

Menotti & Swett

Every change needs a clearly defined goal

Editor's note: Argentina's legendary football coach César Luis Menotti and Chilean entrepreneur Alfonso Swett on passion, responsibility, and upheavals in football and business.



Beyond all doubt, football is one of the most impressive Latin American exports. One of its most famous protagonists, César Luis Menotti, is widely considered the philosopher of football, known for his attacking motto, "A goal should be just another pass into the net." With a bit of imagination, this could easily constitute a maxim for ambitious corporate leaders. Menotti has demonstrated his talent for challenging and changing the status quo as manager of various teams in South America and Europe. However, unlike his interlocutor, the Chilean entrepreneur Alfonso Swett, Menotti does not believe that football clubs benefit from being turned into listed companies. For Swett, who runs one of South America's most successful clothing and fashion trading firms, football is a private passion. Change will happen, he argues, only if leaders succeed in motivating their people and setting realistic goals.

Alfonso Swett: First of all, it's a pleasure to see you again. As you know, I have always considered Argentine football the best in the world and that, in large part, is your "fault!" Of course the event that comes to everyone's mind is the 1978 World Cup when, as hosts, you won the trophy with a fantastic team and emerged as a national hero. You'd been coaching the team for four years then. How did you make this miracle happen?

César Luis Menotti: Thank you for that kind introduction – it was indeed a historic moment, although perhaps not a miracle. Even before then, football was part and parcel of Argentine culture – a wonderful way to forge a sense of solidarity or team spirit and promote the image of our country. I considered it a challenge, particularly in view of the negative trends in football at the time. When I watched the Argentine team in the 1974 World Cup, I knew what changes would have to be made and how much hard talking it was going to take. Our national team had gone through four different coaches in one year and had become almost a joke. Despite a thousand problems and obstacles, we were able to convince the national football association to improve the situation of the coaches and force through a set of long-term development plans.

Swett: Yes, it can be very hard to overcome encrusted attitudes when driving change. The complicated part is getting people to try something new and at the same time convincing them that it makes sense to change. In Chile we went through enormous economic upheavals in the early 1970s. We were the pioneers of market deregulation, but we were up against a tradition of closed markets, customs barriers and other protective mechanisms. So shifting from a protectionist mindset to a competitive one called for a gigantic rethink.

Menotti: In that same context, I find it very courageous that you are trying to convince your countrymen to bid for the 2020 Olympic Games. That will surely necessitate a similarly gigantic change in mentality.

Swett: My great wish is that Chile should finally dare to do something big. It's not just about staging a grand sports event. We need to restructure our education system and attach greater importance to sports and health. We need to get a handle on social problems such as alcohol, drugs and obesity. Every change needs a clearly defined goal.

Menotti: Yes, and you could say that's where the difference between strategy and tactics comes into play: Strategy is the ability to apply knowledge to solve problems – above all unexpected problems. If our goal

is clear, we need to consider how we are going to get there. We will get there by drawing up a working strategy and, within that strategy, tactical plans. If one tactic doesn't work, we try another. But the strategy is based on a clear concept, a meaningful idea. If a coach – or a business leader, come to that – can convince his team that the strategy is right, he still has to get them to commit to that strategy and stick to it, even in the face of setbacks. Having said that, I believe of course that you also have to keep discussing your strategy and learn new lessons every day. I like to say that there is a time for happiness, a time for sorrow, a time for falling in love – the only thing for which the time is always right in life is learning.

Swett: You're right about strategy. I've always considered it important to carefully define our corporate vision and make it a key pillar of our activities. The vision must be more than just a paper tiger that turns up now and then in presentations. It has to be something that all employees can engage with. And if your business environment harmonizes with your corporate vision and you succeed in aligning your company with its core business, you've made real progress. At Forus we realized that our strengths lie in design and sourcing, and I make sure that our front-line people match our corporate canon of values. That way we are able to access new markets and expand our portfolio. Right now, clothing accounts for 25 percent of our revenues, but we are targeting 50 percent. That's not going to happen all at once. You have to be clear about where you're heading, prepare the ground and work toward that goal day by day.

Menotti: I once said jokingly that successful football coaches were ideologists, generals, psychiatrists and sometimes even babysitters rolled into one. Couldn't you say more or less the same thing about business leaders?

Swett: I suppose so. Above all we have to motivate our people. That's the main job of any corporate leader. It's all about analyzing your results correctly and transforming them into motivation, the will to change, and the ability to upgrade your current performance. Top executives who can really motivate people have an extremely charismatic impact, above all if they also come up with brilliant ideas and are able to empathize with their people.

Menotti: One of the most complex jobs for any coach is to empathize with the character of individual players. Monitoring their physical performance is no problem. Reading their personal, cultural, social and psychological side is far more complex. But truly exceptional performance happens only when a coach lives up to his enormous responsibilities by taking all of that into account as well. Football is a game with a thousand secrets, and the performance of the players is one of them.

Swett: Another thing we have in common is that coaches and business leaders shape their own success through the selection of their team. It's not just a question of individual skill but of the way those skills fit together. A company works like a football team: Everyone has a position, a role, and has to harmonize with the others. And the leader's primary job is to formulate realistic goals, because setting unattainable goals will damage your credibility.

Menotti: Football coaches can learn a lot from passionate entrepreneurs for whom their product is not just one of many but their *raison d'être*. They impress their customers through top performance and never stop trying to improve. That's what I call an entrepreneur – not people who turn out roast chickens one day, toilet paper the next and two days later are juggling millions of dollars. The people I admire are those who are out to generate brand loyalty among their customers over generations. That's the sense of vocation a football coach should have as well – building and maintaining a strong and lasting, emotional bond between the team and its supporters.

Swett: One thing I think coaches can learn from business managers is to take more responsibility for results. Coaches tend to make promises. For an

entrepreneur that's just the first step – then you have to deliver. Also, with a few notable exceptions, coaches are not analytical enough in their thinking.

Menotti: Are you saying many coaches are not professional enough?

Swett: They don't pay enough attention to what their opponents are doing, or at least that's the way I see it. An entrepreneur has no choice but to study the competition intensively. But how many coaches take the trouble to watch videos of their opponents? They need to get more inquisitive, more analytical, so they can better prepare their players for the next match. What business leaders can learn from football coaches, on the other hand, are motivation skills. A good coach will transform 25 individuals into an effective squad. And he will work constantly to improve each player's performance. Corporate executives often forget to train their staff. They don't invest enough in each individual.

Menotti: You're right about selecting the team – that's critical. Once, when I was responsible for selecting a national youth team, I tested 460 players from all over the country until we had a squad of players who had impressed me both on and off the pitch, as players and as people. The main things I was looking for were commitment and leadership skills.

Swett: Commitment is essential, and at a family firm like Forus, it comes naturally. Members of the family work as hard as any employee and at the same time they have a pronounced sense of responsibility for the company. Family and business go together very well. There are many great family firms, corporate groups in fact, and if they fail then it is mostly because the family ties have been broken and outsiders manage the company.

Menotti: Trust is a factor in that equation as well, and you always have to make sure that the members of a team trust one another. You have to help them overcome the problems that are hindering their development. Paco De Lucia once told me that, at the age of 12, he had no idea about music. "One day," he said, "I was playing the guitar and a man came by and said, 'No, look, that's where your fingers should be,' and he corrected my grip. Through that simple step he saved me years of effort." For me, loyalty is at the root of all leadership, and loyalty is created when leaders help their people to develop and make progress. At the same time, you have to convince them that it is worthwhile observing important guidelines like tactics. Jorge Luis Borges said that philosophy is about order and adventure, and that applies to football, too. Because order alone is boring and adventure without order is chaos.

Swett: In football and in business there are those who have flashes of inspiration and others from whom you expect a disciplined performance. On the football pitch, defenders can't afford to let their concentration lapse for an instant and have to turn in a concerted performance. Midfielders and attackers I would expect to show more ingenuity and dynamism. In a corporate environment they would be the product designers or developers, always looking for new ideas.

Menotti: You're obviously passionate about your football. Where did your love of the game come from?

Swett: I've been mad about football since I was 5. I wouldn't even take off my Club Deportivo Universidad Católica de Santiago shirt when I went to bed. I played for UC, as they are called, until I was 19. Later on I was president of the club. I felt like Santa Claus – investing lots of time and ambition to make something work that I'd always believed in. Ultimately, any club owes its success to the fans, ticket sales and merchandising, and the sale of the TV rights. In England that works fine. Just think of Chelsea or Manchester United. But not so in Chile, where the stadiums are empty and the players are trained and developed only so that we can sell them. That's a very different picture in Argentina. Like I said, I consider the Argentine players the best in the world. They play with discipline and dedication, and they are prepared to give it everything they've got. Chilean players do their best to get into the first team, and then they run out of ambition. They are the victims of a mentality that just wants to enjoy the fruits of success.

Menotti: Are your fellow countrymen in the business sector more ambitious?

Swett: The entrepreneurs are, but the average employee isn't. Maybe it has something to do with our education system. We attach greater importance to advancing from one class – one year – to the next, rather than being top of the class. We need to set the bar higher in many respects, not just in sports.

Menotti: I admire companies like BMW, where mass production doesn't affect quality. They don't upscale their output at all costs, but expand in a measured way, while constantly improving the quality. In

football that quality is under threat, because businessmen – I'm not talking about entrepreneurs – feel attracted to a scene where there are crowds of passionate fans, but no clear legal boundaries. And yet we have a major obligation to the spectators. After all, leading opera houses like the Milan Scala or the Teatro Colón in Buenos Aires are not famous for their beauty but because the best singers in the world perform there. If they exhaust their top-class singers and start hiring second-class replacements, their image will soon suffer. And image is something they have to maintain, just like any carmaker or football club.


Swett: How exactly do you see that image being threatened?

Menotti: When a season comes to an end, with the top teams playing not just in their national leagues but Champions League and UEFA Cup matches too, and four weeks later the World Cup starts... how can anyone expect the players to be on top form? We need to realize that quality is worth protecting. Football is too important to end up in the hands of financial wheelers and dealers. So I'm by no means sure that turning football clubs into listed companies is going to help the game. What we really need is to reach a new understanding among players, coaches, major companies, politicians and the fans. I say again: Football is simply too important.

Swett: I could well imagine that listed companies could at least solve the problems of inadequate transparency and responsibility at club level. In the past it has often been the case that a manager would join a club, create gigantic debts and then walk away again. At a listed company, more importance is attached to governance, transparency and the involvement of all stakeholders.

Menotti: The clubs need to be clear about how they want to position themselves and how they intend to market a product like football. To my way of thinking, what football needs are entrepreneurs who make a commitment to growth without putting quality at risk. If we don't succeed in attracting this kind of person, then the days of the kings of football are over. They never will have time to wear their crowns. The role that an Alfredo di Stéfano, a Pelé or a Maradona once played no longer exists. It has fallen victim to the market. Today we're talking about astronomical sums of money that no one could ever have imagined in the past.

Swett: Nothing ever stays the same. That also applies to every company. For example, I've recently become interested in olive oil. I'm aiming to produce a particularly high-quality blend of fruity oils. It's great fun watching the project take shape. Another exciting new development is the berry company that I'm engaged in together with my brother-in-law. Change is everywhere, and there's no chance of my ever being bored.

Menotti: Boredom's not one of my problems, either. Football has opened many doors for me and has changed me a lot. True, I found my vocation as a coach early on, but it's very important for me to learn something new every day and keep on changing. I am a seeker by nature, and as I search, I learn from all kinds of sources. 

César Luis Menotti was born in Rosario, Argentina, in 1938. His iconic status in the Argentine football community stems from the nation's World Cup victory in 1978, when Menotti was national coach. In his active days he played top-level football for Rosario Central and Boca Juniors in Argentina, as well as in the United States and Brazil. In 1970 Menotti hung up his boots and switched to coaching. Four years later he took over the Argentine national team. He was never able to repeat his success of 1978 – at the 1982 World Cup in Spain, Argentina were knocked out at the group stage. Menotti subsequently coached various clubs in South America and Europe, as well as the Mexican national squad. With FC Barcelona and his countryman Diego Maradona he won the Spanish league championship and the UEFA Super Cup.

Born in 1943, Alfonso Swett left school at age 17. He worked for Banco Edwards and Esso, went on to found the first-ever commercial car park in Santiago de Chile, then completed his high school education and studied accounting in Buenos Aires and at Georgia State University. In 1981 he started selling Hush Puppies in Chile. Today his holding company, Forus S.A., sells other world-famous fashion brands as well. Recent additions to the Forus portfolio include companies in real estate (Marbella), berries (Hortifrut), and olive oil (Olisur). For 14 years, Swett was president of the football club Club Deportivo Universidad Católica de Santiago. He is a major shareholder in the conglomerate Grupo Claro, a director of several related companies and a member of the board of the Federation of Chilean Industry.