LEADERSHIP
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E · D · I · T · O · R ' S   N · O · T · E

Top Companies for Leaders

Who is doing the best job at development?

by Ken Shelton

ARE YOU ONE OF THE BEST companies when it comes to leadership development? We invite you to participate in the *Top Companies for Leaders* Study 2007, sponsored by The RBL Group, Hewitt, *Fortune* and *Leadership Excellence*.

This study will examine how organizations choose and develop leaders, and determine if there's a correlation between leadership practices and financial results.

The Top Companies for Leaders Study 2007 will rank companies with innovative leadership programs. Exciting things are happening in leadership development, and we look forward to recognizing the companies that are setting the new standard for developing a strong leadership brand that creates intangible value.

Leadership is a critical issue and a key differentiating factor for business. This study will provide valuable insights as to how companies use their leadership practices to drive success, unlocking the secrets to how companies consistently produce great leaders.

All organizations—public or private—can participate in the *Top Companies for Leaders* study. Participation is free, and companies will receive a complimentary research brief and can benchmark against the Top Companies list.

Each survey submission will be screened, and judges will select finalists for the Top Companies for Leaders list. The judges will evaluate data from the company and leader surveys, empirical interview data, financial measures of performance and company reputation. For more information, email erin.burns@rbl.net or sszagata@hewitt.com.

Rich Return on Investment

I always enjoy hearing from people who are receiving exponential ROI on their modest investment in Excellence.

Last month, I received a nice letter from one of our most loyal customer, Dave Rich. He writes:

"I have been a champion of *Leadership Excellence* since its first issue 23 years ago. I have stayed with the magazine for six reasons:

1. The authors are people with real experience in business. They have the credentials and "street smarts" to make the articles worth reading. I always feel confident that all of the articles in the magazine are worth my time to read.

2. I find the subject matter to be very timely and relevant. Every time I read the magazine, I learn principles and concepts I can use, teach, and apply in our company.

3. I like the format of the magazine. The articles are brief, to the point, yet long enough to understand and capture the meaning of the message. If I want further information from the author, I find contact information at the end of each article. I find this to be a nice service in obtaining additional information.

4. I take to magazine with me to read on trips. *Leadership Excellence* is the perfect traveling document to read—it's light, short, and powerful.

5. Leadership Excellence also keeps me updated with the latest research, books, speeches, conferences, and authors. The entire magazine is packed with valuable and useful information.

6. We also use the magazine for training. Monthly we use *Leadership Excellence* as a learning and development tool in meetings and with other managers."

David W. Rich
Vice-President,
Browning (Retired)
Now an Executive Coach
and Consultant
801-728-9400

New Tools in Development

Thanks, Dave, and thanks to all 200,000 of our *champions of excellence* worldwide. We have new and exciting leadership development tools in the works, including the *Personal Coach* and *Sales and Service Coach* searchable archives. **LE**

Ken Shelton

Editor since 1984

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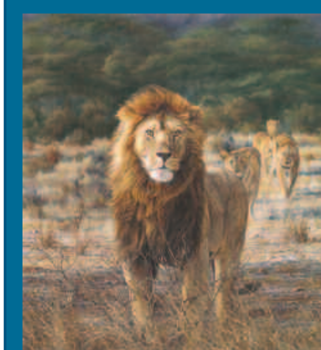


Build Strong Habits

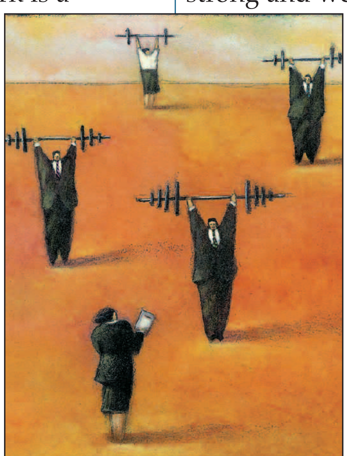
Put your strengths to work.

by Marcus Buckingham

AT SOME POINT IN your career—either by accident, force of will, or by the grace of a good boss—you may find yourself in a position where you are playing to your strengths most of the time. It's the feeling of giving your best where you have the best to give, and of reaping the rewards of this excellence. More simply, it's the feeling of *flourishing at work*.

When you're not working, you look forward to coming to work; and when you are working, you feel challenged in just the right way—simultaneously in your zone and pushed a little beyond it, in control but not entirely comfortable. And when you leave, you feel authentic, fulfilled, and valued.

Sure, your work still has moments of frustration, drudgery and disappointment, but the overarching feeling you have is that work is a wonderful place where you get to express how effective and powerful you can be. At these times, work can be wonderful because at work you can flourish.



And then something changes. You get an annoying new boss, the company downsizes, you're offered a new promotion, you participate on a high-profile project team, or clients request more of you. This change fills your weeks with different activities—some call upon your strengths, but many do not. You are carried along by these new activities; they take up more of your time, demand more of your attention, and, after a while, you discover that you have veered far off your strengths path.

To keep on your strengths path, you need to build the right habits, so that you stay in control, always pushing toward activities that strengthen you, ever watchful for those that drag you down. You accelerate your professional progress when you build strong habits that enable you to play to your strengths more consistently in your work.

Five Ways to Build Habits

Here are five things you can do to fight for this strong life of yours. After all, your career, professional life, success, and satisfaction are at stake.

1. Every day look over your three Strength Statements and your three Weakness Statements. In these three statements, you describe your most dominant strengths and weaknesses vividly in your own words—based not on a personality test or performance appraisal but from you pulling apart the jumble of activities filling your week, sorting out the strong and weak, and distilling them down: "I feel strong when….." or "I feel weak (drained, bored) when…." What is powerful about these statements is their specificity. Since no one cares about your strengths and weaknesses as much as you do, and no one will take a stand for your strengths as resolutely as you will, you need to fix them so clearly in mind you can recite them word for word. When the blind will of the world tugs at you, these specific statements keep you clear-headed and show you how to stay productive, creative, and resilient. They reinforce where you can make the greatest contribution.

2. Every week complete a Strong Week Plan. At the end of each week or over the weekend, take 15 minutes to complete a Strong Week Plan. In this plan, you mark the percentage of time you spent last week playing to your strengths, and you predict how much of the coming week will call upon your strengths. The plan keeps you focused on your trend lines: Are your weeks getting stronger or weaker? The plan also challenges you to identify two specific actions you will take each week to free your strengths and two actions to stop your weaknesses. Start each week with a plan for making the week as ideal as possible. Weekly, identify two specific actions you can take to leverage your strengths and minimize your weaknesses. That's two ideas for each, each week. If you plan activities that call upon the best of you, then someone else can't fill your week with activities that don't. So, make your Strong Week Plan a habit that is stronger than the blind forces out there in the world.

3. Every quarter close the books on your strengths. Once a quarter, have a 30-minute conversation with your manager about your strong quarter. Look back over your Strong Week Plans and identify three highlights, three tangible achievements where you contributed more to the team based on either exploiting your strengths, or minimizing your weaknesses. Also in this meeting, look at where and how you can contribute more in the next quarter.

4. Every six months, capture, clarify, and confirm your strengths. Over time, your personality won't change much, but your strengths will. Capture these changes twice a year. Playing to your strengths does not mean only sticking to a small cluster of activities for your entire career. On the contrary, as your career progresses, you stay inquisitive, experiment, and volunteer for new responsibilities. These new experiences may cause some change in the specifics of your strengths and weaknesses. To stay on top of these subtle changes, twice a year capture your emotional reaction to what you do, confirm them with the strength and weakness tests, and write your three Strength Statements and your three Weakness Statements. You find that they remain the same or that they change somewhat; either way, if you are to maintain peak performance and contribution throughout your career, you need to keep track of how you're growing. Capturing, clarifying, and confirming twice a year will help.

5. Every year take the Strengths Engagement Track (SET). This short survey measures how engaged your strengths are in your life and work. Think of your score as a measure of how well you are doing at living up to your potential—individual or team. As you retake the survey periodically, you can see how far you have progressed in capitalizing on your strengths. When you measure things, you take them more seriously. Wealth, weight, speed, fuel consumption—everything becomes so much more interesting to you when you measure it with a simple metric. Unless you stamp a number on it, it won't grab your attention; and without your full attention, you will be vulnerable to the push-me-pull-you of your work. So take the SET survey each year. You'll see movement, and this serves as a leading indicator of your performance and contribution. Pay attention to it. It will show you your future.

Even if you implement these five strong habits with passion and rigor, you will inevitably meet a few situations that will slow, or even halt your progress. So take a stand.

Take Your Stand

I believe that you have distinct strengths. I believe that no one has quite the same configuration of strengths as you. I believe that you will be at your most productive, creative, focused, generous, and resilient when you figure out how to play to your strengths most of the time. And I believe that when you do, your customers, your colleagues, your company and you will win. Everyone will win.

But, in the end, it doesn't much matter what I believe. It matters only what you believe. So let tomorrow be a different day than today. Let tomorrow be a stronger day than today. Let tomorrow begin with you asking yourself: "What are my strengths and how can I contribute them today?" Let everyday thereafter begin the same way. You've always known what your strengths are. You've always known what lies within you. So, trust your strengths, be proud of them, and take your stand. **LE**

Marcus Buckingham is the author of Go Put Your Strengths to Work *(Free Press),* First Break All the Rules *and* Now, Discover Your Strengths. *He is CEO of The Marcus Buckingham Company. Email Kevin@MarcusBuckingham.com or visit www.MarcusBuickingham.com or call 760-602-0024.*

ACTION: Contribute your strengths.

PEOPLE VALUE

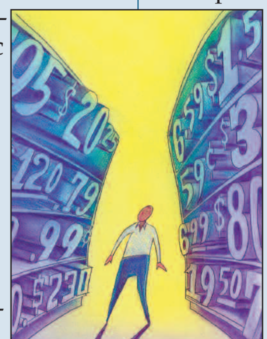
Intangible Value

GE and IBM report it best.


by David Creelman and Dave Ulrich

OUR STUDY OF FORTUNE 100 COMPANIES shows that GE and IBM do the best job of reporting on human-capital intangibles.

When we look at GE and IBM from a human-capital perspective, we value these companies more highly than we would if we only looked at their financials. GE and IBM, who receive 70 and 75 percent respectively of their market value from intangibles, clearly communicate the strategic focus of their human-capital initiatives—and investors get the message. Intel, UPS, and Wells Fargo are also in the top five.



We looked at two sources of human-capital information: the annual report and the corporate social responsibility, sustainability, or citizenship report. Companies with good reporting tend to take human capital seriously, receive good employee survey results, and have robust HR practices.

There are 29 Fortune 100 companies whose reporting on these critical intangibles is so poor it leaves a bad impression. If a company can't show good human-capital practices or outcomes, stakeholders become concerned that it may not be investing for future results.

For example, in its reports, MetLife devotes fewer than 100 words to human capital, compared to almost 3,000 words at AIG. Certainly investors reviewing MetLife's reports must wonder whether the company is taking care of talent the way it should.

GE knows why they are reporting what they are reporting. They report on human-capital matters because it highlights how they execute their strategy—and they provide some sort of metric. IBM's reporting focuses on a capability that drives value: innovation. IBM highlights their innovative HR practices, showing that innovation is a cultural norm that pervades the company.

In contrast, ExxonMobil claims their culture gives them a competitive advantage but does not provide information on how they assess, develop, or measure their culture. As an investor, you will be dismayed to find that they give no evidence on whether their culture asset is getting stronger or weaker and what is being done to protect it.

The intent of our study, *Reporting on Human Capital*, is to help companies improve how they communicate to stakeholders about intangibles. We selected the top companies using five criteria: ***1. Talent mindset.*** Does the company show evidence it values talent as a key asset? ***2. Strategic HR.*** Does the company show that they think of HR in a strategic way (having unique practices or perspectives). ***3. Robust HR practices.*** Does the company have good HR practices around core areas, including recruitment, development, compensation, work-life balance, and succession planning? ***4. Employee survey results.*** Do the reported employee survey results reflect well on the company? ***5. Vital signs.*** Do the metrics on health, safety, diversity, and training reflect positively on the company?

Disciplined reporting on human capital improves a company's image with stakeholders. Investors value transparency: they want information, even if it's not always flattering. Improved reporting also helps HR managers clarify what really matters.

To improve your reporting on intangibles, start where you are: do a good job of clearly conveying the useful information you have on human capital. Start asking, "Are we bringing in better-than-average talent, average talent, or below-average talent?" HR is unlikely to have a definitive answer, but they can give useful insights. For example, if they can show they have disciplined selection processes and evidence of a strong employment brand, then the organization is likely bringing in above-average talent. Next, ask: "Do we have the human capital to support our strategy?" HR managers should produce evidence that gives the Board confidence in their human capital.

Courage and judgment are needed for improved reporting on human capital. Follow the lead of companies like GE and IBM that show those qualities. **LE**

David Creelman is CEO of Creelman Research. Dave Ulrich is co-author of How Leaders Build Value, *and co-founder of The RBL Group. Visit www.rbl.net or email dcreelman@creelmanresearch.com.*

ACTION: Report on your intangible value.

Onboarding

Get on board with it.

by Kevin Cashman and Marti Smye

For today's leaders joining new organizations or assuming new roles, the old proverb "the first step is the hardest" still rings true.

We often see a serious, often-maddening, lag between the time we want to make an impact and when we do so. Indeed, it takes senior managers at least six months just to reach the break-even point where their contributions catch up to the costs associated with their appointment.

Amid increasing workforce shortage, leaders need to optimize key people from day one. Consider: 40 percent of senior leaders in new roles fail within 18 months, a bleak situation estimated to cost as much as $2.7 million per occurrence. Given the skyrocketing salaries of executives, this cost will take an even bigger toll on bottom-lines moving forward.

As important as it is to secure human capital, maximizing that talent early and often is equally vital. The key: Think bigger than obtaining and maintaining leaders—see talent acquisition as the start of an ongoing process of talent management. What's needed is a world-class "onboarding" process that transcends retention and optimizes the value of enduring leadership and team effectiveness.

Onboarding—the process of learning, networking, resource allocating, goal-setting and strategizing that ends with new hires quickly reaching maximum productivity—is not a new concept. Yet 70 percent of today's leaders express dissatisfaction with their experience. If employers were to manage this developmental "stretch" properly, it could become a gigantic, catalytic growth spurt.

Systematic onboarding not only dramatically shortens the "productivity curve," helping executives reach capacity quicker, but also improves chances of ultimate success by increasing employee engagement and decreasing turnover. Under a fully integrated paradigm, new leaders are equipped to build stronger relationships and establish positive credibility earlier; gain a more realistic assessment of their strengths and development needs; and keep an astute focus on which problems are best to pursue as "early wins" and which items are more likely upset the momentum.

Six Best Practices

Senior leaders can boost productivity by applying six best practices:

1. Integrate onboarding into a process. First, if leaders see onboarding as a standalone activity—an orientation checklist, for instance—they are sorely missing the point. Onboarding is just the first piece of the cyclical continuum in the management of talent, setting the tone for how leaders will be developed, and encouraged to grow themselves and the organization. With a systems view, onboarding presents a critical process improvement that can yield great returns. The chief purpose of onboarding should also be to provide direction to both sustained business results and career advancement.

2. Partner with HR and the boss or sponsor. Onboarding can't be successful if HR and the boss/sponsor are not involved. Since these people are in the best positions to provide tools, training, orientation and feedback, they must be involved in all stages—from candidate selection through onboarding and beyond. They not only need to have seats at the table, they need to establish a baseline, formally meet together during the genesis of a leader's tenure with a company, illuminate norms and priorities, review resources, open up lines of communication and keep them open.

3. Extend onboarding to at least six months. Automobile collisions are most likely to happen within a few miles of home. Similarly, employees typically make up their mind about whether or not they want to stay at their job during their first six months. Smart employers see to it that their onboarding processes run at least six months to ensure top appointees don't prematurely go sour on them.

4. Focus on the executive's network. Strategic onboarding programs emphasize relationship building and supporting, realizing that one way to help new leaders break in is to facilitate networking. Identify whom the new manager needs to know to carry out responsibilities, and strive to expose him or her to both new and experienced leaders.

5. Put out the welcome mat. Don't overlook the emotional aspects of introducing a leader. First impressions, after all, create lasting impressions. If new leaders feel they are just a number, they tend to act that way. Conversely, if these hires are individually and genuinely welcomed from the onset, they're more apt to act in ways that provide strong value. Receptions, welcome packages, and introductory lunch meetings aren't just token gestures. Done properly, they reinforce to newcomers that they're part of something great and let them know how they help bring that greatness to fruition.

6. Offer transition coaching. With a barrage of potential landmines lurking, newly appointed people need a plan that helps them navigate through the inevitable challenges of transition. Foster dialogue that draws out the driving and restraining forces toward full productivity and mutually agree upon fair and realistic expectations for the first, second, and third months on the job. After drafting this roadmap, supply qualified coaching to assist in diagnosing difficult transition situations and assess and build the commensurate skill levels. The coach should assist the new leader in bolstering the team and achieving alignment with the strategy, structure, and culture.

Transformation by Integration

Onboarding is emerging as a mature management discipline. In 2006, nearly 70 percent of companies indicated that they were implementing onboarding initiatives, and yet the orientation process for senior leaders largely remains a non-systematic practice. As with succession planning, integration is vital to onboarding. Simply providing some ramp-up method doesn't mitigate the risk when it comes to retaining and maximizing leaders.

The challenge for leaders competing in today's war for talent is this: Will all your hard work in recruiting be for naught if you refuse to invest in human capital assets as much as your competitors do? **LE**

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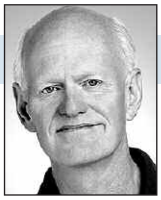
ACTION: Apply these best practices.

Change for the Better

And then make it permanent.



by Marshall Goldsmith

MOST OF ANY LEADER'S annoying habits and interpersonal flaws are rooted in information compulsion.

Sharing and withholding are two sides of the same tarnished coin. For example, when you insist on adding more value, passing judgment, making destructive comments, announcing that you already know, or explaining why something won't work, you are compulsively sharing information—convinced that you are making people smarter or inspiring them to do better, when you are more likely having the opposite effect. When you fail to give recognition, or claim credit you don't deserve, or refuse to apologize, or don't express your gratitude, you are withholding information.

Other annoying habits are rooted in a different compulsion—one that's centered on emotion. When you get angry, play favorites, or punish the messenger, you are succumbing to emotion—and displaying it for all to see.

You either share information and emotion, or withhold them. It's good to share information that helps people and good to withhold information when it harms people (many secrets should be kept). The same goes for emotion: it's worth sharing sometimes, and other times, not worth it at all.

What Is Appropriate?

When dealing with information or emotion, you need to consider if what you are sharing is appropriate. Appropriate information helps the other person; inappropriate information risks hurting someone. Discussing a rival company's good fortune can be positive if it gets your people to work harder, but it's inappropriate when it soils other people's reputations. Instruction is usually appropriate, to a point. It's the difference between someone giving you simple directions to their house and telling you every wrong turn you can make along the way. At some point, with too many red flags, you will get lost, confused, or wary of making the trip at all.

Emotion, too, must be shared appropriately. For example, love is often an appropriate emotion, but even saying "I love you" can be inappropriate if you employ it too often or at awkward moments. Conversely, anger can be a useful tool if you parse it out in small doses at opportune moments.

When sharing information or emotion, ask, "Is this appropriate?" and "How much should I convey?"

Pause and pose these questions as guidelines for anything you do or say. You can change your annoying behavior—and your colleagues will notice.

Dealing with Feedback

Confidential 360-degree feedback is the best way for successful people to identify what they need to improve in their relationships. Successful people tend to have two big problems dealing with negative feedback: 1) they don't want to hear it from us, and 2) we don't want to give it to them.

Successful people are incredibly delusional about their achievements. Over 95 percent of them believe that they perform in the *top half* of their group! Giving people negative feedback means proving they are wrong. This works about as well as making them change—it's not going to happen.

Feedback rarely breaks through to successful people, even when you depersonalize the feedback by talking about the task. Their identities are often so closely connected to what they do that they take it personally when receiving negative feedback. They accept feedback that is consistent with their self-image and reject all other feedback.

It's also easy to see why we don't want to give feedback. Successful people have power over us—over our paycheck, advancement, job security. The more successful these people are, the more power they have. Combine that power with the predictable "kill the messenger" response to negative feedback, and you can see why emperors continue to rule without clothes. When was the last time your efforts to prove the boss wrong worked as a career-enhancing maneuver?

Traditional face-to-face negative feedback also focuses on the past (a failed past), not a positive future. We can't change the past. We can change the future. Negative feedback exists to prove us wrong (or at least we take it that way). Feedback can be used by others to reinforce our feelings of failure, or at least remind us of them—and our reaction is rarely positive. When your spouse or partner reminds you of your shortcomings, how well do you accept this? Negative feedback shuts us down. We close ranks, turn into our shell, and shut the world out.

I'm not trying to prove that negative feedback creates dysfunction. Feedback is useful for telling us where we are and what we need to change. Without feedback, we wouldn't ever know if we are getting better. We all need honest, helpful feedback to see where we are, where we need to go, and to measure our progress.

Such feedback is hard to find. But I have a foolproof method for securing it. When I work with a client, I first get confidential feedback from a dozen or more coworkers (selected by my client). Each interview lasts about one hour and focuses on: What is my client doing right, what does my client need to change, and how my (already successful) client can get even better!

Since my clients pick their raters, it is hard for them to deny the validity of the feedback. I enlist these coworkers to assist the change process. I tell them: "I'll be working with your boss for the next year. I don't get paid if he doesn't get better, and 'better' is defined by you and other coworkers." People like hearing this.

Four Commitments

I then present these coworkers with four requests—the Four Commitments:

Commitment 1: Let go of the past. Whatever real or imagined sins you have committed against people in the past, they are long past correction. You can't do anything to erase them. So, you need to ask people to let go of the past. This isn't easy. Most of us have never forgiven our parents, children, and spouses for not being perfect, and never forgiven ourselves. Without getting this first commitment, you can't shift people's minds away from critic toward helper.

Commitment 2: Tell the truth. You don't want to work hard for a year, trying to get better based on what people tell you that you're doing wrong—and then find out that they really don't mean it. They are only saying what they think you want to hear. I'm not naive. I know people can be dishonest. But if you demand honesty from people, you can proceed with confidence that you're going in the right direction—and that you won't get a rude surprise at the end.

Commitment 3: Be supportive and helpful—not negative. This is asking a lot of people—to be supportive, without being a cynic, critic, or judge. People are just as likely to suspect or resent their bosses as respect and admire them. So you have to remove their judgmental impulses. Then they're more inclined to be helpful. They realize that if you get better, they win too: they get a kinder, gentler, better boss.

Commitment 4: Pick something to improve yourself. This commitment helps everyone to focus on improving. You're creating parity, even a bond, between you and the other person. Imagine if you announced that you were going on a diet. Most people wouldn't care. But if you ask a colleague to help you monitor your eating habits and stay on track, you get a more involved and sincere response. When you add reciprocity: "Now, what would you like to change in yourself? I'd like to help you," you enlist more support. Suddenly, you and your co-workers are engaged in the same struggle to improve.

Win-Win Exchange

In this two-way exchange, you and the other person also gain the strength to stick with it. Getting other people involved—and committed to changing something too—enriches the experience. You not only change for the better because you're getting support from your coworkers, they change too because of what they learn by supporting you.

Put equal emphasis on changing yourself and the people helping you. Before you solicit feedback about yourself, find a few people to tell you the truth about yourself. If they qualify on all four commitments, invite them to supply and receive feedback. **LE**

Marshall Goldsmith is co-founder of Marshall Goldsmith Partners. Visit www.MarshallGoldsmithLibrary.com, email Marshall@MarshallGoldsmith.com, or call 858-759-0950.

ACTION: Use these four commitments.

CEOs Who Get It

They all commit to diversity.

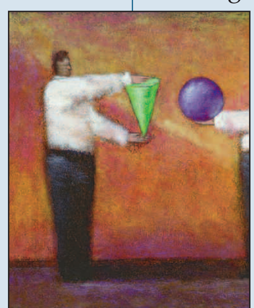
by Mary-Frances Winters

CEOs AND CHIEF diversity officers (CDOs) wrestle with myriad issues every day. Ted Childs, CDO for IBM, recently said that CDOs are really Global Secretaries of State. As such, their work touches on just about every aspect of the business. Today's issues are complex, and there are often many opinions about the solutions.

I provide perspectives to help you break through to the next level in your diversity and inclusion efforts.

What Do the Best CEOs Get?

In our study, we interviewed 20 top CEOs. These leaders amass almost $1 trillion in revenue and employ more than 3 million people. They are some of the most powerful people in the world, shaping our future with breakthrough technologies, innovative retailing strategies and state-of-the-art investment models. They lead global American businesses—Procter & Gamble, Eastman Kodak, Major League Baseball, Wal-Mart, Sears, Time Warner. Surprisingly, many have been in their positions less than five years and yet are hailed by industry analysts as superior leaders who make a difference in their spheres of influence.



These 20 titans of industry told us their stories with candor and passion. Every diversity professional knows that leadership commitment is vital for diversity to succeed. But what is not clear is what commitment looks like. Without exception, each of these 20 leaders recognizes diversity as a key driver of business success, and they have intentionally evolved into outstanding stewards of diversity.

Ten Things to Get

The purpose for this project was to address concerns among diversity practitioners who cry: "My leaders don't get it." This is what our 20 CEOs "get":

1. Leaders are stewards of diversity. The "stewardship" principle describes how these CEOs lead. Stewards take care of something or someone. They do not delegate, relegate, or abdicate their stewardship role, deeming it an honor to be of service. Operating at a higher level than accountability, stewardship is an expression of humility, compassion, and appreciation.

2. Diversity is not separate from the business. Diversity is integral to the business and is mainstreamed throughout policies and practices. Ed Zander, CEO of Motorola, put it best: "Business and diversity are one in the same. Business means diversity, and diversity means business." At every meeting, he addresses three topics: ethics, quality, and diversity.

3. Diversity is a significant driver of business success. For some, optimizing and leveraging diversity among employees and customers is the key driver. Take AG Lafley who is using diversity to drive innovation at Proctor & Gamble.

4. To really "get it," you must have diversity immersion experiences. And then use the power of your own personal understanding as teaching and learning tools.

5. Diversity principles are hard to grasp—and practices are even harder to do.

6. You have to work at diversity everyday. It takes a lifetime to master.

7. Leaders have to be on the front lines daily. They become champions, internally and externally, for diversity.

8. The principles of diversity must be affirmed and reaffirmed regularly. Since everybody learns in myriad ways and at a different pace, you need to affirm these principles in different forms and venues. Tim Solso of Cummins says that he talks about diversity constantly, almost until he is tired of hearing himself talk about it.

9. Leaders, at all levels, must "get it." And if they don't, they must be removed from leadership.

10. They acknowledge that they don't know what they don't know. And they seek help from up, down or sideways, or secure outside help. Several of the leaders have retained external advisory councils, while others rely on friends and mentoring or coaching relationships to advance their knowledge.

The CEOs who get it lead global enterprises while offering their essence as prodigious stewards of diversity. **LE**

Mary-Frances Winters is CEO of The Winters Group. This article is adapted from her Chief Diversity Officers Briefing. Visit www.diversitybestpractices.com/ceos.

ACTION: Become a steward of diversity.

The New Leader

Go from dictating to developing.

by Judith Glaser

ENVIRONMENTS WHERE employees work by the book—laden with rules and regulations about what can't be done—are not attractive to people full of spirit seeking to make their mark on the world. In such places, leaders wonder why they have a stodgy culture, or why people call in sick all the time, or why people don't enjoy their work.

On the other hand, leaders who focus on developing rather than dictating to people inspire them toward greater self-expression and encourage their leadership voice. In companies where people development flourishes, we see employees valued for their contributions, sharing their voice, taking risks, and meeting audacious goals. There is a great sense of shared ownership, accountability, and accomplishment. Such workplaces allow the human spirit to soar.

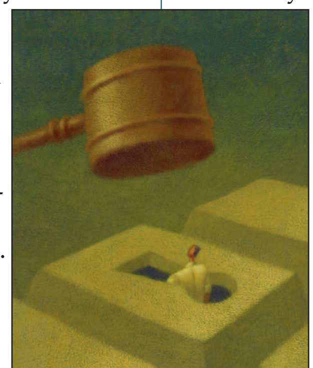
Five Actions

Here are five actions any leader can take to develop a workplace where all members contribute:

1. Celebrate speaking up. Celebrate speaking up as a cultural norm. Ask questions to draw people out. Make it easy to speak up, express a point of view, celebrate success, and push back on authority in a constructive way. Support an open culture by acknowledging you value it whenever you can. When someone has done something great, public recognition from a boss can be as important or more important, than a monetary reward.

2. Make conversation easy. Candor and "tough" conversations solve tough problems. Make open dialogue a way of life. Provide coaching from top to bottom about how to have "difficult conversations." Honest talk is not mean talk—it's about having candor with others. Without it, companies can't work together strategically. Candor provides feedback vital to creating mutual success. Once candor skills become clearly embedded in conversations, it just becomes "the way we do things around here."

3. Coach with developmental questions. Developmental coaching is not based on "constructive criticism" but rather on developing "constructive foresight," which looks to the future and focuses on what people can do differently to create better results. To develop foresight, ask: What have you learned from this challenge? What would you do differently in the future if you could do it again? How would you approach this if you had full authority? What would you try differently to get a different result? How else can I help you in the future?



4. Ask questions and wait for answers. In most meetings, declarative statements outweigh questions by 85 percent to 15 percent. Leaders who focus on learning how to craft great questions gain great benefits. They help people to think about issues in new ways, engage people in positively challenging each other's thinking, and create a culture of ownership for the outcomes. Learning to be comfortable living with questions creates a culture where people can think out loud, make new connections, and think outside the lines about how they might approach a challenge. Rather than telling employees how you would solve their challenge, you enable their wisdom and insight to emerge. The result is a healthy environment that develops talent.

5. Ask yourself some questions too. To perpetuate growth of both your people and your organization, you need to ask yourself some key questions every day: How do I shift from a telling leader to an asking one? What actions can I take to support a mentoring and coaching culture? How can I grow talent and the business at the same time? How can I make development part of everyone's agenda?

Twenty Questions

The best leaders focus more on developing than dictating. Their priority is bringing out the potential in others, which inspires commitment and ownership. They develop people by creating a culture where every individual makes a genuine contribution.

Here are 20 questions that indicate the attitude of a leader who develops others. Consider which questions you could ask more often. Use them to help you create an energetic workplace where people will thrive and reach their potential.

1. I'm not the expert in these things. What do you think?
2. I value the differences you bring to this. What is your perspective?
3. What can you add to these ideas?
4. What jobs would you like to learn?
5. Think big. What would be your greatest aspiration for the project?
6. What parts of my job would you like to learn?
7. I applaud you for encouraging people. What did you say that excited them?
8. I want you to stretch yourself on this project. What would help you push outside your comfort zone?
9. Here are our challenges. What ideas do you have on how to tackle them?
10. Thank you for your effort on that project! What was your biggest insight?
11. What have you learned from this?
12. Here are my ideas for your development. Which ones excite you most?
13. What would you like to do next to advance your leadership?
14. What ideas for your development have I missed—something you want to do and would like my support with?
15. We haven't talk about your progress on your project. I'd love to hear your insights.
16. I'd love to know what criterion you used to make your decision.
17. I trust your judgment on this. It was a tough decision to make. I'd love to see it from your perspective.
18. How can I help you advance?
19. Where can I do less telling and more asking?
20. What are your ideas on how we can grow the business and talent?

When your people feel challenged and inspired by you, they grow into their greatness. They can then inspire growth in others. Leaders who mentor and coach their people create other mentors and coaches. They coach their company to greatness by drawing out the best in others. **LE**

Judith E. Glaser is an executive coach and author of Creating WE: Change I-Thinking to We-Thinking & Build a Healthy Thriving Organization. *Call 212-307-4386, email benchcomm@aol.com, or visit www.creatingwe.com.*

ACTION: Ask developmental questions.

Empowerment Myth

In reality, people need guidance.

by Bruce Tulgan

For too long, the pendulum of management thinking and training has swung too far in the wrong direction—toward the myth of empowerment: *The way to empower people is to leave them alone and let them manage themselves.*

The myth of empowerment is peddled by false nice guys who teach that managers should not keep close track of employees or zero in on employee failures. Employees should be made to feel they "own" their work and set free to make their own decisions. Managers are merely facilitators who align the natural talents and desires of employees with fitting roles. Managers should not tell people how to do their jobs, but rather let employees come up with their own methods. Make employees feel good inside, and results will take care of themselves.

The problem is that managers have to deal with several hard realities: You can't always hire superstars. You have to hire the best person available, and often that person is in the middle of the talent spectrum. When you do hire superstars, they can be even harder to manage. Even if you set expectations clearly, sometimes people won't achieve those expectations. Not everybody is a winner. Dealing with failure is a big part of managing. Employees can't always work in their areas of strength because there is lots of work to be done, and employees are hired to do what needs to be done. Employees don't always earn praise. And those who do earn praise usually want tangible rewards. Somebody is in charge, and employees will be held accountable. Every assignment has parameters. As the boss, you must clearly articulate those parameters—however few or loose they might be—so employees understand exactly what is expected of them.

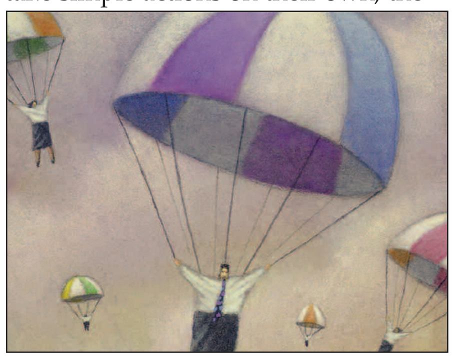
Employees do not have the "power" to do things their own way. They are not free to ignore tasks they don't like and do as they please. Rather, they are free to only make their own decisions within defined guidelines and parameters that are determined by others. Without sufficient direction and support, responsibility is not empowerment—it is downright negligence.

Managers often second-guess their instincts to take a stronger hand because they buy in to the mantras of false empowerment. When managers do take charge, employees often recite the mantra, "Don't micromanage me!"

Three Cases

Most cases mistaken for micromanagement turn out to be undermanagement in disguise. Consider these three:

Case 1. People must check with their manager every step of the way in order to make basic decisions or take simple actions. Is this micromanagement? No. If people can't make basic decisions or take simple actions on their own, the



manager typically has not prepared them in advance to do so. The manager has to tell them exactly what to do and how to do it: "If A happens, do B. If C happens, do D. If E happens, do F." The manager has to ensure they understand how to accomplish their tasks and responsibilities, and equip them with the tools and techniques to make decisions and take actions.

Case 2. People make decisions and take actions without ever checking with their manager. When the manager finds out about those decisions and actions, they get in big trouble. Burned for taking initiative? Yes. Micromanagement? No. If people don't know where their discretion begins and ends, the manager has not spelled out guidelines and parameters up front. The manager has to clarify what is within their authority and what is not and repeatedly spell out what people cannot and may not do.

Case 3. The manager remains tangled up with the employee's tasks, or the employee gets tangled up with the manager's tasks—in the end, you just can't tell which tasks belong to the manager and which ones belong to the employee. Isn't that micromanagement? No. This is failure to delegate. Some work is hard to delegate, but if the work cannot be delegated properly, it is the manager's job to figure that out and act accordingly. Someone has to spell out which tasks belong to the employee and which ones belong to the manager. Someone has to tell the employee in advance exactly what is to be done, where, when, and how. That someone is the manager.

These three cases, often misconstrued as micromanagement, are cases of undermanagement. Yes, some managers overdo it sometimes—but most underdo it. Which is worse?

What goes wrong when you undermanage? Fires get started and get out of control quickly when they could have been put out easily. Resources are squandered. People go in the wrong direction for days or weeks before anybody notices. Low performers hide out and collect a paycheck. Mediocre performers mistake themselves for high performers. High performers get frustrated and start looking for another job. And managers do lots of tasks that should be delegated. And, when you undermanage, you don't find out about these problems until you have a crisis.

When you overdo it and micromanage, you irritate people. If you manage too closely, you'll likely realize it quickly. At that point, you just need to step back a little. No harm done. If I had to choose, I'd risk micromanaging.

Delegation is the antidote to micromanagement. Delegation is not at all about letting go of work. Delegation is all about getting work done through others—and that is an intense, hands-on endeavor. Delegation is the true art of empowerment. It is simply clearly articulating goals, specifications, and deadlines. The real trick is figuring out the goals, guidelines, and timelines that are appropriate for each employee with each assignment. To empower people, you must define the terrain on which they have power. Within clearly articulated parameters, people have power. It's limited power, but it's also real power.

In reality, almost everybody performs better with more guidance, direction, and support. **LE**

Bruce Tulgan is the author of It's Okay to Be the Boss *(Harper Collins), an adviser to leaders, speaker, and founder of RainmakerThinking, Inc. Email brucet@rainmakerthinking.com.*

ACTION: Manage people responsibly.

Expand Comfort Zones

How WITS help their colleagues.

by Michelle Gall

MANAGERS OFTEN tell employees, "You need to expand your comfort zone." In annual performance reviews, the script sounds something like this:

The Manager: "I'm surrounded by incompetence. Do I have to do everything here? Why is it always ***me*** who has to come up with every idea? I'm so busy micro-managing that I can't do any strategic thinking. Why doesn't my staff step up to the plate? I can't believe their salaries are as high as they are. I've got to make changes."

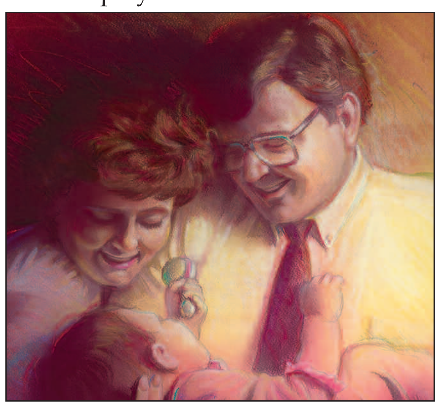
The Employee: "She calls herself a leader? What a joke. The last time I took a risk, she said my work was sloppy and substandard. I'm not doing that again. There's no leadership, guidance, or partnership—just an imbalance of power and criticism."

Both manager and employee are right. They're also both passive whiners in need of leadership. They could both learn a lot from a delivery room.

When a newborn baby comes into the world, the attending nurse swaddles him tightly in a receiving blanket. The blanket is so snug that the infant can hardly move its arms. The baby may look uncomfortable in its cocoon, but swaddling has a calming effect. Babies are accustomed to being in a small, confined space for nine months. When they're born, they experience a boundaryless world for the first time. They feel vulnerable, and they can't control their movements. Left to flail about, they become anxious and frightened. Swaddling a newborn snugly in a blanket returns them to that familiar environment of limited movement and makes them feel safe. And so it is with many people in business.

We have a love-hate relationship with our boundaries. They define us. We may rebel against our boundaries, but that only gives them power over our lives. Boundaries are an illusion, but we invest heavily in our illusions. Despite our dependence on boundaries, companies see value and profit in fewer boundaries. Forward-thinking corporations strive to be boundaryless with free movement of talent. Employees aren't confined to any single department or particular position. Instead, they're free to add value anywhere that can benefit from their talents.

As much as people hate being micro-managed (swaddled), they also resist a boundaryless (unswaddled) existence. Too much freedom can make people feel threatened and lost, like a new baby flailing about in an unstructured space. Few managers know how to provide just enough structure to make employees feel safe while still



giving them enough room to feel ***big***. WITS do this naturally. WITS refers to those whose skill-sets are ideally suited to removing boundaries and helping others thrive in a bigger space. They are wise, innovative, thoughtful, and spunky. They're your WITS.

They're powerful change agents precisely because they prepare colleagues for flailing and opportunity. WITS know that flailing and opportunity are partners in growth. Flailing is an entirely natural response to life without boundaries. They help colleagues expect and *use* flailing to explore a larger space, which is empowering. This mental preparation enables awareness and patience, which defuses anxiety and panic. This frees people to recognize and embrace new opportunities and feel safe.

Smart companies stay linked with the environment so that they can anticipate change. Interaction pivots on exchange and understanding, but the environment is far too complex for any one person to fully comprehend. It's big and messy, in a state of flux. Hence, most leaders are so overwhelmed by the enormity of the environment and so intimidated by all its moving parts that they don't even *try* to listen to it.

Leaders who ignore the environment do so at their own peril. In an age of instant information, product lifecycles and competitive advantages are short-lived. The companies that thrive will act on environmental feedback. In leadership positions, they have WITS who know how to build teams quickly. Their confident, adventurous spirit makes people feel safe and alive.

WITS don't expect paved roads in a new frontier. They show their team how to blaze their own trail. WITS point the way to El Dorado by showing each colleague his own personal gold mine. Gold veins often lie hidden underground until an earthquake reveals them or a prospector discovers them. Likewise, talent often lies dormant until change ignites it in some inexplicable way. That's why WITS love change: it turns everyone upside down, the loose stuff rolls away, and hidden talent often breaks free. WITS help colleagues prospect for their inner gold. At that "Aha!" moment of discovery, people experience a rush of connection and revel in the unswaddled life.

Mike, a manager with WITS, made it easier for colleagues to expand their comfort zones by helping them to learn and profit from mistakes. When people hide, deny, or ignore their mistakes, they don't learn. Mike designed a recognition program that rewarded people who stepped outside their comfort zones and went public with their mistakes. He called it the Blooper-of-the-Month program, and his motto was, "A mistake is a terrible thing to waste." Mike knew that the company had to be a safe place to make mistakes. This program rewards everyone who submits a blooper. Each entrant wins a coupon for a free lunch.

Four questions comprise the blooper entry form: What was your blooper? How did you fix it? What did you learn? What have you done to prevent this blooper from happening again to you or anyone else?

Senior leadership cast their votes each month for the blooper that provided the greatest opportunity for shared learning. The blooper with the most votes was selected as Blooper-of-the-Month, and the winner received a $100 gift card and a write-up in the monthly newsletter. This program promoted learning and enhanced morale.

WITS like Mike don't ***tell*** people to expand their comfort zones; instead, they foster an environment that facilitates and rewards risk, making it easier for risk-averse people to ***choose*** risk.

Customers are more willing to make changes today. As consumer self-confidence increases, corporate power decreases. Any company that thinks it owns its market is delusional. A company must satisfy its marketplace—or a competitor will. Consumers have low tolerance for poor quality. They have an array of choices, and the costs associated with change have shrunk. This trend tips the scales of power in favor of consumers, and they know it. Consider yourself lucky if your customers take the time to give you negative feedback. It's far easier for them to go to your competitors at the first twinge of dissatisfaction. Consumers are more comfortable in this fluid, boundaryless marketplace. They are in the lead, and companies are trying to figure out where they're going.

Unswaddled entities don't recognize boundaries, which makes it difficult to predict or affect their choices—unless you're unswaddled. This is the critical challenge: how to stay linked with your environment, meaning you know where you are, where you should go, and what you need to change.

Since they're already unswaddled, WITS help colleagues move toward meaningful change. WITS see that the environment is not the enemy—habit and denial are. WITS make change safe and fun.

WITS connect with their environment to initiate and orchestrate change. They bring out the best in others because their power base pivots on relationships, not politics or formal authority. WITS build effective networks because they receive an intrinsic reward from the connection. By acquiring an important asset before they need it, they've made a pre-emptive strike. However, their objective is to merge with the environment, not exploit it, which often keeps WITS invisible. The leader's task is to identify the WITS on the team and capitalize on them. This elevates the entire team.

WITS have the unique ability to be in two places at once: foreground and background. They become a powerful, natural bridge between internal and external environments. As environments become more dynamic and unpredictable, you need to keep your WITS about you. **LE**

Michelle Gall is an executive coach, author, and speaker. This article is adapted from her book, Keep Your WITS About You. *Visit www.michellegall.com.*

ACTION: Make change safe and fun.

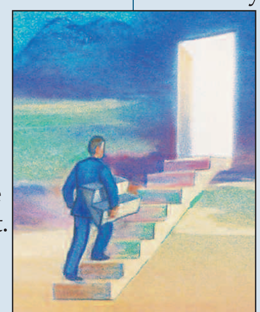
What Motivates You to Lead?

Know what people want.

by Cynthia E. Marsh

CONSIDER THIS SCENARIO: You have an employee who shows every indication of being a future leader. But, you hear that she is thinking of leaving. How do you respond? Do you offer her more money or a promotion?

Decades ago, the belief was that if you wanted to compete for the best talent, you had to pay more. Almost all retention issues were addressed with compensation.



Today, leaders need to respond in a nuanced way, acting from a knowledge of what motivates people. It's still partly about the money, but effective retention requires managers to venture into the realm of engagement. Compensation still ranks high on the list of motivating factors, but it isn't alone at the top. Companies who can't compete financially can still attract and keep high-potential talent.

What Women and Men Want

If compensation isn't always the key to engagement, what is? It depends on whom you ask. Men tend to answer differently than women.

When we asked managers to rank the personal importance of such things as challenging work content, sense of accomplishment, compensation, creativity, and advancement—we learned that "stimulating, challenging work content" received the highest rankings and nearly all participants assigned some weight to "stimulating, challenging work content" and "achievement and a sense of accomplishment."

Males are much more likely to place greater importance on "financial and career prospects"—a term coupling the rankings they assigned to having advancement opportunities and the chance to earn high compensation. Women are more likely to place high importance on being recognized and gaining a reputation as an expert. Those who strive to be a recognized authority may end up in a narrow niche and spend their careers in one function. This is fine if that is their goal, and their organizations provide "technical career ladders" to reward and recognize their expertise.

However, if expertise is perceived as a means to further advancement, women may be disappointed. To rise on the leadership ladder, you need cross-functional, cross-business-unit, and cross-geography experience. A relentless focus on expertise may exclude a niche-specific expert from being seen as a viable candidate for management.

Women leaders often believe that if they make significant contributions and achieve results, raises and promotions will follow without their having to ask for them. When assessing their talent and making decisions, women need to understand that since men prioritize raises and promotions, they proactively pursue these opportunities.

Some years ago, I worked with an organization going through a merger. The female professionals worked diligently through the transition and made great contributions. Many expected to receive promotions. However, the women saw their male counterparts placed in the new leadership positions. They later learned that the men had actively pursued the new positions, while the women simply expected their good work to speak for itself.

Failure to understand different motivators and behaviors resulted in an outcome that favored the men and was not in the company's best interest.

Why Care?

Being aware of the differences and responding to them sensitively can dramatically affect your ability to retain and develop key talent pools.

For example, when the men received most of new leadership positions after the company merger, the women primed for leadership roles were alienated. Bypassing them clearly signaled that their talents, skills, and contributions would not be recognized with career advancement. Some women left the company, taking valuable skills, knowledge, and experience with them.

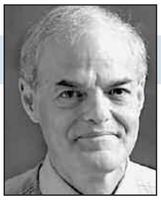
Talent management decisions must not unwittingly disenfranchise key talent pools and future leaders. **LE**

Cynthia E. Marsh, Ph.D., L.P., is President and Chief Operating Officer, Personnel Decisions International. Visit www.personneldecisions.com.

ACTION: Compete for the best talent.

Every Day Is Opening Day

Learn well these three lessons.



by Jeff Angus

NATURE TELLS TIME with its seasons, but baseball is the best man-made indicator of time, growth, and renewal. The start of every season is Opening Day, the early April date when all teams' records are 0-0, cleared of past success or failure, a chance to reinvent fate using sharpened skills, new faces, refined management, and applications of lessons.

As a leader, you can harness that focus and make every day an opening day, a chance to achieve. "The privilege of a lifetime is to be the best of who you are, and to exercise that privilege every day," said Rick Peterson, New York Mets' pitching coach.

Opening Day—and events leading up to it—offer three management lessons:

1. Every day is a new beginning inside a bigger scheme. Baseball is change, an unfolding of events and challenges. No matter how much planning you do, only the teams that plan for the surprises and react quickly and intelligently have a chance to thrive. New players have to be integrated into the team. Some old players fall short, and you have to replace them. Some players you aren't counting on for much turn out to be stars for the season, and you make room for them to deliver their fullest potential.

You have to both recognize past failures and not let them impose limits on the way you attack today's challenges. As Joe Maddon, the manager who inherited the Tampa Bay Devil Rays last year, frames it: think of your squad as an expansion team, an exaltation of learners you can shape if you apply the right lessons and use the right methods, customized to each staffer. Every month is a new set of tasks. As you learn from your roster's performance, examine the data, interpret it, and integrate it with intuitive guesses to trigger experiments that generate more data.

Twice a week there's a new series against a different team; and no matter how well you've tuned your methods and decisions for the general case, you can't afford to be on auto-pilot. Each new opponent is a new context, with different competitive strengths and limits you have to foil or exploit. If you try to compete using a generic approach, you are doomed to fail.

Baseball changes by the minute. Every moment is a new set of contexts. A team manager makes a few hundred real-time decisions per game (no meetings, no procrastination). Even so, every decision requires complex analysis, and the factors change inning-by-inning. For example, if you have a fast base runner on 1st base and a slow runner on 3rd base with no outs, down

two runs in the 2nd inning, you have one set of decision factors. But with the same situation in the 6th inning, you must include and eliminate dozens of factors for the analysis and action. All managers should be emulating such analytical rigor and fact-based flexibility in response to change.

2. Relentless preparation is mandatory, but so is fun. About two months of Spring training precede Opening Day. It's a chance to try out new talent, stretch out muscles, reflexes, and domain intelligence usually left untested over the off-season.

Baseball knows how to get started—neither too quickly nor too slowly. Most organizations start big projects with too much overhead and slack, or with the manic "more with less" cult mindset running the schedule, guaranteeing degraded quality and sapped benefit-cost results. In baseball, they waste no time. Dick Williams, rookie manager of the 1967 Boston Red Sox, inherited an 8th place team. He applied every minute of Spring training as part of his turnaround strategy, but not with busy work, and not so intensely that it could injure the talent. For the pitchers, Williams innovated a new drill—team volleyball—that exercises eye-hand coordination and footwork and stokes competitive energy while being fun. The 1967 Red Sox went to the World Series, and Williams' approach to Spring training was a key component in that turnaround.

Leaders looking to kick off a project in a way that amplifies the success should follow Baseball's methods of combining rigorous preparation, appropriate starting speed, and activities that seem fun to the staff.

3. Change is mandatory. The effort, focus, and techniques that bring you success in one project make a great baseline for your next act. But replicating them without acting on shifts in context almost guarantees failure. You can't stand on past success, as the 2003 Anaheim Angels did. Coming off a season with 101 wins and a World Series victory, the team changed none of their 15 starters. General manager Bill Stoneman said he loved the team too much to change it. In 2003, they were 19 games out of first and failed to make the playoffs.

You also have to plan ahead of needed changes, designing moves for likely outcomes but also allowing for contingencies. You can't expect anything but failure if you wait to react to change in the moment it happens, like the mid-1960's New York Yankees. The 1964 team won the pennant. The 1965 team with few changes finished 6th, and the 1966 team, with ill-considered "fixes" went straight to the cellar.

Walt Jocketty, general manager for the World Champion St. Louis Cardinals, knows and acts on the motto of those who thrive in change: Whatever doesn't make you stronger kills you. Each off-season, he refreshes the team, neither tearing down its core as downsizing does nor just making cosmetic changes. And during the season, he tweaks the team (even if they don't really need it). For example, in August 2004, he acquired the league's best right fielder, Larry Walker, with the team in first place by 10 games.

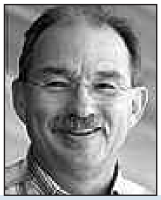
In Baseball, with its total transparency, you have to be aware of the seasons, of past results and of future requirements, yet follow Rick Peterson's credo: Make every day Opening Day, aiming to be the best of who you are. **LE**

Jeff Angus is a management consultant, speaker and author of Management by Baseball. *Visit www.managementByBaseball.com or call 206-577-8436.*

ACTION: Make every day opening day.

Leading All-Star Teams

Virtuoso teams get virtuoso results.

by Andy Boynton and Bill Fischer

WHY DO SO MANY TEAMS FAIL TO reach their objectives? Often the trouble and expense that go into assembling talented teams are lost in mediocre performance. Why? If "talent" is the all-purpose solution for any problem, why are the results so poor?

Often the teams we assemble for our most ambitious projects are either not the right teams or they are led in ways that gets too little out of them. Creating all-star teams is the way to go when big change is required, but assembling and leading them successfully is different from managing teams in a "business as usual" way.

We call these amazing all-star teams *virtuoso teams* because they are composed of true virtuosos at every position. At the heart of this concept is a basic premise: profound change requires profoundly different management approaches. In the arts, sciences, athletics, business, and politics, virtuoso teams offer the ultimate advantage by putting extraordinarily talented people together to achieve great things. A virtuoso team is:

- Assembled to create big change. Such change is radical or discontinuous, and marks an abrupt departure.
- Composed of individual superstars, or virtuosos, at every team position.
- Led differently from normal teams to unleash the maximum contribution of each individual superstar.
- The team-experience changes the organization, customer, or industry, and changes the leader and team-members as a career-defining moment.
- Created for a specific project and disbanded once the objective is met. A virtuoso team has a single clear mandate associated with high ambitions for achieving a single-minded change.

Six Examples

Among the examples that we studied are such revolutionary teams as:

- ***Roald Amundsen's expedition team, the first to make it to the South Pole in 1911.*** This team was up against stiff competition from the better endowed, larger, English expedition of Robert Falcon Scott. But Amundsen's team was handpicked; he had an "all-star" player at each position. Their success was extraordinary. They set the standards for exploring the unknown by learning more and translating knowledge into competitive advantage.

- ***Leonard Bernstein and his collaborators who launched a revolution on Broadway*** with the introduction of serious music, classical ballet, and social conscious in the award-winning *West Side Story*. Despite a high risk idea that didn't rely on a happy ending and rejections by the venture-capitalists who fund Broadway theatre, the all-star team (including Jerome Robbins, Stephen Sondheim and Arthur Laurent) overcame many hurdles, without compromising, to change the way we think about contemporary theatre.
- ***Miles Davis and the reinvention of jazz*** in the 1940s, 50s, and 60s. Three times, Miles assembled all-star bands (for each decade) in revolutionary efforts that redefined jazz. The results were: "cool" jazz, "modal" music, and "fusion." Each was an artistic and a commercial breakthrough.
- ***Scientists assembled for the Manhattan Project*** not only created the atomic bomb, but ushered-in a new world of managing "big science." They were up against stiff scientific competition and with the security of the "free-world" at stake. There were egos galore, but that is what you need if you are trying to build an atomic weapon, for the first time, faster than other guys.
- ***The birth of television*** in the early 1950s created the challenge of developing new content. Sid Caesar, a comic genius, surrounded himself with a virtuoso team of other geniuses (including Woody Allen, Mel Brooks, Carl Reiner and Neil Simon) and created a commercial success.
- ***An unlikely team of smart people called "The Muckers,"*** by their leader, Thomas Edison, created *light* (electric incandescent), *action* (talking motion pictures), and *sound* (recorded sound). Their message: assemble great talent, and position it where it can be great.

Each of these teams embraced big change and had real commercial objectives and constraints. Each was in a tough business, with serious competitors, and each succeeded! Such examples provide a new perspective on how great teams achieve great change.

Sadly, the elements of virtuoso teams are rarely assembled. Bringing all-stars together is considered too risky, too temperamental, too ego-centric, and too difficult to control. However, if change is called for, these hesitations are misplaced. Ambitious efforts led by traditional teams fall far short of the mark. Great things don't happen. Big results are not delivered. When big change is required, we need to think differently.

Six Lessons for Leaders

We've identified six leadership lessons for successful virtuoso teams:

1. Listen rather then tell. If you assemble all-stars at each position, then listening becomes the most important activity of the leader.

2. Focus on collaborating and exchanging ideas (not hoarding them). Ideas have value only if they're shared.

3. Fail faster to succeed sooner. When facing big risks, taking small ones frequently (prototyping) allows you to create a learning culture, move faster, and reduce the risk of catastrophic failure. We saw this in each of our teams.

4. Challenge ideas not the "person." Direct feedback is vital to get the most out of an all-star, but do so by critiquing the performance, not the performer.

5. Create an environment where conversations occur regularly. Make your conversations move great ideas.

6. Let individuals soar. If you go to the trouble and expense of finding and recruiting great people, let them be great. Don't bend them to fit the team.

We can learn from great teams that profound change is about ambition, execution, and leadership. **LE**

Andy Boynton and Bill Fischer are coauthors of Virtuoso Teams *(FT/Prentice Hall). Visit www.pearsoned.co.uk.*

ACTION: Create a virtuoso team.

Power Mentoring

What leaders need to know.

by Ellen Ensher and Susan E. Murphy

ONCE UPON A TIME, ALADDIN CAME upon a battered lamp inscribed, "Ask and it shall be given." When he rubbed the lamp, a Genie emerged and proclaimed, "I'm here to answer all of your questions and help you obtain all you desire. Your wishes are my command."

Wouldn't it be nice if having a mentor was like having your own personal Aladdin? Just rub the lantern and your mentor genie would appear and grant you at least three wishes. What would you wish for? A pool of top talent to draw from? Committed, engaged, and loyal employees?

Power mentoring can help to make your wishes come true in terms of attracting, developing, and retaining talented people. However, you need to expand your thinking about mentoring beyond having older, presumably wiser, executives take young protégés under their wing and guide them. In contrast, power mentoring is about having a network of different mentors who provide emotional and career support in a give-and-take fashion.

Power mentoring has four elements: 1) It is protégé-driven. Like Aladdin, the protégé must take initiative. 2) It is goal-directed. Like Aladdin, ask for exactly what you want. 3) It is reciprocal. Both mentor and protégé gain from the relationship. 4) It's characterized by complementary skills. Like Aladdin and the Genie, mentor and protégé have different strengths and perspectives and can learn from each other.

One example of complementary skills comes to us from the entertainment industry with mentor Bob Wright, CEO of NBC, and his protégé, Paula Madison, President of KNBC. Paula is a woman of Jamaican descent from a family of immigrants. When she told her high school counselor that she wanted to go Radcliffe or Vassar, her counselor laughed and said, "People like you don't go schools like that." Now Paula is a Vassar graduate and one of the top minority executives in the U.S. Bob made Paula head of the team to negotiate with the NAACP when NBC was criticized for its lack of diversity in TV programming. Wright and Madison spoke openly about how their complementary perspectives of gender, race, and age enabled them to be a formidable force. In this situation, it was critical that her mentor trusted her skills to maintain the reputation of NBC. Madison performed in an exemplary fashion, and this became a defining moment in their relationship.

Defining Moments

A defining moment is an transformational experience that often changes your career or life, for better or worse. Often an unexpected challenge, opportunity, or serendipitous turn of events tests the tenor of the mentor-protégé relationship. How each responds to the defining moment can make, break, or transform their relationship.

To turn defining moments into positive learning opportunities, ask: Would your mentor or protégé be an ally during a defining moment, or would they disappoint you? If you have had a defining moment, how did you respond? What would you do differently? To what degree did a defining moment impact your career?

What should you do when confronted with a defining moment in your own mentoring relationship? First, be mindful when a defining moment happens. Secondly, give yourself time, even if 20 minutes alone in your car, to consider how this defining moment reflects your own values. Third, make your decision-making heuristic explicit. For example, making a list of pros and cons, or consulting with other mentors in your networking circle. Take appropriate action and incorporate ongoing feedback and discussion between yourself and your mentoring partner.

As a leader and mentor, how you respond to unexpected moments of crisis reflects not only on yourself, but teaches important lessons to your protégé and those around as you as they watch and learn from you. LE

Ellen Ensher and Susan E. Murphy are coauthors of Power Mentoring. *Call 310-338-3037 or 909-607-2933.*

ACTION: Engage in power mentoring.

CHANGE HABITS

Managing Momentum

Keep people on your side.

by Samuel B. Bacharach

DID YOU EVER WONDER why some projects never get off the ground? Why some brilliant ideas never see the light of day? Why some visions just fizzle away?

Often, grand visions and promising ideas result in nothing simply because no one takes charge or displays the competence necessary to get results. Leadership is about coming up with a viable agenda, getting people behind your initiative, and sustaining momentum so people will stay on your side and bring ideas to fruition.

Effective leaders get things done. They are proactive. They get a critical mass of people on their side, and keep people on their side. They have political and managerial competence.

• ***Political competence*** is about rallying people to your side. Politically competent leaders develop the skill of mobilization, the capacity to identify allies and resistors, create coalitions, and create support for their agenda. They are great campaigners.

• ***Managerial competence*** means sustaining momentum to go the distance. Momentum is not monolithic and mystical—it can be managed.

Four Dimensions

Away from the limelight, the best leaders manage four dimensions of momentum to keep their initiatives on track and on people's radar:

1. Structural momentum: Maintain resources and capacity. Often, when trying to keep things moving, leaders fail to give people the capacity to keep moving. You are ready to put your initiative in place. You have your political support. Now you need to assess what resources are necessary, who will do what, and how will they do it. You need to know what others need to get their job done. If you don't empower your people with the capacity to get the job done, your visions and cheerleading will come to nothing.

2. Performance momentum: Monitor and make adjustments. Once you create structural momentum—you know who is going to do what, who is responsible for whom, and what people need to execute—as things progress, you have to make corrections and adjustments to sustain momentum. You may organize everything how you think it should operate and decide who does what and when, but if you don't stay on top of it, if you don't make adjustments, your project gets bogged down.

3. Cultural momentum: Motivate to sustain focus. Cultural momentum deals with the sense of collective, the social and psychological sense of purpose and belonging. Culture deals with keeping people together—the spirit of "we-ness." You need to give people the structure and capacity to deal with uncertainty. It is not enough that you give them the resources, systems, and knowledge to keep going and make adjustments and corrections as you go along—you also have to keep them socially and psychologically motivated, sustained, and directed.

4. Political momentum: Mobilize support and anticipate opposition. Often, the most obvious obstacles to momentum are conflict and criticism. There are always naysayers—those who openly question whether you are doing things the right way. Counter-coalitions emerge to challenge your direction. Maintaining momentum often tests your political instincts. When do you bring people on board? When do you face the resistors? When do you ignore or dismiss them? The challenge is to know when to mobilize support, when to anticipate opposition, whom to mobilize—and exclude, and how much room to give people to criticize and discuss, never to revolt.

Each dimension of momentum is vital. Sometimes you place your attention on one and not the other. Sometimes you need to balance them all or decide to float. Whatever the demands of your situation, the key to sustaining momentum and bringing projects to completion is constant focusing and adjusting, being aware of what you have to do in order to move your project ahead.

How you manage for momentum will depend on how you allocate resources, make corrections, maintain commitment, and deal with criticism. Proactive leaders manage momentum to ensure the success of their initiatives. LE

Samuel B. Bacharach is the McKelvey-Grant Professor at Cornell University and the author of Get Them on Your Side and Keep Them on Your Side *(Platinum Press). www.getthemonyourside.com Call 212-340-2850 or email sb22@cornell.edu*

ACTION: Bring projects to fruition.

Peer Networks

They yield many benefits.

by Michael Dulworth

Networking relationships are becoming a big part of leadership development programs. High performers create, maintain, and leverage diversified networks that are rich in experience and span boundaries. Properly used, networks can help you navigate rapid change by broadening the breadth and depth of your exposure and access to diverse expertise. Effectively using your networks makes you smarter, better grounded, and a more agile learner and collaborator. These capabilities are critical to solving problems and leveraging opportunities.

Today's highly networked world provides rich rewards for networking maestros—those skilled at developing effective networks. Having a single measure of your ability to develop strong networks—your Networking Quotient (NQ)—is vital. Your NQ consists of your life network, social network, and work network. Your life network is made up of your family, extended family, school friends, and contacts—all your lifelong friends. Your social network is made up of your active friends, people from your church, fellow club members, neighbors, and contacts in online communities. Your work network includes contacts from previous jobs, colleagues from other firms, contacts in your organization, mentors and coaches.

Before you can calculate your NQ, think about the number of people in your networks, the depth of those relationships, and how often you interact. Quantity matters, but quality is just as important. Are the people in your network an acquaintance—they know who you are and will likely return a call; a personal contact—they'll do you a favor if asked; or a close friend—someone you can count on?

You can quickly assess your NQ by honestly answering these questions: How many people are in your life, social, and work networks? What's the quality of your network contacts? Do you cultivate your network relationships? What is the strength them? How actively do you recruit new members? To what extent are the relationships reciprocal? Do you leverage the Internet to build your networks? This self-assessment should help you improve your NQ.

Peer Networks

Peer networks create a more secure, open environment for learning. Participants feel less pressure to be "the expert" and can more openly ask questions and search for answers.

Objectives of peer networks might include sharing knowledge, experience, and wisdom; boosting intelligence; broadening perspectives; developing ideas; exchanging advice, information, and support; exploring common interests; and addressing problems.

Peer networks provide a valuable experience with benefits that include:

- ***Accelerating innovation*** in human capital management, which then accelerates the innovation capability.
- ***Reducing risk.*** Members learn best practices and avoid "worst practices." Trust and openness enables members to share failures, learn from them, and learn to avoid them.
- ***Improving the use of resources.*** Networks provide members with free consulting from a peer network. When members need to use consultants, network members assist them in selecting and adopting best practices.
- ***Improving quality***. If you must develop a new coaching process, colleagues who have already put together a comprehensive coaching processes may share it with you.
- ***Improving individual effectiveness and job satisfaction.*** Members develop strong relationships and friendships with peers—people with similar problems, opportunities, and challenges. You can call on trusted colleagues when you need help, advice, or support.
- ***Advancing the field.*** Peer networks provide a way of pooling members and expert's intellectual resources to address long-range challenges.

Peer networks help leaders seize market opportunities. Improve your performance by increasing the size and quality of your networks. LE

Mike Dulworth is president of Executive Development Associates (EDA Networks) and author of Corporate Learning *(Pfeiffer). Call 415-399-9797.*

ACTION: Improve your network.

Called to Lead

Seven tips for CEOs-elect.

by By Kevin P. Coyne

THE CALL TO LEAD A company is a thrilling moment in any career. With the new office come new responsibilities—and a high risk of failure: within three years, one-third of all CEOs are gone. Getting a good start is essential. Much has been written about a CEO's first 100 days. But what about the weeks before the job begins?

We interviewed CEOs about their choices and lost opportunities during this period. Newly designated leaders can achieve much before assuming the post. Nothing in their experience fully prepares them for the challenges ahead. Managers who rise internally are vulnerable to overconfidence. "I'd been the COO," said one CEO. "I thought I had it figured out, but I was wrong. I had no idea what I was in for."

By having a dose of humility, future CEOs can start diagnosing and addressing their weaknesses, understanding the organization and other leaders, and identifying resources that can smooth the transition. Taking advantage of the period between their designation and ascension makes the difference between success and failure.

You might follow these seven tips:

1. Seize the day. Our CEOs said that for getting insights into the company, the period between winning the job and starting it is more valuable than the period after the announcement. "People spoke to me differently when they knew I was designated," said one CEO. Once the news is out, the demands from stakeholders and media proliferate rapidly. CEOs-designate are tempted to use the time before they assume the new roles to tie up loose ends at the "day job." But while they fulfill their commitments, they must also prepare for the new position.

2. Identify and attack areas of weakness. Decisions made in the first few months of a CEO's tenure are disproportionately important in determining outcomes. Few CEOs have a chance to learn the new skills essential to making these decisions once they take over. The period before CEOs take control is the best time to assess and fill critical needs. All CEOs-designate must carefully assess the gaps in knowledge and skills and consider whether their experiences have prepared them to run each business unit and function, to sign Sarbanes-Oxley certifications, to face the media, and to manage diverse people.

3. Get to know the board. Every board of directors has personal prejudices and intrigues. CEOs-designate should get to know each board member personally. How do they perceive the company and their role? Directors tend to vote according to their perceptions. Also, discover the "board within the board"—a faction that wields disproportionate power.

Once this select group loses confidence in you, your time in office is short, as their focus shifts to finding a replacement. So start understanding the board early—during the job interview—and continue in private conversations with each member. Learn why the previous CEO failed or succeeded, what the board sees as main threats and opportunities, and the new mandate.

4. Have a story ready before day one. New CEOs usually have six-to-nine months to draw up a full agenda. Still, stakeholders look for signals immediately. Internal audiences, the media, and Wall Street assume that a new CEO is chosen from a slate of candidates with competing game plans, and they look for hints about the winning plan. CEOs-designate need a story in response to the oft-asked question: "What's your strategy for the company?" Each constituency should know that the CEO recognizes (and cares about) its point of view; the CEO must project confidence in the company's prospects and have clear ideas about where progress is possible. So before Day One, formulate a statement to inspire confidence.

5. Get help for unpleasant tasks. Some change accompanies every CEO transition. Often the incoming CEO knows which top managers to replace. This poses a dilemma: either gain a reputation for acting hastily by firing someone soon after taking office, or retain an unwanted member of the top team. One alternative is to have the board or departing CEO clean house in advance, work out rotations in advance, or persuade a few older executives to retire and turn the company over to new leaders. Most outgoing CEOs remain active, often as board members (even ousted CEOs usually care enough to help their successors). Their knowledge and insights are valuable. Go over the reports they used to monitor progress. Anticipate the problems that led to their dismissal. Weigh the pros and cons of procedures for removing problem executives. Although working out their departure before you take over could save time and aggravation, you might want to handle the situation personally, especially if further changes are in store. Of course, the dirty work isn't limited to firings. Unpopular policy changes involving vacations, expense-reimbursement, and benefits may be necessary, but you don't want them to be your earliest signals to the company.

6. Find a confidant. It's lonely at the top. One surprise is the solitary nature of decision-making. All CEOs need a confidant. Some seek counsel from external associates, board members, or a professional coach. Trustworthiness and intelligence are common criteria. Most incoming CEOs already have a strong circle of friends and colleagues. However, there's no formula for finding a confidant. Before assuming office, have someone you trust who can serve in this capacity.

7. Beware civic duties. When new positions are announced, civic organizations and worthy causes flood leaders with requests to serve in more prominent roles. New leaders must be leery to take on major roles in the community and postpone any decision on greater civic involvement until after they get their bearings.

New CEOs can improve their odds of success by preparing more diligently before taking office. **LE**

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ACTION: Improve your chances of success.

Power-Sharing

Know how to delegate.

by Marjan Bolmeijer

EXERCISING POWER IS part of a leader's job. The challenge is to communicate explicitly and consistently how much power is retained and how much shared. The power that you delegate is seen as a reflection of the power you trust people with. When it is unclear whether you will show up as the boss or as a team player, it creates uncertainty about people's responsibility and trust level. This uncertainty is wasteful.

When it comes to power-sharing, executives tend to function on automatic pilot. Try to understand the dynamics at play, and how best to deal with the issue. Stop delegating power haphazardly and incorrectly. Become aware of how you share power, what level of power-sharing is appropriate, and then articulate the level of power sharing clearly to people.

Six Levels

You can do this through awareness and understanding of the six levels of power-sharing, which range from Level 1 with 100 percent of power in your hands, to Level 6 where 100 percent of the power is with the team.

Level 1: Decide and announce. You decide and make an announcement. At times this is the appropriate level of power. For instance, if there is a fire, it makes little sense to debate leaving the building.

Level 2: Decide and sell. You announce and then sell the decision. This method allows for disagreements. Internal politics is all about selling your agenda. The moment you start selling, some employees will think: "You have already decided. So, why do you need to sell this?"

Level 3: Decide and invite questions. This is more socially acceptable. It is pleasant to hear, "What do you think?" People feel empowered, thinking that you value their opinion. However, this only works a few times in certain situations. When you say, "I still think we need to go ahead with this," people wonder why you bothered to ask for their opinion.

With the first three levels, you have already made the decision—it is only a question of how you present that decision. Internal politics and culture may dictate if Level 1, 2, or 3 is appropriate. Often, if you have already decided, it is best to be straightforward: Decide and announce.

Level 4: Seek suggestions before deciding. This is where empowerment begins. "We have a revenue problem—what do you think we should do?" is a discussion where employees can defend personal views. Yet, you still make the decision afterward.

Level 5: Set limits and keep veto right. Here you set boundary constraints, "We are entering this new market, and we need to decide when, with what budget, and produce increased market share within 12 months." The group, with you as a member, provides the solution within limits. You, however, have a right of veto.

Level 6: Surrender veto right. This is the highest level of power-sharing. You do not define the problem or solution, and surrender the right of veto.

Next Step

Where are you now on the continuum between Level 1 and 6? Become aware of how you share power, and which decisions fit on which levels.

Most executives have a default mode at Level 2 or 3. Used to winning, they find it hard not to sell. Also, executives tend to keep power and make decisions. Moving to higher power-sharing can be difficult. Employees may confuse delegation with giving an order. You may say, "This is only a suggestion. You're the expert. You deal with this—it's your decision." But, if people take anything from a superior as a command, they won't hear the word *suggestion*—they treat it as an *order*.

When you start changing your behavior, don't expect people to understand it. They'll test you, to check whether you are serious and consistent. You must continually reinforce the suggestion statement over time.

Power-sharing isn't easy. Get it right though, and people will receive the power-sharing that they need—and the organization will better for it. LE

Marjan Bolmeijer, CEO of Change Leaders, is a CEO coach. Call 313-658-0103, email Marjan@Change-Leaders.com, or visit www.Change-Leaders.com.

ACTION: Share your power effectively.

Lead Meetings

Or never lead at all.

by William R. Daniels

IF YOU ARE LEADER, AS well as a manager, you can cause *positive, voluntary* change. A *positive* change is one seen by your followers to be as good for them as it is for you. Your followers know where you are taking them—your change agenda—and choose to go there. A *voluntary* change implies that you can influence people who do not report to you directly—you have influence beyond your formal authority because you have earned a reputation for being a person of integrity and competence. This reputation—and your use of it to get positive, voluntary change—distinguishes you.

Leaders have become increasingly important because change is now needed everywhere in society. Without leadership, these changes could take the paths of coercion and violence.

I've spent 30 years trying to understand how managers acquire the reputation that allows them to become leaders. Many elements contribute (John Kotter suggests 54 such subsystems). I find that *regular management meetings* are the most frequent and intimate test of a manager's integrity and competence.

I define a *regular meeting* as a scheduled, repetitive gathering of three or more managers. Organizations hold many of these meetings, and managers spend lots of time attending them. But managers are very disappointed in the results. Still, I'm optimistic that the time spent in meetings can be made productive in terms of organizational outputs and developing leaders.

I call the meeting that produces both outputs and leaders a "work preview." This meeting has two unique assumptions: First, its members are *looking up* to the goals of the team leader as their primary commitment. Members use the meeting to integrate their pieces of the team's work. They share authority, responsibility, and resources to accomplish the team leader's goals. Second, they are always *looking forward* to the immediate future needs of the area they manage as a team. They are only interested in the performance from the stand-point of how to make immediate improvements. Every meeting shows that this group is facing its future as a team.

A work preview has seven distinct characteristics: 1) It regularly brings together a team of managers who are confident in their authority to control the use of resources. 2) The meeting leader holds *every* member of the team accountable for accomplishing *all* the team's performance outputs and priorities. 3) The team has a system of metrics and data for determining the status of these intended outputs. 4) The team focuses on issues—variances from plan that require a reallocation of resources to correct—not activity reports. 5) The member reporting any issue also recommend what resources will be needed, and where those resources might be found. 6) The interaction between the members is lively and efficient—full of information, opinion, and conflict that enriches the leader's ability to make intelligent decisions. 7) All members commit to immediate implementation of each decision. Even when doubt and disagreement persist, members bring their part of the resources into rapid alignment.

Such previews are possible. Many managers have made them a reality.

Work previews nourish the areas that the team serves with clear, realistic direction. Soon these previews influence the ineffective meetings of other teams and stop all the muddling. By causing smart and fast results, work previews change culture into a support system for intelligent productivity.

Turning management meetings into work previews is the first leadership test you must pass. By doing this, you turn your meetings into windows where you display your goals—your first, small part in articulating your change agenda. Also, in these meetings you listen, learn, and display a growing competence. And in these meetings, people come to know each other's integrity—their ability to make and honor commitments. Integrity, competence, and vision are essential elements in a leader's reputation. Work previews are the humble birth-places of what become the shining lights of leadership.

By participating in bad meetings, you destroy your ability to lead. Every minute you are seen in wasteful, confusing meetings, erodes others' trust and confidence in you. If you want to lead, turn meetings into work previews! **LE**

William R. Daniels is co-founder of American Consulting & Training, and author of books on effective management practices. Call 415-446-4355 or email kl@actproductive.com.

Action: Turn meetings into work previews.

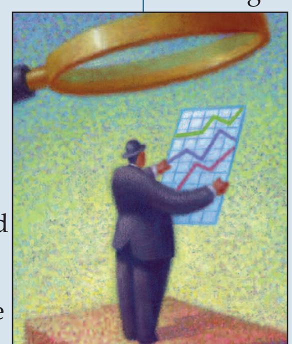
Been There, Done That, Now What?

Make over your training.

by Renie Cavallari

ROCKING THE WALLS OF the training world is the realization that "this just isn't working." After investing massive money and time in expensive training and motivational programs, managers are realizing that nothing much has changed—not the culture they wanted to enhance, not the knowledge and skills they hoped to improve, and not the financial results they sought to achieve.

So, now what? Our innovative learning methods and programs have rocked the bastions of traditional training and have created a circle of raving fans. We believe that training is an event, but learning is an ongoing dynamic that requires constant coaching. Because we are usually hired to improve competencies, we start with a profound understanding of the culture and what "competency gaps" exist. Then, we build a program to bridge the gaps and improve skills.



Take Eight Steps

We take these eight steps:

1. Tap potential. Learning starts in the head. We use "play" as a vehicle to break down barriers, and get people out of their box. We do everything from volleyball to pin-the-tail-on-the-donkey, using humor and humility to get to the heart of each person. Play helps create a mental shift from a focus on why things won't work toward a willingness to explore how to make things better.

2. Share knowledge. This is the *what* to do, and it's where traditional training begins—and usually ends. To improve competency, you have to go well beyond this step.

3. Make connection and application. This is the *how* to do it. Your people have to see how it works and how it applies to their jobs. Seeing is believing, and helping people make the connection on how to apply the knowledge is critical to enabling them to make it happen.

4. Demonstrate skills. This is *just do it*. Customize practice exercises and role-playing to each situation, and implement a variety of reality scenarios. Coaches and managers alike demonstrate new techniques and skills, and the team is encouraged to provide feedback to one another.

5. Build competency. Repetition is the mother of skill. As rehearsals continue, each participant becomes more able to use these new techniques. A great coach creates competent people.

6. Build confidence. Competency generates confidence, and with confidence comes the self-assurance to succeed.

7. Build pride and enthusiasm. By-products of competency and confidence are pride and enthusiasm. These positive elements sustain the ongoing learning process. Associates with pride and enthusiasm strive to make a difference and look for improvement. They are committed and care.

8. Provide continuous coaching. Learning is about constant, continuous improvement. To ensure that participants keep learning and using new skills, managers must monitor performance and give feedback so that ongoing improvement becomes a celebrated part of the culture.

This learning process is as follows: First, we create the "learning culture" mentally through anticipation and excitement (the head). Then someone more experienced shares information and tips (knowledge). After that, they show us how things work (application of the knowledge). Then they show us what it looks like to perform—they demonstrate it. Through trial and error and repetition, we learn, and our competency grows. As we improve, we gain more confidence and feel proud of our new skills. We want to perform all the time. We just can't wait to learn more. We become more daring and learn advanced skills. And the continuous learning cycle continues.

This cycle of learning can transform your business. If you're ready to explore new levels of competency, we invite you to transform your culture to one that celebrates competency improvement, continuous learning, and a renewed, fire-in-the-belly enthusiasm. **LE**

Renie Cavallari is Director of Inspiration at Aspire Learning System, a leading provider of revenue improvement tools and services. Call 602-392-0700 or visit www.aspiremarketing.com.

ACTION: Take these eight steps.

Strengthen Performance

Consider planned marketing.

by Daniele Lima

IMAGINE YOU HAVE A product for which there is a demand—that is, you are able to sell it to the right person at the right price. In essence, it is a voluntary exchange from both the buyer's and the seller's point of view.

Now imagine you have products you want to sell, but for these products there may not be any significant demand, or you may not have identified a target market that is willing and able to buy that product. In essence, it is forcing a transaction where no desire currently exists. Typically, this is the state of play we see in sales-oriented businesses with no marketing focus. Marketing-oriented businesses, on the other hand, routinely investigate the market prior to manufacturing, buying or developing any particular product, and thereby learn the unmet needs of the market.

Anticipating Demand

What exactly is marketing and how can you apply it to great effect?

It's important to note that unless your product is the first of its type, people will already be using a similar, if not equivalent, product. So, to some extent, their needs are already being met. But what about their unmet needs? The opportunity lies not only in fulfilling the met needs of customers, but also their unmet needs. Therefore, marketing is really about recognising and creating demand—and anticipating demand in advance.

It is true that many businesses survive in spite of themselves. Perhaps they had a good product offering or were fortunate in not attracting a lot of competition initially. But global markets have become more sophisticated and competitive, and consumers have become more sophisticated and knowledgeable, particularly with the growth of the internet. A common refrain, particularly from small businesses, is: 'Our profitability has been going down for three years, but we're not doing anything differently.'

These businesses need to adopt a marketing focus to help ensure their survival.

Four Key Elements to Marketing

The marketing plan (or the marketing planning process) will ask you four questions:

1. Where are you now?

This question will force you to look at your business internally, as well as the external market that your business operates in, and take a snapshot of where it's at today.

2. Where do you want to be in the future?

Where do you see yourself in the next one to five years? This question will force you to set objectives. It is incredible how many businesses fail to set robust objectives, since operating any business without them is analogous to sailing a ship without a reliable compass.

3. How do you get to where you want to go?

This question forces you to look at the strategies, and the tactics behind those strategies, that will allow you to get there with minimal cost and effort.

4. Where did we end up last year? This step is where you ask the questions: Is it where we should have been? Why did it happen? Do we need to change things? If so, how do we need to change things?

A marketing plan will give you that necessary structure that will allow you to understand these four key areas.

What About the Costs?

The above four processes can be used to formulate the necessary planning by giving you an accurate analysis of what is happening in both your business and the market. From this, SMART objectives can be set that are commensurate with the state of play of that analysis. And the rigours of the model will help you to apply key strategic aims which are supported by practical, costed and timely tactics to drive the marketing effort.

Know your business and the market. You need to set yourself timelines, such as completing an analysis of your market. This will enable you to understand the trends and key drivers to conduct a SWOT analysis, thus showing you what the opportunities and threats will be over the next 12 to 18 months. You can then match up those opportunities and threats to the strengths and the weaknesses of your business. If you've got that down on paper, you will be in a position to make some rational, measured and, hopefully, strategic decisions.

Don't promote your product to everybody. You need to know your target customers. So start by writing a profile of them—think about how they dress, what they do socially, the type of car they drive, their buying behaviours, the TV shows they watch, and so on. And be decisive to whom you're targeting your product or service.

Ultimately, you need to understand their unmet needs. When you do that, you'll find that you're targeting a smaller number of people who are more passionate about what you're doing, and they will be more willing to deal with you. Such singular customer focus is one of the keys to successful marketing.

The availability of information is at unprecedented levels, and your customers are well-armed with it. Therefore, you need to have greater insights into what customers want and don't want. Your packaging of their needs has to be correct with regard to price, the specific blend of goods and services that go into that product, the promotional blend, the language of promotion, and the distribution. All other elements that relate to the 4 P's of the marketing mix (product, place, promotion and price) need to support the customer and their unmet needs. **LE**

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ACTION: Improve your marketing.

Stupidology

The study of stupidity.

by Keith Suter

BEING STUPID IS ONE of the main characteristics that distinguishes humans from animals. Animals have an instinct for their own best interests. Humans, by contrast, occasionally act in a way that is contrary to rational behaviour—and contrary to their own best interests.

Much attention is paid to 'best practice' in business courses, but perhaps we need to pay more attention to stupidity.

In my radio session in Sydney, we often discuss examples of stupidity. There is a market for such studies among cynical listeners, as they know from bitter experience the mistakes being made in business and politics.

I initially got the idea from Professor Manfred Max-Neef, a former candidate for the Chilean presidency and one of my colleagues in the global think tank 'The Club of Rome'. Professor Max-Neef was so intrigued by what makes humans stupid that three decades ago he taught courses on 'stupidology' at the Massachusetts Institute of Technology and Wesleyan University in the U.S.

I think that more attention should be given to this subject in Australian educational institutions, especially business schools. While there are books on this subject, there needs to be a more systematic academic approach—virtually a mini-discipline.

Barbara Tuchman's book, *The March of Folly*, is in effect a study of stupidology. Tuchman examined why governments continued to persist with policies that were obviously failing, such as England's attempt to hold on to the 13 American colonies in the 1775-83 War of Independence and the US's war in Vietnam 1965-75.

At the government level, there is a tendency to repeat in one country what is already showing signs of failing in another. For example, the privatization of government assets, though it has brought some successes, has also delivered failures. There are, for example, moves to reverse some of the public transportation sales in Britain and New Zealand because they have not lived up to their promise.

At the individual level, some people (even in the medical profession) continue to smoke, despite the evidence that shows the harm that smoking causes to a person's health. And yet people smoke, somehow expecting that they will not suffer the same adverse consequences as those who have become ill. People continue to drink alcohol and drive, even though it is clear that such actions are risky.

I am intrigued by the way public health campaigns (which I support in principle) go on making the same mistakes. The people who most need to hear the message are the ones often who do not get to hear it—such as tobacco health warnings in English when not everyone can read English.

A definition of stupidology is 'doing the same thing again and again, and expecting a different result', as in the example of repeating the same

types of campaigns and getting only limited results—and yet somehow expecting to do better next time.

Organizations (governmental and commercial) get locked into doing the same thing—instead of standing back and asking whether a particular policy is being effective, the tendency is to repeat it with more gusto. Perhaps too many careers are vested in the original policy to question it. Instead of 'lateral thinking', people and organizations just dig themselves deeper into the same hole.

Three Recommendations

Here are three recommendations to break the cycle.

First, educational institutions should teach worst practices. Those that currently teach 'best practice' courses in the hope that students can discover a formula for success, would perhaps also gain from looking at 'worst practice'. What are the lessons to be learned from the failures?

Second, there should be the study of 'bad role models'. People are often encouraged to follow positive role models, but what about the worst examples they have encountered? They need to reflect on why they thought the bad role models were so bad and how they ought also to avoid behaving as badly.

Jean Lipman-Blumen has written a helpful book, *The Allure of Toxic Leaders: Why We Follow Destructive Bosses And Corrupt Politicians—And How We Can Survive Them.* Toxic leaders have certain characteristics: they leave their followers worse off than they found them; violate their human rights; erode their capacity to act independently; play on their fears and needs driven by self-interest; and mislead them. They identify scapegoats and castigate them; and they ignore or promote incompetence, cronyism and corruption.

This book starts with the ordinary needs of the followers: the yearning for certainty in an uncertain world, for self-esteem, heroism, access to centres of action, opportunities to engage in noble enterprises and the promise of immortality. Toxic leaders know how to exploit these needs.

Lipman-Bluman also examines types of followers. Some 'benign followers' are anxious: they want the leader to reassure them through grand illusions that they will find safety by participating in the leader's noble vision. Other 'benign followers' are pragmatic—they are driven by such practical concerns as economic and professional wellbeing. The 'leader's entourage' follows the leader and may eventually become so influential that the leader ends up following them. The 'malevolent followers' are driven by greed, envy or competitiveness; they look out for themselves and may eventually undermine the leader if it is in their own interests to so.

Third, within each company there should be the recognition that mistakes are an opportunity to learn, rather than burying them. There should be a culture where mistakes can be admitted and explored, and lessons learned before moving on.

After every project, a company should sit back and ask: 'What were the lessons to be learned? What did we do right and what did we do wrong?'

Consider how 'open' your culture is and whether it enables staff to admit that mistakes have been made. LE

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ACTION: Study your mistakes.