

# Leadership Strategies®

The Tools to Help You Lead Effectively

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## ■ COMMUNICATION

### Listen to more than words

John Chambers, CEO of Cisco Systems, describes himself as a *voice person*. It's a lot easier to understand what employees or customers are saying when they describe the problem in their own words, he explains. And he can listen for the emotion behind the words as well.

Of course, Chambers relies on e-mail to communicate. After all, he heads up one of the world's leading technology companies. He appreciates how e-mail lets him quickly disseminate a personal message to a large group.

However, there is no substitute for face-to-face communication. Yet that kind of personal interaction can be difficult to maintain in a company as large as Cisco, so Chambers has adopted a communication strategy that employs the principles of direct communication—without being so direct.

Chambers creates about 15 videos each quarter in a company studio for

employees to watch on their computers. "This way, they get to hear not just what I'm trying to tell them, but also to see how I'm saying it," says Chambers, who realizes that intonation and body language are critical to communicating a message effectively.

And to make sure the communication goes two ways—that he receives face-to-face feedback as accurately and efficiently as possible—he hosts a monthly "birthday breakfast." Anyone at Cisco born in a given month can come to a conference room and quiz him in person—meetings that often last for more than an hour.

"It's how I keep my finger on the pulse of what's working and what's not," he says. "It can be brutal, but it's my most enjoyable session."

— Adapted from "Lights! Camera! Cue the CEO!," Adam Lashinsky, *Fortune*, www.fortune.com.

## ■ HIRING AND RETENTION

### Learn from your past

Today he is the president and CEO of Frederic's Aveda beauty products company, but Frederic Holzberger says his leadership philosophy is based on years he spent paying dues at low-wage jobs.

He hauled garbage, delivered newspapers and chopped onions for Coney Dogs. "My family had to work very hard just to survive," he recalls. Nevertheless, those experiences made him a better leader, he believes, for he learned the importance of treating employees well.

When it comes to a leadership philosophy, Holzberger has four rules:

- Never ask an employee to do something you wouldn't do yourself.
- People don't join a company;

they buy into it.

- If you create an environment that is friendly to your customers, your employees and your business partners, they will want to come to work.

- If you take care of your employees, they will take care of your customers.

"Business isn't just about making your quarterly profits," Holzberger says. "It's about going deeper and deeper with people, with your customers and with your environment."

**Leadership lesson:** Remember what impressed you about leaders from your past. Chances are that the same things will work for the people you lead today.

— Adapted from *Guts!*, Kevin & Jackie Freiberg, Currency, www.freibergs.com.

## ■ COMMUNICATION

## Praise must be real

Let's face it, there are too many "atta-boy" leaders passing out insincere compliments, says business leader and management expert Aubrey Daniels, author of the classic *Bringing Out the Best in People*.

"Resist the temptation to make gratuitous remarks about how everyone did their part and pulled together," he warns. "Unless you know this for a fact, these comments can destroy your credibility and create ill feelings among team members."

To avoid that mistake, be proactive in maintaining contact with your team as they make progress toward an

accomplishment. "Regular interactions will mean not only that you know more about what is going on, but your contact will indicate your interest in the importance of what team members are doing. This alone will provide reinforcement for the ongoing effort."

**Leadership lesson:** Be generous with praise, but make sure it's warranted.

— Adapted from *Measure of a Leader*, Aubrey Daniels and James Daniels, Performance Management Publications, www.measureofaleader.com.

## ■ EFFECTIVE MANAGEMENT

## Show your commitment to learning

Jim McNerney, CEO of 3M, believes in the power of learning as a pathway to change. So when 3M set out to upgrade its training programs, McNerney made sure he invested heavily in that process.

First, he put together a team of people he considered "extremely competent about learning processes," says Al Vicere, executive education professor of strategic leadership at Penn State University, who helped manage the program.

Second, McNerney demonstrated genuine commitment by spending his personal time digging into the details

of the project—looking at alternatives and generating ideas for ways to do it better—says Vicere.

"He didn't want to just be briefed," he explains. The teams in charge of designing the training program were in constant contact with McNerney. And he engaged them in an active process in return, Vicere remembers.

**Leadership lesson:** Thanks to McNerney's leadership, the team turned the learning process into a platform for change.

— Adapted from *The Six Disciplines of Breakthrough Learning*, Calhoun Wick et al, Pfeiffer, www.pfeiffer.com.

## ■ LESSONS IN LEADERSHIP

## Building a lean, mean power center

For most leaders, decentralization is a largely unmet goal because the desire to establish a strong power center is overwhelming. However, keeping a tight rein on power is not always the best way to lead.

Look at Graham Mackay, chief executive of SABMiller. He oversees one of the world's largest beer empires, but unlike bosses at other global groups, he hasn't centralized the operation. At the head office, for example, there is hardly anyone there: just three floors and a staff of 30.

Mackay believes in pushing upper

managers out into regions and countries. His philosophy developed naturally, he says, because of the company's origins in South Africa, where telecommunications and transportation lagged behind.

Also key to his decentralized approach is his style of management. Mackay never issues commands. Instead, he focuses on persuasion—or "force of reason" as one executive calls it.

— Adapted from "The MT Interview: Graham Mackay," Andrew Davidson, www.clickmt.com.

## ■ TEAM BUILDING

## Assess people with real-life tests

If you want to know how people will react to a situation, don't ask them. Test them.

"Put them in the middle of a [difficult situation] and watch what happens," says Jeanene Higgins, human resources director for Ameristar Casinos Inc.

**Example:** She advises her company's managers to take job candidates on the floor of one of the casinos. "We'll send them out on the floor and give them an assignment," she explains. "We'll tell them 'That guest looks lost, go help him.' And then we can assess how they handle that situation."

**Leadership lesson:** There is no substitute for seeing how people will really react in a situation as opposed to how they say they would react.

— Adapted from *Satisfaction: How Every Great Company Listens to the Voice of the Customer*, Chris Denove and James Power, Portfolio, www.penguin.com.

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## PROFESSIONAL SUCCESS

### Be certain before raising doubt

An eternal optimist can look silly if something goes horribly awry, but it is more damaging for an executive to be pegged as a pessimist. Striking the right balance is critical, says Donna Morea, president of CGI-AMS.

She looks carefully at how her executives deal with doubt and then assesses their ability to move up the ranks. "I think the way [leaders] express doubt is very important," she says. "It requires thoughtfulness and finesse ... because everyone is looking to you to lead."

Leaders with worries have to understand that their doubts tend to be magnified in the eyes of those around them, she says. "The art is to acknowl-

edge challenges and weaknesses, but always in the context of constructive solution-building," Morea says.

Good senior leaders don't fall prey to just blowing off steam—something they may have done as a lower-level manager, she adds. They have to be careful to avoid the trap of worrying aloud about things that *might* go wrong. If they don't, "they risk leaving the impression that things are far worse than they really are."

A better approach, she says, is to acknowledge a problem, "and have a plan to quickly address it."

— Adapted from *The Next Level*, Scott Elbin, Davies-Black, www.daviesblack.com.

## PROFESSIONAL SUCCESS

### Distance can be deadly

Aloof leaders can sometimes find themselves in a precarious position. Consider John Birt, director general of the BBC.

Although he dutifully visited BBC offices and checked in with department heads across the operation, he always came dressed in a pressed Armani suit and spoke only to those in charge. So when he announced a radical reorganization of the BBC, it came as a complete surprise to almost everyone in the organization.

No wonder employees rebelled against the plan. The irony was that outsiders generally agreed that the reorganization would better position the BBC in a changing marketplace.

**Leadership lesson:** In the end, Birt's desire to distance himself from average employees weakened his organization's potential for growth.

— Adapted from *Why Should Anyone Be Led By You?*, Rob Goffee and Gareth Jones, Harvard Business School Press, www.hbsp.org.

## LESSONS IN LEADERSHIP

### A hard taskmaster at HP

By early 2006, the stamp of Hewlett-Packard's new CEO was clearly in evidence. The operational, managerial and cultural changes Mark Hurd initiated shortly after taking the helm in the spring of 2005 had resulted in double-digit increases in earnings. His successes began to rack up:

- Hurd's sales reorganization had increased the company's "attach rate," meaning more customers were buying a suite of HP products instead of just one.

- He had also reversed the com-

pany's move toward direct sales, reestablishing relationships with large distributors and resellers.

- Hurd gave managers more decision-making power but also held them accountable for results.

- Finally, not only was Hurd undertaking detailed quarterly reviews of the company's four major divisions, he also began focusing on specific products.

— Adapted from "HP Makes Like Lazarus," Peter Burrows, *BusinessWeek Online*, www.businessweek.com.

## STRATEGY

### Decisiveness wins

When it comes to persuading others to see your side, former U.S. Trade Representative Charlene Barshefsky knows from experience that you need to have a handle on what you want, first.

"This sounds self-evident, but you'd be surprised by how many people don't actually know what they want with the kind of precision that a negotiation demands," she says.

However, being clear about your goals is only half the battle. Effective leaders also must understand what motivates the people they are hoping to persuade, she says. Her advice: "Watch carefully, listen carefully and talk less."

And do try seeing the situation from other people's perspective. A little empathy will go a long way.

— Adapted from *3D Negotiation*, David Lax & James Sebenius, Harvard Business School Press, www.hbsp.harvard.edu.

## HIRING AND RETENTION

### Inspire employees with sincerity

Savvy leaders like Wal-Mart's legendary founder and CEO Sam Walton know that people hunger for attention and recognition. When Walton visited stores, his down-to-earth demeanor made employees feel that he was genuinely interested in what they had to say.

Often, they'd eagerly greet him with a handshake and strike up a conversation and Walton encouraged the camaraderie. In fact, upon arriving at a store, he would frequently pull associates together and talk with them about their ideas concerning the future of the company. Then before he left, he always led a Wal-Mart cheer.

Walton believed that employees needed to see him in action so they'd never doubt his commitment to their success or his sincerity.

— Adapted From *What I Learned from Sam Walton*, Michael Bergdahl, Wiley, www.wiley.com.

## QuickThinking

### Hone your hiring

Microsoft's Director of Recruiting David Pritchard likes to remind himself and other leaders at his company that "the best thing we can do for our competitors is hire poorly."

If we hire "a bunch of bozos, it will hurt us, because it takes time to get rid of them," he explains. "They start infiltrating the organization, and then they themselves start hiring people of lower quality."

— Adapted from *How Would You Move Mount Fuji?*, William Poundstone, Little Brown, www.littlebrown.com.

### Adapt your skills

Marine Col. Robert Lee had never secured a merchant ship from enemy forces before. Yet that was the order he received.

His solution? Lee relied on a skill he knew—how to take a building—and adapted it for the new situation. He visualized the ship as a building and led his men to take control of it one floor at a time, starting from the top deck.

— Adapted from *The Leader's Mentor*, Ian Jackman, Editor, Random House Reference, www.randomwords.com.

### Know your moment

Winston Churchill once remarked that for every person, "there comes in his lifetime that special moment when he is tapped on the shoulder and offered the chance to do a very special thing."

The challenge for leaders is having the vision to see that moment when it comes. "What a tragedy if that moment finds him unprepared or unqualified for the work which would be his finest hour," said Churchill.

— Adapted from *Monday Morning Mentoring*, David Cottrell, Collins, www.harpercollins.com.

## TEAM BUILDING

### Overcome mistrust between senior execs

When Myles Ruck took over as CEO of Liberty Life of Johannesburg, he faced the onerous task of creating a leadership team to help him restructure the business—trimming the number of divisions from five to two.

After looking at the behavior of various senior executives, Ruck decided he did not like what he saw. There was considerable mistrust between the divisions and a silo-based environment with little evidence of teamwork.

"They needed to move from thinking about what was good for their division to thinking about what was good for the whole business," Ruck says.

So he asked human resources expert Kets de Vries to convene an exhaustive, two-day conference designed to uncover the executives' strengths and weaknesses. De Vries divided the conference into two sessions:

- **Obtaining feedback.** Executives were asked to respond to a questionnaire measuring their leadership and

personality traits. "Observers" from each participant's work group also were asked to fill out questionnaires and recommend ways for the executives to be more effective.

- **Discussing the feedback.** The executives met as a group to discuss the characteristics of effective leadership and high-performance teams.

At that time, a leadership coach presented executives with feedback from the first session. Next, the group discussed each individual's personal feedback, helping the person to develop one or more goals for

a personal development plan.

De Vries says that group dynamics helped clarify team members' different roles and highlight the impact of their various leadership styles. De Vries also insisted on a follow-up session a few months later to review what the executives had accomplished and how well they had met their objectives. "That is essential to successful change," he says.

— Adapted from "Be a Team Coach," *Hindustan Times*, www.hindustantimes.com.

**Follow-up  
is essential  
for successful  
change.**

## STRATEGY

### Take time to reshape the law

In today's complex business environment, leaders need to do more than focus singularly on building their businesses. They have to assume a leadership role in reshaping the regulatory environment, says Bernie Marcus, legendary co-founder of The Home Depot.

Why? Marcus believes he could never have built his hardware giant in today's regulatory environment. "If you're a public company today, you have to be surrounded with lawyers, and you can't make a decision without a lawyer on one side of you and an accountant on the other side," he says.

"The worst thing I could imagine is to be the CEO of a pharmaceutical company today," he adds. "I don't think that Jonas Salk could have developed

the polio vaccine in today's legal environment."

That's why Marcus worked with other business leaders, including Steve Hantler of DaimlerChrysler, to set up the American Justice Partnership. The organization's mission is to seek the kind of legal reform that will "restore predictability" to the tort system.

"Don't get me wrong. I'm not defending companies like Enron and WorldCom," says Marcus. "But instead of using a surgical knife to protect the public from those companies, state and federal regulators are using a blunt meat cleaver."

— Adapted from "The Home Depot's Bernie Marcus on Why He Couldn't Do It Today," *Investors Business Daily*, www.investors.com.

## ■ TEAM BUILDING

## How to spot future leaders

Every CEO needs top leaders to run key parts of the organization and take over the reins in the future. Clearly, spotting future leaders is one of the key leadership challenges top executives face.

Stanley O'Neal, CEO at Merrill Lynch, offers the following tips:

- **Look for integrity**—it is a bedrock requirement.
- **Find clarity of thought.** “How a person attacks a problem or an opportunity is often more important than the conclusion he comes to, because it tells you something about

how this person is going to face other situations.”

- **Search for confidence.** Good leaders are not afraid to surround themselves with the very best people.
- **Select people who earn respect, not fear.** “No right-thinking person wants to be feared. Fear is a negative emotion, and it inhibits performance. Who wants to be feared?” Good leaders win respect, not fear.

— Adapted from “Follow These Leaders,” by Matthew Boyle and Christopher Tkaczyk, *Fortune*, www.fortune.com.

## ■ EFFECTIVE MANAGEMENT

## Love what you do

Almost everyone who has enjoyed lasting success will tell you: Making a life is as important as making a living.

You will even hear it from hard-boiled business executives like former Oracle CEO Larry Bossidy, author of the tough-sounding *Execution: The Discipline of Getting Things Done*. While Bossidy has never been accused of being a sensitive soul, in interviews about his book, he echoes the importance of loving what you do.

“It’s a competitive imperative,” he

insists. “Only by loving what you do will you actually do more and do it better than the person sitting next to you.” Fear is a big motivator, he admits—but love lasts longer. You can run a marathon at gunpoint, but you probably won’t win the race.

Let anyone think Bossidy has gone soft, however, he adds this caveat: “If you don’t [find that love], well then, we’ll find someone who does.”

— Adapted from *Success Built to Last*, Jerry Porras, Wharton School Publishing, www.whartonsp.com.

## ■ HIRING AND RETENTION

## Leaders confront conflict

No one likes to admit to making a bad hire. But many leaders compound the mistake by trying too hard—or taking too long—to remedy a bad decision.

Consider this advice from Carrie Ardelean, COO at CreditSolutions.com. She was extremely excited the day she hired a new department manager. He came from an organization with a great reputation, and his own skill set was impeccable. But after three weeks, Ardelean had to admit to herself it wasn’t working. Quite simply: “He didn’t fit into our culture,” she says.

Looking back, small signs appeared almost immediately, she says. For instance, he put forth little effort to meet the members of his department and spent lots of time behind closed doors. The final proof was a demeaning comment made to a staff member two notches below him at a staff meeting.

After giving the situation significant consideration, Ardelean realized there was no choice but to let the new employee go. Although it was tough, ultimately she acted like a leader.

— Adapted from *Results Rule!*, Randy Pennington, Wiley, www.wiley.com.

## QuickTips

### Revamp meetings

A well-crafted agenda may not be enough to keep your meetings on track. Use these tactics:

- **Assign homework.** Tom Davin, CEO of Panda Restaurant Group in Rosemead, Calif., sends senior staff members discussion topics and reading assignments in advance, so they always come prepared.

- **Derail disagreements.** Deanne Carlisle, a manager at a VA medical center in Portland, Ore., does not allow endless debate. Her team members must vote on a sliding scale from 1—total support—to 4, indicating they don’t agree but won’t stand in the group’s way.

- **Schedule for attendance.** To boost the number of franchisees at its annual meeting, Wingstop, based in Richardson, Texas, started the event on Sunday night and wrapped it up Tuesday, taking advantage of attendees’ slowest workdays. The organization also is taking the meeting to different cities among the 26 states where it operates, so at some point it will be close to everyone.

- **Offer incentives.** To help staff members make it to early morning meetings, St. Elmo Steak House in Indianapolis provides breakfast. That way no one has to stop for coffee on the way in and risk arriving late.

— Adapted from “Meeting Demand: Successful Business Meetings Require Brevity, Punctuality,” Kristina Buchthal, *Restaurants & Institutions*, www.rimag.com.

### Set tone for change

Prepare employees for change with clear, concise statements. Make your main point—explaining why the change is necessary—in 25 words or less. And then briefly describe how the change will benefit employees and what support they will receive.

— Adapted from “How to Overcome the Five Fatal Flaws of Management,” John Boyens, *Nashville Business Journal*, www.bizjournals.com.

## QuickBooks

### Vital Friends

By Tom Rath  
Gallup Press  
www.vitalfriends.com

Harry Truman once remarked that if you wanted a friend in Washington, D.C., you should get a dog. Truman's aside is just another reminder of how lonely it is at the top for any leader.

Does it have to be? That's one of the many intriguing questions raised, and at least partially answered, in Tom Rath's new book, *Vital Friends: The People You Can't Afford to Live Without*.

Leaders who are interested in understanding what makes people tick might want to skip ahead to Chapter 8: "Can You Be Friends With Your Boss?" While Rath tells his stories from the point of view of the midlevel employee, his work here does a great job of profiling how leaders can excel at leading a diverse team.

Rath profiles in detail a leader he calls "Sandra"—one of the highest-rated managers and leaders he has ever studied. What "amazes" the author is that the descriptions coming in from her team "sound as if they are talking about different people." One employee who hates to be micro-managed says that Sandra gives him room to roam but always backs him up when he needs it. Yet another employee raves about how Sandra "stops in all the time to see how I am doing."

As Rath notes, Sandra is demonstrating one of the secrets of great leaders: They become familiar with each person as an individual, and they tailor their management to each employee's preferences.

*Bottom line:* You spend a lot of time with your team, writes Rath. A little friendship and understanding can go a long way toward making that time more positive and productive.

— From the editors.

## EFFECTIVE MANAGEMENT

### It's about the people ... really

Like many of today's leaders, Mervyn Davies, group chief executive of Standard Chartered Bank, says he is in the people business. But the people he means are employees, not customers.

His argument: Employees constitute the largest part of the bank's operating budget, and the bank is in the service business. Therefore, he has no choice but to be passionate about the people he employs. Quite simply: "If you don't manage people properly, they will leave," he points out.

Davies wants his managers to toe that line as well. He likes to put people into two categories—"robots who follow processes" and "go-getters with real interest in people and their development." The second variety is preferable.

"I judge my people on their ability to develop other leaders," says Davies. "So I expect all of my top managers to show me they are able to do that."

That's why he puts such a strong

emphasis on human resources, which is more than just another centralized function on the organizational chart. The process must foster young managers with international mindsets, who can cope in high-growth environments, says Davies.

He believes so strongly in the personal development of employees that he calls a "strengths finder" test. The categories include achiever, futurist, positivity, relater and learner.

Above all, Davies has brought about a sea change in the bank's approach toward managing people. "The types of experiences and training you give employees are changing. Companies have to spend more time on mentoring, personal coaching and leadership development. It's quite a rich tapestry of things that you are looking for," he explains.

— Adapted from "Passion for People," Mike Berry, *Personnel Today*, www.personneltoday.com.

**"I judge my people on their ability to develop other leaders."**

## LESSONS IN LEADERSHIP

### Sizing up direct reports

Among Abraham Lincoln's many notable leadership skills was a keen ability to size up his direct reports.

*Example:* Shortly after naming Maj. Gen. Joseph Hooker to command the Army of the Potomac, Lincoln observed weaknesses in Hooker's leadership skills. In a pointed letter, the president bluntly zeroed in on Hooker's tendency toward pessimism and lack of self-restraint in criticizing a former commander.

To his credit, the president took the opportunity to praise Hooker for some positive qualities he observed—noting those are what led him to first promote the general.

But Lincoln mainly focused on the "things in regard to which I am not quite satisfied with you." Specifically: "You did a great wrong to the country

and to a most meritorious and honorable brother officer ... I much fear that the spirit which you have aided to infuse into the army, of criticizing their commander and withholding confidence from him, will now turn upon you."

Following those tough words, Lincoln offered to help Hooker in any way possible to improve morale in the Army. Ultimately, though, he replaced Hooker with a more effective commander: Ulysses S. Grant.

**Leadership lesson:** Success requires an uncompromising analysis of the strengths and weaknesses of team members. Wise leaders show compassion but never fail to get the job done.

— Adapted from *Integrity Is All You've Got*, Karl Eller, McGraw-Hill, www.books.mcgraw-hill.com.

## ■ EXCLUSIVE INTERVIEW

## Don't get ahead of yourself

Patty Sheridan knew she needed to take time to communicate with her employees about upcoming changes. And as president of Care Communications Inc., a health information management consulting and staffing company, she knew she had a tendency to move too fast for those around her.

"I knew this about myself, which is why I typically worked so hard to meet people where they were at," she recalls.

However, when the company needed to reposition itself as an electronic health record company—moving away from more traditional paper records—Sheridan says she let her insights and enthusiasm get ahead of her leadership.

The result? "I rolled out a service model I thought was obvious, but it bombed ... I got a lot of pushback I wasn't expecting," she says.

The solution? Sheridan went back to her basic philosophy. "I had let

myself get too far ahead of and detached from the people on my team," she says. To win people over on the reorganization, Sheridan regrouped—spending considerable time explaining her vision to her employees and challenging them to help her reinvent the company.

Although her backtracking ultimately worked, Sheridan admits that her leadership mistakes slowed everyone down. It took her company two years to accomplish what it probably could have attained in a year.

Sheridan now realizes she should have done a better job of engaging a wider swath of her team upfront. She should have confided in them about the new challenges as well as the new opportunities and solutions from the beginning. Next time, she won't forget.

**Leadership lesson:** Get buy-in early and often from your team before you unveil any major new initiatives.

— From the editors.

## ■ EFFECTIVE MANAGEMENT

## Let others lead too

Your employees won't be able to show much leadership initiative if you make all the decisions. That simple, yet powerful, realization led to a radical shift in the way Joe Leonard, CEO at AirTran Airways, leads his team. He immediately shifted his management strategy from aloof to collegial.

Today, says Leonard, he's more likely to stick his head out the door and say "Guys, come over" when he's mulling over important information. "We can hold an impromptu meeting and make a pretty quick decision," he says.

A more collaborative leadership approach "doesn't have to be a hard thing to do once you decide to actually do it," he explains.

Leonard realizes that most CEOs are like him: Type-A personalities who have a hard time relinquishing control. Nonetheless, he has found that a co-leadership policy has given others on his team a chance to grow—and freed him up to be called in only to make essential decisions.

"If I am willing to make every decision, everyone will come to me. Ultimately, though, I want my number two guy [and everyone else] to take more initiative."

— Adapted from *Riding Shotgun*, Nathan Bennet and Stephen Miles, Stanford Business Books, www.sup.org.

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### Noted & Quoted

"It is a terrible thing to look over your shoulder when you are trying to lead—and find no one there."

— *Franklin D. Roosevelt*

### EFFECTIVE MANAGEMENT

## Do less to lead well

Your goal as a leader should be to have nothing to do, says Arthur Weinbach, CEO of Automatic Data Processing. "It means you have mastered effective delegation and can go do something else."

Most decisions in a company are 90-10 or 80-20 decisions, he says. That means there is little risk someone will make the wrong choice. Leaders should save themselves for the 60-40 decisions; where there is at least a 40% chance someone will make a mistake.

— Adapted from "Career Advice from ADP's Arthur Weinbach," *Knowledge@Wharton*, knowledge.wharton.upenn.edu.

### STRATEGY

## Stay in focus

Few people master the art of remaining focused when all indicators suggest it's OK to let go. It's most obvious in the world of sports, where one team can have a seemingly insurmountable lead at halftime, only to lose the game due to overconfidence.

Miami Dolphins Head Coach Nick Saban guards against that temptation in his leadership on the football field. "The greatest threat to future achievement is your last greatest achievement," he says flatly.

— Adapted from *Scoring in the Red Zone*, Spencer Tillman, Nelson Business, www.thomasnelson.com.

### EFFECTIVE MANAGEMENT

## Follow-up is key

The commanders who fail are the ones who issue an order and then return to their card game at headquarters, Gen. George Patton once remarked.

A successful commander issues an order and then makes certain it's not only carried out but working as planned. "The commander must be able to change orders ... don't make assumptions," Patton warned. "Follow up on everything."

— Adapted from *Patton's One-Minute Messages*, Charles Province, Presidio Press, www.randomhouse.com.

### STRATEGY

## Walk in your customers' shoes

Consider requiring senior executives and managers to spend time walking in your customers' shoes. They will gain more insight into how to improve operations than if they pore over reams of data. Here's how two organizations are implementing that strategy:

- **At Swiss bank Credit Suisse**, executives must enroll in an "experience immersion" program that requires them to visit

three bank branches—and not just to watch customers, but also to fill out the same forms and stand in lines. David McQuillen, who leads the program, also has senior managers spend a day in a wheelchair or wear a special suit that approximates what it's like to move like a senior citizen.

Empathy is the key, it seems, because the organization has significantly reduced wait times, overhauled application forms and installed an inch-high grille so that ATM users have a dry spot to set their shopping bags while using the machine.

- **Proctor & Gamble Vice Chairman Susan Arnold** wanted her team to understand their middle-income customers. So she asked them to

participate in a novel experiment: Everyone on her Beauty Leadership team agreed to spend only \$60 per week on personal items such as shampoo and lipstick—or even gasoline for their cars.

The goal, she says, was to help the P&G execs empathize with average customers, women who—according to the company's marketing research—lived with limited discretionary income.

No dry market data could have made it clearer: "We realized our customers had to regularly weigh one choice against another. They had to ask themselves 'Should I go for the higher-priced shampoo and skip the new lipstick shade, or will the lower-priced shampoo suffice and then I can get the lipstick too?'"

Juggling the options gave everyone a fresh perspective—and not just about what customers wanted, but also about what they could afford.

— Adapted from *The Power of Nice*, Linda Thaler and Robin Koval, Currency, www.randomhouse.com, and "Talk to Our Customers?," Ian Wylie, *Fast Company*, www.fastcompany.com.

**No dry market data could have made it clearer.**

### LESSONS IN LEADERSHIP

## When in doubt, improvise

Early in his leadership career, the man who became CEO of PepsiCo learned the power of improvisation.

While he was a brand manager for Doritos, Roger Enrico learned that customers who tried Nacho Cheese-flavored Doritos loved them and had a high repeat purchase rate. Unfortunately, only a small percentage of the marketplace had tried them.

Enrico knew he had to inspire his sales and marketing team to get the product out there. Unfortunately, they had blown through their budgets for the year. That's when Enrico improvised.

The manufacturing team still had surplus funds, so Enrico convinced the

department head to spend his remaining budget—about \$10 million—on creating free product samples and sending them to potential customers.

It was a risky gamble, but retailers were inspired by the blitz. Soon after, full-size bags of Nacho Cheese Doritos increasingly showed up on supermarket and convenience store shelves. As sales soared, so did Enrico's career. In 1996, he became CEO.

**Leadership lesson:** Breakthrough leaders aren't afraid to follow their instincts.

— Adapted from *Riding the Blue Train*, Bart Sayle and Surinder Kumar, Portfolio, www.penguin.com.