

## At the source of management

Endless ways exist to run an organization, but which one will lead us to success?

This book leads to the heart of indispensable management methods. As a rule, knowing how to master what it takes to succeed is a prerequisite for any excellent result, especially at a time like this, when so much is unclear about the future. Then, it is quite normal that crucial decisions should be made when fundamental information is unavailable. Not surprisingly, the agony of decisions is almost inevitable.

The methods and concepts described here are therefore intended to help anyone who has the will to manage to identify what really matters and then organize and apply their knowledge to improve management practice.

*The Manager* also aims to stimulate insights with pioneering proposals for managers who can see themselves as thinkers in action and for management scholars. Indeed, it offers the opportunity to discover methods that refine and clarify the best of an MBA course as well as ideas arising from new points of view, or rather, new words for everlasting truths.

The author does not claim to have succeeded in his intent, but at least, within his limits, he has tried in the hope that others may usefully build upon the innovative aspects of this work, or at least benefit from them.

## Praise for THE MANAGER

*Professor Ciceri, an Italian, has produced a provocative treatise that is worthy of Galileo and other great thinkers and places their discoveries in the real world of human organizations, to see whether science can contribute to making a manager's job any easier in the competitive marketplace. To my knowledge, this is a pioneering idea. In brief, just as the chemist Primo Levi turned to literature, the chemist Lino Ciceri uses the laws of the universe on the manager. I am reminded of the firm Fazioli Pianoforte who changed the piano in the 20<sup>th</sup> century. Fazioli applied the principles of acoustic engineering and physics to the business of constructing handcrafted pianos that produce beautiful music all over the world. The author goes one step further: he applies hard science to the soft art of management. The results, as you might expect, are eye-opening.*

Jeffrey M. Goldberg Professor of Strategic Management, Link Campus University

*Whatever your approach to management, your ideas are likely to change after reading this book. Indeed, your approach to life in general may be affected too.*

Gareth Keene Company Director & International Contracts Lawyer

*This book shines a light on management techniques from some very unusual angles and provokes new thinking by putting scientific relationships into a management context. The author writes from many years of top level management experience in industry.*

Ray Partridge International Management Consultant

LINO F. CICERI

# THE MANAGER

MBA ESSENTIALS AND INSIGHTS

The Manager  
Lino F. Ciceri

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*For my sons,  
Piergiorgio and Filippo Alessandro,  
and for today's managers and those to come.*

A.M.D.G.





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# Introduction

*Consider your origin:  
you were not born to live like brutes,  
but to follow virtue and knowledge.*  
Dante Alighieri

Management is everywhere. It is a timeless subject that can appeal to a broad audience.

However, I aim especially to reach those managers who are strongly committed to improving the performance of their organizations and those who are facing great challenges. I aim also to address those individuals who have sought to order their thoughts when contradictory information was presented to them as well as those who have sometimes gotten discouraged, but also sense the possibility of achieving success in their work and life.

Of course, I hope to reach both entrepreneurial people who have started new successful enterprises so that they can build lasting management systems and management scholars in the

hope that someone will try to extend some of the proposed new points of view.

To all these people, and to my students, I wish to offer a timeless method that highlights deep commonalities among all of the best-known management approaches. Ideally, to them all I would also like to inspire new reasons to believe in their vital role.

## **Taking advantage of science**

Management life is tough at times. Critical decisions may have to be made without the benefit of needed information, and “gut feelings” may be the only resource available. In nearly every management decision someone must have the courage to cut through uncertainties without having in hand all of the data required to make that decision safely. To wait for all of the desired information can mean missing opportunities or can mean a more dynamic competitor will enter the market first. Timing is vital in business and in our professional life as well. So, as managers we sometimes have to decide at a time when we may not feel ready, now! I will try to show that the knowledge acquired in other fields, including science, can help us understand complex situations, help us make difficult decisions more confidently, and allow us to enjoy a more fulfilling management life.

We are complex beings. Our societies are complex organizations where almost infinite interactions take place. *Complex systems*, an expression often used as a reassuring synonym for chaos, are an obvious reality. Yet, in all systems that ultimately develop, complexity eventually changes its properties and simplifies.

How does this happen?

At specific stages, life has its own methods, through different processes of discontinuity, to simplify complexity into manageable levels. The outcomes of these processes are wholly different from the mere sum of their components. The hydrocarbon rings, the cell in biology, and the emergence of human beings are three examples of discontinuities in nature.

According to the “Big Bang” hypothesis, it took over ten billion years to form the atoms and molecules required for the emergence of the first living organism on our planet. It took three and a half more billion years before our first prehuman ancestors appeared, some two million years ago.

The management of complexity, which successfully simplifies living processes, was already at work. The extra stabilizing energy of hydrocarbons was a new emerging property conferred upon them by their ring structure. This property became useful to build some of the organic molecules needed to form cells. Once the first cell had come to life, the time for reproducing itself had become an issue of fast duplication instead of a building process of a few billion years.

What a productivity jump! From then onward, the growth process of a cell would take a few hundred billion times less than before. What was once possible only in billions of years now can happen in mere hours, days or months. In just nine months, for example, a fertilized human egg becomes a child. Through a simple duplication, each cell divides into two daughter cells, each new cell duplicating itself until it reaches its specialized function. In a few dozen duplication cycles on average, this exponential process generates the trillions of cells making a human being. All this happens because the growth process has undergone a structural change and achieved a new, higher level of order.

Worthy of note, the challenge of developing plausible future scenarios and consonant strategies is to look for such points of discontinuity in the behavior of complex systems.

## **If all is management**

Could we expect such changes to occur in our thinking processes as well? If we take this idea as a working hypothesis, then we might say that, at specific points of complexity, our thinking processes can reach a higher level order as well. An example is a new powerful theory that simplifies our explanation of otherwise unclear phenomena. After all, it is what happens in our knowledge processes, at least when these are constructive and close to perfection. In the same way, might we think of exponential management processes leading to higher order performance? If we assume this possibility, then management may be seen as an expression of life. As life is order out of chaos, so management is order out of complexity. Management is life for it fosters the life of organizations. Its opposite, *mismanagement*, brings chaos and useless energy, where neither good nor beauty exists, but a tangle of insanity and greed, which releases envy, revenge, and the death of any future. Under this assumption, we come from billion of years of living management processes.

## **To help organize knowledge**

Here is the main objective of this book: to help managers, and ideally everyone, find and accomplish their aim at work and in life. To show how simple, timeless management concepts and well-known management processes can help successfully direct

any kind of organization as well as themselves toward an overall aim.

In these notes, I am not arguing that supposedly new, sophisticated management theories may be confusing or, even worse, useless. My idea is that management methods and tools, both fundamental and advanced, will be used more effectively when they are deeply understood, held together with worthy values, and fitted into a well-tested conceptual framework.

From these notes, entrepreneurs and practicing managers with a scientific or technical background would get the fundamentals to formulate and implement their plans with healthy confidence whilst senior managers might benefit from a conceptually timeless, classical management approach.

Undoubtedly, better management will bring improved lives for all. Management works everywhere, in the United States, in China or in Burundi.

However, highly developed economies are propelled by good management or, restated, the better management functions, the more advanced the economy of a country and thus the opportunities for personal and professional development of its inhabitants.

## **The solution is at the top**

It seems that both success and failure may originate under the same starting conditions. What makes the difference at some point in time? Essentially, it appears to be the degree of personal will and the quality of methods used by the managers in charge, and perhaps some good luck. However, a good manager should never rely on luck.

Teilhard de Chardin proposed in *The Phenomenon of Man*: «Like the meridians as they approach the poles, science, philosophy and religion are bound to converge as they draw nearer to the Whole».

And so does management that, most likely, is a life-giving activity flowing across all these fields of knowledge, the best human means by which we take the manifold ingredients of nature and try and mold them to our needs.

*Soluitur in excelsis*, the solution is at the top. If we study management only as specialists, we may never come out of this valley. However, if we look at it from the surrounding mountains, we may see some analogies with the views that can be enjoyed from other summits, whether these rise from humanistic or scientific cultures. Current systems view is the choice over atomism and fragmentary specialization. What follows takes advantage of this idea, having in mind the overall aim of improving our understanding and practice of management.

## **One and the same process**

I have been fortunate, in my professional career, to work in very different areas: in pharmaceuticals as a research chemist and as a manager, in management consulting as a senior advisor across Europe, Africa, and Asia, and as the managing director of a multidivisional company. On top of my direct experience in multinational companies, I have drawn on that of my fellow workers and colleagues around the world.

Some of the most revealing management examples I have ever been exposed to have come through my interactions with suppliers and by analyzing our best competitors' formulas for



success. Certainly, I have from a young age learnt from my father's entrepreneurial experience.

Quite a different sample of organizations and environments. The more I got to know different situations, the more I started to see what they had in common. I feel some obligation to distill my insights and make my experience available to others.

The last few years, which I spent as an academic at an international university in Rome, have been a stimulating opportunity to express what I learnt so far. My postgraduate students' questions have helped me become clearer about the concepts I am trying to transfer.

My conclusion: management approaches are many and varied, but in all situations the fundamental management process is substantially the same. Of course, the content differs. Plans can be updated. Leadership, management expertise, and organizational readiness to change, when a new scenario happens, vary as well. Within the same process, possible solutions are an almost infinite number.

However, once a project has been approved, it is the energy and ability of the managers that make the difference in the implementation and control phases.

Finally, it seems to me that, in every area of activity, winning strategies do not remain such forever since every successful choice sooner or later also develops opposite effects.

## **Successful thinkers in action**

Real success, I soon came to learn, never comes free. It is an intellectual search and a daily fight, as if it were a prize that destiny awards only to successful thinkers in action.

Much later, I developed the idea that we all are indeed potential winners. After all, we have come a long way, from that first photon emerging from a vacuum, some fourteen billion years ago. We still exist and are giving our contribution to the future.

You, the new management generation, the up and coming entrepreneurial and managerial heroes, are you ready for the future? To you all, and to each one of you just beginning to read these notes, I send my best wishes. My friends, time is on your side.

Milan, 26 July 2022

*Lino F. Ciceri*

THINKERS IN ACTION



# 1

## Order out of chaos

*The division of our culture is making us more obtuse than we need be.*

Charles Percy Snow

Methods are the most powerful truths of all – Science-based analogies and open questions – Immutable laws – All the best-known management models can be reduced to three basic stages.

If we have sometimes crossed unknown worlds, beyond the pillars of our habits, then we should be able to look back and share our new discoveries with our friends. We should try and speak openly and provide insights explaining what we were given and what ideas we were able to transmit to others. Our most interesting experiences could become invaluable learning tools for everyone else in their professional development and future choices. If our experience helps others, then we will also live through them.