



Words of Wisdom on Getting Extraordinary Things Done in Organizations

In the latest edition of their book *The Leadership Challenge*, James Kouzes and Barry Z. Posner offer this advice:

There are no shortages of challenging opportunities. In these extraordinary times, the challenges seem only to be increasing in number and complexity. All generations confront their own serious threats and receive their own favorable circumstances. The abundance of challenges is not the issue. It's how we respond to them that matters. Through our responses to challenges, we all have the potential to seriously worsen or profoundly improve the world in which we live and work. With the kind of leadership excellence we've observed in over 25 years of research, we're going to bet on the latter.

There are countless opportunities for each of us to make a difference. For instance, there are opportunities to:

- Provide direction and support to our teams during uncertain times.
- More fully utilize the talents of our colleagues.
- Set a positive example of what honesty and ethics mean in daily life.
- Find a better balance in our always-on, 24/7 lives.
- Put the innocence and wisdom of different generations into our workplace.

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Leaders Who Transform People and Deliver Profits

BY LORETTA LOVE HUFF



An outstanding leader knows how to use **values, vision, and execution** to lead others in the workplace—and set the stage for their transformation and corporate profitability.

Here's how values, vision, and execution can play a part in your role as a leader.

Values: According to James Collier and William Lazier (*Beyond Entrepreneurship*), core values define what is important in both business and life, how business should be conducted, its view of humanity, its role in society, the way the world works, and what is to be held inviolate. Values come from inside you. They guide every decision you make; they define your priorities and shape your actions.

How often do you talk about the values you cherish? It may be easier to address tasks at hand than deal with the intimacy created when sharing what you really value, but the return is worth the unease it may bring.

Vision: A vision held within the confines of one's private mind, while perhaps personally inspiring, will fail to illuminate and transform the world. Visions must be clearly communicated in order to fulfill their potential. "A shared vision, especially one that is intrinsic," Peter Senge says in *The Fifth*

Dimension, "uplifts people's aspiration. Shared visions foster risk-taking and experimentation. They compel courage so naturally that people don't even realize the extent of their own courage."

Execution: *The American Heritage Dictionary* defines execution as "the manner, style, or result of performance". Leaders who inspire those around them make things happen. They steer organizations onto a better course of action. They not only alter the destination but also reconstruct the road traveled to get there.

Values Action: To connect with the people around you—

1. Share three things that are really important to you, both personal and professional.
2. Ask others what they value.
3. Listen carefully; you may have a lot in common.

Vision Action: On a "big picture" level, ask yourself questions like—

1. What qualities do you want to bring forth in your organization?
2. What is the legacy you want to leave?
3. What kind of person would you have to become to create that vision for the world?

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Strategic Risk Management: A Discipline Worth Corporate Study

Risk isn't something to avoid—it is something to manage. So Adrian Slywotzky observes in his book, *The Upside: The 7 Strategies for Turning Big Threats into Growth Breakthroughs*. As he demonstrates, risk can be turned around to achieve major breakthroughs. His book, written with Karl Weber, is based on original research on companies around the world, including Tsutaya, Continental AG, and Samsung.

In a recent interview, Slywotzky, a director of Oliver Wyman, described the most common strategic risks and provided examples of specific countermeasures that corporate risk masters have used to turn the moment of maximum risk into the moment of maximum opportunity.

Project risks. Most companies overestimate their odds for success. A few know the true odds and invest appropriately. He says, "They use such techniques as a 'stepping-stone' technique, organizing a series of project efforts, each building on the previous one, to change the odds in their favor."

Customer risk. Today's smartest companies are able to see the next customer shift and respond before it occurs. Their secret is knowledge. Sporadic data equal high risk, whereas continuous proprietary information on customers means low risk.



Transition risk. Said Slywotzky, "Virtually every industry will face a landscape-changing shift from one technology or business design to another. The key to survival is 'double-betting,' hedging bets by putting money on two or more outcomes."

Unique competitive risk. There's nothing like having to face a powerful competitor in your market. "If you can't beat the company at its game," said Slywotzky, "then invent a different game." As a case in point, Slywotzky mentioned how Wal-Mart became incredibly good at logistics, information technology, and gathering and using customer information, thereby outmaneuvering the Price Club and an assortment of regional competitors.

Brand risk. Slywotzky noted that today's brands are more vulnerable than ever. To defend and grow them, organizations need to do more than invest more in advertising. They need to build and service great products, develop a great business design, and support a relevant and appealing brand signal. Slywotzky calls this the "Golden Triangle of brand value."

Industry risk. Sometimes, entire industries become no-profit zones, according to Slywotzky. In his opinion, the answer here lies in collaboration with rivals. Too often, he said, this logical solution is taken seven to ten years too late.

Stagnation risk. When markets mature, growth slows and ultimately ends. The answer here is "demand innovation," in Slywotzky's opinion. "Demand innovation," he said, "is about focusing your economic creativity on finding ways that expand your company's value to customers, thereby radically broadening your market and strengthening your relationship with them."

In Slywotzky's opinion, strategic risk management is critical because of the cost of growth initiatives that failed or, sometimes even more frequently, unanticipated strategic threats that weren't well managed. "We're getting to the point today when most companies spend most of their time recovering value lost rather than creating new growth," he said.

A Dozen Ways to Become a Contagious Leader

BY MONICA WOFFORD

What you do as a leader is extremely important. Why? Because your behavior is contagious!

Here are a dozen ways you can impact those with whom you work and become a contagious leader:

1. Refer to your employees as "those people who work with you."
2. Stop calling employees "my employees" or "my people."
3. Set goals with others.
4. Teach your followers to write their own goals down.
5. Ensure goals are measurable. Otherwise, they are worthless.
6. Hire the right people for the right jobs.
7. Encourage mentors at all levels.
8. Provide value to others before you demand value from them.
9. Don't assume you know what people value.
10. Be genuinely interested in the needs of others.
11. Have sincere desire, authenticity, and integrity in what you do.
12. Allow for the opinions and ideas of others in all matters.

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