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Interview

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“One must act as if eternity were possible...and opportunity were imminent - a difficult balance”

José Luis Larrea, President of Ibermática

With a professional career highlighted by public life and a wide academic experience, José Luis Larrea, president of Ibermática, firmly believes that action is the key element for the recovery. “One must act...although you make mistakes.” He thinks that his sector - the information and communications technologies (ICT) - plays an ever more important role, stating that it is “extremely competitive and representative of the times we are living in.” Larrea’s idea of the most complete executive is one with initiative and the ability to work in a team.



You have a lot of experience in the academic field as well as in the public sector. How has this experience influenced your business projects? What have both kinds of experience contributed?

I think that everything one does in life helps to form that person’s way of being, their way of working, their way of managing or of doing things. In fact, these two kinds of experiences have left a great imprint on me professionally. It is very difficult to specify to what extent one or the other has determined what one is today. But if I had to briefly lay out what each of these worlds has contributed, I’d say that the academic world has particularly shown me the need for reflection and modelling. Sometimes in day-to-day management, when one is leading teams, the force of action often wins out over reflection.

Actually doing things is very important, because if you don’t, what is it all for? When you try to transmit experience in the academic environment, you have to engage in a modelling process. You have to explain your experiences in an orderly way, which makes you think about what you are doing. That’s why it seems to me that the need to reflect contributes a lot. I think that not only doing, but having to think about what you are doing - and what you are responding to with that action - helps to build one’s work style.

On the other hand, I have spent a lot of years in the public sector, in special areas like education, economics, taxation and public finance. The public sector gives you a sense of the social dimension - that is, the fact that what you are doing, in addition to serving your own interest, can also serve something bigger. I believe that "the public aspect" provides you with this viewpoint of things, so that when you are in a private company you can strike a balance that allows you also to think in the long term - about the social dimension of what you are doing. In this context some would mention Social Corporate Responsibility, in thinking that what you do goes beyond your own particular interests. This makes your way of managing things less speculative, paying more attention to the long term - something that is quite important when managing. This isn't very common in recent history, that's true. That's exactly why we are where we are.

To sum up: my teaching experience has led me to value the importance of reflection together with action, which means modelling what one does in order to communicate it, to share it. My experience in the public sector has given me a perspective on the social dimension of what one does.

In the context of leadership, do you think that leaders should engage in ongoing education? On what aspects of his or her technical as well as personal education should an executive focus?

Everyone has an ongoing need for education, whether or not he or she is an executive or leader. We are all leaders at some point in our life. Some leadership positions are more highly recognised - they seem more obvious - but we all lead at some point. Leadership doesn't only apply to senior management; it affects everyone. One has to educate oneself because, although there is surely an emotional part, a part of our

“The need for education is ongoing throughout everyone’s life, whether or not they are a leader. We are all leaders at some point in our life”

character that we are born with, leaders are made, not born. I think there are six key points to mention when talking about leadership - especially about a kind of positive leadership for change and improvement.

One of the keys has to do with values, and another with technology - that is, knowledge of current technologies and of what they can be used for. The other is knowledge itself. Another key point for an executive has to do with cooperation - how to get people to cooperate. If we all knew how to make everyone cooperate, we would be awarded the Nobel prize - because that's where the problems come from. Another key is the management of time: how to make things happen on time. Finally, we have the key of leadership itself, that is, how to apply one's leadership.

It seems to me that anyone aspiring to be an agent of change, of innovation, who in this sense aspires to manage others, must educate him or herself in these areas. They are all different. At some points it will necessary to work on one of these aspects more than others, but these keys are: values, technology, knowledge, cooperation, the management of time and projects, and leadership.

Getting back to your professional career, you have been involved in the ICT world for a long time: what unique features do you think this sector has? And what specific qualities and abilities do you think executives in this sector should have?

Our sector is highly competitive and tremendously open. It is very representative of today's situation in all sectors. One could argue about causality or coincidence - if it is a coincidence that our sector is so representative of what is happening in the world, or if it is precisely our sector that does certain things that then affect others.

To put it simply, there are three strong trends in our sector. One is globalisation. If there is any sector in which globalisation is experienced quite naturally, it is this one. The second is the impact of technology. This is a sector with tremendous technological development, which is growing exponentially. Prices fall at a very fast rate, while at the same time the ability to do things grows. Technological evolution is very influential. The last trend is speed - because all of this is happening very quickly.

When you put these three trends together, things get quite complicated. Your viewpoint of the sector, along with the viewpoint that to a great extent is forming in the economic and social relations of all sectors, manifests itself in a sensation of complexity, the feeling that everything is continually changing.

On top of that, there is an overriding theme, that is, our sector is present in almost everything that is done. This gives it a wide-ranging capacity to effect changes in the model. At the same time that it has this great reach, it has the ability to produce deep changes.

This is an open and very complex issue. When an executive has to operate there, he or she has to work with the six key points mentioned earlier. Values are very important in a changing world. In a world in which technology can lead you who knows where, either you are clear about your values, or you are lost.

In a sector that, as you say is so complex, what are the main challenges you have found throughout your professional career?

When one looks over the various stages of his career, there are more things to talk about as the years pass by. Certainly in each circumstance, the challenges that had to be faced can seem different. But when you try to summarise what is important, when you confront something new, the challenge lies in the complexity of something you have no knowledge of. This complexity can manifest itself as pure chaos. You don't know the rules by which things function. This may be due to the fact that it is a new and different sector, one that you are unacquainted with. Or, on the other hand, it may be that there is a new problem within something that you do know about.

Whenever there is a change you note how complex things are because you still don't know enough about this new challenge. Not only that, but in a world like the one we are talking about, with technology rapidly taking off, things are even more complex.

The challenge you face lies in being able to see light amid this complexity, in order to identify the key element - what is substantive in all of this. The difficulty is that all of these details do not stop you from really distinguishing what is really the key point. This may seem obvious - but it is usually difficult. That's because

all of this complexity is not only of a technical kind; it is also the complexity of people. How to see light in this complexity, how to distinguish the substantive from the merely accessory - this is a common element in all challenges.

Then, that second aspect of the challenge you run up against when you truly realise where the core of that challenge lies, is to act. The other challenge for executives is to be doers. Among so much complexity, so much discourse, so much technology, so much superficiality, so much need to draw attention - well, there's no way to attract attention. This all makes us very superficial, it makes everything very complicated. During these years of crisis, some have said that there is a change in the model, a change in relations, a new social model. Some even insist that this is all a change of paradigm. If this is so, something will have to be done. But it turns out that nothing is done; everyone just goes on with their own activities. For that reason I think that the next element - after being able to confront complexity and realize what is substantive - is to do or act, even if you make mistakes.

We need doers, not only discourses. Doers are capable of capturing that aspect of a team that can be related to another thing and make it valuable. They are like tailors working with relations: they must skilfully sew together the nuances from the various relations and, without realizing it, create a suit. This is like a kind of round-trip. When you are moving towards a new challenge, you see complexity and must be able to perceive the uncomplicated aspects. Once you know those aspects, you have to go back and focus on the details, since you will be operating with those details.

Looking towards the future, what role will the ICTs play?

They are playing a vital role, and that role will be greater as the time goes on. If we analyse the future and think about the changes that could take place, we can see how we are going to improve. This is the discourse of innovation, that is, we see what we are going to do

differently that will contribute positive value. In any innovation system, whether social, in a business or in general, one of the key elements for innovation is the control and use of technology. For that reason, the ICTs are going to play a central role in innovation. In fact, they are already changing and revolutionising the world.

The emergence of mobile telephony and the internet in 1995 was an explosive mix. The "dot-coms" appeared, the business model changed, etc. By 98 or 99, people announced that the revolution had finished and it was time to integrate it into civilisation. What does this mean? Well, when there is a radical change, the first thing people notice are breaks with the past all over the place, after which things settle down. The information society revolution is happening, and although it may not seem so, it has only just started. When looking towards the future, this change is key.

Other technologies will be of vital importance in changes in economic and social relations. These include nanotechnology (which has tremendous potential), biotechnology, and energy technologies - which are the object of fierce debate, since they condition everyone's life. And we should not overlook the technologies related to the cognitive area, that is, with everything that occurs in the brain. Up until 15 years ago, we had no idea what happened in the brain. But neuronal functioning has been under study for some years now. This has tremendous potential to change both social relations and business models.

“In a changing world, one in which no one knows how far technology can take you, either you are clear about your values...or you are lost”

Moreover, some of these technologies work hand in hand, having integrating effects between them - so that their capacity for change is even stronger.

With all these technologies in mind, perhaps it becomes more apparent that the ICTs will not be any less important. In fact, they will continue to help the other technologies more and more. Without a doubt, our basic challenge at this point lies in the search for greater efficiency, in how to do more with less. It is here that the ICTs once again play an essential role. We are working in a very complicated sector, but one with a great future.

How is the current economic environment affecting companies in terms of day-to-day management?

It is having a strong effect, because crisis situations are difficult. At the same time I think there is a paradox here. Sometimes we have to invoke the Saturn paradox.

There is a myth in Roman mythology. It was believed that, after an agreement with his elder brother meant to legitimise the succession to the throne, the god Saturn had to devour his three sons after their birth. Goya represented this paradox in his painting "Saturn Devouring One of His Sons". Making a comparison, we could say that the crisis is what lights the way to innovation, but also threatens to devour it.

What has happened is that in this crisis situation, we have looked backwards in order to once again control costs, to do things the way we did before, to return to our processes, to be more efficient. And with this we run the risk of forgetting about innovation, since operating on a very short-term basis tightens things much more than medium and long-term thinking.

The challenge presented by the crisis is to find out how to get to the end of the month while thinking of the future. This is difficult, but well, no one ever said that managing or innovating would be easy. There is no

magic formula for this. This is a kind of paradox, like the Saturn one. If you are not careful, the same crisis that lights the way to innovation can devour it.

Many people think that innovation was all very well, but it was a discourse for the wealthy, for when we were all doing well. Right now this issue is as important as ever, or even more so.

We have to grow and do new things. At the same time, we have to be able to finish up with those things that haven't worked out well. We often have a very linear idea of business or of life. We create a business and we think it will last forever, and when we see that things don't work out well, it is very hard to make the decision to close that business. Not only because there are people or resources involved, but in many cases because it is hard to recognise a failure. If the company or business isn't capable of operating within this balance and renewing the old ways, things turn out badly. There's a very good book by Donald Schultz that talks about active inertia and the keys to success in any company. Everything that lies behind a success, if it isn't renewed, ends up explaining a failure. That customer who was so instrumental in jump-starting the business - if you don't know how to treat them well, if you don't take care of them if the relation isn't refreshed, if you don't continue treating that relationship with love, then one day they will leave. Everything has to be renewed. Others call this paradoxical management: to manage is to move among contradictions and paradoxes.

In such a crisis situation, what should a manager contribute to his or her staff in order to set out on the road to recovery, increasing the competitiveness of the company?

The most important thing for an executive is common sense, which, as they say, is the least common of the senses. Next comes commitment; an executive has to be fully committed to what he or she is doing. Finally, the executive has to set an example. That is, he or she must not only offer a nice discourse, but this must be something that can really be put into practice.

Obviously, all of these issues of common sense, commitment and example-setting are related to the values mentioned earlier. Values are a key element in any aspect of life. They are even more important for an executive. Yet values are not something that can be displayed in a PowerPoint presentation to impress people. They are built up from attitudes stemming from what one does on a daily basis. You know whether or not such values exist when you see what happens and how things happen.

I like to talk about long-term commitment. One has to manage things as if eternity were possible. We are not here to see what happens with our company the day after tomorrow. Rather, we have to manage the company as if it were going to last forever, assured that we will end up being the best in the world. The problem is that sometimes this eternity discourse can lead to a mistake, or that people will think that if this is eternal, God will provide - and this is not so. If we do not provide for ourselves, we are in for trouble. In short, one must act as if eternity were possible and opportunity were imminent, which is, of course, difficult.

If you could provide a profile of the most complete leader and executive, which three qualities would you choose?

That is like looking for a magic formula. If we are talking about qualities, we are also talking about values. Knowledge of the sector is a given; the executive must have knowledge of the sector he or she is working in, as well as knowing how the available technology can be used.

“An executive must have initiative and be able to work in a team”

At the same time, the executive must have initiative and the ability to take risks - yet these risks must always be sensible and reasonable. What would seem to be intrinsic to the work of an executive is, in the end, not so obvious. Another key element is the ability to work in a team. This has a lot to do with respect. One is capable of working in a team when one respects others. If someone respects others and is aware of the fact that the person sitting before him or her is different, that she can contribute something - from there everything goes much smoother, creating the basis for teamwork, each working from their own sense of responsibility and within their assigned role. When focusing on diversity, one does so through respect.

Therefore, initiative and the ability to work in a team are essential. The latter is nothing more than being aware that everyone contributes something, and to value this. Finally, we have perseverance - the willingness to move on, and not get stuck in the discourse. In short, this is the role of doers, to persevere in action, in relations - because things are not easy.

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