

## **Implementation of MBM in Alpha Omega: Connecting Personal Mission and Organizational Mission in a Small High Tech Company**

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### **Abstract**

Alpha Omega Engineering was founded in 1993 and today is one of the world leaders in the production of neurosurgery equipment. It is the first hi-tech Israeli company funded and managed by an Arab.

The boom of the hi-tech sector in Israel in the 60'-70' ("Silicon Wady" appeared. Wady means valley in Arabic) was notably related to the defense industries and most of the companies were afraid of hiring Israeli Arabs. Imad Younis, founder of Alpha Omega, suffered personally from this situation and decided to fight for changing it. He developed the vision of a future with equal job opportunities for Arabs and Jews in Israel. His wife Reem, co-founder of the company, also shared and pushed this same vision.

In this case we will describe the origins of the company and the vision of their founders, its evolution and the discovering of Management by Missions as the tool for:

- a. Transmitting their mission to their employees and people around Alpha Omega.
- b. Bringing real and solid change.

We will bring up the difficulties they faced and still face regarding how to implement the system in a small company, how to give to this project the priority it requires and finally the arguments inside the company about the convenience of the system itself for a company like Alpha Omega now, fully immersed in a process of strong growth.

**Keywords:** Management by Missions, leadership, change management, personal mission, corporate mission.

**How to cite this paper**

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## 1. Discussion and Contribution

It's March 2016. Imad Younis, founder of Alpha Omega Engineering, arrived home at 10 at night, after another exhausting journey. He is watching the forest behind his house, from the porch. When he discovered the philosophy of Management by Missions (MBM) in 2009 he decided that his company would be managed with this system. Since then, the company had been doing very well and it is still growing at a remarkable pace. The implementation of MBM began but was not completed, due to the ever more demanding daily work and for other reasons. The next week the delegation of the new Chinese distributor was supposed to arrive, a big one. They would stay the whole week and it would demand his full attention; other projects will wait. Imad continues watching and thinking. The MBM project is occupying space in his mind for too much time. He needs to decide now whether to restart the implementation or focus on his company's growth.

## 2. Alpha Omega now

Alpha Omega is a medical device company in the neurosurgery and neuroscience sector which offers cutting edge solutions in neural monitoring and stimulation markets. It is the world leader in neurosurgical equipment using MER (microelectrode recording) in implanting Deep Brain Stimulators (DBS), and it is a pioneer in introducing new technologies to neuroscience labs and to the neurosurgical research market. Alpha Omega's neurosurgery equipment is used during DBS procedures performed in hospitals worldwide, treating Parkinson's, OCD and other neurological and psychiatric disorders<sup>4</sup>.

The company, privately held, counts on 75 employees and it is based in Nazareth (Israel). It has two subsidiaries (in the US – Atlanta – and in southern Germany) and various distributors in China.

Alpha Omega has a customer base of over 500 distinguished hospitals and neuroscience labs worldwide, and works closely with the top opinion leaders in the field.

All of Alpha Omega's medical products have FDA and CE approvals and the company is working towards getting CFDA (China Food and Drug Administration) approvals for all of its medical products.

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<sup>4</sup> A sample of the possibilities of curing diseases using Alpha Omega equipment: <http://www.alphaomega-eng.com/Articles.aspx?id=26&CatID=26>

### 3. Background

After studying Engineering in the Technion<sup>5</sup>, Imad Younis, 24 years old, had a clear idea: enter the hi-tech sector. He started sending CV's, more than one hundred. But there wasn't any positive answer, even for a first interview. Something was wrong.

He realized that the fact that he was an Arab in Israel was an obstacle to reaching his dream. Most of the hi-tech companies were related to the national defense sector and Arabs were not allowed there. Also, the fact that he had not served in the Army<sup>6</sup> was seen by many employers as at least suspicious and it lowered his chances. Seeing that, Imad decided to go to the US. He came back after one month with a new version of his primary dream: to create a company in the hi-tech sector, as soon as he was ready, where Arab candidates could have equal opportunities for employment.

He started looking for a job again and he found one at Technion, in the neuroscience department. Some years later he started to work in the R+D department of a company that produced pieces for heart implants. He gained experience and little by little started his own venture, in 1990. He started asking his boss to reduce his work journey for dedicating more time to his venture. He repeated his claim different times until his boss told him: "Imad, you have to choose". He left and registered Alpha Omega Engineering in 1993: the first hi-tech Arab company in Israel.

In the meantime, Imad had married Rem, a girl he had known during his studies in the Technion. Also an engineer, Reem started her own venture in 1990, Alpha-Cad, an engineering company for civil building and architectural design. She shared Imad's vision regarding the employment of Arabs in Israel. But at that time the vision was relegated to the future: the only goal on mind then was to survive. None of them knew anything about business but they launched the companies anyway. They were located 50 meters apart and only Reem's had a fax. When Imad needed the fax, he went to send it from Reem's company.

Alpha-Cad was doing well. In three years it already employed seven engineers. Alpha Omega, on the other hand, was going through financial problems. Starting in the field of production of neurosurgery equipment, Imad needed more capital and he didn't have yet the trust of the banks. So Reem decided to sell Alpha-Cad to help Imad develop his company and to join Alpha Omega.

Years went by and Alpha Omega grew, making a name for itself in the sector, among huge competitors from all over the world. Little by little the vision they

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<sup>5</sup> Israel Institute of Technology <http://www.technion.ac.il/en/>

<sup>6</sup> Three years for men, two for women, but not compulsory for Arabs. Most of the Israeli Arabs don't serve in the Army for ideological reasons.

shared was coming true. But still, Imad remembers what Reem told him once in 2008: “we were envisioning employing thousands of people. And there are just thirty of us”.

On March 2009 Reem and Imad participated on a workshop about Management by Missions (MBM) led by Pablo Cardona<sup>7</sup>, with other forty businessmen. There they realized that MBM was the tool they needed for achieving their vision. They talked to Pablo Cardona immediately after the seminar and together they wrote a first mission for the company. But after Pablo’s departure and without the help of an expert on MBM, they didn’t reach the next stage of defining the shared missions for the different departments.

Four years later, on 2013, they hired Javier to start the HHRR department and continuing the implementation of MBM, and he decided to contact Carlos Rey. In the spring of 2014 Reem and Imad travelled to Barcelona to meet Carlos and they designed a plan for continuing the implementation. On July 2014 he came to Israel to give a workshop to Alpha Omega’s managers, where they learned about the methodology and together redefined the old mission, this time taking into account the different stakeholders (see **Exhibit 1**). The workshop was a success. All the managers were deeply involved in the sessions and they recognized the capacity of the methodology to make a great change in the company.

The new mission was communicated inside Alpha Omega. Reem and Imad also defined the values they wanted for their company (see **Exhibit 2**). They did it alone because they felt that the values cannot be negotiable. Those values would be the ones which would develop the leaders of the company and guide them to continue its mission when Reem and Imad aren’t there. They were written on the coffee cupboards for all employees to see. The new mission started to produce results. For example, if an employee came with a proposal, one of the criteria for its approval was whether it would help to achieve the mission of the company. The mission started to act as a reference.

Reem and Imad defined three areas in which Alpha Omega should act with priority: Education, Employment, Empowerment. Three areas to focus their efforts, inside the company and in the community. Again, when an employee comes with a proposal, if it addresses the 3E’s it is more likely to be accepted.

One thing they learned in the workshop was the necessity of acting as a leader, in order to produce more leaders and achieve the mission. They concluded that people learn when you teach them, when you practice what you say and when others see you as a role model.

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<sup>7</sup> IESE professor who developed the MBM methodology, together with Carlos Rey.

Related to this, Reem and Imad soon realized that their common mission required involving many other agents outside the company: public entities, NGO's, etc. So they decided to divide their tasks: Imad would be in charge of political relations and those more directly related to the business, while Reem would focus on the community aspect and on building relations with different NGO's and associations with common goals.

They started to make contacts with other people and they realized that many others were ready to share their goals. They started to participate on different boards and it gave them the possibility of bringing to the table the issues that mattered them, with the possibility of making change. They realized the importance of being present in those forums.

One satisfaction for Reem and Imad has been to see their former employees launching their own companies. Alpha Omega and the high tech sector are very demanding and many people working in the company left in the course of time. Very often the experience gained in Alpha Omega has proved a valuable asset for them for continuing working in hi-tech or for starting their own venture.

But the hours of the day are too few to grow Alpha Omega and also make change outside the company. Reem shared the motivation behind her vision: "we lived in the US in 2003 and 2004, when we opened our subsidiary. We liked very much the country and our life there. But if the strong people leave, only the weak would remain in our community, and they won't be able to make change. Not everybody has the capacity to change things. You need to be strong. So we decided to stay, and we also want our kids to stay and to contribute their efforts to make change<sup>8</sup>".

She goes on: "we promised Dima, Jude and Nada [their sons] to build a better future. And this implies that Alpha Omega must be a sustainable company, not centered on Imad, that produces leaders. A company that will act as the engine of an ecosystem for spreading the mission".

About the role of MBM in her vision: "it will help the employees to be better: to be people who care for others. It will help to transmit the mission and to internalize it. And it will help them to have the "leadership mode" always ON, to be able to influence positively: in the company, at home,... everywhere".

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<sup>8</sup> Reem and Imad are Arab Christians. In the last census of the British Protectorate (1931) the number of Christians was 91,398, out of a total population of 1,035,821 (almost 9% of the population. See: A. Zaiman, "Census of Palestine, 1931," *Journal of the Royal Statistical Society* 96 (1933): 660-662). During and after the conflict that followed the declaration of the State of Israel many Christians left (aprox. 60%: See: "Statistical Abstract of Israel 2014 - No. 65 Subject 2 - Table No. 2"). According to the numbers of 2014, Christians in Israel are 163,500 out of a total population of 8,296,900 (less than 2%. See: "Statistical Abstract of Israel 2015").

Imad explains that MBM can help Alpha Omega because “the hi-tech sector can turn people into monsters. And this is not part of my dream. Problems in QA, production, reliability,... it’s important to have a compass for the employees, that everybody shares, wherever they may be (...) If everybody in the company works like me to accomplish the mission of the company , then things will go right: reliability, development, marketing, sales,...”.

MBM started to take shape in Alpha Omega. Nevertheless, since Javier had left the company on May 2014, they again didn’t have anyone to direct the next stage, the definition of the shared missions. This was another frustration, since Reem and Imad felt there was still a long way to go:

The mission had not been yet communicated properly, through shared missions, to all the employees, and so they could not focus their efforts in the common mission of the company.

The values needed to be spread and lived.

Both the mission and the values were only at the CEO level and shared by some of the managers, in an informal way. They needed to be lived by every employee.

On 2015 Alpha Omega hired a new manager for the HHRR department. But after some months they saw that she was not going to be the one to lead the implementation of MBM either.

#### 4. The situation in 2016

Since 2009 the workforce more than doubled<sup>9</sup> and sales grew strongly. The sector itself calls for being global in order to compete and this means setting a very demanding pace inside the company. This is reflected in Alpha Omega’s vision (see **Exhibit 3**). The strong growth has brought with it complications in the organization (see organizational chart in **Exhibit 4**):

- People who lead new projects are not necessarily the department managers and this has made more difficult to understand the internal hierarchy<sup>10</sup>.
- Due to a deficient response in customer service, the customer support department had been divided into five sub-teams. The problem of the customer will go to the next level if it can not be solved previously. Team

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<sup>9</sup> From 30 people then it has passed to 75. Moreover, some of the former employees left and among them part of the management board that started the MBM implementation.

<sup>10</sup> MBM methodology needs a clear organizational structure for the implementation, in order to bring the mission down from the CEO to every employee.

one (a member of the sales team) and two (a more experienced one) were located in the customer facilities. Three was in Alpha Omega, with a more experienced engineer. Four in production. And the last one in R+D.

The subsidiaries abroad were growing accordingly. They were meeting their demanding targets, although on some occasions it looked like they didn't share a common goal with the headquarters. And all in all, income more than tripled from 2007 to 2015! (See **Exhibit 5**).

## 5. The decision

It's March 2016. Imad contemplates for a moment the evolution of his company. Who would have thought 20 years ago that Alpha Omega would be where it is now, starting from scratch and growing at such a pace? Their products are leading the way in its sector (see the last development in **Exhibit 6**).

He came from Canada last month, heading a delegation of Israeli Arab entrepreneurs for a one week meeting with Canadian counterparts with the aim of strengthening ties between both countries and fostering innovation and entrepreneurship<sup>11</sup>. Later on, he and Reem were invited to talk to the AIPAC<sup>12</sup> about the mission and achievements of Alpha Omega<sup>13</sup>.

He is making change. He is fulfilling his dream. And he didn't implemented MBM: they manage without it. But he continues wondering why they didn't continue: it's true that the rhythm has been frenetic in the last few years but maybe if he had pushed for a clear objective and milestones... He enters the house and closes the door, it's cold outside. He still has a decision to make.

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<sup>11</sup> Carleton University hosted the event, covered in its website (Imad Younis is the one with the yellow tie in the second picture): <http://carleton.ca/our-stories/story/matchmaker-for-tech-innovators/>

<sup>12</sup> The American Israel Public Affairs Committee is a lobbying group that advocates pro-Israel policies to the Congress and Executive Branch of the United States. One of the most powerful in the country, it helps to raise money for the campaigns of candidates to the presidency of the US.

<sup>13</sup> <https://www.youtube.com/watch?v=BdZZFC4jMxl>



**Exhibit 1**

Mission of Alpha Omega Engineering



**Exhibit 2**

Values of Alpha Omega Engineering



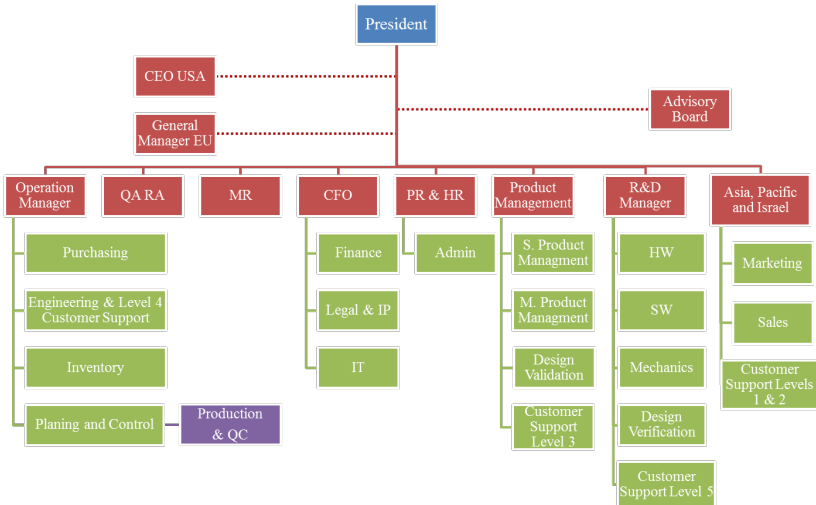
**Exhibit 3**

Vision of Alpha Omega Engineering

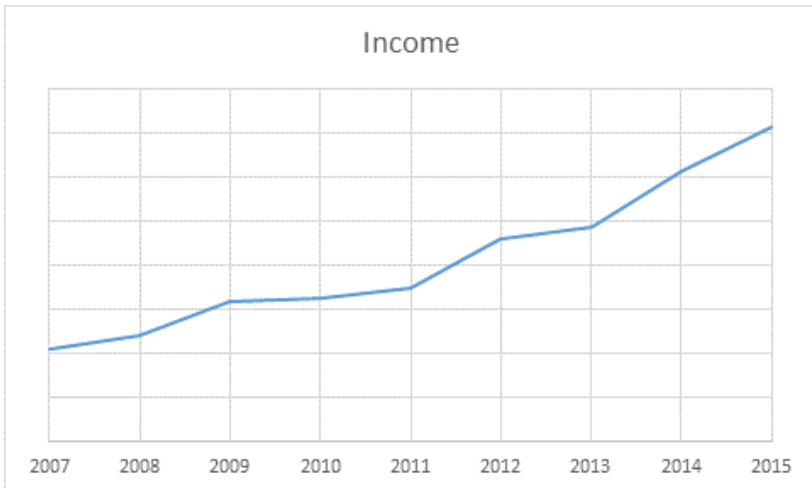
- Capture at least 60% of WW MER market.
- Capture a major share of DBS clinical market.
- Enter new applications and markets; e.g. epilepsy research, European countries.
- Dominate supply of clinical research systems and solutions for the DBS research scientific market. Provide superior solutions to neurological clinical research.

**Exhibit 4**

Alpha Omega’s organizational chart (July 2015 version)



## Exhibit 5



## Exhibit 6



**NeuroNav** - A portable micro-electrode recording (MER) system used during DBS procedures for guidance and target localization. The NeuroNav targets smaller centers or newly established practices. The system is approved by the FDA, CE and CFDA.

## **Authors' Biographical Notes**

José Manuel Gude has made his career in marketing and digital marketing. He lives in Israel since 2008, where he has participated in the management of different start-ups. Since 2014 he works as a consultant in Management by Missions, in collaboration with Carlos Rey.

Carlos Rey teaches Strategic Management and is the director of the Chair Management by Missions and Corporate Governance at Universitat Internacional de Catalunya. As strategic and change management consultant has worked for important clients such as Sony, Repsol, Abertis o Bristol-Myers Squibb. Currently he is the Director Partner at Dpm Consulting, a global management consultant. Coauthor of the book "Management by Missions" translated into five languages.