

**EASTERN CARIBBEAN CENTRAL BANK**

**Opening Ceremony**

**Seventh ECSM Workshop**

**Monday 29 November 2004**

Thank you Mr Chairman, Colleagues from the Central Bank, the Securities Regulatory Commission and the Securities Exchange, permit me to add my own words of welcome to all the participants attending this Workshop, whose theme is: Fundamentals of Operating in the Eastern Caribbean Securities Market.

The process in which we in the Eastern Caribbean Currency Union are currently engaged, is one of building institutions, developing financial instruments and laying a foundation for the emergence of markets on which these financial instruments can be traded. Each of us in turn has a role to play and a contribution to make in the development of money and capital markets, which is the ultimate objective that our policy is designed to achieve. Since most or all of you here this morning, are representatives of business organizations which are vying for success in today's competitive environment for the next few moments, I would wish to take your minds away from the course proper and focus your attention on some management imperatives that are particularly relevant to the task in hand.

Everyone knows that in the modern corporation, intangible assets are the source of greatest value. It is the skills set, the spirit of individuals and groups, the strategies, methods, processes, ideas and intellectual property that are the harvest of their thinking, and which in the final analysis will separate winning from lagging companies. We can all build, buy or rent the same oil refineries, the same real estate or offshore call centres, and since anyone can acquire them, it is not the assets in themselves that will bring competitive advantage. Indeed the return on investment in physical assets is said to be approximately equal to the cost of capital for most companies. Investment in physical plant merely keeps you in the game. What is it therefore that makes the difference?

Management is the art of getting things done and the non-management of intangible assets has measurable costs. To manage is to choose; the first role of senior executives is to decide where to compete and to invest, how to allocate resources among many alternatives and how to share the proceeds among those persons who contributed equity and those who do the work. Some of the returns will go to shareholders, some will be used to buy plant and equipment and some will be invested in intangible assets: training, research and development and brand building for example.

The second important job for the senior executive is to execute, to lead, monitor and improve performance. Measuring human capabilities and performance should never be done in precisely the same manner as accounting for assets, liabilities and equity, and this is a factor that is slowly being recognized by corporate leaders. Training is not a perk; so it is the use you make of the skills acquired from this workshop that will further convince our corporate leaders of the value added that can be derived from such exposure.

Many of today's business strategists argue that the first and foremost task of a leader is to engage his or her willpower and then to unleash the power of that will in others. Some managers have problems taking purposeful action in some situations, while others pursue their goals vigorously, persist in the face of obstacles and are able to resume their action even after disruptions. As a result it seems clear that will power is neither linked to a stable set of personality traits, nor is it a product of certain contextual conditions. Each manager can indeed harness the power of his will. This, I must acknowledge, is a view to which I subscribe. Homer tells the story of Odysseus' escape from the Sirens – sea nymphs, whose singing made sailors leap overboard into the sea and drown. Odysseus therefore bound himself to the mast of the ship, ordered his men to plug their ears with wax, and forbade them from freeing him from the mast, until the ship had safely passed beyond the Sirens Island. As the singing began, Odysseus struggled to release himself begging to be untied. But deaf to his entreaties, the men stayed on course, saving themselves, Odysseus and the ship.

Companies today are full of sirens-distractions that take attention and energy away from purposive action. Wilful managers adopt a variety of ways to protect their intention through

action-taking processes. They create social pressures by making public commitments; for example, by setting challenging deadlines and having relevant stakeholders monitor their progress. Helping people engage their will power is a completely different process from motivating. To engage will power behind particular projects or goals, leaders need to create a desire for action without encouraging superficial acquiescence. They need to make commitment more difficult, and build in barriers rather than trying to get quick buy-ins. They need to tell their people about difficulties, costs and privations rather than painting rosy pictures of the tasks.

Our task in the Eastern Caribbean Currency Union of building institutions, introducing instruments and establishing markets is by no means easy and straight forward. Many are the distractions and aggressive are the challenges, but if we have the resolve and the will power to rise above the distractions, and to face up to the challenges, we can succeed.

This is the message that I will like to leave with you this morning as a prelude to the workshop which over the next few days will enhance your knowledge and understanding of our markets. And it is my hope that you will return to your organizations better equipped to deal with the challenges that lie ahead. And thank you for being patient listeners.

*29 November 2004*