



**Jorge A. Vasconcellos e Sá**

With the collaboration of Magda Pereira and Fátima Olão

# SHAKESPEARE, HENRY V AND THE LESSONS FOR MANAGEMENT

“I am **IMPRESSED** with Vasconcellos offer of these rich **LESSONS** for management leadership and competitive business maneuvering. I only wish that he continues to write **MORE.**”

***Philip Kotler** (Professor at Northwestern University)*

“Every business leader can learn a lot from Jorge Vasconcellos’ **BRILLIANT** analysis and exceptionally **WELL WRITTEN** lessons for business.”

***Al Ries** (author of the Bestsellers Marketing Warfare, Positioning, etc.)*

**VidaEconómica**





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0.

**FOREWORD**

BY JOSÉ ANTÓNIO DE SOUSA

(President & CEO of Liberty Seguros)



José António de Sousa  
President & CEO of  
Liberty Seguros

Management is one of the most fascinating disciplines of Human knowledge, and for me the study of the various aspects it embraces certainly has been a “lighthouse” that provided guidance and shelter throughout my personal life, and my career. Management, in all business and organizational activities, if we go to Wikipedia, is defined as “the act of getting people together to accomplish desired goals and objectives using available resources efficiently and effectively”. Wikipedia further says that “Management comprises planning, organization, staffing, leading or directing, and controlling an organization, understood as a group of one or more people or entities, or effort for the purpose of accomplishing a goal”.

In the broader sense of the definition of the word, it touches virtually every single aspect of our lives, both personal and professional, ever since the Human Species exists. When our ancestors of thousands and thousands of years ago formed a group to hunt and kill an animal that was far bigger and stronger than any one of them considered individually, but provided food and furs to keep them warm and alive throughout the winter, they were definitely using critical aspects of strategic and operational management (selecting the group of strongest hunters among the “resources” available in the camp, observe the animal to kill, define the best way to hit the animal in the weakest point of its

body), in order to be able to survive in that hostile environment. Housewives, since the Human Species exists as well, deal on a daily basis with aspects of operational management, be it logistics, budgeting, cost management or supply management, in order to pull their families together, organize them, and help them not only survive, but develop and get stronger.

The corporate world is no different than our personal lives. Every year thousands and thousands of companies are created by enthusiastic entrepreneurs, full of hope and carrying huge expectations of surviving in today's globalized and increasingly complex hostile environment. And every year a similar, if not even larger number of enterprises die, destroying a tremendous amount of value and intellectual capital, and causing significant pain to many individuals.

If it would be possible to make a "lessons learned" case study approach to identify the reasons of failure of so many companies, both the ones managed by their own creators, and the ones managed by professional managers hired by them, it is my strong belief that it would be fairly easy to come to the conclusion that the main reason behind the failure, the true root cause, always can be tracked to the lack of observation of one, sometimes multiple, of the more basic and simple principles of the discipline of Management.

This obviously offers a fertile ground for books, covering the various aspects and multiple sub-disciplines within the overarching discipline of Management, to be published by the hundreds every year. When asked to write an introductory note to a Management book, I always remember the first time I visited the home of a friend in Mexico, who was an expatriate, as I was back then, some 25 years ago. My friend, an Honduran citizen, proud of his "ivy league" US education, which definitely opened the doors for him to become the President of a known multinational Cosmetics company for Mexico and Central America, was a passionate reader of every single book on Management related issues, that was published. His house, as most expatriate houses in Latin America, was huge, and so was the library where he had his gigantic pool billiard table, and the inevitable bar, of course. But the remarkable thing in that singular room was that the walls, all 4, were literally cov-

ered, from floor to ceiling, with Management books, and only Management books. There were, my guess, many hundreds, probably more than a thousand books in that room, and my friend claimed he had read them all. By now my friend, some 15 years older than me, probably has retired already, looking behind at a very successful managerial career, without flaws or mistakes, thanks to the wisdom gathered with all that reading!

As impressed as I was by the content of that room, my own experience throughout the years clearly showed me that one can divide books on Management and related subjects in two basic categories. The ones that are “nice to have”, contributing to a nice and colorful decoration for one of the sections in your library, and the ones that are clearly classics of timelessness nature, that I define as “need to have”, or better said, as “need to read”. Among those I would classify the work of David Ricardo, Adam Smith, Marx, Samuelson, Keynes, and more recently Peter Drucker, the father of modern Management discipline applied to business and corporate organizational issues, Michael Porter, Kotler and those of Jack Welsh, just to give an example of my personal choices in this area. This one by Professor Jorge Vasconcellos e Sá will definitely become one of those few elected in my personal library that will remain in the History of the discipline of Management as a “lighthouse” reading.

When Professor Vasconcellos e Sá contacted me, and asked me to write the preface to his newest masterpiece, I felt extremely honored, because the fact is that we hadn’t met yet in person. Ever. I obviously knew him though, because he has a remarkable career as a Professor, and as a renowned writer of many fantastic contributions (books and papers), that he is leaving as a legacy to the future generations of students in the discipline of Management.

This book comes to daylight as Portugal goes through extremely difficult times, and struggles to regain credibility, and it’s financial independence. Despite the 2008 international crisis, that hit us hard as almost every single country in the world, the situation we got ourselves into is mainly self-inflicted, clearly the result of poor Management practices, cultural issues, and structural imbalances that we have never really collectively dealt with.



When I returned to Portugal in 2003, after having worked as an expatriate for 2 multinational companies during 25 years in various countries in Europe and Latin America, one of the first books that struck me, that I avidly read in order to “get up to speed” about the reality I would be facing in my own country, and that still is on my desk with dozens of annotations, and pages marked for easy finding of subjects that caught my attention, and that I still read occasionally in search of inspiration and guidance, is precisely a book that Professor Vasconcellos e Sá wrote in partnership with another renowned Portuguese Economist and University professor.

The book “Portugal Europeu?”, published in 2000, is a hard look at our reality as a country, clearly pointing out the opportunities that we lost to get ourselves closer to Europe, the way we mismanaged the structural funds that flood to Portugal over decades since joining the EU, and showing what needed to change, fast, in order to really get there, reducing, instead of amplifying, the growing divergence in the standard of living between Portugal and the rest of the European Union. A decade later almost nothing of what the authors wrote back then had been done, and we are far worse than we were at the beginning of our century. It has nothing to do with the 2008 international financial crisis, but unfortunately all to do with managerial mistakes in conducting both the businesses, as well as the country.

“Shakespeare, Henry V and the Lessons for Management” is yet another unique and valuable contribution of Professor Vasconcellos e Sá to improve the practice of Management techniques in Portugal, allowing this country to have a second chance to stand up on its own feet, develop a culture of meritocracy, and regain a deserved status of credibility in the group of developed nations. As Professor Vasconcellos e Sá masterfully demonstrates “q.e.d.”, sound Management practices and techniques are to be used by businesses as well as by countries, in order to make them successful. Countries compete for financial and intellectual capital in the international arena in exactly the same way that companies and businesses fight in the market to compete and win.

As I was in the process of writing this prologue, I learned from a “head-hunter” (that was not trying to hire me...) a story that I immediately linked to the content of the book. Intelligent, innovative and fast countries, like Brazil,

are overcoming the lack of skilled resources they have in their own market to support the explosive growth, through creative approaches. A very large Brazilian company was hiring Portuguese engineers in all lines of engineering (mainly civil engineering), and to keep the cost of the initiative down, but still be able to “pick up their brains”, decided to open an office in Portugal, where those hired Portuguese engineers (considered to be the very finest and best trained in the world), will work for them on projects in Brazil. No more expatriation costs and travel costs, and since salaries in Portugal are far lower than in a booming Brazil with scarce skilled resources, this is a cheap way to get to the finest intellectual capital, one that Brazil didn’t invest one single cent in forming and developing (all paid by the Portuguese taxpayer through the public education system that developed those engineers), but is now benefiting from. Brazil reminds me the nimble strategy designed by Henry V while preparing for battle at Agincourt, while Portugal resembles the heavy French cavalry stuck in the mud at that battle! Yet Brazil is a huge country, and we are a small country that could easily be fast and nimble, if we only listened to the lessons of Professor Vasconcellos e Sá!

I am so thrilled with the content of this book, another one that will stay on my desk for future references and consultation, that I could easily continue writing my introductory comments on and on, making them larger than the book! Since that is obviously not the purpose of a preface, I will drive my comments to conclusion by strongly and vehemently encouraging my fellow citizen, be it business people, entrepreneurs, students, fellow university professors, or politicians to read this book, and absorb the profoundness of the subjects brought to us by Professor Vasconcellos e Sá, all written in such a catching, interesting way, that one simply can’t stop reading until the very end comes!

One of the multiple lessons I take from this particular reading, one that is for me a completely new focus on a very critical area of Management, in this particular case the SWOT analysis (that should be a compulsory exercise and discipline in each business and for each country), is the part where the cause is defended that one should “change the terms of competitive engagement”, by focusing mainly on our strengths, reinforcing them, and getting even better at what we do, instead of spending an inordinate amount of time and re-

sources trying to minimize our weaknesses. Actually after having read and thought through what the embedded message is, I realized that in many ways we could find here the recipe for our own success as an organization, since Liberty Seguros arrived to Portugal in mid-2003.

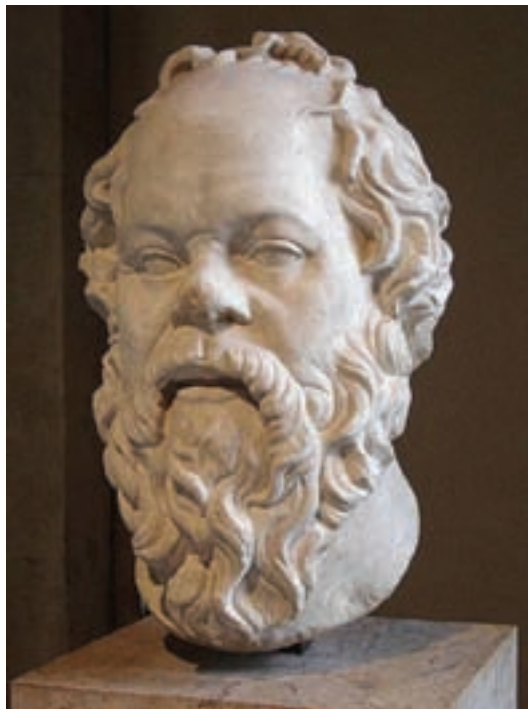
Since that very first day of our presence in Portugal, a significant part of our Corporate Social Responsibility Program has been focused on patronizing books that represent a fresh contribution to improving the practice of developing better managerial skills and talent. Professor Vasconcellos e Sá, as Al Ries and Philip Kotler have put in a much more refined (and short) way than I have, has done again a remarkable contribution in that area, and we are extremely honored to be associated to this editorial project.

In order to make the extremely valuable content of this masterpiece available to a broader audience in Portugal, I sincerely hope that one day Professor Vasconcellos e Sá agrees to have this particular book translated into Portuguese!

José antónio de Sousa  
(President & CEO of Liberty Seguros)



# I. INTRODUCTION



Socrates

(469 B.C. – 399 B.C.)

“*What is most important*”, the disciple asked Socrates, “*intelligence or memory?*”

“*Memory*”, answered Socrates, “*for one only knows, what one can remember...*”

**History is the memory of mankind.** Without its knowledge, we are condemned to start over and over again. As Santayana put it: “*Those who ignore History are condemned to repeat it*”.

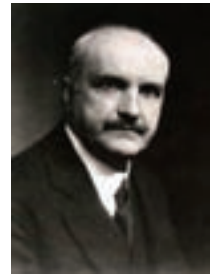
But then, History is the memory of **all**. Not only of me. But also of the others.

And as [Shakespeare](#) shrewdly noted, while “*most people learn at the cost of their own experience, he preferred to learn with the experience of... others*”.

Thus the importance of History: it is memory; and of all: there is no more credible source of wisdom.

And specially important are those lessons, where the weaker side – **against all** odds – won astounding victories, therefore raising the question: how is it possible?

How is it possible the outcome of [Agincourt](#) (in the 25<sup>th</sup> of October 1415), where France, then the main european military power and with an army composed by the best of its [cavalry](#), was defeated by an english army of commoners.



Santayana  
(1863-1952)

And in spite of France's **overwhelming superiority in numbers**: 30 thousand French against 7 thousand englishmen; a ratio of more than **four to one**.

At Agincourt, the french lost 10.000 men. The english lost only 500; twenty times less.

Agincourt, was an hecatomb which prolonged for almost half a century the one hundred years war. And it was the enormity of the deed that led **Shakespeare** to write his play: **Henry V**.

However, what interests us here, is neither History per se, nor military warfare. But what both can teach to management. Either for profit, or not for profit organizations. What are the lessons? What is there to be learned?

As we shall see, the **lessons** can be divided into **three main areas**: **policy for countries** (chapter V); **strategy for corporations** (chapter VI); and **staffing** (chapter VII): how to select, place and promote people.

The latter, are frequently pointed out as the major assets of any company. Although, more often than not, when practice deviates from History teachings, people rather than assets, become liabilities.

So let us start by looking into Shakespeare's Henry V and the battle of Agincourt (chapter III). Then use military experts to draw the lessons (chapter IV).

And finally apply those lessons to management. That (chapters V, VI and VII) is the bulk of this book.

For such a purpose we will use the works and interviews of great *scholars, managers and entrepreneurs*: Peter Drucker, Alfred Sloan, Jack Welch, Andy Grove, Steve Jobs and Bill Gates.<sup>1</sup>

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<sup>1</sup> Those interested in pursuing the subject further, will find at the end, in section IX, a very selected list of references.

Figure 1-1



So let us start. And see what both Shakespeare and History teach us. At Agincourt. And how that applies to management.





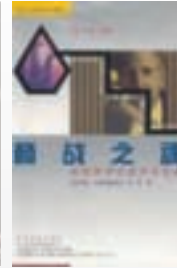


## Covers of some of the previous books by **Vasconcellos e Sá**

Strategy Moves  
(thai edition)



War Lords  
(chinese edition)



Neglected Firm  
(russian edition)



Drucker on Carving  
Success Out of the Crisis  
(english edition)



**“Congratulations Professor Vasconcellos e Sá,  
on your wonderful career.” (Peter F. Drucker)**

**This book will definitely become one of those FEW ELECTED that  
(together with Samuelson, Keynes, Drucker, Porter and Kotler), will  
remain in the HISTORY OF MANAGEMENT as a lighthouse reading.**

*José António de Sousa (President & CEO of Liberty Seguros)*

1. Jorge Vasconcellos e Sá has a master's degree from the Peter F. Drucker Graduate School of Management in California, where he studied with Peter Drucker. And a doctorate (PhD) in Business Administration, from Columbia University, in New York where he was a student and research and teaching assistant. He finished first in his class. Always in the Dean's list.

2. In 1997 he was awarded the Jean Monnet Chair (by the Jean Monnet Foundation at Brussels), the highest European academic award, and has in the past received several distinctions including Fulbright, Beta, Gamma and Sigma fellowships.

3. He also has two undergraduate degrees one in Economics (Technical University) and one in Business Administration (Catholic University) and a graduate degree in Macroeconomics from Gulbenkian Foundation.

4. Has addressed conferences and given seminars at various universities and institutions such as London Business School, IESE, Glasgow Business School, ESSEC (France), ESSAM (European Consortium of Business Schools), Oxford, Manchester Business School, George Washington

University, University of São Paulo, School of Economics, Drucker School, Academy of Management, Western Economic Association, Peter Drucker Society of Europe, etc.

5. He has worked as a private consultant, been a non-executive director and has taught in the executive programmes for Coca-Cola, SHELL, Unisys, IBM, Price Waterhouse, Klynveld Peat Main Goerdeler, Glaxo, British Petroleum – BP, Dun & Bradstreet, Deloitte & Touche, Makro (Metro group), Système U, I.F.A, Intermarché, Mini Prix Bonjours, Accenture, Watson Wyatt, Cap Gemini, Cesce, Scottish & Newcastle, Sara Lee, Microsoft, Total, Johnson & Johnson, Pfizer, Logica, Indra and Pearle.

6. He is currently a full professor (life tenure) and teaches or has taught at Catholic, New and Technical Universities and at AESE (associated with Harvard linked IESE of Barcelona).

7. His books have been translated into eleven languages: English, Portuguese, Spanish, Chinese (Mandarin), Russian, Ukrainian, German, Lithuanian, Thai, Korean and Norwegian.

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