

The Four Legs of the Table

By DAVID HANLON

As I write this article, I am sitting on a balcony overlooking the Indian Ocean at Umdloti, a delightful village about three quarters of an hour north of Durban in South Africa. I have just finished conducting our *Power of Engagement™* program for members of the South African Canegrowing fraternity and wish to finish this article before heading off on holidays. As is a custom of mine, I always visit the best local bookshop and see what is available about the locals; and in so doing I came across a book by Raymond Ackerman, "*The Four Legs of the Table*". This book was so compelling that I finished in a couple of late night reads. And it is some of his wonderful insights into the business and social principles that he established to build up a fantastic business that I wish to share with you. His company, Pick 'n Pay, comprised four small stores in Cape Town in 1967 when he purchased it and today it is one of South Africa's major supermarket food chains.

Ackerman's book is divided into three sections: Part I, the origins of the ideas and philosophies which established the business model; Part II, the "four legs of the table" which gives the framework for Pic 'n Pay's application of the principles and Part III, Problem Solving. What attracted me to Ackerman's philosophy and models were the degree of similarity in the training programs we run in that the Frameworks are very similar – we refer to the "three legged pot" and always are insisting our clients observe and provide for both the social and natural capital within their businesses. Our guiding principles are also similar: identify and maintain a strong group of mentors. Richard Pratt, in a wonderful address to the Australian Institute of Management's Young Leaders Awards, also recommend to this group that he always surrounded himself with mentors and mavericks (those who will challenge your point of view).

We are a product of who influences us

Before we have a look at what the four legs to his business, it is worthwhile taking a look at who Raymond Ackerman selected as his mentors. Those readers who have attended my BBF training program will recall that I always start the session taking a look at who the major influencers are on my professional and personal development and ask participants to do the same: we are all a product of who influences us.

Ackerman lists five; one of whom, Viktor Frankl, is also very dear to my heart. His five mentors and the lessons Ackerman took away from each of them are summarized in Table 1. Whilst you need to read the book for more details on the achievements of each of these mentors and how they contributed to the growth of Ackerman's personal and business principles, the take-homes or lessons learnt as Ackerman likes to call them are his key points. Each of us will take away something different depending on our needs at the time.

Table 1: The five mentors of Raymond Ackerman	
Influencer	Lessons learnt
Professor Hutt (Economist)	<ul style="list-style-type: none"> • The concept of consumer sovereignty • The obligation of trade and industry to fight for the rights of consumers • The powerlessness of consumers against big business and governments
Gustave Ackerman (Father)	<ul style="list-style-type: none"> • The place of courtesy (Ackerman also replies personally to every call and message for him) • The importance of flair and excitement in your retail establishment • A distrust of debt • Cash is king
Bernard Trujillo (Marketing Trainer)	<ul style="list-style-type: none"> • The four legs of the table • You don't bank percentages, you bank money • Rich people love low prices, poor people need them • The role of social responsibility (enlightened self-interest) in business • Fight for the consumer and the consumer will fight for you
Gottlieb Duttweiler (Swiss Retailer – Migros Chain)	<ul style="list-style-type: none"> • The more money a business gives away, the more money flows in • Greater rewards be can garnered from running a business according to principles above the mere pursuit of profits • The obligation to face down authority on behalf of consumers • The obligation to oppose cartels and monopolies
Vicktor Frankl (Holocaust survivor)	<ul style="list-style-type: none"> • Hope is the supreme power, bringing meaning to life, without hope, life itself loses reason • Learning to conquer trials and overcome challenges are the gifts rather than the curses of adversity • Find out what it is you want to do and do it to distraction
Source: The Four Legs of the Table (2005)	

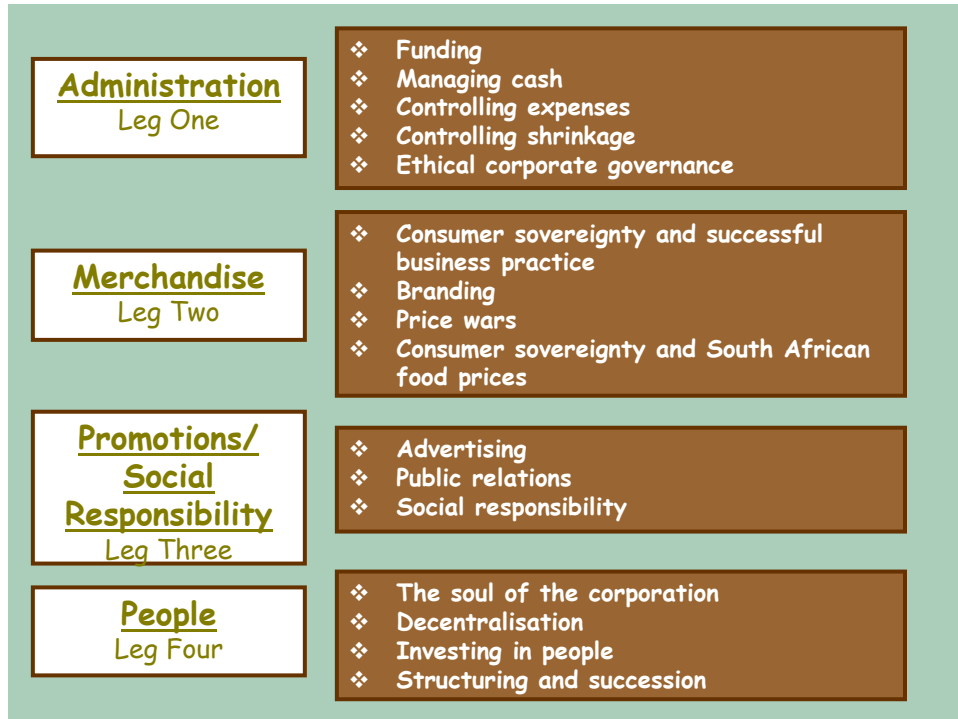
The four legs of the table

The four legs of the table that Ackerman took from Bernard Trujillo are summarized in Chart 1. Not all of the points listed can be reviewed in this article so I have taken those pieces that I feel can be applied to all businesses.

Leg 1: Administration

Ackerman points to the need to have very tight administrative controls over the business. Lack of, or poorly executed administration frequently comes to impact the other legs of the table. It is something that we see in many farm and small businesses where administration is not seen as either glamorous or exciting; we are in business to grow whatever fuels our passion, not to be a bookkeeper is a familiar catch cry I hear. With poor administration, it is impossible to watch and know every item of expenditure.

Chart 1: The four legs of the table



Quality not quantity is another of Ackerman's mantras.

Good corporate governance – something that our Australian Government is increasingly insisting all leaders of organizations practice – has been one of Ackerman's pillars of business principles. As he said, it is easy to be "good when the going is easy....but so much harder when times are tough or you can see financial gain through ignoring some of your principles."

Leg 2: Merchandise

It is interesting to reflect on the growth of the mass marketers in the US. These early stores were subjected to a lot of old-style traders were furious and mobilized whole communities to fight against these "invaders" with claims that chains "destroyed opportunities for young men, practiced unfair competition, disorganized distribution and did not save money for the consumers". As Ackerman says, the "American consumers, however, disagreed". What all of us in the horticultural value-chain have to acknowledge is how best our value-chain meets the needs of consumers. The notion that the consumer is always right and that the ideas of one or a select few must never draw one away from meeting the needs of the mass consumer was paramount to Ackerman. His clear focus on meeting this objective was one of his major success factors.

Leg 3: Promotion and social responsibility

Interestingly, Ackerman's strong sense of social responsibility has resulted in Pic 'n Pay having a corporate rule that states 8 percent of after tax profit will be donated to a wide range of social projects.

Ackerman also notes that one can use promotion in larger events well to the benefit of both parties, but especially when a large organization, it is mindful to remember that assistance to a very small organization means just as much.

Whilst care for the environment is one element of the social responsibility leg identified by Ackerman, it still is one that gets bundled up in the broader social responsibility banner. In my view, this issue is worthy of a separate leg these days to ensure transparency both within and without the organization is made clear. Just as Pic 'n Pay contribute 8 percent to social responsibility, I encourage my clients to have a defined amount for environmental or Life Cycle Assessment projects within their organizations. As Bjorn Stigfon, CEO Ab Flakt put it, "100 years ago, we made no allowance for health and safety of our workers. Today we make no allowance for the health and safety of nature". In other words, just as Pic 'n Pay has decided on a social superannuation policy of 8 percent, I believe all of us in the future will be contributing a similar amount to environmental super policies.

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Leg 4: People

To say Ackerman has a passion for people despite what might be a rather reserved exterior is to understate the man. He recites the case of losing a deal on a site for a hypermarket because he upheld his long held dictum of personally responding to anyone who requested to meet him over a complaint.

For Ackerman, people are the "Corporate Soul" and I agree. Increasingly in my work I am seeing many "Corporate Souls" somewhat in tatters. Predominantly, because we are so focused on meeting shareholder needs that the real needs of people working in the business are glossed over. I am currently reviewing the culture within a large listed company and am seeing this contradiction. The buzz that attracts people in the first place is real: just as the burn-out of staff is real. Unfortunately countless in-house staff satisfaction surveys show the same responses, yet nothing significant has been done to change the situation.

Pic 'n Pay's scholarship program for staff is one to be admired. The investment in people is perhaps one thing many of us do here in Australia quite well...but probably few of us do it the extent that Pic 'n Pay does.

Moving forward

In the final section of this book, Ackerman outlines his refreshingly simple framework for moving forward within any situation. These steps are outlined below.

Step 1: Identifying the nature of the problem

Write down on a sheet of blank paper:

1. What is the problem?
2. What are the causes of the problem?
3. What are possible solutions to the problem

Step 2: Setting objectives

Write down on a second sheet of blank paper:

1. What is/are my objectives?
2. How do I reach my objectives?

Step 3: Formulating a plan of action

List on a third sheet of every question you can think of under the headings which are based on Rudyard Kipling's, "*The Seven Friends Tried and True*".

What? Where? Why? When? Which? How? Who?

Again the similarity, these are the same headings I use constantly in negotiating or conflict resolution.

Summing up

The Four Legs of the Table is a great insight into the mind and way of doing business of a very successful food retailer. I can highly recommend it as both an insightful read and as a way of benchmarking just how well your own business is able to combine good business acumen, social compassion and people development.

Unfortunately, this book is not available within Australia at the time of preparing this article.. Exclusive Books in South Africa do stock it (<http://www.exclusivebooks.com>).

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