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Interview

Fernando Salazar

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“Leadership is knowing how to manage teams. You cannot know everything but your team can”

Fernando Salazar, Executive vice-chairman of the Spanish Institute for Foreign Trade (ICEX)

The extensive international experience of Fernando Salazar, vice-chairman of the Spanish Institute for Foreign Trade (ICEX), makes him a great expert on this matter. In his opinion, internationalisation is key to the economic recovery and one of his future challenges is to consolidate Spain's role as an exporter and to expand into new markets beyond the European Union, focusing on innovation, design and technology.



What lessons have you learned about leadership in the course of your career?

In my opinion, the public sector has its own kind of leadership which is different to the leadership found in the private sector and, therefore, many of the lessons learned are different. In addition, our area of activity is very international. We go abroad and deal with companies that invest abroad, which means that we have learned different ways of understanding the traditional leadership found in private companies.

In particular, leadership in the public sector and in an international setting has taught me to be open minded, to listen to what people have to say, to look at how others behave (competitors, other countries), to have vision (where you are going and where to take the organisation) and, above all, to manage teams because you cannot know everything; it is your team that has all the knowledge. As the saying goes, two heads are better than one. In short, the main conclusion is team, team, team.

In such a difficult period as the current one, is internationalisation one of the keys to recovery?

Internationalisation is not one of the keys – it is the key. The Spanish economy's entire growth stems from the foreign sector. The economy is not growing very much -at 0.7%- and only thanks to the foreign sector. The figures speak for themselves: international demand contributes 2.6%, domestic demand detracts 1.9% and exports have had double-digit growth for 19 months.

Many companies are surviving, investing and creating jobs thanks to the international market and, if we look at previous crises, Spain has always forged ahead thanks to the foreign sector. This time there is an added difficulty in that there is no peseta to devalue. This time we have to get through it with a lot of work and effort. However, the foreign sector is still the key to recovery.

What are the challenges facing our country in terms of foreign trade?

There are many challenges. At the moment we are exporting a lot. We have hit an all-time record but we have to try and ensure that it is not a temporary situation and that companies do not forget about the international market when the economy gets back on track.

Therefore, we have to try to ensure that Spain is structured as an exporting country and that there is a shift in the model in the industrial, construction and service sectors towards exports.

In addition, we have to enter new markets. We have a huge presence in the European Union which is not a bad thing but I consider that it is worth diversifying and taking advantage of the opportunities offered in new markets. Our companies are very competitive but there are not very many of them. We must extend our export base and there must be more companies that export and invest abroad.

Furthermore, we have to be competitive. Given the very difficult setting in which everyone wants to buy and sell, new competitors emerge that do not operate with the same rules as us. Gone are the days when you can compete on the basis of price. You must compete on the basis of innovation, brand, design, technology or after-sale care. We cannot leave our goods in exile. They must come with something else.

“Many companies are surviving, investing and creating jobs thanks to the international market. If we look at previous crises, Spain has always forged ahead thanks to the foreign sector”

How can managers motivate their team during times of crisis such as the current one?

You have to motivate your team and motivate them hard. The crisis tends to be viewed as dead time but that is not the case. It is a difficult time but this does not mean that it is dead time. Many companies and a lot of initiatives were launched during a crisis period. The Chinese have a concept called weiji (the Chinese word for crisis), composed of the two characters wei and chi, which mean danger and opportunity, respectively, and I agree.

Although it is true that it is slightly harsh to tell five million unemployed people that the crisis represents an opportunity but that is the way it is. You have to make managers see the opportunities that the crisis brings, spot challenges and encourage their team to achieve them and inspire them. I know that it is difficult to be inspired in a time of crisis but you can be and you must be.

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What are the qualities of a good manager?

A lot of vision – good managers have to know where they want to go. They should also have a huge ability to listen, see, learn, know the environment and be capable of drawing conclusions on this environment.

In addition, I think that good managers should have the ability to manage and lead teams, listen to their people and accept criticism (it is always good if criticism is internal and constructive), inspire them and motivate them, even with few resources.

What role does training play in the growth of leaders during their career?

Training is key. It is very important in consolidating and increasing knowledge and adapting to new trends. You cannot learn anything on your own. This does not mean that you have to do a major master’s degree but you can complete courses, seminars, etc. on an on-going basis. At the ICEX, our training in the managerial sector is underpinned by internships, master’s degree programmes, and internet courses, training days and meetings between professionals in the sector, etc. Training is of course fundamental.

How can good leaders form part of and help the recovery of their country?

It is not a matter of can but must. All of us have to do our bit to help the recovery. A small surviving company creates jobs, pays its bills and contributes to the recovery.

All leaders have a job to do and they must do it, particularly in the public sector because we are serving the general public. We must set an example, and employ austerity with regard to resources and be open minded. Specifically, organisations that support companies must help them with what they need, i.e. to go abroad, innovation, exports, etc.

What situations have shaped you most as a manager and have defined your management style?

I have been working for almost 21 years and I have been in many situations but some have certainly had more of an impact than others.

The first was my initial posting - to the ICEX office in Valladolid. During this first posting I had to drive around and get to know companies and find out the company base of small businessmen in Spain. I learned a lot.

I then completed a master’s degree in management, during which I learned management techniques and assessment, management, prioritisation and budgeting methods.

I also worked in Moncloa for a while as an economic adviser to two leaders of two different political parties which taught me a lot about how high-level international politics work.

I also worked at a development bank in Washington, where you work in the same team with people of different nationalities (German, Chinese, Japanese and Australian, etc.). Working with people with different mentalities teaches you a lot.

And lastly, China. Learning how they think and how other mentalities, markets and political regimes work was an experience.

Has leadership changed in recent years? How?

Yes it has changed because the world has changed. Two really important phenomena have changed everything. On the one hand, globalisation. The world is completely open and companies are open to a lot of markets. And more so in Spain; we were a relatively closed market and gradually opened up later on, slowly but with great strength.

On the other hand, information technology. Markets are now immediate, customers want an instant response and will not accept a delay of two or three days.

The global and interconnected world changes the way you manage. You have to manage on an immediate basis, make decisions as you go along and attend to your entire international network, your customers and your team. Your leadership has to be cooperative and you must co-operate with in-house and outside people – that is how you achieve success.

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Contact

CONFEDERACIÓN ESPAÑOLA DE DIRECTIVOS Y EJECUTIVOS - CEDE

World Trade Center
Moll de Barcelona, s/n Edificio Sur 3ª planta
08039 Barcelona (Spain)
Tel. +34 93 508 83 20
Fax. +34 93 508 83 21
Correo electrónico: info@directivoscede.com