



CONFEDERACIÓN
ESPAÑOLA DE
**DIRECTIVOS
Y EJECUTIVOS**

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Liderando en positivo

Interview

José María Aguirre

February 2011

www.liderandoenpositivo.com



Technological support:

Laviniainteractiva

“Managing a company is like playing the piano: all the keys are important”

Jose María Aguirre, Chairman of the Association for Management Progress (ADP)

Jose Maria Aguirre, chairman of the APD and member of CEDE’s advisory board, could be said to embody the voice of experience. Over 50 years devoted to the corporate world, first in the construction company Agromán and later in Banco Guipuzcoano, vouch for this entrepreneur’s career. In the present economic climate Aguirre cites training and experience as two key factors that cannot be neglected.



What has your professional experience taught you about leadership?

I have a lot of experience and I have learned a great deal throughout my entire professional career, partly because I have lived life very fast. I was one of the brightest students in my year and I got my civil engineering degree very young. As soon as I qualified I took on a highly varied group of subsidiaries of the construction company Agromán. At that time I created the “Paleta Agromán” (Agromán Bricklayer’s Trowel), a much sought-after award for the best cartoonist, which people called the Cartoon Oscar and which became our logo for many years. After ten years in the company I joined the Board of Agromán and ended up becoming executive deputy chairman and subsequently chairman. Agromán represented 30 years of my professional life.

Later on, I joined the Board of Banco Guipuzcoano and after five years I was appointed chairman, a position I have held for over 20 years. When I joined Banco Guipuzcoano I set a 70 year-old age limit, which at that time seemed very far off. I could have changed the bylaws, as Botín did, but I didn’t have the face to do it, because it was something that I had passed myself. I consequently became the bank’s honorary chairman, attending all the board and committee meetings so my relationship is still fresh and they still value my experience and know-how. In the same vein I must stress that we should not be afraid of transitions: they should be faced with optimism. In short, my life could be summarised as 30 years in the construction business and 20 years in the banking business.

While discharging these positions of considerable responsibility that have marked my professional career I was also involved in some highly varied projects, such as the time I spent in the Spanish parliament as representative of the construction entrepreneurs.

Something that always fired me was communication. However, when I started working there was no corporate communication and I don't think there was any need for it either. Let me explain. Companies did not have available the information they handle nowadays. From time to time in some newspaper you might have come across an article that had been sent by some company's communication department, but that was about all. People didn't know what a company's billings were and nor were there any audits, so it was practically impossible to find statistics of any kind. At that time it was seen as a mark of disrespect for the owners of a company to commission an audit because it meant that they mistrusted their executives. Deloitte, which had another name at that time, was the first firm to audit Agromán.

Aware of this lack, I set up the Institute for Progress in Corporate Communication, together with Pepe Pérez who at that time was managing the news agency Europa Press. We also got a master in corporate communication underway and we were fairly successful from the standpoint of both participants and sponsors. Naturally, that was hardly a lucrative venture for me, but I very much enjoyed starting up this project on corporate communication.

Later on, I was called from an entirely different quarter than the Institute to take part in the Association for Management Progress (APD), which is based on two main pillars: information and training. In 1956 when the APD was created its founders had insufficient

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funding and my father decided to make a considerable investment for the association's future development. That was why, years later, I was called to join the Board and was subsequently made deputy chairman. Since Antonio Garrigues had changed the bylaws while he was chairman so that no term of office could exceed eight years, once my eight years were up I was out and “banished” for three or four years. After that they called me again to take on the office of chairman once more. The problem was that at that time I held the position of deputy chairman of the Spanish Confederation of Employers' Organisations (CEOE), which was chaired by Jose María Cuevas, and I was also chairman of the Economics Commission. For reasons of incompatibility, APD's management suggested that I would have to give up my position in the Economics Commission if I was to become a member of the association again. This was the agreement we reached and, as a result, I have been managing the APD for nearly eight years now. I was also lucky enough to become a member of the advisory board to the Spanish Confederation of Managers and Executives (CEDE).

“Consultants can be of great help to companies by coming up with things that, sometimes, the manager himself wouldn’t dare say”

What key factors for team leadership have you learned from your experience in all these business organisations?

When it comes to managing a company your attitude and also your experience are vital. In my opinion, it is also fundamental to possess the necessary capability and temperament to cope with difficult situations. Also, when you lead a team you always have the feeling you are at the service of the others, rather than the other way round. If someone in your team is unable to resolve a problem you have to help them do it: that’s key.

We can no longer base ourselves on the old management pyramid structure. In the past nobody dared to talk directly to the chairman because they could not get beyond middle management. Today, management methods are completely different and there is no longer such a rigid hierarchy. These days the chairman of a company can give instructions or an order to any employee through the intranet. I like to compare

a company with an orchestra in which all the members have the same score in order to play a symphony. The difference lies in the fact that companies change the score almost every day because in a company various factors come into play (customers, the economy, the shareholders, etc.) which can change very fast. That’s why you have to improvise daily.

In the current economic scenario what are the qualities and competencies management should have to help companies back onto the path of recovery and, ultimately, to improve the Spanish economy?

There is no doubt that we are at a difficult juncture. Consultants can be of great help to companies by coming up with things that, sometimes, not even the manager would dare to say. All the same, we are highly conditioned by the familiarity and affection that arise after many years of service. One example is the problem of bonuses. If these are granted subjectively, rather than on a numbers-based method, they become a fixed payment for the employee because the boss who grants the bonus to his employee does not dare deprive him or her of it.

Companies grow old, they deteriorate, we get old too and that also has an effect. Experience is indispensable to be a member of the Board of Directors. However, someone who has retired may be a stupendous board member but he will lack the force of the marketing and sales staff, who have to face the public. All companies are born, live and end up disappearing. We don’t know why, but this is always what happens.

Engineers are said to contribute a highly organised vision to companies. Do you agree with this statement?

We engineers are very logically-minded, I admit. I always say that people move forward on velocipedes, those ancient bicycles with one large wheel and a smaller one. In the case of engineers, the big wheel stands for technical training and the small one is the human factor. You can't compete in a race on a velocipede, it's better to have two wheels of the same size, even if they're small. We therefore needed to supplement what we learned of engineering at university with corporate life.

The question is, why have civil engineers got on so well in a corporate environment? I think this is partly because of all the reflecting we had to do in order to solve the mathematical problems we were faced with in the examinations to enter university. This helped to give us self-confidence and, as a result, if we have a problem we are able to solve it and to solve it well.

What role does training play in the development of managers? What changes have there been in this field?

Training has improved very much. We were logic-brained technicians who fell short in other training areas. In my opinion, training makes managers. For example, I have heard of a project aimed at training early retirees, not to become managers at this stage, but to become consultants at small and medium companies. The aim is to train in the areas where a person has most shortfalls and these professionals can contribute value to companies with their experience.

“A company is much more than the value added demanded by shareholders: ethics are fundamental”

Distance training has a lot of followers and is a real revolution. Nowadays, no matter where you are, all you need is a computer to get the training you need. To train managers you need numerous training courses, because, as I said before, the world is changing so quickly that a second is eternity. In this world, changing weekly and even daily, there is always something to learn.

I believe that the business schools should instil in their students the idea that profits are not the only important factor for measuring a company's success. A company is far more than the valued added demanded by the shareholders: ethics are fundamental. You have to manage the company as though it were a piano in which all the keys are important if the music is to sound good. You have to look after all the players, an attitude of "anything goes" has no place in the corporate world. If we only have short-term vision we can place profits at the top, but in the long term this is not sustainable because companies lose their culture and their ethos. We mustn't get to a point where a company is a place where people meet to work with little enthusiasm.

How do entrepreneurs' management associations help to enhance companies?

I consider that the APD and CEDE have contributed enormously to corporate development. Here are some key figures to bear me out: in 2010 APD organised 383 events, a very considerable number considering that there are only 250 working days in the year. Also, in order to get these workshops going we had to call on over 2,000 speakers. Mind you, the attendee numbers are also high: a total of 47,000 executives participated in the various events. These workshops are highly productive for executive training.

Supposing you could start from scratch in a situation such as the present moment, what path would you choose?

I have always been a bit unorthodox and am not sure if I would go for the corporate world. But deep down, if I ask myself whether I would start again as a business

person the answer would be "yes", as it is in my genes. Regrettably, I presume that I would indeed be an entrepreneur again. I say "regrettably" because I don't know if I would do it well in a global context that has nothing to do with the situation in which I embarked on my business career. At that time everything was easier because we had certain established routines. Now, on the other hand, routine, as a way to work, is no longer valid. Young entrepreneurs have to innovate, launch a quality product on the market and at low cost too. These days it doesn't matter what country a product comes from or where it is being sent to. Consumer habits have also changed radically. In the past consumption was a family matter whereas now it is a matter of the individual.

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