

## Playing the game to win

**WHY ARE Canadian businesses so non-competitive on the world stage? In 2013, we were ranked 14<sup>th</sup> out of 61 countries on the competitive scale, according to the Conference Board of Canada. (Norway was number one, Luxembourg was number two). We didn't even get into the top quartile — and our 2014 ranking threatens to be even worse.**

Why do we perform so poorly? Is it because we lack skilled talent? Apparently not, since according to the 2014 Pearson *Education Attainment Index*, Canada is in seventh place worldwide (the United States is in the 17<sup>th</sup> spot).

Maybe we just don't have enough global experience? Not true: The World Trade Organization says of all the G7 countries, Canada ranks number two in world trading, where more than two-thirds of our GDP's worth are goods and services sold to other countries — albeit mostly oil, minerals and lumber (Germany is number one).

Perhaps it's because our businesses are placed at an unfair tax advantage here at home? Actually, a 2014 study by KPMG ranked Canada as the world's most tax-friendly country for business.

Well, what about a lack of access to foreign markets? Here, too, Canada has 10 free trade agreements in place



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and is currently negotiating 14 more.

Could it be a lack of other government assistance then? Hardly. The federal government helps companies through agencies such as Export Development Canada, FedDev, Global Markets Action Plan.

Plus, it provides monetary incentives via programs such as SR&ED, ecoENERGY, CRD Grants, Engage Grants, Knowledge Mobilization Initiative, Mitacs and IRAP. In addition, the federal government and each province offer incentives unique to their specific geographies and groups.

So if it's not the availability of a skilled workforce, global trading experience, access to and assistance in penetrating rapidly expanding global markets or R&D collaborating services and monetary incen-

tives, what could it be?

Why do we continue to languish, year after year, at a productivity level that's only 80 per cent as good as the Americans?

### Seeking management

In a word: Management. More precisely, a lack of competent management.

The responsibility to improve Canada's productivity rests squarely on the shoulders of our business managers. While it is the leader's job to paint the vision and map the strategy, it is management's job to execute this strategy.

Management is responsible for establishing the most effective organizational structures, acquiring and training the right resources, implementing the best processes possible and overseeing their successful execution in order to achieve the company's objectives.

Clearly this is not being done.

Why not? Some experts speculate it's because these managers don't see the need.

As in the "boiling a frog" anecdote, Canada's business managers have become so complacent that soon it will be too late. They, and their companies, will be cooked.

One only has to contact the customer service department of a com-

pany in the U.S. and then do the same with one in Canada to grasp the gap.

So, what's to be done? First off, management's performance criteria and compensation must be firmly based on productivity gains. Their objectives have to be clearly defined and management must commit to them.

How they achieve them is their responsibility. And if they don't succeed, they are clearly not managers (yet) and should be dealt with immediately and appropriately.

Next, as Harold Geneen, former Chairman of ITT, said: "Management must manage!" How many of our "managers" today spend their entire day truly managing?

Lastly, to all you managers: Fill every position with competent players. Clearly articulate the game plan and commit all to the rule book. Equip the team with the right gear. Train, train and train them some more. Then, get out there and play to win.

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