

REAL Leadership for a New Future

Creating a Unique Value Advantage



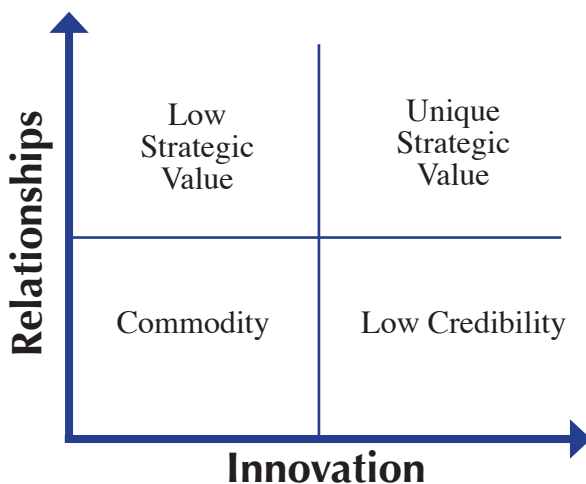
GREATEST TOTAL VALUE

What is Your Greatest Total Value?

For the first time in history, the immediate future is hidden in a dense fog of unpredictable combinations of changing forces. Business models, strategies, markets, products and services are under constant threat by powerful erratic economic forces, market disruption, social change and converging technologies. If leaders do not act, they will be acted upon.

At the same time, our age is one of unprecedented opportunities. Barriers to entry evaporate when revolutionary approaches to meeting needs are conceived and executed. In virtually all industries, companies that dominate do so by being significantly different than their competitors. Radical innovation can dissolve costs (Dell) or create entirely new categories of commerce (eBay).

Today value is primarily created by intangibles; innovation and relationships. Tangible assets are easy to quantify and rearrange on a financial statement. But they are typically not the source of driving growth. Innovation that matters always takes place in two dimensions.



Most companies do not have a systematic process to drive new value and growth. For leaders to seize the opportunities presented by our new future, it requires nothing less than a commitment to create the Greatest Total Value for all stakeholders.

Phases

1 Developing Wisdom

2 Leadership Integrity

3 Envision

4 Enroll

5 Execute

LEADERSHIP

Leadership for a New Future

Greatest Total Value is the growth engine of 21st Century enterprise. It requires an organization mindset to create unique value for all stakeholders in an ever escalating upward spiral. It demands that leaders implement escalating strategies and establish reputations that solve significant human problems or uniquely enhance our quality of life. Greatest Total Value thinking also requires integrating social responsibility, environmental sustainability and human-centered values as a way of increasing margin and market dominance.

The age of one-dimensional strategies is quickly fading. Companies thrive because they are different and increasingly because they are thinking about the future in different ways.



PHASE 1 Developing Wisdom

Organizations stuck in a zone of performance that wish to break out will need to do some things differently. New capabilities are required to achieve significantly greater success. This is not easy. A leading authority on the subject, David Nutt, PhD of Ohio State University, reports that at least 50% of business decisions are wrong. They do not produce desired results. This creates frustration, expense, waste and loss of confidence. Focusing energy and resources on things that matter requires a clear picture of reality. Most leaders are flying blind. They may be aware of what they can see while often what they do not see has greater impact on their success.

For business, in the 21st century, it is essential to have a continual grasp of reality in four dimensions: analytic, extrinsic, intrinsic and personal bias. This is the basis of Leadership Wisdom. (SWOT analysis typically only deals with two dimensions - Common Knowledge.) The facts and forces in those dimensions are greater than those listed. Some are more important than others. In order to see what must be seen, leaders need to make sure they have an accurate visceral as well as intellectual understanding of their total reality. It must be vivid, complete and up-to-date as possible. It is only in the context of “what is” that the content of “what to do” can be discerned.

Leadership Wisdom

ANALYTIC Data	EXTRINSIC Reality	INTRINSIC Motives
Products/Services Pricing/Costs Financial Performance Market Size/Conditions Competition Supply Chain Marketing Channels Cost of Capital Industry Benchmarks Etc.	Core Competencies Competitive Advantages Leadership, Mgmt. Employee Talent Social, Technological Economic Trends Customer Satisfaction Indirect Competition Strategic Velocity Etc.	Vision Leadership Brand Identity Culture Morale Brand Awareness Strategic Relationships Loyalty Values Taboos Communication Vitality Innovation Capacity Etc.
Leadership Judgment (Personal Bias)		
<i>Does this information help me succeed?</i>	<i>What are the risks, rewards?</i>	<i>Is this what I really want?</i>

Phase 1 Process

1 Gather all known data from existing sources in a leadership briefing. Underlying assumptions must be questioned. Opinions separated from fact.

2 Surveys, focus groups and structured interviews will fill in data gaps.

3 All the data is integrated, reviewed, “scrubbed” and validated.

4 Leadership Retreat: Search for the implications and strategic direction.

5 Establish a Leadership Strategy Team (LST) to guide this entire process. CEO must be a key team member. The team must meet twice monthly (in person, video conference or tele-conference acceptable.)

Desired Outcome:

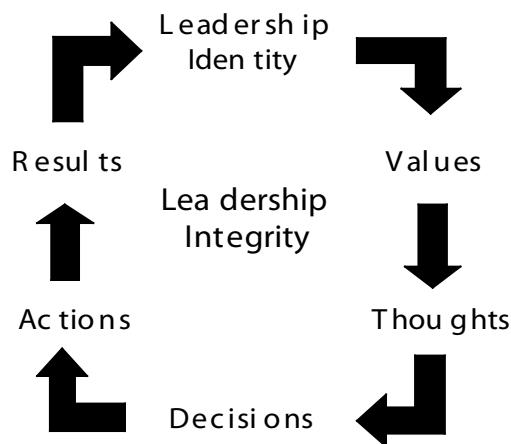
Find a Strategic Path to Breakthrough Success

PHASE 2 Leadership Integrity

Companies with strong leadership integrity are valued over those that don't stand for something. Research done by Provant Consulting confirms that public companies with a strong "leadership brand" enjoy a stock price premium over those that don't. A leadership brand is different from a consumer brand. It is literally what you are famous for as a leader. Companies with strong leadership integrity constantly communicate what they value and how they make decisions. This generates respect.

Under Jack Welch, everyone knew G.E. would ruthlessly pursue shareholder value. He stood for financial and leadership discipline. Johnson and Johnson is famous for quality and integrity.

There is no right brand of leadership, but being clear on what your brand is creates a strong corporate culture that results in employees, customers, suppliers and investors being confident in your priorities. Leadership Integrity means you have clear priorities on how decisions are made, who is chosen for leadership, what initiatives get resources and how results are measured and rewarded. Leadership integrity cannot be made out of thin air. It must represent your true priorities and values. Your integrity must be strategic. It must lead people to make more consistently wise decisions to achieve results. It must be unambiguous and come into play most prominently in crisis. Companies with strong leadership integrity have strong cultures and are usually industry leaders.



Phase 2 Process

1 Leadership brand audit. What do your competitors, suppliers, customers and employees say your brand is? How do you set priorities, make decisions and take action? What are your leadership brand attributes that are strategic? What are your demonstrated strengths that matter?

2 Online Leadership I.D. interactive session with leaders and managers to establish strategic leadership strengths.

3 Leadership retreat: Recognizing your strategic leadership brand. How to translate your leadership brand into a strategic culture.

Desired Outcome:

Establish a Clear Leadership Brand Identity

PHASE 3

Envision Your Unique Value Advantage

A business vision must have a *vision-logic* that captures the motivations of employees, customers and investors to have any value. A vision is just that. It is a mental picture of a highly desirable future. It is more than a goal and is not a set of metrics. It powerfully presents your unique advantage; what makes you best and different from all others.

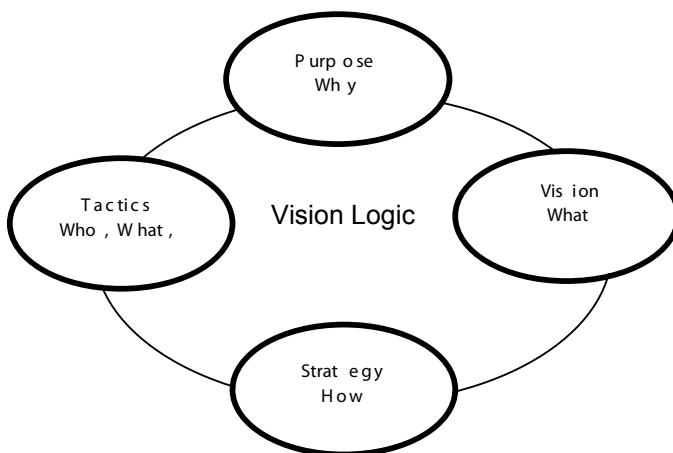
Uniqueness is essential. Virtually all market leaders enjoy margin advantages, higher growth rates, and greater loyalty because they are different in at least two ways that matter.

Innovation to eliminate costs combined with new sources of unique value are the basis of vision-logic.

Powerful visions are communicated by a Vision Story that links the past, present and future together in a way that captures people's imagination. Real vision creates hope and generates optimism by openly articulating previously taboo subjects that were holding the company back. Visions are emotional, strategy is rational, tactics are practical – together they form a leadership agenda that is the basis of leadership credibility.

It focuses the organization on its unique value. It establishes priorities and accountability. It is essential to success.

VisionStory



Phase 3 Process

One day envisioning session with top 100 people or 10% of top management. A.M. Presentation of current reality, futurist scenarios, customer presentations, important social, technology and economic trends. P.M. Electronic brainstorming in which entire group contributes vision elements, key success factors, major barriers and blue sky vision.

Two-day retreat for group of 21 executives and internal thought leaders. Day One: Vision story development. "What is the ideal company 5 years from now and how did we get there?" What is the customer experience: employee, investor experience?" Key success factors, "What's missing?" Day Two: Translating vision ideas into a story. Group of 21 is broken into 3 teams who screen write a video production of the vision story. Teams compete and synthesize best story elements.

Finished vision story and leadership agenda is presented to the group of 100 for feedback. Clear unique value advantage translated into written and video.

Desired Outcome:

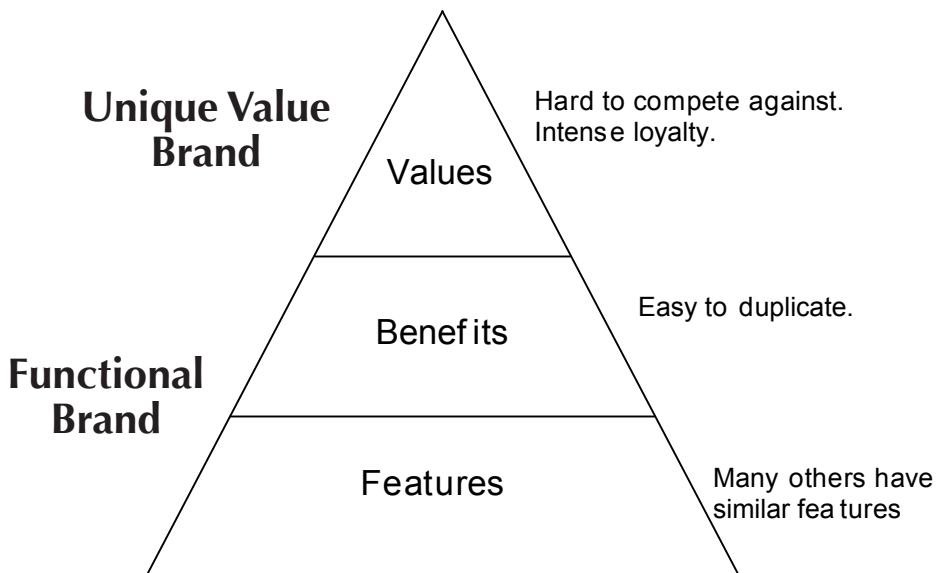
Vision Story for All Stakeholders

PHASE 4

Enroll

Your vision story will strengthen or re-establish your company's brand identity. It will be based on your Unique Value Advantage that motivates individuals to identify with your brand values and message.

Unique Value Brands (e.g. Disney, eBay, Southwest Airlines, Apple Computer) generate strong emotional ties. People identify themselves partially through their allegiance to a branded company and its products. If a Unique Value Brand went out of business, people would demonstrate in the streets. Functional brands are well known but have little emotional loyalty. (e.g. World-Com, Universal Studios, United Airlines) When a functional brand goes bankrupt people yawn. Unique Value Brands are built by providing resolution to seemingly conflicting ideals. This is important. The promise of resolving value tension creates high emotional identification. Organizations that are able to balance and integrate competing ideals are highly personally valued.



Phase 4 Process

Establish a Unique Value Branding Team to bring together public relations, advertising, marketing, sales, H.R. and executive leadership.

Survey, focus groups and interviews with employees and customers about your current brand attributes. Identify critical competing ideals that you help resolve. Develop a simple brand message.

Align internal and external media and communication process with message.

Launch Strategic Communications Plan

Vision Story Premier – a finished 15-30 minute Vision Story video is shown at a formal dinner that can include a group of 100 key customers, suppliers and investors.

Desired Outcome:

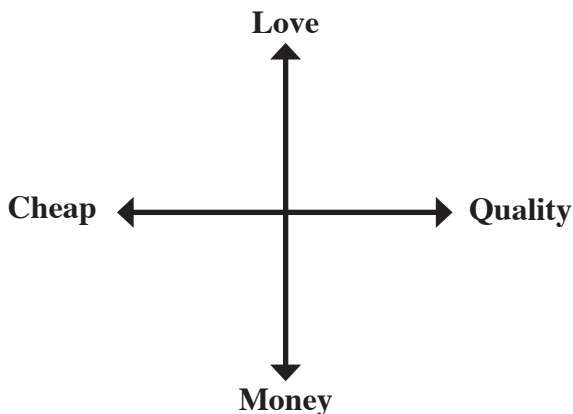
Establish Your Unique Value Brand Message

EXAMPLE

Unique Value Brand Example

Southwest Airlines

Herb Kelleher redefined quality as convenient, reliable and easy. He openly espouses love for his employees but holds them accountable for working hard so they all make money. (United, Delta, American don't show up on this chart.)

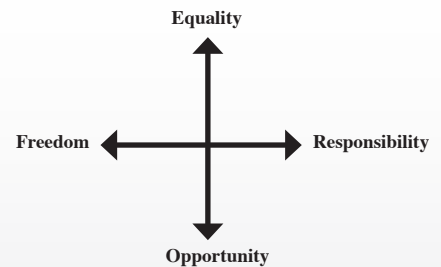


Enrolling means establishing a Unique Value Brand that emotionally engages your stakeholders. Your Unique Value Brand is supported by your leadership brand, which tells everyone how you are going to make good on your Unique Value Brand promise.

Herb Kelleher's Leadership Brand is to be loving and demanding. He uses these leadership values to achieve his Unique Value Brand promise of cheap, quality, love (happy employees and customers) and making money. Southwest has never had employee layoffs and they have never lost money. A Unique Value Brand matters. Southwest's market value is greater than all of the other big six airlines combined.

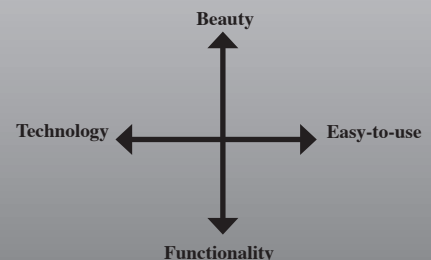
Enrolling requires a coordinated strategic communications plan that combines public relations, advertising, website content, live road shows, employee education, Intranet News, broadcast voicemails – all high tech and high touch tools. Every employee should have a copy of your vision story videotape to show family and friends. To be enrolled means that your employees, your customers and investors see your vision, feel your purpose and have confidence in your competence (which is your Leadership Brand).

EXAMPLES



Unique Value Brand Example: United States of America

The USA's great ideal is to balance these four forces (as well as others) for the greatest good. Each quadrant represents a place on the American political spectrum. The upper right, equality – responsibility, represents ideals of liberals. The lower left freedom – opportunity are more conservative values. Popular national leaders tend to represent the center. The power of the USA brand is that it offers a solution to the natural tension of these forces.



Unique Value Brand Example: Apple Computer

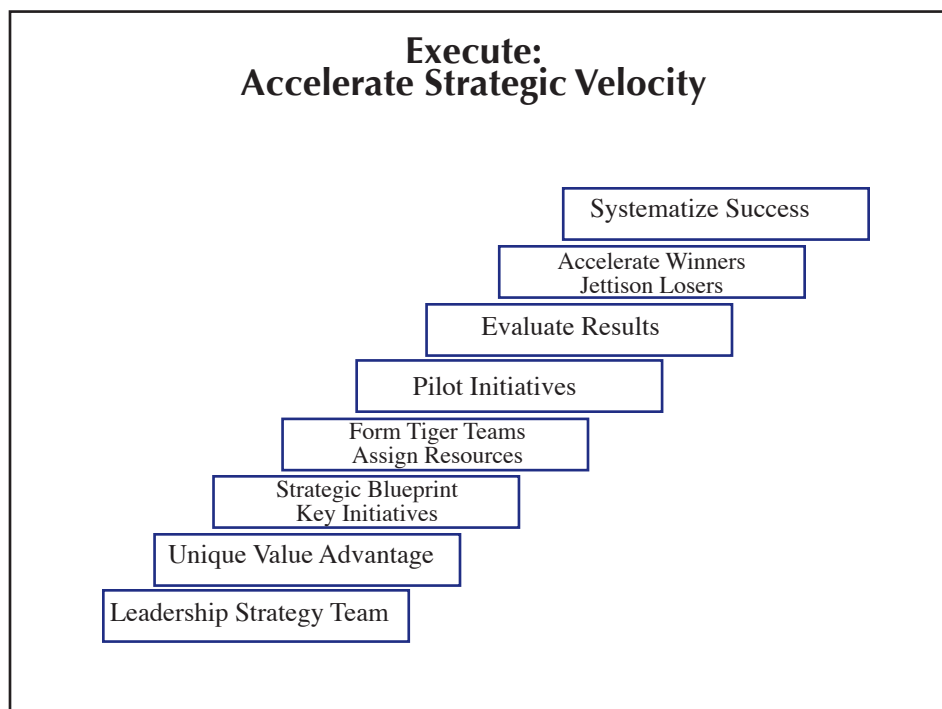
While a PC may represent the lower left, Apple offers more emotional rewards. Its infinitesimal market share is overshadowed by its amazing influence.

PHASE 5

Execute

Unique Value Advantage is only attained by over investing in some activities and eliminating others. Resources must be laser focused on what creates value that matters. Timely, urgent and consistent execution generates high strategic velocity. The faster you implement an aligned strategy, the more positive results are amplified. Most companies suffer from implementation constipation. Decisions are often too slow, too watered down or too under-supported to be successful. As new initiatives fail to deliver immediate spectacular results, the internal forces of cynicism, strangle progress. In order to execute, new initiatives must be led and sponsored by senior management. Your best people must be assigned and given time and resources to succeed or you will simply fail. This is not the way new ideas are typically fostered in organizations. New initiatives are often given to people who are available rather than competent. Financial and resource support are often minimal. New ideas then fail to have an impact and soon the enterprise is mired in incremental success strategies that lead nowhere.

Success requires a different but proven process.



Phase 5 Process

The Leadership Strategy Team must be directly involved in strategic execution of new initiatives.

Establish systematic innovation that identifies big areas ripe for growth or cost reduction. Innovative ideas should be solicited externally (suppliers and customers) as well as internally. Quantum knowledge is foundational. The most promising ideas are presented to the LST. Decisions to take ideas to testing are made quickly. Successful tests result in strategic initiatives for growth or cost elimination.

The LST's primary role is to establish priorities, assign talented people in key roles and provide needed resources. The LST will commission "tiger teams" focused on key strategic initiatives, which have specific accountability to achieve milestones in no more than 90-day increments. At the appropriate time, the LST will integrate the initiative into the full corporate strategy to "scale" success.

Desired Outcome:

Execute the Vision Story.
Make good on the Unique Value Brand promise.
Increase strategic velocity.
Impact key business results.

CONCLUSION

Conclusion

This entire process is based on years of observing piecemeal approaches trying to achieve huge new successes. However, most change efforts fail. Great companies get better results than most others because they do things differently. The process begins with expanding your wisdom, establishing your leadership integrity, envisioning a vastly better future driven by a rational VisionStory. Stakeholders are enrolled in your vision and support your strategy because you are providing value in a confusing world. Focus and discipline are the foundation of execution, which begins at once.

Extraordinary Results in Challenging Times
Require **Extraordinary Leadership.**