfort, but the world of imagination is a little scary. Yet that comfort is spurious: you cannot research your way into the future, you have to make a leap. That leap may be frightening, but surely every worthwhile project is a little frightening at first?

In spite of my general gloom about our caution overwhelming our imagination, we do get it right sometimes. The transformation of The Baltic in Gateshead and Tate Modern in London are both inspiring. We have the world's most admired creative industries – our

advertising and design businesses truly are second to none. Terence Conran has single-handedly redefined what a good restaurant should be and Charles Saatchi has persuaded us to be a mile more adventurous in our taste in art. James Dyson has shown us that even a vacuum cleaner can be sexy. London is now the most diverse and exciting city in the world.

So we can do it. But all too often our ingenuity and our sense of adventure gets slowed down by the box tickers, the people who cannot have an opinion until a focus group has had it for them, the people who will not ever take a risk they do not have to. And our world is the poorer for it. I do not just mean spiritually poorer (though that is true too), I mean financially poorer. Wealth is made by the risk takers not the risk avoiders. We know that to be true, but in our own lives it is a truth we shy away from.

So if you want to emerge from this recession with something to aim at, something to fight for, I urge you to ignore the number crunchers and the analysts. Instead, back the people who have the balls to dream a little.

Just don't tell anyone in accounts.

This article was first published in *The Times* on Monday 12 October 2009 and is reproduced here with permission.

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