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Global Advisory Board

An article from the board that merits your attention

All the Ships at Sea

Leading and Managing the C-Suite

With demand stagnating across most of the developed economies and faltering across many of the developing countries, identifying and steadfastly pursuing a path to prosperity is complex and demanding for the one at the helm, the company's chief executive. Great companies are energised by their leaders. Great leaders motivate and inspire their people, driving them to achieve unparalleled levels of success. But not every leader is a great leader. With expert insight from our board of global advisors, we review the defining leadership characteristics that serve to distinguish the best from the rest.

An Admiral's 'view of the fleet' is a metaphor sometimes used to describe the necessary skillset for the C-suite executive. In commercial terms, this means the ability to understand the business, to predict and to see patterns in a complex environment. To become leaders, managers must move *from being a specialist to being a generalist*, from a doer to an arbitrator, judging much more than executing. It is a complex external world of customers, suppliers, competitors, shareholders, board members, and regulators together with an internal world of direct reports, other executives and employees often spread over a wide geography and often with many different cultures and languages.

Vision and Passion: “You’ll never see it, if you don’t see it before you see it.”



Ozires Silva (Brazil), founder and CEO of EMBRAER: “The unconventional decisions that a leader must take often require more courage, and yet either receive very little initial support, or encounter hard resistance from others. The true leader must stay the course and have the courage of his convictions.”

But this alone is not sufficient. To excel, a leader must demonstrate vision and passion, both defining and delivering a future that ensures competitive advantage and superior financial returns.

In the words of Peter Drucker, “*Management is doing things right; leadership is doing the right things.*”

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Bernard Atalli (France), former CEO of Air France: “A good leader in business needs more than military discipline. He needs to share a common conviction with his troops. Take instead the conductor of an orchestra. A maestro doesn’t need to enforce obedience. He does not even need to be a better violinist than his first violins. He has to align all the musicians and inspire them with the same understanding of the score. He has to share with them the same spirit and translate their various talents in one common voice. Leading a company is the same; it is a collective achievement, not a one man show. Even if, without this one man, ...there is no show.”

To deliver the vision, the leader appreciates the need for ‘*disciplined execution*’ from the management team, so the agreed business plan objectives are achieved. The leader understands his responsibility includes making certain the management team has the skillset and motivation to ensure this ‘*disciplined execution*.’ Managers are pivotal in ensuring strategies and plans have appropriate processes and KPIs, and their people the supervisory skills to ensure ‘*disciplined execution*.’ From our experience, the effort level in many organisations is almost always sufficient to the task, but people are regularly working very hard on the wrong things, due, in part, to poorly designed work processes and a lack of proactive supervision by first line managers. As a start point, first line managers need to understand and share their leader’s vision and be capable of communicating this to employees. KPIs are regularly not tailored to meet the needs of the point of execution; rather they are designed by headquarters to meet some high-level reporting requirement that fails to advance the agenda of good first line management.



Ed Hanway (United States), former CEO of Cigna: “The best leaders seek the strongest talent available and then create an environment where that talent can succeed. I have always thought that the best leaders hire people who are stronger than they are in many areas and, rather than being threatened by them, leverage their skills to create the strongest possible outcomes.”

The Leadership Skill Set

Good leaders do much more than manage those around them. More importantly, they inspire them to deliver the company’s overall mission.

Good leaders are

- **architects:** designing organisations and infrastructure to the needs of the business strategy. Managers are selected and assigned by the leader specific roles and responsibilities to ensure that business plan targets are met, using the organisation given to them.



Manfred Maus (Germany), founder and former CEO of OBI: “Fundamental to an inspiring vision of an organisation are mutually shared values, exemplified by the leader and his managers through their personal behaviour. These values provide the stable foundations of the organisation, and the company’s vision then acts as a compass needle providing a clear direction with challenging goals. A good leader is aware of his role model function and ensures with his value-oriented behaviour the company’s commitment towards its values.”

- **agenda setters:** defining the company’s priorities in order to realise the goals of the strategy and business plan. Managers and organisations can ‘drift’ without a clear agenda and being held accountable for that agenda.
- **diplomats:** willing and able to negotiate with customers, shareholders, and regulators. Leaders are comfortable in this external world, because they recognise the importance of achieving alignment between the strategy and plan, despite the sometimes competing agendas of outside stakeholders. Managers often perceive these outside forces as adversaries to be avoided or manipulated.
- **role models:** inspiring the organisation by example and keeping communication transparent. Leaders are able to ‘show the way’ by articulating the vision of the future in a way that the people within the organisation can both see and understand their personal stake in the outcome. Managers should be the leader’s primary communication channel to employees, but are often so focused on the here and now and ‘making the numbers,’ that they fall short on keeping the leader’s vision in front of the workforce.



Brand Pretorius (South Africa), former CEO of McCarthy Holdings: “Good leaders get the job done. It is the acid test of leadership. They have the ability to inspire and execute. They are visionary and practical, and have mastered both the art of leadership and the science of management. Under their leadership, well organised, highly committed people deliver great results.”

- **excellent simplifiers:** while the leader has to juggle complex internal and external factors, simplicity is critical to ensure that all parties move forward and make progress.
- **innovators and encourage their people to be creative:** given that today’s business world is so competitive and ever-changing, leaders need to focus on new horizons, fresh approaches and mid-course corrections. Managers, as a general rule, are and should be focused on executing today’s plan, until innovative ways are introduced.



Jean Peyrelevade (France), former Chairman and CEO of Credit Lyonnais: “I think I disagree with the thesis here. Above a certain size of company and complexity, the leadership (including the vision) is exerted by the whole management team, and the leader is just the manager of the said management team. So the job is much more collective than what is said here.”

- ***cognisant of the value and need for external support and coaching:*** leaders are almost always the product of considerable mentoring and coaching on their way up. In fact, most have eagerly sought out specialist expertise or executive coaches along the way. Managers, on the other hand are often defensive about seeking or using outside help for fear that the boss ‘will think less of me’ for doing so. High-performing business people, athletes and athletic teams all recognise the value of coaching and have boosted their own performance through its effective use.



Gordon Peeling, former CEO of Mining Association of Canada: “Good leaders possess a vision which allows them to ‘see’ how the company needs to position itself to achieve success not only today but 5 and 10 years into the future—having an ability to absorb and assess complex and often contradictory information and distill it into the key elements that will determine future enterprise success.

Moreover, it is not good enough to be simply a visionary because superior leaders have that additional ability that can translate the vision into the practical steps to achieve success.”

- ***capable of evaluating talent in their teams and welcome high potential newcomers:*** they appreciate their vision and plans all depend on the ability of their management team and the organisation to execute, and are always on the lookout for new talent that will strengthen the team. Managers often feel threatened by new talent.
- ***mindful of what excellence means for each function:*** they develop an understanding of what top performance entails in each function and hold managers responsible for superior performance. Since the success of the leader is dependent on the performance of the team, it is critical for the leader to always be mindful of this.

Successful undertakings demand from the leadership a clear definition of the vision, the passion to drive forward in pursuit of this vision and, perhaps most importantly, the commitment and discipline to ensure the successful execution of this vision. Leaders and managers are both integral to this. ■