
PREFACE: DEDICATION TO AN ENTREPRENEUR

The idea for this book grew out of a challenge: the challenge of finding a suitable present to mark Roland Berger's 75th birthday. One thought immediately sprang to mind: maybe a book about lifecycles. Why? Because few people can lay claim to a life as successful as Roland Berger's. He is the successful founder of a successful consulting firm that has remained successful to this day, 45 years after its inception. It is also the only consulting firm of German origin that competes with the world's biggest and best.

Stories such as that of Roland Berger are inextricably interwoven with a series of skills and factors that, as we will see, can determine whether a company (or an entrepreneur) succeeds or fails in the course of its (or his or her) lifecycle:

- ◆ The first is having the right idea at the right time. When Roland Berger founded the company that bears his name in 1967, few people in Germany had heard of management consulting. Where it existed at all, it was American consulting firms that were getting the ball rolling.
- ◆ The second is sufficient creativity to communicate new solutions or strategies convincingly. Roland Berger himself points to the build-up of tourism group TUI in the 1970s as his breakthrough project. To this day, the same success factors – marketing, a systematic approach, networking, collaboration and size – have lost none of their validity.
- ◆ The third is the courage to take risks in order to occupy a position. The word "entrepreneur" means someone who wants to be enterprising, who wants to do something. That is one of the core attitudes I learned from Roland Berger right from the outset.

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◆ The fourth is the ability to convince people – initially to convince them of your ideas ("the German alternative to the American style of consulting") and later to convince them of the need to continue growing rapidly – and then of the need to get involved.

◆ The fifth – another vital skill in the course of a company's lifecycle – is the ability to delegate and let go of things. In the history of the Roland Berger company, this capability is reflected in the transition from what was once a startup with one owner and one decision-maker to a partnership with many owners governed by a philosophy of meritocracy. In my personal relationship with Roland Berger, this was shown in his handing the reins over to me, initially when I succeeded him as CEO and later when I became chairman of the company. I did not realize how difficult and challenging handing things over can be until, two years ago, I too stood down from my role as CEO and in turn passed on the baton to my successor, Martin Wittig.¹

These experiences alone would be enough to fill a book. To describe the history and lifecycle of our company merely in terms of anecdotes and recollections would, however, do a grave injustice to the intellectual capabilities of Roland Berger. That is why I took the idea a step further: The book was to be about "good corporate management", with the concept of lifecycles both befitting the occasion and setting the framework.

The idea of a company's lifecycle also lends itself to the task in hand because, to my mind at least, the very concept is a contradiction in terms. On the one hand, it is intuitive. Companies are founded or products are developed. They are successful and grow until the market becomes saturated and then they "die". Because there are distinct phases and because these phases are predictable, it is possible to think in advance about what success factors are critical to which phase – and about what forms of management (or which leaders) are the most suitable in each case. As I see it, this is precisely the reason why management literature has for decades been packed with discussions about lifecycle concepts, despite the fact that these concepts are often little more than common sense.

On the other hand – and hence the fascination for me personally – lifecycle models make an implicit basic assumption that I believe is incorrect: that of a fixed,

predetermined lifespan. Companies are not biological entities. Their death is not predestined by fate. Rather than looking for the style of management that is best suited to this or that phase, we should actually be looking for leaders and strategies that can help a firm break out of the regular pattern of phases. Precisely this search leads us to the questions that are most relevant for "good management": How do we grow quickly without spinning out of control? How do we escape the saturation that appears inevitable and, instead, continue to grow? Or if that doesn't work in the long run, how do we know whether the much-vaunted relaunch, the "reinvention" of a company, is at all feasible? And if it isn't, where do we find the courage to prepare the ground for a rich harvest before decline sets in? For me, the question of whether to reboot or head for the exit is one of the most exciting in a company's lifecycle. My answer is that genuine entrepreneurship and good management can also show themselves for what they are by soberly deciding to beat the retreat and sell.

The inherent contradictions in the lifecycle concept also reflect the diametric opposites which good management must deal with:

- ◆ As managers we know that the future is complex and, above all, uncertain. Yet precisely because this is so, the people in our companies feel a need for security that we must factor into our considerations.
- ◆ We know from painful experience that trends and numbers can no longer be relied upon. Yet we still have to plan, do our sums and decide about investments.
- ◆ We know that an interdisciplinary mindset is the only way to stay abreast of the complex world we live in. Yet at the same time, expert knowledge and practical experience are necessary if we are to properly steer our companies' day-to-day business.

In my opinion, this circle can be squared with a piece of good news: Corporate management is once again becoming more direct, more personal, more entrepreneurial. It can no longer hide behind models, concepts and techniques. On the contrary, it demands personality, courage, the ability to think and reflect, and a system of proven values. Managers need to have convictions: They must nail their colors to the mast. That is why we prefixed this book with a quote from Goethe: "For that man who, when times are uncertain, is faltering in spirit, only increases the evil."

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This book represents a personal opinion. It is not an academic treatise. It is an essay, an at times very personal meditation, if you like, on what makes good management today. Its purpose is to take stock of where we are at and, ideally, provide orientation for the way forward. Thinking about the idea of lifecycles – the conceptual framework for this book – has also shown me how little existing concepts reflect the conditions that are faced by company managers today. For this reason, the book also attempts to stake out a new, contemporary lifecycle concept.

We don't want these considerations to remain purely conceptual, of course. The second part of the book brings together a series of in-depth interviews with outstanding company founders and business leaders: Franz Fehrenbach, Dr. Jürgen Hambrecht, Professor Wolfgang Reitzle and Alexander Rittweger. These individuals have become synonymous with excellent corporate management, farsighted vision and sociopolitical commitment. In the course of their careers, they have mastered a whole battery of challenges in the lifecycle of the companies they represent. They willingly agreed to share their experience and insights, and to corroborate – or, on occasion, contradict – my own musings. For this I am sincerely grateful. Incidentally, they are all also long-standing associates and close friends of Roland Berger himself, a fact that neatly rounds off the fundamental motivation for writing this book.

The interviews were prepared by Mario Müller-Dofel and conducted by an experienced business journalist whose professionalism and unerring sensitivity have translated deep insights into an exciting read, and to whom I owe a debt of gratitude. Thanks are also due to my colleagues Klaus Fuest, Professor Torsten Oltmanns and Dr. Tobias Raffel. As in my other publications, their creative ideas, first-class research and stimulating discussions played a very substantial part in bringing this project to fruition. Last, but by no means least, my thanks go to Dr. Katherine Nölling, whose exceptional skill, tenacity and powers of persuasion ensured that the book was finished on time. Birthdays always come around faster than you thought.

This book is dedicated – as a birthday present – to my mentor and guide Roland Berger, who, over the years, has also become my friend.

Dear Roland, congratulations on your 75th birthday!

HAMBURG, NOVEMBER 2012,
PROFESSOR BURKHARD SCHWENKER



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