

5 PERSPECTIVES ON BUSINESS UNCERTAINTY



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At this critical juncture for the future competitiveness of our business network, which is especially true for traditional and mature organizations and sectors, the search for new ways to grow becomes a necessary exercise for business leaders. This soul-searching raises such questions as: How do we face the challenge of ensuring that our main line of business continues

to be relevant tomorrow? Where can we uncover new opportunities which would allow us to open doors for future growth?

In an effort to find answers to these questions, outlined below are the views of five prominent companies with international operations, from a variety of sectors and with a combined total of over 14,000 employees. All of them have experienced significant changes in recent years: in the make-up of the businesses in which they operate, the development of new capacities, expansion into new markets, and meeting new demands from clients, among others.

Guascor

An industrial corporation focused on made-to-measure energy solutions based on renewable energies and on power generation systems in over 30 countries.

At Guascor, it is felt that companies who do not improve their business model and activity in the course of this crisis, will be bounced back to square one, which paradoxically no longer exists, as they have neglected to work on building their future. A serious commitment to basic or essential business is critical in order to prevent a loss of competitiveness, albeit in a unique fashion and which would be adapted to the new business climate.

In this case, and parting from the vantage point of their expertise in marine motors and power systems, a variety of products and value propositions in energy production have been developed. It is also the case with energy solutions in remote areas, which they have marketed in a number of countries, along with evolving the motor toward a system of generator sets

Aernnova

This manufacturer of aeronautical components, with a staff of 3,500 employees, considers that on occasion, successful strategies are borne of capitalizing on internal capacities to develop novel ways to generate income.

This is what occurred with the sale of its engineering services in the aerospace sector some years ago. The company had always had a sizeable engineering team of between 150 and 200 people, with its customary ups and downs in workload, until Aernnova decided to sell its engineering capacity on the market. Today the company boasts a team of close to 700 engineers and a very profitable new business area.

According to the aerostructures company, strategic concern needs to be constant, since every two or three years, all companies go through some foundation shaking event, and to overcome it, new strategies must

be sought, with the total conviction that no project is impossible.

Aernnova has successfully met major challenges in recent years, such as the shareholding stake change when Gamesa left, which caused a financial problem of grave proportions, or the Airbus Power 8 programme, which downsized the number of suppliers from 4,000 to 400, reducing prices by 20%, completely redefining the rules of the game in the aeronautical sector.

Ficosa

Employing over 7,000 people, this automotive parts manufacturing multinational based in Catalonia highlights the need to “know what you are good at”, and focus your development strategy for the future accordingly.

At Ficosa, differential capacities have varied over time. Today they can safely say that they are “good at” assisting the driver in situations with visibility problems, and knowing how to serve clients in the automotive OEM sector. These clients trust Ficosa as a parts supplier, and can therefore more readily accept new products or solutions that this Catalanian-based company offers them, although they may fall outside their traditional technological field. This allows Ficosa to diversify into new businesses areas, like for example the communications boxes they have developed thanks to a joint venture with an electronics company.

Continuing along the lines of strategic management, they consider that an expert business leader must be also be an expert at extracting ideas from within their own organization, as “not only are strategies needed, but good people to put them into effect” as well.

Sener

The multidisciplinary Basque engineering group, with over 2,500 employees, possesses the necessary intellectual curiosity, the urge to break through new barriers, and the drive to work closely with the university and invest in R&D; all strategic elements in achieving business excellence and success. Thus, the attitude of the people working in the company becomes a basic and determining factor, since it is they who know the client and are better able to perceive the changes that may affect the organization.



Further to the required “permanent, pathological dissatisfaction”, Sener considers that the definition of strategy constitutes a value process in itself, since it involves the people who will make it reality, which in turn solicits their firm commitment to the greater process. Hundreds of people participate in the design of forward-thinking strategies and actions, even specifying “what we’re doing tomorrow morning at 9 a.m.”. Therefore, in this company’s opinion, the definition and development of strategy needs to be underpinned by people and in a decentralized organization where each “territory” is a small spin-off with enormous independence and flexibility, while still enjoying the security of being part of a larger group.

B+I Strategy

The consulting firm specialized in strategy and competitiveness, B+I Strategy works for multiple companies, providing support in their strategic decision-making processes affecting products, markets, business models, and many others. B+I Strategy considers that in future, companies will operate on “ongoing tuning” strategies, to better adapt to the constant change taking place all around us, and thus be ready to seize upon opportunities as they arise in various markets.

The attitude of people is crucial in order to develop successful strategies, but ever-backed up by an organization with a framework of clear strategic management which in turn facilitates entrepreneurship and the development of capacities among its employee.

B+I Strategy's experience has led them to observe that strategic business design is, on occasion, misdirected. The danger, should this be the case, is that if the people in the organization do not share the strategic course their company is taking, it ultimately proves very difficult to make the right decisions, optimize investments and undertake future-looking businesses.

II "STRATEGIC CONVERSATIONS"

The perspectives of these five companies were discussed 2nd March, during the II "Strategic Conversations" organized jointly by APD and B+I Strategy, under the theme of: "How to redefine a business in uncertain times. What happens when a company can no longer count on its main line of business?"

For over two hours and with the support of Susana Rodríguez Vidarte as moderator, the session and before an audience of 150 people, the following business executives shared their experiences: Josep María Tarragó, Vice-President automotive parts manufacturer, Ficosa; Jon Azua, Vice-President of the industrial energy company, Guascor; Jorge Unda, Director General of the engineering firm, Sener; Iñaki López-Gandásegui, President of the aeronautics company, Aernnova, and Sabin Azua, CEO and Partner of the consulting firm B+I Strategy.

An invitation to converse

"The downside of the crisis is that there are many companies 120% focused on surviving and they're not working on the building blocks for the future."

Jon Azua

Vice-president of Guascor

"It's important to define what I'm good at and find alliances, because in times of crisis we are all more open to talking."

Josep María Tarragó

Vice-president of Ficosa

"We need to be pathologically dissatisfied with our organizations, not just during a generalized crisis."

Jorge Unda

Director General of Sener

"You're left without important shareholders and you have to convince financial institutions of your project's feasibility. Invariably, every two or three years something major happens and all companies must be prepared to overcome it."

Iñaki López-Gandásegui

President of Aernnova

"Knowledge is the backbone which differentiates one consulting firm from another."

Sabin Azua

Partner and CEO, B+I Strategy