

# Six Key Criteria for an Enduring and Successful Organisation

In the late 1990s, it was found that the average life expectancy of a firm in Japan and Europe was around 11.5 years. On the other hand, a study of 30 high-profile, long-established (100 - 700 years old), international firms, such as Dupont, WR Grace, Mitsui, Sumitomo and Siemens, found the following common characteristics of these firms were:

1. A consistent set of values based on an awareness of the organisation's own identity and the community it belongs to and works with, ie a sense of community, mutual trust and stewardship (it is more than just money)
2. A willingness to change, ie very good at managing change and being sensitive to changes in the world around them. They are good at learning and adapting, and are receptive to new ideas and activities, especially those from the edge of the organisation. Once an organisation has adapted to a new environment, it is no longer the same organisation - it has evolved.
3. A passionate concern for developing the capacity and self-confidence of their core inhabitants as a community of human beings, and demonstrate that the organisation values these more than its physical assets (land, capital and equipment). Thus, a manager places commitment to people before assets (assets are necessary for life but not the purpose of life), respects innovation before devotion to policy, accepts the disorder of learning before orderly procedures, places the perpetuation of community before all other concerns.
4. Conservatism in financing, ie do not risk the capital gratuitously; they understand the usefulness of spare cash in the kitty so that it allows them to take up options at the "right" price and be independent of outside financiers.
5. An actively fostered learning environment (especially innovation)- this requires mobile individuals and groups within the organisation; innovative staff who interact; social and organisational systems that encourage innovation.
6. Succession planning with a high priority given to organising for continuity from one generation of management to the next, ie survive and thrive

(sources: Arie de Gues, 1997; Aust. Financial Review, 2001)