Don’t You Be Seduced by Success

Customer As Boss

Why Develop Your Leaders?

You Can Have More Satisfaction

“Leadership Excellence is an exceptional way to learn and then apply the best and latest ideas in the field of leadership.”

—Warren Bennis, Author and USC Professor of Management
On the Edge

Today's leader, like this mountain lion, stays poised to pounce on opportunity that presents itself in the market to gain and sustain a competitive advantage.
Best in Leadership Development

Here are the top LD programs for 2007.

by Ken Shelton

For 24 years, we’ve been dedicated to leadership development (LD).

This year we connected with over 1,000 organizations to determine the best LD programs and practices based on seven criteria: 1. Vision/mission. Are these statements linked to strategy, meaningful to participants, and focused on target outcomes? 2. Involvement and participation. How broad is the involvement and how deep the participation? 3. Measurement and accountability. What ROI measures are made and reported and to what degree is accountability for performance and results part of the program? 4. Design, content, and curriculum. How well designed is the program? How credible is the content? How relevant is the curriculum? How customized is the program? 5. Presenters, presentations, and delivery. What are the qualifications of the presenters, how effective are their presentations, and how is the program delivered? 6. Take-home value. What do participants take away and apply to improve themselves, their families, their teams, and their volunteer work? 7. Outreach. What is the impact of the program on stakeholders?

Before listing this year’s winners, I confess a few biases and beliefs: Many people in this field don’t belong (they know next to nothing about authentic leadership). Everything (and the kitchen sink) is now packaged under LD (to make it easier to sell internally?). Everybody (and their dog) is now ranking top LD programs (usually as a marketing ploy). Management is getting short shrift. “Legacy” presenters and their companies are slipping. Great LD programs benefit all stakeholders, cultivate loyalty and longevity, and inspire service, even sacrifice.

We rated the best LD programs in seven categories (my apologies in advance for all deserving people and programs omitted):
Good Work
It’s your responsibility.

by Howard Gardner

Most of us think in terms of our rights of life, liberty, and the pursuit of happiness and a comfortable life. Yet, we all have certain responsibilities. We’re expected to assume responsibility for our health and welfare; for those who depend on us—spouses, offspring, and as they age, grandparents and parents; for those at our workplace, profession, neighborhood, community, and society. No wonder we are more comfortable with rights: the areas for which we could assume responsibility threaten to overwhelm us.

Most of us spend at least half of our waking hours at work. For many of us, work entails burdens; for a fortunate few, work is a privilege, garnished with rewards. This is especially true for professionals—individuals who are accorded status, prestige, and a comfortable livelihood, in return for which we are expected to offer high-level services and clear-minded judgment. Today, issues of responsibility have taken on new urgency. Across the professions, examples abound of work that is clearly irresponsible.

Four Key Concepts

I comment on four key concepts:
1. Work. For most of history, we’ve worked long hours so that we could eat, have shelter, survive, be secure, and protect our families. Most laborers have little time for leisure. Today we see an increasing division of labor and hierarchization and specialization of work. Those in power have latitude in how they approach their work and allocate time. Those with special knowledge form prestigious professions.

2. Responsibility. To have an open and fair society, we must be prepared to carry out crucial actions: we must act toward others in the way in which we would want all others to behave, and avoid other actions—however tempting. The classical view of politics entails a commitment to act as a responsible citizen, and the classical view of a profession entails a commitment to act as a responsible worker.

3. Work and responsibility. A notion that marks the intersection of work and responsibility is that of vocation or calling. These words imply that the work we carry out is work that we have been “called” to execute carefully and responsibly. When work is considered “just a job,” the responsibility is circumscribed—we carry out the letter of our job description—nothing more. We get paid for what we do, as long as we do it. And when a better opportunity arises, or when our organization decides that our services are no longer needed, we move on. Today, life centers around work we want to do, like to do, and feel needs to be done well. Our work needs to be “good.”

4. Good work. Good work is of excellent technical quality, ethically pursued, socially responsible, engaging, and enjoyable. Of course, such work is not easily achieved. Not all work is executed at a level of excellence, carried out ethically, and engages the passions of the worker. Still, we strive to become good workers and to encourage good work. A nagging question arises: how do we discourage or prevent work that does not meet these criteria of good work? Who is responsible for good work?

The Good Work Model

Good work entails four elements:
1. The individual worker. Relevant here are the worker’s belief systems, motivation for doing good work, and personality, temperament, and character. These determine whether the person will hold to high standards or cut corners, “go along,” or engage in compromised or irresponsible work.

2. The domain of work. All professions and most other lines of work have a set of core values and beliefs that are known to workers and carry a certain degree of force. For example, for more than 2,000 years physicians have tried to adhere to the core commitments of the Hippocratic Oath.

3. The field forces that operate on the domain. Mediating the core values of the domain are social entities: gatekeepers who determine entry, individuals who provide or deny opportunities or prizes, and evaluators who assess the merit of the work. Think of the field as the individuals and institutions that hold power and make decisions. The sum of the domains (all professions, arts, crafts, and disciplines) constitutes the culture; the sum of the field entities constitutes the society.

4. The larger social reward system. Individuals, domains, and fields are embedded in the society and economy. This broader society embraces various rewards and sanctions, and these exert influence over and above the signals that permeate a domain or profession.

Good work is most likely to emerge when these four elements are aligned. This does not guarantee good work, but when workers’ beliefs and values coincide with those of the domain, field, and society, they are free to work in ways that make sense to them.

Each individual must decide whether to behave in a professional manner. Many “professionals” aggrandize themselves, cut corners, and benefit parasitically from colleagues. And many humble tradesmen behave in ways that are highly professional. In standard professions, explicit responsibilities have emerged; professionals are expected to know these and to act in accordance with them. In less professional work, the burden of delineating these responsibilities falls more on the individual practitioner.

Values, Ethics, Morality

Good workers honor the core values of their profession rather than succumb to pressures of their supervisors or seductive lures of the marketplace. We withhold the epithet “good worker” from those who use their positions to enhance their pocketbook, achieve credit unfairly, or abuse others.

Not all ethical issues and judgments of quality are clear cut—some involve right versus right or shades of gray: Is it better for a physician to serve a large population or initiate a concierge practice, in which enrolled patients are well served but only those with the means to pay for it are beneficiaries? Should the lawyer give her all for a client, no matter how nefarious the client, or draw on a broader sense of justice?

Recognizing the complexity of ethics is not the same as embracing relativism. That the answer is not always clear or that judgments may be controversial is scarcely license for “anything goes.” In most cases, one path is superior to another. Bribery may be part of doing business somewhere, but few would defend a system of bribery as superior to one that bans or punishes bribery.
In ethical work, workers have a set of values that draw on the enduring values of the domain. They operate according to those values, even when these clash with immediate self-interest. They recognize issues of moral complexity, wrestle with them, seek advice and guidance, reflect on what goes right, and seek to right the course. They take the challenges of responsibility seriously and seek to behave in as responsible a way as possible.

Still, we regularly encounter examples of irresponsibility. Clearly we find it too easy to shirk responsibility and behave in ways that may be good for us, but not healthy for society. Matters conspire to undermine responsibility. We are not born moral or ethical—these virtues need to be nurtured, often against the odds. Those who start on the right track can deviate. Pressures and seductions are powerful. The material rewards for irresponsibility sometimes dwarf the plaudits for responsibility. Intrinsic motivation becomes essential in a milieu where ambient signals diminish ethical sense.

The sense of responsibility of those who do an exemplary job extends to other individuals, to the core values of their domain, to the benefit of society. The decision to enter a caring profession, go against the odds, persevere, and navigate uncharted domains characterize individuals who embrace responsibility, sometimes to the point of exhaustion, and model it for others.

Professionals are buffeted by powerful market forces. The crucial variable is the extent to which people in that vocation take on the responsibilities they deem important, whether or not support is available from others or from the values of the domain.

Here are six takeaways: 1) know the mission of your occupation and your role in it; 2) relate your beliefs and goals to your occupation and roles; 3) work with individuals and institutions that take responsibility seriously; 4) set priorities, be alert to limits and boundaries, and balance responsibilities; 5) broaden your sphere of responsibility in your profession or community; and 6) support youth, the future good workers.

Most people have not internalized the need to act responsibly. Leaders need to portray what it means to be responsible, to model responsibility, and to pass on a sense of responsibility to future stewards of the workplace.

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ACTION: Take responsibility for good work.
Satisfaction

**Overcome job misery.**

by Patrick Lencioni

People spend much of their time at work, and yet many are unfulfilled, frustrated and miserable in their jobs. A miserable job is not the same as a bad one. A bad job lies in the eye of the beholder. One person’s dream job might be another person’s nightmare.

For some people, a “good” job is about being paid well; for others, it’s about the prestige of working for a well-known company; and for others, it might be about not being behind a desk all day in an office. Having a “bad” job can mean that they are underpaid, do manual labor, or sit in an office without ventilation or natural light.

**Signs of a Miserable Job**

A miserable job is one that makes a person cynical, frustrated, and demoralized, draining them of their energy, enthusiasm, and self-esteem. People who are miserable in their jobs dread going to work and come home frustrated, defeated, and weary. Over time, this dull pain erodes their confidence and passion and affects their family and friends. Miserable jobs can be found in every industry and at every level. Job misery spans all income levels, ages, and geography.

Three out of four people hate their jobs—and this misery costs employers $350 billion a year in lost productivity. Job dissatisfaction kills morale and drives up the cost of recruiting, hiring, and retraining employees. Here are three signs of a miserable job:

1. **Anonymity.** Anonymity is the feeling that employees get when they realize that their manager has little interest in them as a human being and that they know little about their lives, their aspirations and interests. Regardless of how much money they make or how much they love the nature of the work they do, people can’t be fulfilled at work unless their manager knows and cares about them as unique individuals. Most people believe their managers don’t understand them and aren’t genuinely interested in them.

2. **Irrelevance.** Irrelevance takes root when employees cannot see how their job makes a difference in the lives of others. Every employee needs to know that the work they do impacts someone’s life—a customer, co-worker, or supervisor—in some way.

3. **Immeasurement.** This refers to the inability of employees to assess their contribution or success. Employees who have no means of measuring how well they are doing on a given day or week, must rely on the subjective opinions of others, usually their managers’ opinions, to gauge progress or contribution.

Few managers take a genuine interest in their people, remind them of the impact that their work has on others, and help them establish creative ways to measure and assess their performance.

**Why Managers Don’t Care**

The primary driver of job dissatisfaction is not pay or benefits, but the relationship that an employee has with his or her supervisor or direct manager. Even people who are well paid, do interesting work and have great autonomy don’t feel fulfilled in a job if their managers aren’t providing them with what they need. Ask managers, “Why don’t you get to know your employees?” and you’ll hear four reasons:

1. **Busyness.** Many managers think they are too busy; of course, the real problem is that these managers see themselves primarily as individual contributors who happen to have direct reports—failing to realize that the most important part of their jobs is providing their people with what they need to be productive and fulfilled in their jobs. For them, any time taken away from “real work” is a waste and a threat to progress. They have no sense of the impact that they can have on an employee’s productivity and morale.

2. **Amnesia.** These managers forget how important it was to them when a manager took an interest in them, talked to them about why their work mattered, and gave them a means for evaluating progress. They forget what it was like when they were junior employees. They forget the impact that managers have on an employee’s sense of self-esteem, enthusiasm, and job fulfillment—just by taking an interest in their life.

3. **Fear of being seen as touchy-feely.** Many managers are embarrassed or afraid to try, fearing that people will see them as being disingenuous or manipulative. Some managers downplay the impact of the human element on job productivity and fulfillment, often because they are embarrassed about being emotionally open or uncomfortable with showing interest in their people.

4. **Political correctness.** During interviews, managers are told to avoid any personal questions that might be construed as discriminatory or irrelevant to the job. And when people start working for them, many managers continue to deal with them at an arm’s length, rather than treating them as human beings with families, aspirations, and hobbies. They fear that by taking an interest in their personal lives they step into inappropriate territory. Indeed, in the interview process, no personal questions are allowed, but in the work experience, you need to treat people like full human beings.

No excuse is valid for a manager who avoids treating people like the three-dimensional human beings they are—mothers, fathers, sisters, brothers, grandparents and neighbors, all of whom have a need to be known by the person who oversees their work.

**What Managers Can Do**

Managers who struggle to show interest in their people need to do these two things:

First, they need to overcome their fear of being politically incorrect. Yes, managers need to be careful about the personal questions they ask in interviews. But once the person is on board, managers should act like human beings—not the automatons that our legal system requires them to be during the interview process.

Second, they need to overcome their fear of coming across as insincere. They need the courage and wisdom to realize that it is okay if employees initially suspect that they are being manipulative—the truth about their intentions will become clear after they demonstrate consistent, genuine interest in their employees as people.

Job misery at work is costly, unnecessary, and treatable when managers approach their jobs so that employees find true fulfillment and satisfaction in their jobs.
What Employees Can Do

Miserable employees can do three things to improve their situation:

First they can assess whether their manager is interested in and capable of addressing the three things that are required. And they have to realize that most managers really do want to improve, in spite of the fact that they may seem disinterested.

Second, they need to help their managers understand what they need. If they have a strong relationship with their manager, they can say it ("You know, it would mean a lot to me if you knew more about who I am and what matters the most to me.

Third, they could start doing for their managers what they want for themselves. For instance, employees who take a greater interest in the life of their managers are bound to infect them with the same kind of human interest. Similarly, employees who take the time to tell their managers (without sucking-up) about the impact they have on their job satisfaction, will inspire them to respond in kind. However, if an employee concludes that his or her manager is completely disinterested in helping them find fulfillment in their work, they may well be time to start looking for a new job.

Even professional athletes and entertainers can be miserable in their jobs. In spite of the money they make and the attention they receive from fans and the media, many experience the three signs of a miserable job. Most pro athletes feel anonymous in their jobs because their coaches and managers dedicate little, if any, time or energy to help them be special or individual. Some coaches think: “These guys are professionals—they don’t need anything special from me.” Remember that they are referring to young men in their early twenties who are living on the fact that they see their work as being a little, if any, time to start looking for a new job.

Many actors and entertainers can’t reconcile their celebrity and wealth with the fact that they see their work as being somewhat unimportant, in terms of impacting the lives of others. Perhaps that’s why many of them get involved in charitable causes or politics—it gives them a sense of purpose.

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ACTION: Cultivate job satisfaction.

Leadership Capability

Build it using four strategies.

by Tamar Elkeles

Leadership development (LD) is crucial for organizational success. CEOs, management teams, and boards are interested in developing their leadership pipeline. Talent reviews, talent management, executive coaching, and leaders teaching leaders are some of the strategic initiatives that have the attention of senior executives worldwide. Effective use of leadership talent through internal mobility and development is a consistent theme.

Developing leaders has become a top priority for many companies. Investments in LD continue to increase globally, and the payoffs enable business viability and growth. Organizations need to build leadership capability to meet the evolving demands of diversity and complexity. Creating a LD model to maximize leadership capabilities and utilize leadership talent effectively is a key focus.

Four Proven Strategies

Use these four strategies.

1. Create a LD model that is driven by your business model. Use your business model to create key leadership learning opportunities and a LD model that speaks to your leaders. When creating our LD model at QUALCOMM, we used the term “3G leaders” to describe our top leadership talent or high potentials. The business was focused on 3rd Generation (3G) wireless technology, and so we capitalized on the term, enabling us to have success with our engineering and business leaders. Since business models suggest what is important to a company and its leaders, use them wisely.

2. Build the leadership development brand. Many companies do an excellent job of developing leaders and building the leadership brand. Inside and outside of General Electric, for example, people are aware of their exceptional Leadership Development Center. This benefits GE by demonstrating that they value leadership development and assists them in recruiting and developing top leaders. Companies that brand their LD programs better attract and retain leadership talent. Great leaders want to work at companies with other great leaders who enjoy development opportunities.

At QUALCOMM, we created a suite of LD opportunities and have branded them. We find that a comprehensive LD brand is more beneficial and impactful than segmented leadership development opportunities. Through awards, external recognition, and external speaking engagements, we’ve built a strong LD brand.

3. Align leadership development with your executives’ personal interests. With the advancement of online learning, podcasting, avatars, webinars and YouTube, there are many ways to deliver great LD opportunities. Some companies offer leadership development programs that utilize hiking, sporting events, or musical experiences to drive a leadership message. Find out what team-building activities are important to your top executives and look for ways to align executive interests with your LD opportunities.

For example, a few years ago, we created a leadership development experience with the San Diego Symphony Orchestra. Our CEO was passionate about the symphony, and we discovered The Music Paradigm, a program that uses the metaphor of a symphony to describe an organization and parallels an orchestra conductor to a business leader. Programs like these are exceptional at blending executive interests and providing a solid LD lesson.

4. Prove the worth of your leadership development efforts. You do this, of course, by playing the ROI numbers game (a game worth playing, since CFOs often target development programs in budget reviews), but you also need to show videos, tell stories, and share anecdotes. These and other strategies keep LD top of mind.

Focus your time, effort, and investments on creating LD initiatives that impact the leadership capabilities of your company.

ACTION: Use these four strategies in your LD.
Leadership Development 6.0

Connect LD with drivers of results.

by Jack Zenger and Joe Folkman

As we seek to improve our leadership development (LD) programs and initiatives, we would benefit from a more “evidence-based” approach.

Most HR directors and business leaders are familiar with a variety of LD activities, ranging from university MBA courses to swinging from ropes and kayaking in white-water rapids. The question is: “Which activities produce real value?” The truth is, we don’t know. Leadership practitioners believe each program has value, but there is little or no research to confirm which ones teach important lessons that stick with participants and get applied.

Our premise is this: You’ll better develop your leaders by engaging in evidence-based research and practice.

First, let’s review how the field of leadership development has evolved.

1.0 LD began in 1950s when business schools began teaching leadership to balance the need to treat people well with the need to obtain results.

2.0 This stage recognized the need to move LD from a cognitive exercise to behaviors or skills-based approach. Ideas had to be put into action.

3.0 Improved teaching and highly engaging learning methods came into vogue. These included case studies, lab learning, action learning, simulations, rehearsal of challenging interactions, and small-group discussion.

4.0 LD adopted new technologies, including e-learning, to enable large, widely distributed populations to be reached economically.

5.0 LD shifted control and responsibility for learning and development to the individual. The LD process became more personalized, with individuals tailoring their development to their individual needs.

We are now poised for the next phase in this evolution—evaluating LD efforts by their direct impact on business results.

6.0 In this stage, LD is linked to the key business results and strategies. The effectiveness of LD efforts are measured by their impact on those results.

The first step is to clearly define desired results so that LD can be tailored to achieve them. Some directors embark on a major LD effort without clearly stating the objective or desired outcomes. Without clarity of purpose, you can’t evaluate the effectiveness.

Why is the connection between LD and strategy results often ignored? Few organizations make this connection, and this disconnect is hard to justify (610 billion was spent on learning and development in the U.S. last year, and 21 billion was spent on LD).

This connection is rarely made for five reasons: 1) Much executive education and LD are supplied by universities, and since participants come from various companies, it’s difficult to link the learning objectives to a strategy or business outcomes; 2) LD is often driven by past needs, not future needs, so areas where organizations need to excel going forward are rarely identified; 3) LD is a staff function, and HR directors are rarely privy to the strategic thinking of line executives; 4) The idea that LD can directly target business strategies is foreign to most line managers; and 5) There are few practical ways to link LD with business strategy and results.

Four Steps in Two Cases

How can you best connect LD to drivers of desired business results? We suggest four steps: 1) include desired outcome measures in the LD tools; 2) identify the leadership behaviors that drive these outcomes; 3) provide LD that magnifies these key behaviors; and 4) establish practical methods for following up with participants.

Two cases studies show how to apply this approach:

Case study on employee commitment.

Our first foray into making this direct link between LD and results began when we included an “outcome” measure into our standard 360-degree feedback process. Our research revealed that effective leadership behavior is highly correlated with employee commitment and customer satisfaction. For example, Sears found that a 5% improvement in employee commitment measures led to a 1.3% improvement in customer satisfaction, that in turn led to a 0.5% greater increase in store sales. The behaviors that most influence employee commitment have to do with inspiring people, providing clear direction, and setting stretch goals. Knowing this, we focused LD efforts on expanding these positive behaviors, practicing these skills, and devising ways for following up on practicing new behaviors.

Case study on improved decision-making. One client concluded that leadership decisiveness (effective decision-making techniques and prompt decisions) was a key to high performance. We developed questions to measure the decision-making quality (as seen by the people who reported to the leader). We then determined those behaviors that most highly correlated with “effective decision-making.” The top five behaviors were: 1) has the courage to make the needed changes; 2) makes the difficult decisions required to implement strategy; 3) makes decisions and moves forward in the face of constant change; 4) makes high-quality decisions by engaging the right people and using the right methods; 5) inspires others to high effort and performance. We created a LD plan around these five behaviors and experiences to make these operational and measurable with specific methods for following up.

While we’re still exploring the payoff from this LD approach, initial results are promising. For example, in the organization that sought to improve decision-making, each leader had a personal action plan (PAP) and the senior leadership team identified five issues that cut across the division. Because each manager received individual assessments on their decision-making effectiveness and their effectiveness on specific leadership behaviors, each person created a PAP to improve personal decision-making.

Leadership 6.0 identifies specific outcomes along with behaviors that produce desired outcomes. It brings tools to measure important results (or the drivers of those results). It creates a visible, measurable link between LD activities and desired results, enabling us to identify and discard the duds.

ACTION: Link LD activities with results.

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LEADERSHIP EXCELLENCE
Effective Leadership
Assess how well you are developing your leaders.

by Scott J. Allen

Effective leadership is elusive. It’s like when we are moved by an incredible performer. Beyond knowing we’ve been moved, we can’t say why—since describing why we are moved requires another level of awareness. In the end, the performance resonates with some and not others. What moves one person to tears may have little effect on another. In many ways, leadership is similar.

Here are three reasons leadership can be so elusive.

1. We can’t easily agree on what leadership means. Most definitions of leadership assume that it involves exerting intentional influence to guide or facilitate activities and relationships in a group. Influence, more than coercion, is the measure, since followers usually have a choice in whether or not to follow the leader. Leaders influence followers to bring about results that reflect their mutual purposes. Still, we all construe what it means to be an “effective leader” differently. Some may value a leader who yields results, while another may want a leader who makes them feel good. Some want both! In part, the leader needs to understand how followers value and construe effective leadership to be seen as effective.

2. We construe “how” to best lead others differently. For example, some people dislike the coaching style of Bobby Knight, viewing it as demeaning, belittling, or unprofessional. They might ask, “Did he need to throw a chair to make his point?” Others feel that his behavior is okay since it yields results (wins games), and “how he gets there” is less important. We all define effective leader behaviors differently. Some may not mind a “command and control” approach while others appreciate a coaching or “supportive” approach. Leaders who excel at one approach tend to struggle when switching to a different approach.

3. Leadership is a relationship between the leader, follower, and context. For example, Ronald Reagan was elected president at a time (context) when his personal attributes and message aligned with that being sought by people (followers). Were he to seek election today, he would need to align his message with issues that mesh with our current reality. Martin Luther King Jr. had a wonderful message, but had he lived 50 years earlier (context), he could not have delivered it at the steps of the Lincoln Memorial. This is why people who have great success as leaders in one context might fail in others.

Self-awareness is foundational for effective leadership, along with the ability to communicate a vision and help others see how they fit into that vision. Relationships are at the root of effective leadership. Leaders connect and establish a relationship with people who believe that the leader has their best interest at heart. Effective leaders intentionally change their approach in new contexts, being very directive with some employees while actively coaching others.

Assess Your Leader Development
For your LD program to take root in the culture and achieve desired results, you need to address 11 questions:

1. How does the program link to strategic objectives and goals? Why and how will LD help us get where we want to go and meet our objectives?
2. How are we defining leadership and leadership development? LD initiatives should rest on a solid theory of authentic leadership principles and practices that provides the roadmap for what you hope to develop in others.
3. What are the competencies/skills you hope to develop? Most LD training includes personal growth, conceptual understanding, feedback, and skill building. What do you hope to develop in your leaders?
4. What sources of learning will you use? Sources of learning include feedback, classroom, e-learning, executive coaching, action learning, job enlargement, mentoring, and developmental job assignments.
5. How will the LD program link to our systems? For instance, performance management systems can link to LD. Other examples of business systems may include staffing, succession planning, and personal development plans.
6. How are we doing at this point? Create a report with five columns related to the first five questions. List the major components for each. Place this information in one location where program architects can review it before answering Question 6.
7. How will we gain feedback from others? Float the draft program by others and seek their feedback. Ask: What challenges do you see with our LD plan? How should we market and implement this program? What have you seen fail and why? Does the culture value what we hope to produce?
8. How will the program be implemented? Ensure the implementation strategy is realistic and manageable. You can roll out the program in three primary ways: Pilot—a pilot program is relatively safe and manageable, but takes extra time. Gradual Implementation—this involves more people quickly, but invites unforeseen “fires” that need to worked through. Full Implementation—this involves the entire organization.
9. How will we market the LD program? Communicating to your entire workforce is a challenge. Work closely with marketing to craft an approach and determine which large-scale communications might work best.
10. How will the training be delivered? Catering to one style of learning and one teaching methodology is a sure way to fail. You need to place participants into the hands of quality instructors who quickly connect and gain credibility. Participants must feel that the LD will help them in their roles.
11. How will you evaluate/show ROI? How will decision-makers determine the success of the program? Ask decision makers what they think.

These questions enable you to create a powerful LD program.

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ACTION: Assess your leadership development.
Master Influencers

They have the power to change.

by Ron McMillan

We are surrounded by profound, pervasive, and persistent problems—AIDS, poverty, global warming, drug addiction, crime, divorce, obesity—problems so complex that they leave us feeling baffled. Our workplaces are not immune. As leaders, we develop compelling strategies that are certain to capture market share or increase sales; but then people fail to execute the plan (85 percent of all major projects and initiatives fail to achieve the desired objectives on time and on budget).

As leaders, when we face such results, we panic. We scramble to backfill, outsource, restructure, reorganize, and plug the gaps. We may try, heroically, to treat the symptoms, but despite our interventions, the profound, pervasive problems persist.

How do we deal with these problems? We cope. When our repeated attempts at change fail, we settle for things as they are. When things don’t change, it’s not necessarily because we lack the courage to change them. Often we lack the skill.

Fortunately, we can learn from gifted change agents and influence masters. Consider a few examples:

• Mimi Silbert of the Delancey Street Foundation has rehabilitated 14,000 hardened criminals (drug addicts, gang members, thieves, and prostitutes) with 10 percent recidivism rates (California’s rate is 70 percent).

• Mike Miller doubled productivity in the Sprint IT Department and improved systems availability for the end user by 90 percent.

• Don Hopkins of The Carter Center has decreased the impact of one of the largest human parasites—reducing cases from 3.5 million to less than 10,000 without traditional medicines or a vaccine (a 99.7 percent drop)!

• Don Berwick of the Institute for Healthcare Improvement waged a battle against medical errors and is credited for saving more than 122,000 lives in 18 months. He’s now launched a campaign to prevent five million cases of preventable deaths, and getting it done.

How do they do it? Gifted change agents know that to have great leverage in solving problems, you must focus on changing a few high-leverage vital behaviors. Jack Welch understood the power of vital behaviors when he spent decades trying to foster candid and open dialogue at General Electric. His belief was that this one behavior would profoundly affect many other behaviors for the better. And it did.

In a quest to eradicate the world’s largest human parasite, the Guinea worm, from the West Asian and sub-Saharan world, Donald Hopkins and his team at the Carter Center realized they could eradicate the worm from any water source or village by focusing on three vital behaviors: 1) All villagers must filter their water; 2) anyone who has a guinea worm must stay away from the water source; and 3) Each villager must candidly confront anyone who does not comply with the first two behaviors. If every villager would enact these three vital behaviors consistently for a year, the life-cycle would be broken and the guinea worm eradicated.

However, the influence process does not stop at identifying the vital behaviors. Now the influencers must ensure that everyone engages in the vital behaviors—every time, all the time—and without exception. How do the Influencers accomplish this seemingly impossible feat and get people to adopt the vital behaviors?

Six Sources of Influence

Six sources of influence drive our behavior—and if we hope to increase our influence, we must be adept at employing these sources. Often we assume that if we just train people, or just restructure, or just implement a new performance management program, behavior will change.

The first thing to look at in influencing someone is motivation—does the person want to do the vital behavior? Next look at ability—is the person able to do the vital behavior? A person must be both willing and able to do the behavior for it to be adopted.

Three areas of influence impact people’s motivation and ability: personal, social, and structural. All three make up the Six Sources of Influence.

Source 1: Personal motivation. Does the individual want to do the vital behavior? Influencers connect vital behaviors to intrinsic motives so the individual enjoys doing it or links it to important purposes.

Source 2: Personal ability. Does the individual have the knowledge, expertise, acumen, or emotional strength to do the behavior? Influencers educate, train, and apply deliberate practice.

Source 3: Social motivation. How do others affect motivation? Does peer pressure or the boss’s opinion affect the person’s desire to do the vital behaviors? Influencers enlist the support of opinion leaders and formal leaders.

Source 4: Social ability. Do others help or hinder the individual’s performance of the vital behaviors? Do they provide resources or create barriers? Influencers enlist the help of others, including coaches and mentors, during crucial moments in changing habits.

Source 5: Structural motivation. How do the external motivators (like pay, recognition, and reward systems) affect the individual’s motivation? What costs are associated with the behavior? Influencers align structural factors to reward and encourage the individual’s motivation to enact the vital behaviors.

Source 6: Structural ability. How do the non-human factors (environment, structures, policies, systems, and resources) affect the person’s ability to do the behavior? Influencers make good behaviors easier and bad behaviors harder through use of physical surroundings, cues, and information.

Influencers identify the vital behaviors that will produce desired results. They then use Six Sources of Influence to ensure that people enact the vital behaviors every time. In this way, problems give way to solutions.

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ACTION: Become a master influencer.
Peak Performance
Seek and gain the informal advantage.

by Zia Khan and Jon Katzenbach

Every organization has both formal and informal sides. The formal is well documented—you find it in strategic plans, structural charts, processes, plans, metrics and programs. But, the informal side consists of behavioral influences that reside in people’s hearts, minds-sets, relationships, interactions, and emotions.

The informal organization influences behaviors when and where the formal cannot. Organizations that integrate and balance the informal with the formal have “the informal advantage”. They deliberately manage their culture, networks, communities, and source of pride to achieve higher performance in a way that balances their formal organization.

When Jim Rogers was president of GE’s Electric Motors and Industrial Systems business, we asked him for a copy of his formal organization chart. When he couldn’t come up with it, he said: “I know it’s here somewhere because I send a copy to corporate every year. But I never use it because it’s not how things really work here.”

In Jim’s case, what’s on paper doesn’t determine how people collaborate, what values guide their decisions, or what motivates their performance.

General Motors’ Imbalance

GM represents a classic example of over-emphasis on the formal organization. In 2003, GM looked like most large enterprises; their formal construct was well-developed and documented, and rigorously enforced. Their strategy, structure, and processes were well-designed and followed. Their “balanced scorecard” of 20 distinct measures defined manufacturing excellence. They were the poster child for the decentralized philosophy that Alfred Sloan developed 70 years ago. Many large organizations still draw upon GM’s decentralized model as they pursue individual accountabilities and disaggregate challenges of scale and global diversity. Yet GM’s performance over the last 10 years has been disappointing. It appears that the informal construct is missing. However, a closer look in certain high-performing areas suggests a less obvious answer.

At the plant level, we find many examples of leaders who use the informal elements to motivate their people to higher performance. We probed the behaviors of over 20 plant managers whose employees were emotionally committed in ways that generated higher performance. In each case, their “secret” was using different elements of their informal organization to instill pride in the work (easier said than done, since GM leadership is focused mainly on the formal elements).

The emotional commitment that yields peak performance requires the formal and the informal to re-enforce and balance one another. Such commitment helps people energetically pursue innovations, collaborate productively in teams, and provide superior customer service. Whereas most managers over-rely on the formal, the master motivators work to keep the informal in balance. They find a way to capitalize on informal elements to keep people feeling good about the work they do. Simply put, they do what most good managers do not do.

Aetna’s Informal Secret

Aetna’s turnaround between 2002 and 2007 is well documented on the formal side. But CEO Jack Rowe also knew the importance of creating a strong, engaged culture during their turnaround. He realized that he would need to engage the informal as well as the formal organization to reshape Aetna’s legacy culture. So, Rowe launched a series of informal, interactive discussions, involving hundreds of people, to reexamine Aetna’s values. At the end of every session, detailed feedback was developed as to how to bring these values to life again and reflect the new marketplace realities. These sessions provided a process for engaging, energizing, and co-opting people at all levels. The feedback formed the basis for a comprehensive value statement that became known as “The Aetna Way” and led Aetna’s culture through the difficult turnaround years.

One compelling moment occurred early in the transformation when Rowe, Ron Williams, and their senior team were explaining the new strategy to several hundred Aetna people in a logical, analytical way. At the conclusion, Rowe took questions. One came from a long-service employee named Jeanne: “Dr. Rowe, what does all this mean for someone like me?”

Rowe mulled over his answer: “Jeanne, I guess it is all about restoring the Aetna Pride.” Rowe received a spontaneous, standing ovation, and that simple, almost accidental notion became the overriding theme that energized people. That’s how the informal organization works when it works.

The Need for Balance

In peak-performing organizations, leaders pay as much attention to elements of their informal organization as they do the formal. They sense that unless they influence and mobilize the informal elements, they won’t sustain the emotional commitment that peak performance requires. In start-up ventures, the informal construct predominates and actively resists any increase in formal process and structure—until scale and complexity threaten to overwhelm it and therefore demand the efficiency, predictability, and control that the formal organization provides.

In large enterprises like GM, because of scale and complexity, the formal elements often drive the informal underground. Realizing the informal advantage lies in integrating the informal organization with the formal organization. The required balance can shift over time—a startup’s needs are different than a global enterprise—but both need to be considered to realize breakthroughs in performance.

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ACTION: Gain the informal advantage.
Course Correction
Sustain trust during change.

by Roderick Kramer

Trust is an important asset for a leader—it’s the “coin of the realm.” When leaders are trusted, people are more likely to accept what they say at face value, accept directives, and defer to leaders’ judgments. Trust greatly reduces the transaction costs of leading—to the benefit of both leaders and all stakeholders. Trust builds reputational capital on which a leader can draw when trying to get work done.

Since trust is vital to effective leadership, how do you best build trust, communicate trustworthiness, and repair trust when it is threatened or damaged? When it comes to getting advice on how to create and sustain trust, leaders can turn to many sources.

Fortunately, we know a great deal about the conditions under which trust flourishes or withers. The components that contribute to trust include: 1) trust in the leader’s intentions and motives—we tend to trust leaders when we have confidence in the benevolence of their motives, and when we think they have our interests and welfare at heart; and 2) trust in the leader’s competence, confidence in their ability to carry out their fiduciary responsibilities, and their capacity to follow through on their promises and commitments. Even if we have confidence in a leader’s good intentions, if we don’t think they are competent we won’t trust them deeply or for long. When either component is missing, trust in a leader remains problematic.

One occasion that prompts concerns about the stability or consistency of a leader’s intentions and motives (as well as their competence) is when a leader seems to “flip-flop” on important issues. Flip-flopping (or even the appearance of it) raises doubts about a leader’s foresight in leading us into a situation or steadfastness when the going gets tough. Indeed, the indictment of being a “cut and run” leader is change their minds.

So, how can leaders maintain trust while changing course? Leaders need to skillfully frame and justify changes of course to sustain people’s confidence in their judgment and ability. Few attributes are as closely associated with effective leadership as decisiveness. Particularly in moments of opportunity or crisis, we expect our leaders to take swift, sure action—and then to remain steadfast on their chosen course of action. We like to think that our leaders are of firm grasp and sure vision. History celebrates leaders who display “grace under pressure.”

In the media, flip-flopping is often demonized. During the 2004 U.S. presidential campaign, charges of flip-flopping dogged John Kerry. The implication was we couldn’t (and shouldn’t) trust a man who flips his position. More recently, the tag “flip-flopper” has been placed on Senator Hilary Clinton over her position on the Iraq war. Today, it seems the worst thing leaders can do is change their minds.

I find that notion worrisome. Leaders must be able to flip-flop without fear, especially when the pace of change—and the onslaught of fresh information regarding emerging threats—confronts leaders with calls for urgent response and continual innovation when adjusting to changed circumstances.

Flip-flopping is not the same as indecision. Indecision reflects the inability of a leader to arrive at a decision. Certainly no one admires leaders who sit on the fence, torn by doubt and indecision, pondering options and drawing careful decision trees while the moment of decision passes. But changing your mind means altering your stance after an initial decision has been made. In many situations, changing direction is simply the right course of action. Obviously, leaders should flip when they feel that they’ve made the wrong decision.

Five Tips to Maintain Trust

How can you change your mind and course without losing others’ trust in your commitments, judgment, and competence? Here are five tips:

1. Maintain transparency with respect to your decisions and the motives behind them. Tom Meholin of North American Tool and Die Corporation noted that to be trusted, you had to be open and up front about every decision, every day, with every employee and every customer, no matter how big or small the decision or issue. To achieve transparency, leaders should openly and honestly explain what’s changed their minds, and why a new course is mandated or may be beneficial.

2. Find a positive framing for the change. On occasion, an unexpected change of policy or direction can even set the stage for great achievement by dramatically recasting an earlier issue or decision. Ronald Reagan rode into the White House denouncing the Soviet Union as an evil empire. But he articulated a new vision toward the end of his administration, and began to work closely with Mikhail Gorbachev to help bring an end to the Cold War.

3. Changing course also requires self-trust. Changing course isn’t easy. Leaders face formidable pressures to stand by their decisions. In anxious times, we yearn for consistency and predictability. We seem to want, and to respond best, to those leaders who are consistent and steadfast in their views and vision. Leaders can be uncomfortable with inconsistency—it can cause them to experience doubt, because it calls into question aspects of their core identity or values. Most leaders want to appear strong, resolute, and unwavering. They care about their images. Since leaders’ decisions are often public events, it makes reversing course difficult. In the media, every decision is subject to endless scrutiny and replay.

4. Have the confidence and courage to recognize that changing your mind does not signal an inability to lead. Rather, it signals your ability to learn from experience, and to adapt to circumstances. In today’s world, in which leaders can face, on a moment’s notice, changed circumstances, the ability to change course while maintaining trust is essential. Foolish consistency really is the hobgoblin of small minds—and that’s foolishness we can ill afford.

5. Build your credibility. Since leaders need the option to re-decide, they should lay the groundwork for reversals well in advance by building credibility. Leaders need to explain the motives and intentions behind their change of course in ways that are compelling and reassuring. If done well, they send a powerful message to all stakeholders that they aren’t afraid to take a second look at any decision and to change their mind when it is in everyone’s long-term interests.

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ACTION: Maintain trust during transitions.
Why Develop Leaders?

Small pebbles can have big ripples.

by Michael G. Winston

High performance leaders are distinguished by a set of core beliefs and actions. They believe that a business rises and falls on the strength of its leaders at all levels. They identify, attract, and retain the most talented, diverse group of high performers. They understand the core competencies and skills required to meet challenging goals and surround themselves with highly capable staff.

These leaders encourage development by rewarding excellence, serving as role models, and encouraging personal and professional growth. They push decision-making down and develop people’s confidence in their ability to lead, manage, and impact outcomes. They allocate authority and resources to enable people to make decisions and act independently within their area of responsibility.

They believe in the strength, capacity and potential for growth and contribution of their people, and by translating their commitment to consistent, purposeful action, even under fire, they pass the test of true leadership. They view the cost of LD as an investment. The impact of their decision to develop their human capital is enormous. It is like when a small pebble makes a big ripple on a still lake.

For years, we’ve talked about the War for Talent. We revised vision statements to emphasize acquiring, developing, and retaining talent, promising to create a high-performance culture. Yet, in challenging times, such promises are rarely kept, as people are often treated as liabilities. When leaders restructure, reduce discretionary spending, defer product development, out-source manufacturing, pursue voluntary retirements and resort to layoffs, the War for Talent gets lost.

Seven Lessons to Be Learned

Here are seven lessons:

1. Success over time hinges on the quality of leadership. Organizations that invest in leadership outperform the field. Paying attention to human capital, especially during tough times, pays huge dividends. Clearly, companies that continue to invest in their talent are better positioned to take advantage of recovering markets. They invest time and money planning for the future—selecting, training, and retaining the next generation of leaders. By staying committed to high performance succession and LD practices, TGE, Pepsi, Motorola, Goldman Sachs, and HP have strengthened their position in attracting and retaining top talent, making them talent magnets.

2. Build leadership excellence, even in challenging times. High-performing organizations recruit top talent and place them on focused, driven teams. They let their skills, drive, intelligence, and creativity come to the fore. They train them and focus their energy on rewarding challenges. They give them the place, space, knowledge, and chance to excel. They build a leadership team across boundaries of function, geography, and business with a clear, common vision and strategy.

   The LD programs at UBS, GE, and Dell use a combination of presenters, learning technologies, and post-program project work to reinforce strategic initiatives. When leaders train and work together, they gain common vocabulary, shared skill-building, and stronger reinforcement and teams.

3. Bring in the best people and bring out the best in people. There is nothing wrong with your people that can’t be fixed by what is right with your people. Leading companies identify and build on strengths. They find and nurture champions, create compelling goals and direction, build skills, and spread enthusiasm. They encourage, excite, teach, listen and facilitate. They tap, orchestrate and use the talents and skills of their teams. They’re supporters, resource-providers, obstacle-removers, facilitators, and team-builders. The mark of an excellent leader is the performance of the team!

4. Keep the fires burning. When growth stops, people lose motivation and energy. Individuals identified as marginal performers need to receive special management attention. Performance is a function of goal clarity, supportive structure, adequate resources, required skills, performance-enhancing feedback, motivation, and relationships with supervisors. Instead of eliminating plateaued managers, ask: How can we keep them motivated? Continuing opportunity keeps people working with high effort and enthusiasm.

5. Culture counts, especially during tough times. Business flows in cycles, and the best leaders are constantly searching for market opportunities and threats and take quick, creative action, allocating resources (time, talent and capital) to pursue opportunities. Decisions are made quickly, and vision is translated into action. During constant change, the ability to learn faster is a source of competitive advantage.

6. Paying attention to human capital pays off on the bottom line. We see a strong correlation between companies listed as “Best Places to Work” and superior business performance. Firms with well-designed succession planning and LD programs for the top three levels of management enjoy a clear advantage. When you invest in your people, you invest in your success: productivity, employee satisfaction, and financial performance rise.

   TRW offers quality LD programs; HP has phenomenal on-line learning.

7. Stand up for your beliefs. The War for Talent will be won by organizations that believe in the strength, capacity, potential for growth and contribution of their people, and have the courage and commitment to keep their promises through thick and thin and do the right thing for their employees, brands, company and society, even when professional and social risks or economic pressures confront them. This principle anchors their beliefs and behaviors.

   The only sustainable source of competitive advantage is the capacity of your people to learn, grow, and outperform the competition.

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ACTION: Excel in your leadership development.
Leadership Development

On the move at Carnival Cruise Lines.

by Eileen Tighe

Carnival Cruise Lines, the largest and most popular cruise operator, carries 3.6 million guests a year and achieves a 98.3 percent satisfaction rating. Founded with a single ship in 1972, Carnival revolutionized the cruise industry with the “Fun Ship” concept; for the past 35 years, the line has been synonymous with quality, value, and fun. Today we are more dedicated than ever to providing cruise vacations that exceed the expectations of our guests. With a fleet of 22 state-of-the-art vessels and three new ships on order, Carnival continues to reach new heights. With the U.S. debut of its “Fun Ship,” the 110,000-ton Carnival Freedom, Carnival will bolster its record-breaking 2007 Caribbean cruise season when it will carry 3 million guests within that region alone.

One constant is the friendly and attentive service we provide our valued guests. Carnival employs 36,500 shipboard and shoreside employees who come from more than 100 countries, with highly diverse skill sets and working in constantly moving delivery locations operating on a 24/7 schedule.

With capacity between 1,800 and 3,700 guests and crew counts between 660 and 1,200, each ship is like a small city, and operations require skilled craftsmen, highly trained deck and engine officers, and medical and safety personnel. There are also chefs, housekeeping staff, service personnel, entertainers, and the shoreside counterparts.

How do we keep such a diverse, service-oriented team motivated and provide opportunities to continue professional development? Our award-winning training provides a variety of required safety training, as well as hospitality and management training to our diverse and varied workforce.

We are sharing our training expertise in our new guide, SAIL (Strategic Alignment Involving Leadership) Carnival, which details our efforts to achieve quality and support the growth and development of a global workforce based on facilitating continued development of our leadership team.

Take Three Steps!

On its path to training excellence, Carnival has implemented three steps:

1. Focus. In 1994, at the directive of Carnival’s president, the company’s vision was defined: “To consistently provide quality cruise vacations that exceed the expectation of our guests.” This vision was carried to the entire Carnival team—not just to memorize it but also to personalize it. Team members attended a session that was all about them. Activities included focusing on personal and professional goals and how their service role impacts our guests and can advance their goals.

2. Invest. In 1995, Carnival’s president established corporate training to enhance guests’ vacation experience by providing employees with innovative and relevant professional development while emphasizing safety and regulatory issues and hospitality. Training also oversees Carnival College of Management for new and mid-level shipboard management. Our senior management is involved in program development, providing input and prioritizing practices. They are typically the first to examine and participate in new programs. They also serve as instructors and advocates for learning by sharing their experience and expertise. Department heads—including captains, chief engineers, and hotel directors—facilitate several key programs, including the Carnival College of Management.

3. Listen. At the directive of our president and senior VP of training, a Carnival’s Crew Comment Card system was established to provide crews with a platform to voice their opinions and offer suggestions. Team members and guests provide feedback on the effectiveness of Carnival’s leadership development—guests via comment cards at the end of the cruise, and crews through bi-annual comment cards.

Based on ratings from these cards, Carnival presents two “EAGLE” awards—one to the top ship for guest service, and the other to the top ship for outstanding work environment, taking into account management, leadership, quality of life, and recreation.

A 10-member quality assurance team comprised of senior managers reviews all comment card results to enhance product quality for guests and the quality of shipboard life for Carnival employees. The QA team visits all 22 Carnival ships, and hosts discussions with all shipboard department heads. A highlight of these visits is Share the Vision, a state-of-the-company presentation open to all shipboard team members to participate in Q&A sessions.

Since LD is vital to our success, we will keep introducing effective LD initiatives into our operations.

ACTION: Sail away in your LD program.
Customer Economy

Get serious about business.

by Michael Hammer

Leaders again must take “mundane” issues like cost, quality, and service seriously, as they can no longer take stock market increases and growth for granted. They must worry whether customers will buy, costs will rise, or competitors will overtake them. They now see that growth has to be created, that most new ideas fail, that resources are always scarce, and that business is not a game for giddy amateurs.

Business is about execution—not just about having the right business model, capturing eyeballs, creating a cool work space. Bereft of inflated stock market evaluations, managers realize that it’s not enough to get the order, you have to fill it; that having an idea for a product does you no good if you can’t develop and deliver it.

The halcyon days of the 1990s were an aberration. Tough times are the norm. In normal times, managers must wrest market share from their competitors, motivate customers to part with scarce cash, earn success instead of having it handed to them, and wake up each morning knowing that yesterday’s accomplishments count for nothing today.

Management is one of the most complex, risky, and uncertain of activity. How could anyone have thought otherwise? If managing were simple, why do most businesses fail? Why do so many new products founder? Why do great companies sustain success for such a short time? Why are leading companies overtaken by upstarts? Why do so many managers struggle to replicate their success when they change companies? Why do so many fall prey to hucksters, fads, and superficial and simplistic remedies?

The challenges of management are extraordinarily difficult. How can a company devise products and services that satisfy customers, and then create and deliver them in a profitable way that satisfies shareholders? How can a company retain customers in the face of new competitors, and respond to new needs without sacrificing its position? How does a company distinguish itself from others with similar offerings and goals, and maintain its success over time? Answering these questions is the management agenda.

Each generation of managers must find its own direction. In recent years, customers have revolted against their suppliers, abandoned companies to whose brands they had been loyal, and embraced generics, house brands, international competitors, and anyone who offered a better deal. Customers stopped tolerating abuse from suppliers who condescended to fill their orders. They refused to accept high prices, low quality, and dreadful service. Instead, customers now instruct their suppliers regarding the prices they will pay, the quality they require, and even when they’ll accept delivery.

Executives of even the most powerful companies now tremble before their independent and demanding customers. They know customers have the power and that they will use it.

Welcome to the customer economy.

How did this customer power arise?

First, scarcity gave way to abundance, as supply overtook and exceeded demand. Advancing technology dramatically increased manufacturing productivity and reduced the costs of entry to and expansion in many industries. Companies expanded capacity to build market share. And globalization led to more competitors pursuing the same customers. This increase in supply inevitably put customers in the driver’s seat. Customers are no longer supplicants for scarce goods; roles have changed, and sellers have become supplicants for scarce buyers.

Customers have become more sophisticated and informed buyers. Customer servitude ended when it became practical for them to take advantage of alternatives. Information technology (including the Internet) enabled them to find and analyze competing products and to make intelligent choices. Customers discovered they had options and the power to exploit them. As both consumers and corporations came under pressure to save money, the inertia of staying with old suppliers became a luxury few could afford. As a result, customers now seek alternatives, compare offers, and hold out for the best option.

Customer power surged as many products became virtual commodities. When technology evolves slowly, products remain different for long periods. Each product has strengths and weaknesses that make it the best choice for some customers and a poor choice for others. Rapid changes in technology shorten product life-cycles. New products soon become obsolete or imitated. Many similar offerings make it difficult to differentiate—and this further empowers customers.

For example, today, some 25 car companies compete for your business. A host of information sources prepare you to bargain with the dealer from a position of knowledge and strength. Now you have the upper hand, and the automakers and dealers know it.

The new customer economy is still gathering steam, as there’s no foreseeable end to increases in global competition, overcapacity, commoditization, customer knowledge, or to the customer power that flows from them.

As the customer economy unfolded, organizations sought managerial innovation, creating and deploying new ways of operating: just-in-time inventory management; TQM and six-sigma quality; cross-functional teams; portfolio management and stage gates in product development; supply chain integration, including vendor-managed inventories and collaborative planning and forecasting; performance-linked compensation; competency profiling in HR; measurement systems based on economic value added or balanced scorecards; customer-supplier partnerships; and business process reengineering.

These innovations were first deployed in industries that felt the brunt of the new customer economy—automobiles, electronics, computers—and then spread to other sectors. Because of these changes, we weathered the first wave of customer ascendancy. Firms that crumbled before the onslaught of demanding customers and tough new competitors used new management methods to claw their way back. Start-up businesses that embodied these principles from the outset outperformed established competitors and experienced meteoric growth.

Management innovations enabled these companies to develop better...
 products quicker, and to manufacture them more reliably and at lower cost. They allowed companies to get more out of their plants, operate with less inventory, reduce waste and errors, fill orders more quickly, and respond with alacrity to customers’ requests. Higher productivity, lower costs, better quality, and improved service were the results, and they translated into payoffs: Customers got better products at lower prices, workers had secure jobs, and shareholders earned higher profits.

In the customer economy, yesterday’s innovation is baseline today and obsolete tomorrow. What was once unimaginable quickly becomes routine, and then expectations are raised higher. It is the nature of customers to constantly demand more—more value for less cost, more innovation, more service. Companies that don’t keep up with their demands are abandoned.

Operating in the customer economy demands more than customer intimacy. Customer power must be reflected in how a company is managed, from how work is done to how people are treated in the boardroom. Higher performance means developing leaders who are more interested in excellence than ego. It takes a total alteration in agenda, attitude, and action. To make the shift, employ three strategies.

1. Customers in the boardroom. Make the customer’s presence come alive in operations. Invite customers to attend meetings normally reserved for employees and to participate in the design of products and services. Get feedback from customers on processes that determine their experience. Leaders need to model listening to customers.

2. Leaders in the customer’s world. When organizations are led by charismatic, demanding or memorable leaders, the focus often turns to compliance, obedience, or obsession with the leader’s way, style and vision. Centering on customers takes leaders who are more interested in excellence than ego. It takes a total alteration in agenda, attitude, and action. To make the shift, employ three strategies.

3. Customers on the dashboard. By giving direction, alteration, maintenance, and early warning, dashboards provide part of the guidance system needed to traverse the marketplace. Whatever is on the dashboard proclaims the priority. If the dashboard is silent regarding customers, employees rightly question its significance. The dashboard encompasses the actions of leaders when tough decisions are required. When leaders take a shortcut that improves the bottom line but hurts service quality, employees learn what really matters.

Customer-centric leaders are not just customer advocates—they are steward of a culture that relentlessly pursues positive experiences for customers. Stewardship means staying the course until new behaviors are imbedded—and remaining vigilant for anything that imperils customer-focus.

When customers spot organizations that operate on their behalf, they reward them with their loyalty and money. Leaders need to keep the spotlight on customers, since they can fire anybody in the company.

ACTION: Translate these principles into realities.
Seduced By Success
Avoid the success-induced traps.

by Robert J. Herbold

In the mid-1990s, Kodak was king of photography with its highly profitable film business. Digital photography was emerging, but Kodak didn’t pay much attention to it. After the technology started to get traction in 1996 via early versions of digital cameras from Japanese manufacturers, Kodak developed and launched a clumsy system called Advantix, a digital camera that required film! Clearly Kodak was thinking defensively, with its goal being to protect its film business. For the next six years, Kodak saw its business decline, and its stock price plummet from $90 to $30.

In 2003, Kodak announced a 72 percent decrease in its dividend and revealed plans to invest $3 billion in digital photography. The stock market read this as too little too late, and the stock price decreased another 14 percent to $24 per share. The outgoing CEO, who had spent his entire career at Kodak, said: “I saw my first digital camera at Kodak 20 years ago. I knew then that we needed to transform the company.” Today Kodak is one of many players in the digital camera business, and is struggling to find a new reason-for-being.

The Painful Lesson

When organizations experience meaningful success, they believe that they are entitled to more success. Managers become complacent and comfortable. What they should be doing is building on all the things they have done well in the past. History is filled with sad stories of once-successful companies that, after reaching the top, could not sustain success. How could GM decline for 30 straight years? How can Sony, who invented portable music with the Walkman, get beat by the iPod developed by a computer company?

Success can be a business vulnerability, destroying the ability to see the need for change and the motivation to creatively attack the status quo. You can become trapped by legacy practices and thinking. These things happen for three reasons: 1) successful organizations tend to lose their sense of urgency; 2) they get proud and protective; and 3) they get an entitlement mentality. They can’t imagine a world where they’re not on top.

Be Proactive

These problems can be avoided. Toyota has prospered for 30 years with its culture of continuous improvement, and Procter & Gamble thrives by finding unarticulated consumer needs.

By being proactive, you can avoid seven dangerous traps: 1) sticking with yesterday’s business model; 2) allowing your products to slip into mediocrity; 3) clinging to branding as it becomes stale and boring; 4) letting your processes get cumbersome and complex; 5) hiring excessively, leading to lack of speed and agility; 6) not confronting poor performers; and 7) not stretching your star employees. Such things signal that you’re being seduced by success!

Observe these seven tips:

Business model: Avoid committees and consensus in developing big, distinctive model advantages. Individuals have big, distinctive ideas; committees and consensus turn big, distinctive ideas into mundane ones.

Product: Charge your top performers to get your products out in front of important technology, industry, and customer trends, and then get out of their way.

Branding: Always be fresh, relevant, and distinctive.

Processes: Continually demand new approaches to “proven” processes, and for each process there should be a czar who is personally accountable to make sure the process is always super lean.

People: You need a top-notch performance appraisal system to spot the stars and confront the bottom 5 to 7 percent, and you need a “key people development program” to continually stretch and grow the future leaders.

Culture: The focus should be on excellence in finding and solving problems and jumping on opportunities, and not on basking in prior glory.

Communications: Every employee should always know where the organization is going and how it is doing.


ACTION: Don’t be seduced by success.

Seek Advantage
Keeping up is a fool’s game.

by Daniel Burrus

Keeping up—with technology or anything in business or life—is a fool’s game. When you keep up, you gain no advantage. You just make yourself like everyone else. You learn who the best are and copy them. By the time you get as good as the best, they’ve moved on to something better—and you’re still far behind.

Benchmarking is just a way of keeping up. When you benchmark, you identify the best practices of others and strive to imitate them. Once you reach the benchmarked standards, the company that set the benchmark has moved on to achieve higher standards.

To gain advantage and stand out, you must set a new standard. Consider these four suggestions.

1. Look to the future. When you plan your future growth, ask three key questions: Where are the successful companies evolving to? What path are my competitors on right now? What’s the logical progression of the industry? Asking these questions enables you to go beyond your competition and get off the treadmill of keeping up. It opens your eyes to future possibilities—to stay ahead of the pack instead of side-by-side with them. Only when you go beyond your competition will you find advantage—and the financial rewards competitive advantage brings.

2. Do what the masses don’t do.

Most businesses do the same thing as their competitors and then wonder why they don’t have the upper hand. Everyone is keeping up, but few people are doing so in a way that produces any real advantage. So, dedicate yourself to finding an advantage and using it. Don’t just copy what the competition does; rather, look at what they’re doing and then do what they don’t do. If you can’t find anything different to do, then determine if there’s a better customer you can go after—one that’s better and different than what everyone else is going after. Can you customize your product or service for the better customer so that the better customer would want what you offer and not what the competitor offers? This process gives you the advantage since

 bumper
Keep Up, Move Ahead

Accept, adapt, accelerate or atrophy.

by Robert L. Dilenschneider

Your profession and industry are likely being turned upside down, and if you deny reality or fail to adapt to technology, you’ll lose your job.

In New York, I eat three times a week with clients at restaurants celebrated for “power lunches” to nurture and sustain professional relationships. Now, during such a meal, some executives hover over laptops, or respond to messages on their Blackberries or cell phones, multitasking during a multi-course meal!

I used to receive 30 to 40 letters a day. Now, I get two letters and a ton of junk mail. Ten years ago, I never thought of “logging on.” Today, I’m glued to some device that transmits my messages 24/7. CEOs used to be in office for at least 10 years; now their tenure is often less than five years. Why? Pressure from investors and Wall Street; Board concern over litigation and direction; and many CEOs simply have not mastered the rapid movement that technology has created.

Keeping up is a requisite for keeping your job and moving ahead. More than 80 percent of the global population lives in the 135 developing (poor) countries among the 193 members of the U.N. That’s 4 billion people out of 6.4 billion. India’s middle class of 400 million—out of a population of one billion plus—is larger than the entire U.S. population. Europe’s population is becoming more nonwhite as African Muslims and other immigrants converge on France, Germany, and Great Britain. And 50 years from now in the U.S., Hispanics will constitute a majority of the population. Most of the next 100 million people in the U.S. will be Latinos. Is your company prepared?

As the Third World melds into the First World, people’s aspirations for a better life rise. Of the 2.3 million people of Indian origin in the United States, 200,000 of them are millionaires. One in four founders of technology and engineering companies started in the U.S. between 1995 and 2005 was born outside this country. Companies started by immigrants employed nearly half a million workers and generated at least $55 billion in revenue in 2006. Our society will undergo even more change. The “have-nots” are watching TV and seeing what they are missing. And they’re not happy. Smart innovators know that even a slight rise in job growth can translate into millions of new consumers.

What happens “out there” deeply affects what happens “in here.” All of us need to accept change, adapt to it, and accelerate our efforts to accomplish our goals.

One of my early mentors was Norman Cousins, editor of the Saturday Review. He was brilliant, sophisticated, kind, humorous and adroit. I learned much from him and was introduced to many important contacts. Some people think that those who work in technology today blithely float toward fortunes and that mentorship is not needed. However, many successful entrepreneurs, such as Google founders Larry Page and Sergey Brin, invariably turned to mentors to guide them.

Technology is just as an enabler. It’s not a substitute for clear thinking. A Blackberry or Treo make it possible to communicate instantly with someone 10,000 miles away, but your message still has to be clear and compelling. Logic, good thinking, solid reasoning, and decent writing still matter—no matter how skilled you become with technology. You need to communicate your thoughts sensibly and pitifully.

I urge you to seek the best publications and broadcast programs. These teach you how to think, organize, express an argument, and observe the evolving world.

Nurture your relationships; don’t wait for life to happen to you. Know when to use snail mail. Answer email within 24 hours. Identify the blogs you should read daily. Make your arguments thoughtful and logical. Think about politics, business, arts, entertainment, sports, and fashion. Seek to understand the social changes. Listen to other people. Be relentless, but have some fun—and do it with style.


ACTION: Keep up with trends and set your own.
In Extremis Leaders

Develop crisis leadership ability.

by Tom Kolditz

The best way to develop crisis leadership abilities is to develop leadership habits similar to those who lead in life-or-death circumstances—in extremis leaders. Learning from military, police, firefighter leaders and extreme sport coaches overcomes reactive qualities. You have to learn from those who are experts at leading in high-threat crises, even if your risks are not of a physical or life-threatening nature.

Eight Lessons to Learn

Here are eight lessons that you can learn from in extremis leaders:

1. **Motivation is most powerful when paired with learning.** Danger motivates, and leaders in dangerous contexts channel that motivation. When leaders have followers who are already motivated by dire threat, tremendous opportunity, or earnest obligation, they should focus everyone’s attention to precursors of learning, such as awareness of the environment, creativity, critical thinking, and outcome analysis. Focus the crisis-motivated crew on breakthrough solutions, seemingly insoluble problems, or unresolved issues. For average leaders, motivation from crisis is a way to make people work harder; for great leaders, it’s a way to help people work smarter.

2. **Sharing risk enhances credibility.** In extremis leaders place more value on taking care of their clients, followers, soldiers, and citizens than they place on their own comfort, personal safety, or wealth. To be the best leader you can be in a high-stakes situation, you’ll gain the most trust and loyalty by demonstrating that risk and reward are distributed fairly and that much of the risk is your own. The willingness to assume personal risk is a behavioral cue that the leader has confidence and is putting as much on the line as the people he or she is leading. People in crisis often make sense of their environment by gauging the reactions of others, especially their leaders.

3. **Your lifestyle reflects what you value to followers.** The unassuming lifestyles led by in extremis leaders like climbing guides, SWAT team chiefs, and Army officers broadcast an important and unmistakable message: “I’m not in this role merely for personal gain.” Business leaders should be justly rewarded in their leadership role with comfortable work and family lifestyles. But as the boss, living with some humility sends a powerful message; it reflects a lack of ego investment and communicates commitment to the organization, establishing a basis for trust and loyalty.

4. **When you develop competence, you develop trust and loyalty.** In dangerous settings, competence is the most important basis for trust and loyalty. Leaders who find that people don’t trust them or are disloyal usually take it personally, almost like a social rebuff. In response, leaders may orchestrate social events like golf, off-site meetings, or other team-building activities. Leader competence is often at the root of loyalty and trust problems, and can’t be fixed with a trip to a rock-climbing school. Competence, trust, and loyalty are intertwined. When leaders demonstrate competence, they are developing trust and loyalty. Most leaders have arrived at their station in life through their own competence, but that becomes lost on others unless the leader’s competence is occasionally revealed by action. Leaders who appropriately showcase their ability give followers a reason for confidence.

5. **Extreme threat reveals the true character of leaders and followers.** How people act when things look bad is an indication of their fundamental relationship with their organization and their leadership. Adversity unifies a strong team and destroys a weak one. Leaders must become adept at reading individuals when the stakes are high, especially when the future appears dim. When your business survives a crisis, take stock on how people performed and behaved. The best predictor of future behavior is past behavior, especially in crisis.

6. **Use the life-altering character of your business to inspire.** You’re not a leader unless people depend on you for purpose, motivation, and direction, especially in dangerous conditions. In research interviews, I asked in extremis leaders, “Can you describe a time when your leadership had a profound impact on the lives of those you led?” One mountain climbing guide said, “People tell me that almost every week.” He was inspired, and so were the people who climbed mountains with him. To use in extremis lessons in business, “Other People’s Money” has to become a proxy for “Other People’s Lives.” Almost any enterprise has an impact on people’s lives, even if the people are simply shareholders, and calling attention to the life-altering impact of a business is an effective way to inspire an otherwise jaded workforce.

7. **Leader effectiveness may be conditional.** Leaders must establish crisis quality credibility and influence daily, before pressure is brought to bear. Crises tend to reveal poor leadership. Unforgiving in extremis conditions prevent leaders and followers from fooling themselves. What is the break point for your organization to decide that things are so bad, that a leader needs to go? Don’t let that break point be a crisis—make the hard calls on your own terms and timeline.

8. **The best leaders want to be leaders.** Leaders in dangerous contexts are virtually all self-selected. In choosing leaders, select people who want to lead, not just advance. Sometimes the allure of the power and rewards associated with being a leader gives rise to people who accept a demanding leadership role without the commitment, experience, skill, or determination. How much of your ability to lead is based on positional authority rather than people’s desire to be on your team and to accomplish common goals?

Assess Your Leadership

Assess your influence. Few leaders can organize people with minimal dependence on HRM tools: remuneration, reward, working conditions, job security, and benefits. Every leader’s goal should be to retain a functional organization through circumstances where those advantages are threatened or nullified by tough times.

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ACTION: Develop your ability to lead in crisis.
Doing More with Less

It’s feasible and financially rewarding.

by George David

I HAVE A SINGLE POINT TO make: we can do more with less. About 90 percent of the energy coming out of the ground is lost or wasted before it becomes useful work. Half of the input energy in central station power plants goes up the stack as waste heat because we can’t move heat effectively any distance. But how about putting the generation on-site and capturing and using the waste heat there. We do this routinely, and energy conversion efficiencies go from 30 to 75 percent for generation and heat capture locally.

Another example is not recapturing input energy into vehicles when they’re braked and stopped. The net energy in this acceleration-deceleration cycle is zero, adjusted only for system inefficiencies and losses. New elevators recapture the energy on descent that was expended on ascent. We build Otis elevators today that use 75 percent less electric energy than comparable equipment in speed and load did a decade ago. A regenerative commercial building high-rise elevator lifts a million pounds a day at an energy cost of $1 an hour!

A third example is heat transfer instead of heat dissipation and generation. Air conditioning systems move heat from one place (inside) to another place (outside). We measure efficiency by Coefficient of Performance (COP)—the amount of energy required to move another amount of energy. The COP of most air conditioning systems is about 4 times (one unit of input is needed to move four units of energy or heat).

How about heating hot water by heat transfer so energy can go down by 75 percent! Paybacks for such systems are just three years at current energy prices.

Massive energy conservation is feasible and comes with attractive financial returns. The common denominator of all we do is to convert energy to useful work. We build fuel-cell powered buses, because the by-products are water, heat, and electricity. Fuel-cell buses are twice as energy efficient as diesel buses, have no emissions, no smell, and very little noise.

The changes proposed here are based on physics: capturing waste heat and using it, capturing the energy of acceleration when decelerating, and heating via heat transfer. The fact that 90 percent of total energy is wasted sizes the huge opportunity for us.

Big goals get big results. In the first half of my 30 years at UTC, I wasn’t sure about big goals. We’d think about incremental gains, a few percent here and there. But in the 1990s, we began to think about bigger goals: three, four and five times, even ten times. The trick is to have the confidence to set these huge goals, to base them on workable theories, and to have a unified agenda and unified team in place long enough to accomplish them. Then to do the same thing again and again.

Productivity is a powerful force. We have a wonderful company—a research powerhouse and market leader with 200,000 employees and worldwide operations. We have tremendous reach, technology, and productivity.

Carrier Corp., a UTC company, will build 10 million units of product this year (up from 3 million units 12 years ago on a work force 11 percent larger). Otis, another UTC company, will install three times more elevators and maintain twice as many as 12 years ago with a work force only 21 percent larger.

Productivity is jumping at 5 to 7 percent per annum. Take out inflation, take out price change, it’s raw, physical volume productivity, units per person. And there’s no end in sight. This is the reason for the strength in our economy.

In 1992, our revenues were $19 billion. They will be $50 billion in 2007. Our work force worldwide was 150,000 people in 1992, and it’s 200,000 today. So 2.5 times the revenue with a work force 25 percent larger. Our market capitalization in 1992 was $6 billion; today it’s $54 billion. Our operating margin has gone from 5 to 14 percent.

Lean manufacturing, Japanese quality methodologies, and big goals did this. Lean manufacturing is process mapping and process re-engineering to convert work that used to be serial or sequential to simultaneous work co-located in manufacturing cells. It is managing linearity or uniformity in the manufacturing process to take the unpredictability out of operations and eliminate the inventories, elapsed time, and waste. Japanese quality methods replace traditional end-of-line inspection with process control at the point of work. They build the confidence of employees making products.

Our environmental gains at UTC have been great, thanks to big goals. Since 1992, our hazardous waste generation in the U.S. has gone down by 84 percent and chemical releases to air by 86 percent. Lost workday incident rate went from four to four-tenths.

This says that 10X can be done—again and again. Gains like this have given UTC shareholders total returns approaching 1,100 percent over a dozen years (about 3X the returns for the Dow Jones Industrial Average and S&P 500).

Our lessons are clear and powerful: First, it’s clarity of organization and alignment among management on what we’re trying to accomplish. We have a solid management team, we work well together, and we agree about our directions and disciplines and know how to make them work. Second is big goals. Big goals get big results; without the goals, you won’t get the results. Third are the methodologies like lean and Japanese quality. All this within a framework of shareholder value and commitments to citizenship.

The way to get past difficulties is to have clear disciplines, set big goals and be tough about making them happen. Productivity can jump in anything we do, and productivity and globalization are the engines for better lives. But they must be tempered with responsible practices. Free trade, free investment flows, and labor mobility are essential to generating productivity and incomes. This equation works. The only requirement on employees is their willingness to rise to the challenges of making themselves better every day. Our world is not about a race to the bottom—it’s a race to the top.


ACTION: Enhance your productivity.
Innovators face five big obstacles.

by Peter Andrews

Whether you’re trying to lead your industry, create a new market, or just do things more efficiently, innovation is difficult. Success begins with knowing what you are trying to achieve, the likely resistance, and planning. Still, five barriers repeatedly show up, but they don’t need to stop your innovation:

1. Inadequate funding. Getting the funds for an innovation often means taking money away from another program. Getting the money at just the right time is also hard, since annual funding cycles don’t match well with real-world opportunities. Many excellent innovations need more than seed money to survive. Broader thinking on needs and resources can help innovators move their ideas along.

Questions to ask include: How far can we get without money? Do we need money? How much? When? What sources are there? Do we have any partners? Who benefits and how?

Possible answers include: Use the resources of informal networks. Call in favors. Simplify the plan to create short-term successes. Do a creative inventory of available fund sources. Don’t build everything from scratch: leverage other work or take advantage of “good enough” substitutes. Enlist those who might realize value as allies. Then sell them on the idea.

2. Risk avoidance. No progress is made without calculated risk-taking. Since innovation is risky, many people habitually look for things that could go wrong. Many classic responses (“We’ve never done this before” or “This failed when we tried it before”) come as a reflex. Once risks are identified, innovation is often stopped. But a clear-eyed view of risks balanced against benefits can create a culture where innovation is nurtured.

Questions to ask include: Do we use standard methods for measuring risks and benefits? Do we use appropriate risk assessment methods? Do we measure the risks of not innovating? Do we measure the benefits?

Possible answers include: Promote effective risk assessment methods. Put the risk of innovation on the right person. Find and develop supporters. Anticipate objections and provide both logical replies and stories that create contexts for ideas. Test on a small scale and create prototypes. Dramatize benefits. Give people reasons to feel safe. Show you take seriously the safety of sponsors, participants and other stakeholders by mitigating their risks.

3. Siloing. Organizations seek to sustain and protect themselves. That’s why they create boundaries, assign responsibilities, and put rules in place. No matter how artificial the divisions and processes are, they are usually defended. Innovations tend to cross boundaries and create new categories. It’s not unusual to see competing claims of ownership and disputes about authority. Deals break down over who will run things and how profits will be divided. So, innovations are killed by groups that don’t see their benefits or get a “fair share” of benefits.

Questions to ask include: Do all stakeholders benefit? Do all know how they will benefit? What are the mission statements of affected organizations? What are their rules? Who are the decision makers? How have innovations been handled in the past?

Possible answers include: Include all major stakeholders in the creation of the innovation and help ensure they are fairly rewarded. Create clear value propositions for all stakeholders. Keep stakeholders aligned and informed. Understand the concerns, interests, and boundaries of different organizations. Know the people involved.

4. Time commitments. Time is scarce. One of management’s jobs is to verify that minutes are productively filled. And while enlightened management will invest some of workers’ on-the-job time in education, experimentation, relationships, personal growth and health, it’s difficult to prove that such investments pay off. But increasing the value and benefits of an innovation will tend to free up time for work on it.

Questions to ask include: Is the innovation worth the time of the people involved? What are the competing claims on time? What is the minimum time each participant must dedicate? What are the milestones? Where is there flexibility in the schedule?

Possible answers include: Do triage on assignment lists. Let others do more of the work. Reallocate benefits so the innovation can compete better for the time of key participants. Create small successes that encourage participants to free up more time.

5. Incorrect measures. Many organizations only measure revenue, profits, and market share. These are easier to quantify than intangibles such as reputation, knowledge, attractiveness to talent, leadership, and other assets that contribute true value. Most innovations are difficult to explain in terms of ROI. Even innovations that have the potential to disrupt or create new markets may suffer by comparison when put up against more pedestrian projects in a budgeting process. By including decision-makers in creating new measures, you avoid the ROI trap.

Questions to ask include: Can we expand our measures of success or have different measures for different investments? Possible answers include: Assess the value of possible measures. Measures that are compelling to all stakeholders can be developed in joint workshops. Enterprises that take a portfolio approach can establish different measures for different investments.

The most effective way to overcome barriers is to discuss with colleagues how they work through problems. Your most valuable asset for innovation is your network. Advice, complaints, mentoring, and “war stories” all strengthen relationships. Working together to solve common problems revitalizes these networks. Working on barriers with your network helps you to realize the potential of your idea.

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ACTION: Overcome barriers to innovation.