

**Leading on the Run:
How to do it right**

“A hallmark of a successful leader is the habit of frequently stepping back from the action and looking calmly at the situation – even in times of intense action.”

Ensuring you see what matters – even on the run

Now remember the reason for this diagnosis. As a leader you must provide purposeful energy, system and focus where these do not otherwise exist. You must be able to see clearly what must be done, and then ensure that others see it too – and do it.

And sometimes as a leader you have little time for thinking: your diagnosis must be quick.

So how to ensure you are always on your toes, ready with fresh eyes, to see the essentials and efficiently influence others to do what needs to be done?

Executives often express this concern. As they practice leadership on the run, they worry that one day they might miss something crucial.

How do good leaders develop this talent? Many interviews with many successful executives over many years have shown that a hallmark of a successful leader is the habit of frequently stepping back from the action and looking calmly at the situation – even in times of intense action.

How to practice diagnosing your situation? The answer is simple but challenging: you need to be able to do two key maneuvers – detach yourself from your own cherished approaches and engage with others who have different viewpoints.

Why detach? Above we mapped out a diagnostic routine that can lead you to make useful choices about where to focus your leadership efforts. Now this works to the degree that we can see what is actually there: not what we want to see, or fear to see. This requires that we put aside the inevitable biases which we build up as we deal with the complexity of every-day life. And remember, the more successful you have been, the more likely you are to believe in the excellence of your existing biases. Or worse, you think that you are bias-free!

So, do you have methods for detaching from your biases for long enough to see what is actually out there? What is the activity that you enjoy that can “spirit you away” from everyday pressures that stop you seeing things for what they actually are? You need time-out so you can see afresh.

Why engage with others? To take further the process of seeing things from new perspectives. Conduct a debate with high conflict, contested values and disagreements about basic assumptions, all contributed by several people with different roles – and incentives.

This kind of group discussion is essential for helping you - and your team - to get a superior diagnosis of the critical challenges that you must deal with. And such debate also helps to generate the necessary mutual understanding that underpins effective implementation of the actions now required – and generates the mutual trust that underpins instant commitment to action when you have to take quick leadership decisions on the run.

And finally – what is your chosen sphere of influence?

As you diagnose your leadership challenges and assess the contributions you might make, keep two principles in mind. First, while leaders must pour great quantities of energy and focus into critical tasks, there are pragmatic limits to what you can do. So, select your priorities against the realities of limited time, resources and pay-offs.

This leads to the second principle. Many of your essential leadership contributions will never be recognized by those who judge, reward and promote you. So decide for yourself: how big is the sphere of influence that you seek; what are those optional acts of leadership into which you will put your efforts?

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Reduced to arbitrary essentials, leaders perform two primary tasks: diagnosis and influential communication. You must be able to see clearly what must be done, and then ensure that others see it too – and do it.

angles, to get a clear comprehensive view of the critical factors, which best prepare you to influence others.

Six key elements of strategy – a framework to ensure fresh and robust perspectives

The framework identifies six key elements of strategy for business success. To be successful, each needs to be working well in itself and all should be mutually supportive. Do not take this framework as the ‘full and final truth’. Instead, adapt it to your situation and you will be better placed to diagnose any situation, decide your priorities and influence others.

Element 1: The business proposition – Why and how can this business successfully make money?

The business proposition is the firm’s theory of how it will make money. It makes clear why customers buy from you and not your rivals, makes clear why they pay the price you charge. Obviously an effective proposition must be based on the firm’s strengths



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To do this effectively, to be a strong leader on the run, you need a robust – but quick – method for diagnosing the critical elements for overall success. Such a method is presented here. In this approach to leadership, you can develop the necessary skills by following a simple discipline. For each element described below, answer for yourself:

- What are my answers to each question? How can I formulate each answer in simple, clear terms to best influence others?
- Where my answers are currently weak, how can I best learn to get better answers? Both short term, so I can provide more effective leadership now; and longer-term, so I can advance to greater levels of responsibility.

This article gives you some key diagnostic tools: a framework with quick checks you can use. It will help you to look from several

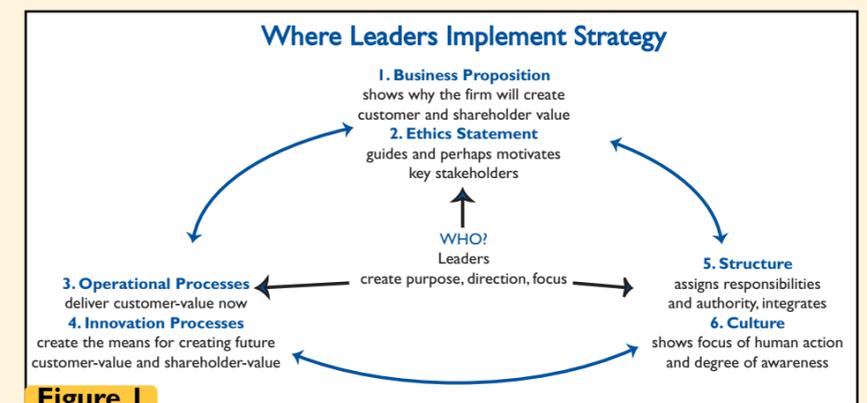


Figure 1



Leading on the Run: How to do it right

“For full commitment to the firm, many employees need to see a wider purpose, something more than ‘simply making money.’”

in relation to its markets. And, it must sustainably deliver the claimed benefits for customers, to ensure required pay-offs to shareholders.

Diagnosis:

- What are the elements, the final products/services – and the operational processes that create these outputs – that are distinctive or even unique and that your competitors cannot easily copy.
- What must be done to sustain these competitive assets?

Leader’s focus: To ensure the firm makes money now and in the future: Whom must you influence? What must they understand and what must they do?

Element 2: The ethics statement – Why and how can this business do more than ‘just make money’?

For full commitment to the firm, many employees need to see a wider purpose, something more than ‘simply making money’. The ethics statement¹ sets out the firm’s desire to do the right things, the great things – its values.

Diagnosis:

To focus, unify and energize action towards the right, great goals, the ethics statement needs to be credible and consistently reinforced by top management. As such, you must communicate in simple terms:

- What is the firm’s ethics statement – how it supports the firm’s business proposition, the way it gets results and makes money.

Now what if the ethics statement is not well known throughout the firm – or if it is ignored, or even an object of derision? What then? What is your role? This brings you to a key challenge in corporate life. For your long-term well-being you will need a durable answer to this one.

Leader’s focus: What are the ethics and values the firm’s people must fully commit to? Whom must you influence to achieve this?

Element 3: Operational processes – How effective are the key activities that enact the business proposition?

Operational processes comprise all activities that are currently performed in making and delivering products/services – i.e. delivering

on the business proposition. Typically, it is here that leaders spend most of their time.

Identify the most critical operational processes in your value chain: the processes that deliver the most customer-value, in terms of differentiation or cost advantage. Identify too the processes that destroy value. What is your role in creating efficiency and effectiveness in these processes?

There are many frameworks for evaluating and managing operational processes (e.g. operations research, TQM, re-engineering, six sigma, etc.). Each method has its distinctive characteristics, but all share the basic idea of diagnosis and intervention directed at efficiency and effectiveness in delivery of products/services.

Diagnosis:

Does your firm have a fully implemented robust system for managing operational performance that addresses:

- Effectiveness – do your critical operational processes fully achieve what is required of them? Specifically, are these processes reliable: do they dependably produce products/services of high and consistent quality that meet customer requirements? Are these processes flexible: can they adapt to produce new products/services to meet new customer requirements?
- Efficiency – are your critical processes lean? Do they optimize the use of assets and other resources, minimize waste and eliminate re-work?

Leader’s focus: What standards and best practices of operational efficiency and effectiveness are required? Whom must you influence – what must they be committed to implementing?

Element 4: Innovation processes – How to ensure that the firm has a long-term wealth-creating future?

Purposeful innovation creates new revenue streams through improved product/service differentiation and/or lower costs. And all innovation relies on two underlying factors – the firm’s ability to free itself from its past, and its ability to convert ideas into new products/services through implementation.

Diagnosis:

Assess where innovation is most needed: In which products/services? In which operational processes?

- Assess the firm’s capabilities in generating ideas for innovation: learning from various external sources of knowledge – the market, competitors, independent research institutions; and demonstrating creativity at individual and small-group levels internally.
- Assess the firm’s capabilities in converting great ideas into products/services that sell: skills in experimenting and prototyping; success in embedding new processes into internal production, marketing, selling and delivery operations².

Leader’s focus: For innovation, what are the critical learning and implementation capabilities that must be put in place? Whom must you influence to achieve this?

Element 5: Structure – How can operational and innovation process activities best be co-ordinated?

The firm’s structure represents an answer to the question: What is the best way to organize the requisite resources, decision making and human effort to pursue the business proposition? There is no definitive answer; any structure leaves some problems unsolved while creating others.

Diagnosis:

At the macro level, the leader must put in place a structural form (e.g. a matrix or divisionalized product structure) which most enables effective decision making and implementation, while creating the fewest negative consequences.

At the micro level, the leader must allocate decision-making responsibility and establish the right degree of specialization, standardization and formalization for each class of activity. What is the right span of control at each level? What form of teamwork is required for integration of effort across diverse activities?

Leader’s focus: Can you sell the rationale for the current structure and show others how to handle the problems not solved by the structure? Whom must you influence – who most needs this help?

Element 6: Culture – What are the reflexive behavior patterns seen every day?

Think of culture as the operating system upon which the software depends. That is, it is the deep, often unnoticed set of assumptions and reflexive responses in the absence of which nothing productive can occur. And if faulty, can render your software – and hardware – ineffective, perhaps useless.

Here we take a very pragmatic approach to culture – the firm’s success depends on people doing what is needed to achieve results within the declared ethical frame.

And in some firms, a substantial proportion of “what is needed” is neither part of specified job roles nor explicitly rewarded by the bonus and promotion systems. So let’s hope there is something in the culture that gets done what needs to be done.

Diagnosis:

There are many ways to assess culture, but here are some practical factors to focus on:

- What behaviors are permissible? What is rewarded/not rewarded/punished?
- What is debatable, what is taboo? More deeply, who decides what is debatable? Specifically:
 - Are people ready to change old ways?
 - Is the conflict inevitably generated by change fully addressed, publicly or privately?
 - What is the attitude to risk-taking? How heavy are penalties for failure?
 - When things go wrong is it: ‘who’s to blame?’ Or: ‘OK that happened, what do we do now?’

As you consider the above points, does your firm’s culture:

- Support the business proposition and the ethics statement? Do people do what needs to be done?
- Support effectiveness in operations and the flexibility required both for innovation and to make the structure work?

Leader’s focus: Where the culture does not serve operational and innovation effectiveness, what destructive or ‘backward looking’ behaviors must you challenge? What more productive behaviors must you champion and exemplify? Whom must you influence to adopt these?

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¹ Often in the form of a “vision” or “mission” statement. Here we use “ethics” statement to distinguish the business proposition from the ethics statement, as the two concepts are sometimes conflated in “vision” statements.

² See D. Leonard-Barton Wellsprings of Knowledge, (1995). Boston: Harvard Business School Press.