

Ethical Leadership, Strategy and Risk Mitigation: Alcan Success Story

by Allan Wakefield

Foreword by Alain Paul Martin

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Real success stories are rarely told first hand, primarily because the achievers keep going from one challenge to the next. Having worked for Alcan as a consultant, I came across this nugget of wisdom that features great lessons in strategic thinking, risk management, alliance building even among grass-root foes, and above all, strong ethical leadership. I thought no one could do more justice to the story than the executive who led it, Allan Wakefield, while he was Vice-President of Alcan Products. That is why I have invited Mr. Wakefield to share, with peers and aspiring leaders, this strategy implementation story that is rich in lessons for both the public and private sectors. Although Alcan strategy for this business line covered all aspects of the can-stock value chain; only the elements pertinent to implementation risk will be discussed here for educational purposes.

Allan Wakefield is a leader of exceptional qualities, including a fierce determination to create genuine value and nurture talent, and a sense of modesty that actually led the competition to underestimate him. Following this project, Allan led a turn around at Alcan Building Products Division, ran a group of companies for an RTZ subsidiary (a world leader in mining and exploration) and co-led Spar Aerospace business development project to convert Russia's military satellite capabilities into a civil communications satellite business. He was instrumental in convincing the Russians about the importance of teaming up with Lockheed-Martin as a strategic ally. Forged during the project, the partnership with Lockheed-Martin and Spar served both companies in subsequent assignments. After the Russian project, Allan honed his entrepreneurial skills in Silicon Valley, California, as co-founder of a telecom equipment startup. He currently chairs the Audit committee of the Board of Directors of Hollinger Inc. following the court-ordered dismissal of the inside Directors (Conrad Black & associates). Allan holds an MBA from Harvard Business School and a BA from Yale. He is also the recipient of the prestigious medal from the United Nations Environmental Program "for services to the environment".

Before implementing your strategy, consider the following **seven critical success factors** that led Alcan to the sustainable high returns from this project:

- 1. Strategy:** Alcan crafted a robust business model, financially sound and environmentally friendly. It connected the seemingly unrelated dots between its goal (capture \$100 million in annual revenue) and the issues facing local and national governments. It formulated a crystal clear waste-management equation: At \$900 per ton, aluminum cans, which represent a mere 2% of the waste volume, can subsidize the recycling of the trash comprised of glass, steel cans, paper and plastic, which together bring less than \$50 a ton. This logic led to the birth of Ontario's Blue Box system¹ which has been adopted across the country and abroad.