

Needed: Gutsy National CEO

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When Fujio Mitarai became CEO of Canon in 1995, the company had built up debt of \$7.5 billion. Its many product divisions were described in the press as a bunch of warring, money-losing fiefdoms that plodded along year after year. Nobody was making the tough decisions. The problems were clear; lack of a focused vision, bloated costs and minimal innovation. Mitarai moved fast and with courage. He shut down 7 product divisions and announced that Canon would be in only three businesses - copiers, printers, and cameras - and Canon would become a top global player in each. Today, Mitarai is still the CEO and Canon is a global leader in copiers, printers, and camera, with operating margins of 15%, three times that of leading consumer electronics firms.

Canon was saved because their leader had the authority and the courage, to make the fairly obvious decisions to clean up the sloppiness, stop doing marginally useful things, and invigorate the products and services of the company.

Now think about the big financial messes that many democratic countries in the West find themselves in; countries like Greece, USA, Spain, and Ireland. The amount of debt that has piled up in these countries is gargantuan. Given they are democracies; no one person has the authority to make the decisions to clean things up. When the elected representatives and the presidents of these countries dare to suggest serious cut backs and leaner benefits/services, those potentially impacted scream, and the modern media thrives on covering screaming of any type (more viewers/listeners/readers). Politicians risk being labeled as uncaring and cruel, and hence they back off and look for further loans and/or minor band-aids; so they can claim they are starting down the path of fixing things. In contrast to an enterprise like Canon, a democracy, in the presence of modern media, has huge problems trying to make any serious attempts to tackle their deficits.

Is the consensus nature of a democracy, coupled with modern media that exploits any potential cost cut as a social injustice, insuring that the West will eventually collapse financially? The leaders of Western countries better start thinking about this. Are those countries capable of making courageous decisions?

Bob Herbold is the former Chief Operating Officer of Microsoft Corporation and author of the recently released book "What's Holding You Back? Ten Bolds Steps that Define Gutsy Leaders." Bob's blog on leadership can be found at www.BobHerbold.com.