

KEY NOTE ADDRESS ON

**“THE CHALLENGES OF INSTITUTIONAL BUILDING:
A Personal Experience”**

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WHERE THIS ALL STARTED

Growing up on Mushin High street

I was raised in Mushin, surrounded by high street trade, a bustling market place and an endless throng of people struggling to eke a living through buying and selling.

Mushin market, with its trappings of crime and delinquencies, could have been likened to Liverpool Street in London. The atmosphere of accelerated activities, intense interactions, a sense of purpose, determination and drive were a common part of my growing up. Without a doubt, growing up in Mushin instilled a lot of practical lessons and insight that have helped me traverse the world of business today.

It was not uncommon in those days for thriving businesses or shops to immediately cease to exist following the demise of the owner. In fact, I can count hundreds of successful businesses that were closed after the death or incapacitation of the owner, with disastrous effects not only on the lives of the immediate and extended family of the owner, but on the economy of the locality. Usually, the profitability of those businesses were not sustained by successors.

My father was very passionate about education, despite not being formally educated himself. He was a renowned trader who inspired me to pursue a different career and lifestyle from the hustle and bustle of the streets. I desired a career that would allow me to exert my brain more than my muscles.

At that time, I didn't know what exactly that career was, but I wanted to manage something with sustainable value, which would outlive my involvement, intervention and presence.

Today, over 45 years later, having spent over 36 years as the CEO and Group Managing Director of Centrespread group which includes, CentrespreadGrey, Interactive CT, MediaMore, Kontactpoint, Pure Activation and the new addition C-Lab. I have learnt valuable lessons, and gained incredible insight about the interplay of passion, determination, purpose, goodwill, tenacity, management and many others in building a sustainable institution.

STARTING CENTRESPREAD OVER 36 YEARS AGO

As a restless, passionate and overtly ambitious young man in 1982 and at the age of 27 years, I resigned my job as a client service executive with less than 2 years' experience to start Centrespread over 36 years ago with my long-term friend who is now a brother Kamal Ogundeji.

We were both young, determined and passionate but with zero knowledge of how to manage a company. The love for what we were doing, our passion and interest in our skills, (his media planning and mine client services) made us venture into business management without the requisite skills.

However, unlike the primordial instinct that pervades most African businesses then, where the initiator or owner of business assumes pre-eminence and knowledge over every aspect of the business, we knew we had limited experience and skills. We also knew that managing an organisation would require experience, knowledge of management and corporate administration, which we did not possess. From the onset, we knew we needed input and direction from experienced minds in business and corporate management. We constituted a board under the

chairmanship of Dr. Olawale Cole, and other eminent professionals across different fields of corporate endeavours.

This process imbibed in us the quality of accountability.

As owner managers, we had people we were answerable and responsible to. People who had responsibility to call us to order when we got carried away from the agreed goal set for us by the board.

This served as the masterstroke we needed. The corporate guidance, business direction and knowledge we garnered during those times remain today, one of the pillars of success of The Centrespread group.

EARLIER YEARS OF THE BUSINESS

For those who knew the Nigerian economy and business landscape in the early 80s and 90s, you would remember that in those years the economy was still largely dominated by global conglomerates, and businesses, such as Dunlop, Bata, John Holts, Leventis, UTC, etc. It was also the golden era of the banking boom, when licences were granted to indigenous investors to establish banks.

For my industry, the advertising industry, that was also the boom era. There was intense competition among most brands. The growing middle class and their access to increased disposable income with its attendant growth in consumption and purchases, meant brands had to do a lot of communication to persuade the consumer to patronise their services or buy their products.

You might be right to think we were fortunate to be established during this era. However, for us, after a thorough assessment of the dynamics of the industry then, the quality of competition before us (there were top flight agencies of repute around then, Insight, OBM, Grant, Rosabel, etc.) and the calibre of clients we had to provide services to, we knew that to survive (because survival is first for a business, remember the 5 years' rule) and succeed, we will need to bring a different kind of quality to what we did and what we offered to our clients.

The first thing we did despite our lean income was to recruit experienced hands. We hired top performers who had the aptitude to do great things and placed them on higher salaries than ours. We had staff in our employment that were earning twice our remuneration.

We believed strongly that adequate compensation, quality, a conducive work atmosphere and a motivated workforce were essential to achieving the goals we had set for ourselves as an organisation and we went all out to ensure we delivered. Nothing was too much for us to do to ensure our staff were motivated. After all, the quality of your staff has a direct impact on the quality of service you provide.

We were so focused on succeeding and providing quality services that we were completely oblivious to the value of our temporary status. What mattered was being able to deliver on client's briefs, winning new accounts and being able to sustain those accounts.

In no time, our investment paid off. Within 5 years, we had become the darling of the industry, winning businesses that hitherto our competition had thought we were incapable of winning. Centrespread started getting noticed and started churning out award winning campaigns that are till today regarded as iconic in the industry.

THE TRAPPINGS OF SUCCESS

One interesting thing about success unlike failure is that you run the danger of being indolent and complacent, believing that the same template will deliver you success year after year. Being an avid learner, my hunger for knowledge and my experience as a historian helped me to recognise this danger earlier.

With success came a greater hunger to acquire knowledge on how to manage the company. From becoming a member of this noble institute (Nigeria Institute of Management), to going to Lagos Business school, seminars and workshops on global practice, business management and strategy home and abroad. The exposure and knowledge I gained made us invest better in the business, restructuring and reengineering the needed changes from within even before the industry woke up to some of the realities that necessitated some great changes within.

We expanded the company's offering through our understanding of the emerging trend in the industry to other auxiliary competences and skills, opening subsidiaries to cater for those emerging business needs

to satisfy our clients. Today, we have budding companies across the communication and brand management value-chain, even recently branching into entertainment and content management.

Another thing that quickly kills businesses in this clime which we avoided like a plague was the “we have arrived” syndrome. We made sure that at no point did we live beyond our means. We did not become “big men” and “socialites” overnight, the survival and continuity of the business was always paramount, so we invested more in the business.

My admonition for you here is, be careful, for your success might lead to your failure if not well managed.

HOW WE NAVIGATED THROUGH TOUGH TIMES

Just like life, business is a vicissitude, the pendulum swings either way, and in some cases, it is practically beyond your control. However, the structures and strategies that have been put in place before those times will determine how well a company can navigate those hard times and survive.

Ability to envisage and analyse emerging dynamics within your industry is imperative for proper contingency planning. This is key to ameliorating the impact of hard times. Whether you like it or not, hard times will come. So, be prepared.

For the advertising industry, that cycle is fairly frequent. Business comes and goes regardless of how well you perform. There will always be a pharaoh that will not know or want to recognise the invaluable contribution of your Joseph. In fact, it is believed that the average time a client/agency relationship can last is about 5-years at the maximum.

I have had a top billing client walk out on us for no apparent reason at the verge of a campaign that we had expended several hundreds of millions to prepare on their behalf, just because a new man came on board and he had his vested interest.

Contrary to the usual industry practice where everybody on that account is sacked due to the loss of income, I did the opposite. I retained all the hands on the project, increased salaries and motivated them to prove to everybody that we could survive the huge loss.

Fortunately, we did, we won more businesses and campaigns that obliterated the losses completely. Let me sound a note of warning here, it is not every time that you will have the latitude of doing what I did then. Each situation you face in business requires a different kind of response. What I am saying here is, as a business owner or manager, the onus rests with how pragmatic and innovative your decision-making is during this period. The situation is even a lot more precarious today. Year after year as the economy became tougher for most companies to survive, marketing and communication budget took the hardest hit with some companies cutting as such as 70% of budget, many appropriate those functions internally as part of their cost-cutting strategy. What we have today in the industry is a shadow of what the industry should be. The dearth of skilled talents, dwindling and fragmented revenue base, vastly unregulated business industry where there is no barrier to entry or exit have made it possible for anybody to wake today with a brief case and start an agency without any fear of repercussion.

Today, many agencies that were of repute in the early 80s, 90s and even as early as in recent years, are no more. Not only because of the demise of their owner, but because they were not able to adapt their business, process and system to the realities of changing times. Most businesses were built too tightly as the alter ego of the owner without institutionalised process and structure to ensure continuity.

What we have put in place in Centrespread is a system that can survive those bumps. We have structured our business in such a way that no single exit can jeopardize the existence of the business.

EXPANDING THE FUTURE VALUE OF THE BUSINESS

With the digitalisation of every aspect of our lives, the distortion of our patterns to doing business and the impending doom of Robots taking over our world, Centrespread is restructuring within this reality to continue to offer quality brand management and communications advisory services to our clients.

Although wholesome adoption of innovation takes a while in these climes, we are reengineering our system and

processes to be adaptive to continual changes in the market. We believe that no matter what the world changes to, people will still need to know about products and services. Our ideas and how creative they are will determine the value and impact of our communication. Hence, we are getting ready for whatever the industry evolves to.

Before then, in response to the realities of the emerging dynamics in the industry, CentrespreadGrey had evolved into a bespoke brand management and communication consultancy firm that offers beyond advertising solutions to discerning clients across industry. Our motto now is “Ideas by us, value for all”

SUCCESSION PLANNING

For businesses to outlive their owners and perhaps thrive, it is necessary for business owners to build a deliberate succession plan. This will involve training the next generation to continue to run with the vision of the company. Fortunately for me, like the saying goes, “an apple does not fall far from its tree” I am lucky that one of my daughters is very passionate about the business,

having grown through the ranks from an executive officer to becoming the company's COO.

It is important that we do not leave the decision on succession planning too late. We must infuse in the system, a process that promotes quality talent, competence, performance and dedication. This is regardless of whether we are picking candidates from outside or inside the organisation like I did. The capacity to continue to reinvent the company for growth and to sustain the overall vision should be paramount in our choices.

WHAT I WOULD HAVE DONE DIFFERENTLY IF I KNEW THEN WHAT I KNOW NOW

In retrospect, considering what I know now, if I were to start Centrespread all over again, there are few things I would definitely do differently. The most important is, I would have recruited an HR officer first because they ensure corporate strategy and governance.

As success came, we made series of errors in judgement.

There was a time when I had over 120 staff at

Centrespread. We just kept employing without an

accurate assessment of competence and culture fit. We employed our Client's relatives, friend's recommendations etc. Don't be afraid to take tough decisions, even if they make you lose friends and family. I had to do that to right the wrong.

TO SUM IT UP, AS A NEW GENERATION BUSINESS OWNER, YOU NEED TO

- 1.** Keep your eyes on the ball
- 2.** Stay true to your vision
- 3.** Accountability drives focus
- 4.** Resource right & appropriately
- 5.** Be resilient & build for the future
- 6.** Always evolve with the times
- 7.** Restructure when necessary
- 8.** Take necessary decisions, however difficult.
- 9.** Don't compromise on quality (it's good enough, is not good enough)
- 10.** Stay professional

Thank