

MICKEY  
HUIBREGTSEN

RELEVANT FOR  
MANAGERS AT  
ANY LEVEL IN ANY  
ORGANIZATION

**MANAGEMENT  
MADE  
SIMPLE**

Ideas of a former McKinsey Partner



MICKEY  
HUIBREGTSEN

**MANAGEMENT  
MADE  
SIMPLE**

*Ideas of a former McKinsey Partner*



This book is dedicated to all my clients,  
who taught me so much and were  
such a joy to work with.

**Colophon**

Copyright © 2017 Mickey Huibregtsen  
Dexter is an imprint of Bakas Books

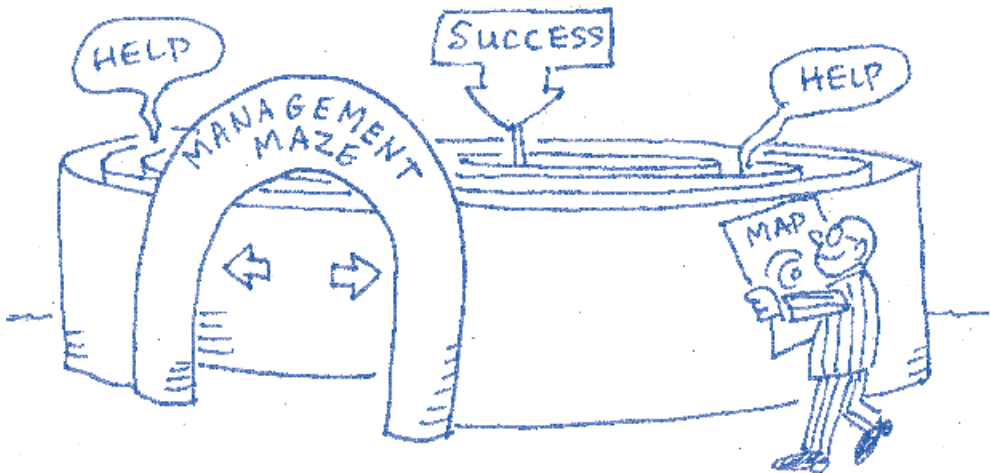
All rights reserved. No parts of this book may be reproduced or transmitted in any form or by any other means, electronically or mechanically, including photocopying, recording or by any other information storage and retrieval system, without written permission from the publishers.

Editorial: Mickey Huibregtsen  
Illustrations: Annushka Kamp, Kamp Quality Media  
Cartoons: Marc Baaij  
Design: Wentelwereld Grafische Vormgeving en Uitvoering

# Contents

<b>Preface</b>	<b>9</b>
<b>Introduction</b>	<b>10</b>
<b>Part 1 – Business Environment</b>	<b>25</b>
1. <b>The One-person Economy:</b> explore the fundamentals of employment	26
2. <b>The Service Economy:</b> pursue full employment	30
3. <b>The Blue-bag Opportunity:</b> interpret outside events	34
4. <b>The Power of Intangibles:</b> focus on the intangibles	38
5. <b>The Source of Prosperity:</b> innovate forever	42
6. <b>The Shifting Fundamentals:</b> choose where and how to compete	46
<b>Part 2 – Strategy</b>	<b>51</b>
7. <b>The Delta Function:</b> understand the nature of competition	52
8. <b>The Value Proposition:</b> choose how to compete	56
9. <b>The S-curve:</b> know where you are with your business	60
10. <b>The Sustainable Competitive Advantage:</b> search for defensible positions	64
11. <b>The Double Business System:</b> balance supply and demand	68
12. <b>The Management of Options:</b> incorporate uncertainty into planning	72
13. <b>The Quantum Leap:</b> create breakthrough value	76
<b>Part 3 – Organization</b>	<b>81</b>
14. <b>The Napoleon Grip:</b> control the business system	82
15. <b>The DNA-driven Organization:</b> manage beyond control	86
16. <b>The Horizontal Value Creation:</b> extract value across business units	90
17. <b>The Nature of Knowledge:</b> capture knowledge	94
18. <b>The Organizational Flipover:</b> turn the organization upside down	98
19. <b>The Umpteen Commandments:</b> inspire organizations	102
<b>Part 4 – Leadership</b>	<b>109</b>
20. <b>The Brain Breaker:</b> understand your own intelligence	110
21. <b>The Leadership Paradox:</b> explore dimensions of leadership	114
22. <b>The Spider Plan:</b> build your network	118

23. <b>The AMC Model for Action:</b> build contact with your target audience	122
24. <b>The Full Body Manager:</b> give it everything	126
25. <b>The Think versus Act Challenge:</b> understand the evolution of leadership	130
26. <b>The Virtue of Guidance:</b> offer constructive feedback	134
27. <b>The Caring and Competent boss:</b> choose your superior	138
 <b>Part 5 – Management Tools</b>	<b>143</b>
28. <b>The Problem Pyramid:</b> structure the problem	144
29. <b>The Order Penetration Point:</b> manage logistics	148
30. <b>The Eye-opener:</b> use metaphors	152
31. <b>The Pyramid Principle:</b> communicate clearly	156
32. <b>The Value of Customer Intimacy:</b> think customer	160
33. <b>The Why-why Question:</b> get the most out of interviews	164
 <b>In conclusion: why manage at all?</b>	<b>169</b>
 <b>Acknowledgements</b>	<b>171</b>



# Preface

**S***implification is one of the major challenges of the twenty first century. For many people the modern world has become too complicated to grasp. In a business environment that is changing faster than ever, the complexity of running an organization – business or otherwise - is overwhelming for many managers.*

They feel that they are losing control over all that is going on and as a result do not know what to do when. Their leadership becomes ineffective and risk-avoidant. Visionary leadership coupled with fast and clear decision making has become a thing of the past in most organizations, apart from some start-ups.

In this book, Mickey Huibregtsen passionately advocates for the simplification of companies and society. Obviously, he has thought about this a long time. His arguments are not only persuasive, they are based upon many years of experience within McKinsey & Company counseling a wide array of corporate, social and governmental clients. In addition he has founded and led several NGO's in recent years.

I have come to know Mickey as a visionary man. He has a broad perspective on things that are going on in the business world and society at large, and couples his insights with a strong intuition that leads him to where he needs to be. He shares this broad perspective with the reader in this book. A wealth of insights is the result, and I recommend *Management Made Simple* to all the managers who seek to be truly effective in the leadership of their organization.

Intuition is something that cannot be taught, because it is given. But all those managers that lost their intuitive ability because the reality of their organization became too complex, can use this book to regain their perspective and control so they can bring out their leadership qualities again.

**Adjiedj Bakas**, author of *Capitalism & Slowbalization*



# Introduction

**T**he world is increasingly more complex and this makes management at any level of any organization more challenging. The purpose of this book is to help managers deal with this complexity by offering some simple concepts, models, and ideas on topics varying from corporate strategy to organization, leadership, and management tools. The underlying assumption for the book is that the only way of dealing with complexity is to make things simple, but in the right way.

To determine whether a particular simplification is justified and pertinent calls for personal judgement. Thus the following only offers tools. These do not replace the need for a craftsman to select and apply them.

Before diving into the various ideas, it is important to understand some of the fundamental trends, and the scope for improvement in many areas, that are at the heart of the unnerving and escalating complexity that every manager is facing today as well as the desired paradigm shift that logically flows from this.

## TOPICS OF INTRODUCTION

- Trends
- Scope for Improvement
- Paradigm Shifts

## TRENDS

Many – generally very successful – books have been written about trends and the number of relevant trends is growing. To keep things simple, I will look only at those that seem most pervasive and relevant to both operational and strategic management. In my view these are:

- The accelerating *pace of change* in virtually every dimension of management.
- The increasing *globalisation* of business and politics.
- The escalation of the role of *emotions* in all our actions.
- The expanding *role* of corporations *in society*.

## TRENDS

- Accelerating Pace of Change
- Increasing Globalization
- Exploding Emotional revolution
- Expanding Role of Corporation in Society

All of these have been occurring for a while but have shown some acceleration in recent decades so that their impact – once limited to inci-



dental aspects of the business – now tends to be pervasive. These trends do not operate independently, but rather tend to feed on one another. And other factors, such as information technology, mobility, and liberalization of social and political values all interact with them.

### Accelerating Pace of Change

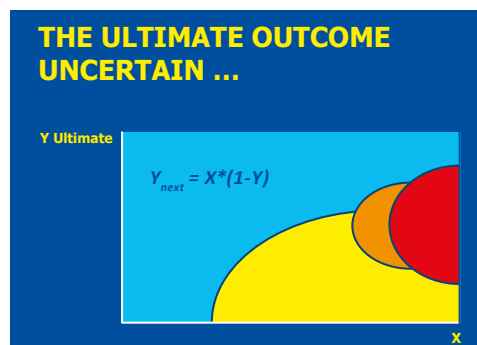
Alvin Toffler in his 1970 book *Future Shock*, demonstrated exceptional visionary qualities by focussing on a topic that has since become a crucial element in everyday life: the ever-accelerating pace of change.

Change is a relative notion. What constitutes rapid change for one observer may seem like stasis to another. For managers, the pace of change in their lifetime as managers is the most relevant reference. In those terms, it can be argued that in the 1960s most factors that were critical to business managers – such as technology, market preferences, and currency rates – changed only relatively slowly. Many strategies in those days assumed a stable environment, a competitor that did not move, consumers who were constant in their preferences, and fixed logistical and financial boundary conditions.

A by-product of the accelerating pace of change we are now seeing is the greater possibility of fundamen-

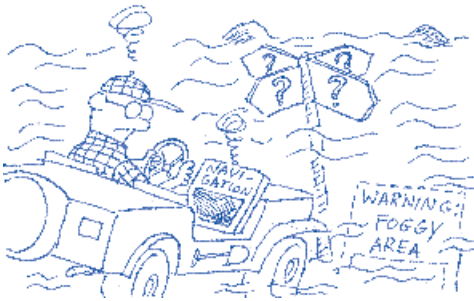
tally unpredictable outcomes, despite the most thorough investigation of facts and trends. In short: everything impacts on everything else. This is a phenomenon – just like the weather – in which science, in the form of chaos theory, has taught us to prepare ourselves in developing strategies and choosing courses of action for a wide range of possible outcomes.

A simple so-called “logistic” equation as shown in the following exhibit can result in a wide range of possible outcomes “Y” once the variable “X” surpasses a certain value. This “X” can be interpreted as a measure for the rate of change. All around us we see indications that we are far into this range of unpredictability.



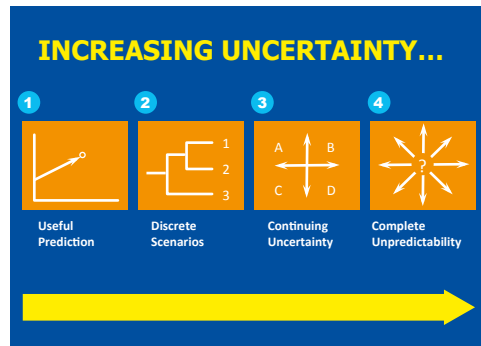
Compared to yesterday’s walk through a desert, management today is a climb into the mountains. Managers can count on encountering ever-changing weather conditions and terrain. Changes can be both hard, such as currency swings, and soft, such as consumer preferences. And the continuous inter-

action of all these factors can make it hard to precisely identify cause and effect in particular situations.



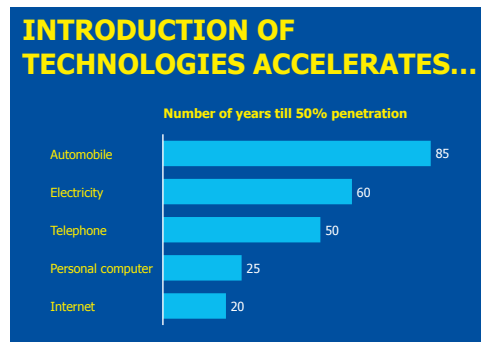
It is this combination of rapid change in the competitive environment and fundamental unpredictability of future events that has totally changed the landscape of management. While Darwin's theory of evolution allowed for hundreds, if not thousands, of generations of a species to adapt itself to a changing environment or become extinct, managers have had to adapt, in a single century, to a move from an inherently stable to an inherently unstable business environment. It is thus not surprising that both the average age of corporations and the average tenure of its leaders have tended to decline.

Royal Dutch /Shell was one of the first large multinationals to introduce the notion of scenarios – alternative external outcomes – into their planning cycle. Originally, in the 1950s, they worked with two scenarios. Now there are many with subsets. Strategic planning in general must deal with this escalating uncertainty that sometimes leads to total ambiguity.



This accelerating pace of change and increasing uncertainty of outcomes is visible in virtually all aspects of business and organization, including:

- Consumer preferences
- The practical 'life' of a technology
- The business make-up of leading corporations
- The political landscape
- Currency fluctuations
- Capital flows



The manager of today, whether in business or government or anywhere else, must deal with a factor that the human species by nature fears and tries to avoid: fundamental external change. And this in an environment in which making internal changes has become far more difficult because of ever more