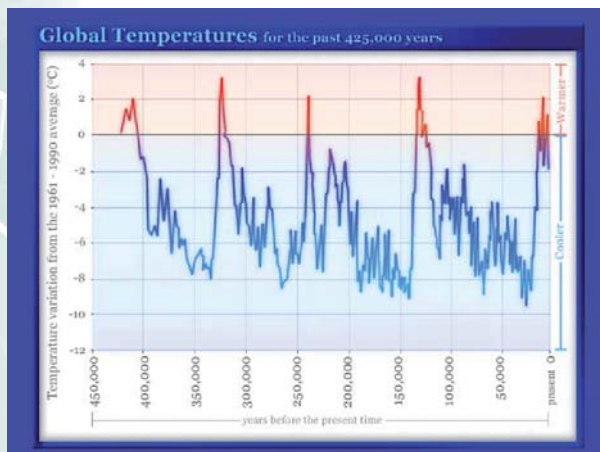


Leading in Tough Times

**Dr Dave Richards,
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There are no highs without lows, ups without downs, or booms without busts. The health of organisms, species and nature itself requires cycles of change. When environments change, something interesting happens. Species come and go based on ability to adapt. From a system perspective, the quality of the gene pool inhabiting the planet depends on this evolutionary process. If environments didn't change, species wouldn't need to evolve, and the strongest wouldn't emerge as winners.



Economic cooling is painful but necessary for the healthy, long term functioning of civilization. Dinosaurs die, replaced by more innovative species. Woolly business models perish, making room on the high street for others with greater clarity about what they're trying to sell, how to market and how to spell customer service.

In boom times, sloppiness thrives. Sit back, crank the organ grinder, the monkey dances and the customers throw money. There isn't much incentive to change. Well guess what folks – change has arrived.

Many are too busy running the railroad to look up and see if the track is headed where they want to go. Even now, they grab a bucket, trying their best to fight fires, managing day to day, struggling to survive. I recently attended a presentation offering

advice on how to survive these tough times. In my view, anyone trying to survive should just pack up and go home.

If your goal is to stay in business, you have no business doing so. Just die. Die gracefully. Make room for younger, more energetic, innovative, entrepreneurial people who will ultimately replace you anyway.

Now isn't time to hide your head in the sand, hoping the storm will go away. Nor is it time to hoard cash. It surely isn't a time to take wild risks, as if there ever was. But it is time for careful investment in innovation and consideration of what strategies will lead to a winning position within the race when the next boom cycle begins.

Let's face it – business is war. All human enterprise is engaged in war of one kind or another, whether against terror, crime, AIDS, famine, poverty or just a friendly fight for world domination. It's fundamentally about competing and winning – which requires strategy and its elements:

Elements of Strategy



Let's start at the top, with mission. Be honest, can you recall your mission statement? Do you have one? If you do, when was the last time you updated it? Is it truly relevant? A good mission statement tells us why we get out of bed in the



morning, why we exist and why anyone, and most especially our customers, should care! If your mission statement doesn't provide a clear, concise and compelling answer to these questions, it is, to use a technical term, crap.

Before you rush off to create a new one, let me implore you not to climb the nearest mountain, grab a chunk of granite and chisel your next, more compelling mission statement, later taking it down to share with your flock. Instead, engage others if you want their buy-in and ownership of mission.

Next, consider vision. Lots of people confuse vision and mission. Don't. Such lack of clarity is the beginning of ineffectual strategy. Vision is your definition of success. What will it look like from the top? What will it feel like when you've won whatever war you're fighting? What will it be like to trounce the competition or to achieve your personal best? Vision defines direction – which mountain you're climbing. Enterprises must be clear about what war or game they're in. They must be clear about the rules and how to win, or they've no chance!

Let's consider values next, but first let's define "value". Economists would have us believe the value of something is whatever someone pays for it. But even free things have value – e.g., love. Value only ever exists, is created, delivered or experienced in relationships – such as with a glass of lemonade, or someone providing it to you.

Why are values important to strategy? Some would argue this "soft stuff" doesn't matter. Tell that to the organisation that spent millions on a change initiative, only to fail because its culture just wouldn't change. Most change initiatives fail because of soft stuff - psychological issues, poor communications, low morale or no motivation to change.

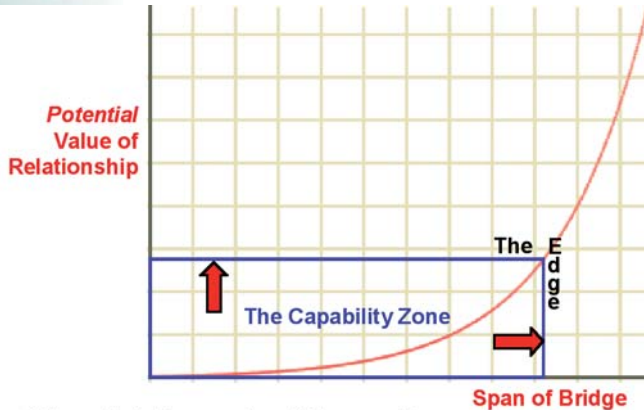
Organisations using strategies not underpinned by values are doomed. They're devoid of purpose. If a company's main aim is to generate return on capital, their existence is about as meaningful as the person heading off to work each morning, singing "I owe, I owe. It's off to work I go!"

Come on folks; there's more to life than money! Thankfully, more and more

Leading in Tough Times continued...

companies are waking up to this simple fact. It's not just about the bottom line. It's about who we are in the world. It's about how we affect the environment, communities we live and work in, people we employ and everyone we touch. It's not just about peddling our product – it's about doing so with integrity and honesty in a way that respects all stakeholders. If all we accomplish is getting money out of someone's pocket into our own, we may succeed once or twice, but not in the long run. Short-term focus on revenue, profit or capital growth is not a sustainable approach. We must instead focus on building long-term value within all relationships that define our enterprise!

If we're not on the edge of our seats, we're probably not going to be in our seats in a few years. If we're not on the edge of ourselves, we're not present to meet others and to create a bridge between us.



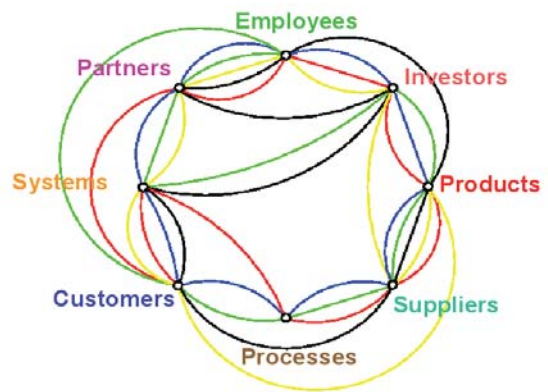
"Diversity is the one true thing we all have in common. Celebrate it every day!"
Unknown Source

Challenging relationships offer great potential for innovation. To build a better mousetrap, you might hire six engineers to come up with ideas. But you'd be better off with a couple of engineers, a musician, marketing person, customer and most especially a mouse. Diversity, creative tension and multidisciplinary collaboration are the keys to breakthrough innovation. Build the long bridges!

Leadership pushes the edges of the capability zone, expanding potential in every

relationship that matters. Driving innovation requires lots of relationships to work effectively, creating win-win value.

Key Relationships



The challenges facing leaders are enormous, but powerful tools, processes and models exist to help formulate successful strategies and engage their organisations to steadily and sustainably build the value in all of the relationships that define every human enterprise.

Ubuntu is a Zulu word meaning "I am who I am because of those around me". In other words, we are defined by our relationships. Recognising that relationships are essential underlies the shift away from command-and-control leadership ethos. Instead of sitting in the throne on top, the new leader stands at the bottom, embracing and supporting the entire organisation and infusing it with leadership.

Successful leaders put the needs of others first. Lots of people have written about new leadership, using terms such as tribal storyteller, visionary, authenticity, emotional and partnering intelligence, change wizardry, landscape architecture and self-actualisation. Successful leaders create synchronicity and "luck".

The new paradigm recognises leading organisations require leadership throughout. Every level, function and person is empowered and encouraged to lead.

The New Leadership Paradigm



- Level 5 Leadership
- The 5th Discipline
- Tribal Storyteller
- Builder of Partnerships
- Landscape Architect
- Place Shaper
- Authentic / Self-Actualised
- Synchroniser

“Good is the enemy of great!”

Jim Collins, Consultant

Leadership starts at the top, or bottom, with an inspired and inspiring plan and recognition that something must change. Leadership as change agency embraces the imperative to make a difference - to change the world. But that's only the beginning.

Changing the world means changing the organisation and the people who comprise it – their individual and collective psychology. Thus again, we return to the point that leadership of an enterprise is about creating a culture of innovation – a focus on creating value in all relationships that matter to strategic success. Recognising this, specific measurable goals and plans are required to drive in the right direction, to engage in the walk up the mountain, aware that the specific path may have to change and enjoying the journey!

In conclusion, healthy organisms, organisations and the global economic system require cycles of growth and decline. Some cells need to die from time to time for the collective to live a healthy, productive life. You can't have highs without lows. One person's loss is another's gain. My loss of equity in the property market means the bottom rung of the housing ladder is more accessible to my five children, other than through inheritance.

The bottom line is “when the going gets tough, the tough get going” (Joe Kennedy, 44th US Ambassador to the UK – during

WW II). Let's not just survive. Let's thrive! Let's recognise that half the battle is our own psychology and the other half is the psychology of others. It's a matter of attitude, belief, confidence – followed up by rigorous planning, and diligent action. So come on, let's lead our way out of this. In the words of Barack Obama, 44th US President: “Yes we can!”

Dr David Richards

“Dr. Dave” is a successful leader, executive, entrepreneur, consultant and academic with a wealth of multinational experience devising and implementing successful strategies. He consults internationally on strategy, leadership, marketing and innovation – and teaches at Bournemouth University's Business School. He also serves as a non-executive director of the Dorset Chamber of Commerce & Industry and as a co-founding lifetime member of the MIT Innovation Lab. Previously he held various leadership positions with global companies including Oracle, Nortel Networks and Bell-Northern Research. His PhD from the University of Toronto is in Psychology and Neurophysiology. He is writing a book on leadership, strategy, innovation, relationships and value.

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