CASE EXAMPLE – VISIONARY LEADERSHIP AT THE GENERICS GROUP

Part 1 (1986–2001)[174]

Visionary leaders will bring change by designing a new future for their organizations rather than settling for incremental improvement. The Generics Group was a technology incubator organization whose vision was to turn intangibles into tangibles. The Generics Group had a design approach and a vision that had been created and implemented by someone who demonstrated clarity, judgement and a total commitment to success – a person who stood apart from the rest.

Professor Gordon Edge founded the Generics Group with the clearly expressed vision of creating wealth through technology. By 2001 his Cambridge-based ideas factory had gained a global reputation not only for technological consulting but also for turning brainwaves into businesses.

Since 1986, the Generics Group had established or invested in more than 40 companies in areas such as telecommunications, biotechnology and materials engineering. With 250 employees, research laboratories in Cambridge, Stockholm and Baltimore, and offices in Boston, Stockholm, Zurich and Tokyo, Generics was valued at more than £220 million when floated in December 2000.

Edge's visionary approach to turning technology ideas into revenues was honed during a training that began in the 1970s at Cambridge Consultants. Later he started PA Technology as an offshoot of the PA Consulting Group, before leaving to establish Generics in 1986. Edge's vision for Generics was to create a radically new environment in which to foster technology entrepreneurship. 'You can't organise people into being more creative, but you can create an environment in which creativity is part of the culture', he said.

At Generics' headquarters, employees from various fields such as biotechnology and engineering worked together. 'It's an interdisciplinary culture,' Edge stressed. Employees were encouraged to invest personally in spin-off companies and the entrepreneurial among them were encouraged to develop their own ideas.

A novel feature of Generics' innovation process was its Innovation Exploitation Board (IEB). The IEB was a large committee of employees drawn from across the company that discussed all the technology and business opportunities that Generics received. 'It's a peer-group review process that is effective in providing a rigorous challenge to an emerging opportunity', argued Edge. The IEB could also draw on a £1 million fund to test ideas further if required.

Creativity was so important to Generics that it was measured using a mixture of objective and subjective metrics. 'Objectively, we can point to numbers such as how many patents a person has produced', said Edge. 'But we also use the mechanism of peer-group review, as no-one is better than your colleagues at assessing your performance as a creative worker'.

Edge's vision for his company was so strong that the strategy, culture and organization remained unchanged after fourteen years – only the size was different. The secret of his leadership success, he believed, was always to recruit people whom you genuinely believed to be better than yourself.

Part 2 (2001–2011)

Less inspiring is Generics' history since 2001, illustrative of the process of perishing due to a loss of vision and a failure to gain a new one. Shortly after flotation, increasing pressures from

(Continued)

(Continued)

the stock market stifled the company's creativity and innovation. Gordon Edge left, together with many long-standing colleagues who had shared his vision that had enabled and nourished the egalitarian entrepreneurial environment that underpinned Generics' value.

Management of Generics by visionless accountants after flotation dismantled its innovative investment activities in favour of more controllable but regrettably loss-making consulting. By 2007, Generics, rebranded as Sagentia in 2006, was valued at around £14.55m – some 7 per cent of that at flotation.[175] However, following the appointment of a new CEO – Brent Hudson – in 2009 and subsequent major gains, Sagentia's market capitalization had risen by March 2011 to just under £30m.[176]

Jim Collins and Jerry Porras provide a suitable concluding note for this chapter: 'Visionary leaders die. Visionary products become obsolete. Visionary companies go on forever'.[177]

However, a vision without purpose is doomed to fail. To be effective, vision has to be translated first into a mission or purpose (or vice versa) for the organization and then into specific goals or objectives and action plans. We consider leadership and purpose in the next chapter.

Further Reading

Talula Cartwright and David Baldwin (2007), *Communicating Your Vision*. San Francisco, CA: Jossey-Bass.

James C. Collins and Jerry I. Porras (1996), *Built to Last: Successful Habits of Visionary Companies*. London: HarperBusiness.

Corey Criswell and Talula Cartwright (2011), *Creating a Vision*. San Francisco, CA: Jossey-Bass.

Stanley A. Deetz, Sarah J. Tracy and Jennifer L. Simpson (2000), *Leading Organizations through Transition*. Thousand Oaks, CA: SAGE Publications.

James L. Kouzes and Barry Z. Posner (2010), *The Leadership Challenge Vision Book*, Fourth Edition. San Francisco, CA: Jossey-Bass.

Sally Lansdell (2002), *The Vision Thing*. Oxford: Capstone Publishing.

Dave O'Connell, Karl Hickerson and Arun Pillutla (2011), Organizational visioning: an integrative review. *Group & Organization Management*, 36, 103–125.

Discussion Questions

1. **Is vision just a dream?**
2. **How can you create a vision that all stakeholders will share?**
3. **How can you ensure that people throughout the organization understand and are committed to the vision?**
4. **Should a vision be attainable or not quite attainable?**
5. **How could Generics Group's vision have been sustained?**