

## **Management Philosophy of Industrial Institutions**

Bavaria Egypt Co. held a cultural seminar last month in the “Horus Hall” of the administrative building of the Bavaria factory, in which Shura Member & AUC Professor of Business Administration & Marketing Dr. Sabri al-Shabrawi spoke of management philosophy and how to render an industrial establishment successful.

**Dr. Nader Riad** welcomed the guest, explaining how he had carved his way up to the highest and most distinguished scientific levels. At present, he has his own visions and methods, being a prominent university professor, under whose hands hundreds of distinguished personalities have graduated.

He started his practical career at Cairo University and obtained his MA in Business Administration from California, followed by his PhD in Management & Organizational Behaviour from Illinois University of USA.

Dr. Sabri al-Shabrawi starts by posing a question about the major managerial problems in Egypt. His answer to that is that the problem of advancement and backwardness lies in the choice of leadership. Management depends on choosing an educated leader, who possesses the vision and culture of “dissatisfaction”, because being satisfied with the status quo is the first step towards backwardness. Each day witnesses new developments.

Thus, it is necessary to be dissatisfied with the status quo and to be in constant search for novelty and evolution.

Dr. Sabri al-Shabrawi then says: “The world has been seeing “apples” falling down trees, but only “Newton” questioned this phenomenon, refusing to accept the status quo. Through such refusal, he established the theory of earth gravity.

If we tackle the concept of industry in Egypt, we shall find that we seek to produce, regardless of the consumer. This is a mistake, because a product that has no market cannot turn into an industry.

Successful industrial institutions, worldwide, are all built on the concept of strategic management, institutional development and response to consumer demands. This is achieved through managers, who possess the qualities of leadership and vision.

The issue is not mere material potentials. Management culture is the dynamo of global institutions, where “rational management” becomes the point of competitiveness.

Dr. Sabri al-Shabrawi then compares between two examples: “Al Hussein” hotel in Egypt and Marriott Hotel in USA. Mr. “Marriott started his life selling sandwiches and soup in the streets of Washington.

In his work, he focused on expansion and recruitment of minds capable of helping him to expand, allowing them to hold “shares” in his company.

Marriott Hotel sales, worldwide, have reached US\$ 40 billion, i.e. the equivalent of the national income of UAE & Kuwait.

If we then compare between “Abu Shakra” and “McDonalds”, we can clearly understand the concept of management and the search for what the consumer needs. “McDonalds” sales, worldwide, have surpassed US\$ 19 billion.

Again, if we compare between the “Carrefour” chain and greengrocers in Egypt, we shall find out that the culture of greengrocers in Egypt is based on lack of confidence in customers, while advanced management philosophy opts for confidence and due respect for the consumer, allowing him to wander around and choose what he pleases.

Many are the examples, such as the owner of “Honda” Co., who started as a garage worker. There is also “Microsoft”, which was launched by three university colleagues.

What really lies behind an institution is the power of mind and a clear vision of the future.

Dr. Sabri al-Shabrawi then adds that what is hindering progress in Egypt is the fact that heads of institutions possess a backward and poor management philosophy. In order to recognize the culture, which is in charge of managing the future, we have to find out the culture of the head of institution, because he is the source of such culture.

On the other hand, the future of an institution is determined by what is allocated for research and development. International companies spend an average of 4% of their income on research.

A country like Egypt spends less than 0.5% of its national income on scientific research and development, in spite of the presence of excellent and distinguished scientists. In Egypt, we have no respect for the culture of “excellence”.

This is why many distinguished scientists have immigrated to countries that have esteem for intellectual excellence, science and researches.

The best example for this is Egyptian Scientist Ahmed Zewail. Upon immigrating to USA, his colleagues anticipated his winning a Nobel Prize for his brilliant ideas. While there, management philosophy is built on the fact that ideas are the most important invention, here in Egypt, our passist culture depends on the glories of the past:

“The Pyramids & the Civilization of the Pharaohs”, without making use of such a civilization to develop the present. The Pyramids remain stones, unless we use this cultural image to advertise for the great building and construction companies in Egypt.

Dr. Sabri al-Shabrawi then states that criteria for measuring the culture of an institution are its personnel and products, not its equipment and machinery. Management is built on the science of marketing, finance and sociology, as well as a plan that aims at achieving a product that pleases the people at the lowest cost.

It is a sort of a chain: I produce a product that pleases you, and - in turn - you please the others. However, our culture in Egypt is built on the concept of “I win and you lose”. It is the concept of “tricking, snatching and fleeing”. International companies apply the culture of “I win and you win”, setting their plans for twenty years ahead, based on the principle that an establishment is there to stay.

At the conclusion of his speech, Dr. Sabri al-Shabrawi explained how he has visited Bavaria Factory and could honestly acknowledge that he has encountered the concepts of quality and international management being well-applied, here, in Bavaria Egypt Co.