

Werner Otto (1909-2011) was a German business man. He founded the Otto Group in 1949, which eventually became the world's largest mail order group. Werner Otto said that he owed his tremendous success the strict adherence to his his "business principles".

1.) Know yourself

Know your mistakes ! We can only improve our performance if we analyze our weaknesses. Diligent, active people make the most mistakes. But they are differ from the incompetent in that they are deal with their mistakes. They convert their mistakes into experience. Know yourself - this also means to know the own talents and strengths.

2.) Learn to delegate

It is a success to hand over an area of operation in capable hands. The head of a company should always seek to delegate. This requires finding the right people who are able to take over the task. The head of a company should not interfere in a area that is well managed. Only by successfully delegating fields of activity one can create the time that is necessary to focus on company related issues which require some creativity.

3.) Discuss and inform

No idea is so good that it could not be improved in a discussion. Many business owners have failed because they thought they knew everything better. Even supposedly "unimportant" people should be included in the discussion. Discussion is Information. A productive discussion can be used to improve the initial ideas and views.

4.) Simplify the problems

Problems need to be broken down into smaller, solvable units. For example, the Otto Group was working on a concept for their shopping centers. *"Every item which the customer wants to buy at least once a year he has to find in our shopping centers. And the items must be found in at least 2 stores, so there is competition inside the center."* This simplified statement was the basis for all the shopping centers of the Otto Group.

5.) Systematize and save for the company valuable know-how

Create checklists for important and repetitive decisions. For example, the Otto Group started to built shopping centers at the end of the fifties. In this context checklists were created. These checklists contained extensive knowledge and all the experience the Otto Group made over the years in this sector. Especially new employees can work with these guidelines and thus access valuable experience without starting from the beginning.

6.) Constructive criticism by Gap - analysis

In case of a failed project the causes must be examined carefully. Therefore the work-flow's and actions must be checked. The Otto Group has built up a dedicated team for this purpose. The result was that the Otto Group had an excellent assessment system available.

7.) Act consistently

Pursue a set goal with consistently. Werner Otto did said that he needed a good advertising manager, who was difficult to find in postwar Germany. They had to hire 13 advertising managers, before they could meet Werner Otto's expectations.

8.) Beware of hidden risks

Risks arise mostly in so called safe projects. Whereas risky projects are generally well secured. Within the Otto Group therefore apparently safe projects are also treated as risky projects.

9.) Hold everything in flow

The businessman must be focused on the future. He should not be too much concerned with the today's problems. The entrepreneur should not be a perfectionist. There must be enough time to recognize the future's trends, in order to win the future.

10.) Share and grow

Many family businesses are not large companies because they were not open enough to involve partners. The Otto Group could only grow so fast because there was always a willingness to share.

11.) Intelligence does not replace experience

Very often, Mr. Otto was exited about the intelligence of an employee. Employees in many cases could not meet expectations because they simply did not had the experience. Therefore, employees are intensively trained first before they take over a leadership position.

12.) Keep overview and vision

The entrepreneur must have the big picture in mind. He has to take into account political, technical, economic and currency trends to ensure the survival and growth of the company.