

Business Alchemy: what corporates have lost but entrepreneurs never forget

Agile companies know their purpose and use it to create opportunity and connect people. They see the big picture. They don't seek to control. Corporates - well, they do the opposite.



In researching my new book on entrepreneurship (*The Secrets of the Seven Alchemists' Harriman House*) I made a surprising discovery: that the secret of what makes a successful, highly wealth-generative private business is actually quite predictable and replicable. And that this secret is just as relevant to large corporate organisations as it is to SMEs. As the economy turns back into growth, large corporates have much to learn from entrepreneurs. And they need to start listening now.

In control-focused UK corporates, it seems we have forgotten what we believe in

In the book I explain this formula for business success told through the detailed, honest and entertaining life stories of seven unknown but remarkable business owners. The most obvious reaction to meeting any of these people is that you really wouldn't know they are as successful as they have been. It seems they simply don't much care about all the money they have made. Or, rather, the money is an outcome of what they do care passionately about.

The source of their success is that they understand why they do what they do and are passionate about taking others along on that journey. They are crystal clear of their sense of purpose and they love building a community of people around it. They have learnt how to build extraordinary performance cultures. This is the complete opposite of the hierarchical, stifling and control-focussed cultures of most UK corporates. It seems that we have forgotten what we believe in.

These entrepreneurs also exhibit another trait. They see the big picture and are not tied up in the detail. In a word they understand 'context'. This allows them to move fast and see opportunity. It also allows them to create agile organisations where people are aligned and responsibility is devolved. This ability is not restricted to small business. Reed Hastings of Netflix tells his team 'If someone does something dumb, don't blame them... ask yourself what context you failed to set!' Whilst this trait may not be restricted to small business it is the trait of small business thinking. Whilst big business thinking is too often focussed on the content of the matter and on controlling the outcome, small thinking focuses on the context and the source. That delivers agility.



The ability to create agile, self-responsible cultures allows the entrepreneur a freedom few corporate structures can emulate. The combination of their time freedom and intellectual freedom means that they have the opportunity and aptitude to create and pursue radical innovations that shift their businesses a long way fast. Whilst big thinking worries about the 'how', small thinking lives in the 'why and 'what if'. Small thinking innovates.

This time and thought freedom also makes entrepreneurs natural connectors. Relationships are important, collaboration is natural. They will meet another entrepreneur on an aeroplane and a new business opportunity will result. Small thinking sees a world of opportunity and fun. Big thinking sees risk and fear and seeks to control these.

Big business thinking is just not fit for purpose in today's fast-paced, agile, relationship-driven world. The large, complex organisations we have chosen to build are culturally simply unable to 'think small'. Whilst their focus is on content not context, outcome and not source, product and not solution, whilst externally their relationships are shallow, transactional and short term, and internally their structures are hierarchical, stifling and focused on control, this is unlikely to change.

Yet the lessons from the entrepreneurial world are clear. For organisations to learn how to be agile, innovative and welcoming of change they first need to learn how to think small. It's also a lot more fun. Those that learn to think small will be the stars of the coming generation. Those that don't will be the dinosaurs of the last.



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