

Experience "Great"

From guru-centric development to practicing great leadership at your company



Experience "Great"

A CEO leading a massive business transformation realizes that her leaders will make or break the company's success. She engages her CLO to build the leadership training program to support the transformation and requests: "Please promise me that this will not be another soft, squishy class. This program must further our vision and help our leaders lead in both the core business and the new business." A marketing leader goes to a five-day external program at a prestigious university. She comes back to work and reflects that "out of the five days, I got about a day and half of great speakers, new insights and some good ideas to try out." When you check in with her a month later, she is manically multi-tasking on her day-to day challenges and admits she hasn't been able to apply any of her learning to what matters in her job. Elsewhere, a sales manager goes to management training and returns to tell his manager, "I learned how to read a P&L statement, but I have no clue how that knowledge alone will help my team hit our monthly numbers."

Sound familiar?

We have observed three core issues that have caused most leadership development initiatives to fall short, failing to deliver business results:

1. **Sage on stage** While there is no doubt that leadership thought leaders (Warren Bennis, Peter Drucker, Jim Collins, to name a few) have had a tremendous impact on the business world and their work has pushed leaders and companies to think differently, the industry is flooded by books, frameworks, tools and points of view. The easiest way for the gurus (or any training firm) to scale their business is by writing a book; curate the content into a classroom experience, then license the content and tools (aggregating "butts in seats"). The result? Most training firms are biased due to their own business model to preach "leadership is universal." It bolsters their profitability while forcing the leader to apply their content as appropriate.
2. **Content-Centric vs Business-Centric** Howard Schultz, Founder and CEO of Starbucks, states in his book *Onward*, "Every organization has a memory, a history of achievements, mistakes, even unintended consequences that contribute to an ongoing dialogue—a tapestry of interpretations that infers and often directs the organization's future."¹ Leadership development programs often fail to address each company's unique history, culture, market position, business model, strategies and culture, and they do not include your current reality and pressing challenges.
3. **Failure to appreciate mindset** Most companies and leaders will concede that becoming a more effective leader often requires changing behavior. A recent McKinsey Company article notes, "Identifying some of the 'below the surface' thoughts, feelings, assumptions, and beliefs is usually a precondition of behavior change" – a precondition that company's need to get right.² Many leadership training programs fail to address the underlying mindsets driving behavior – the deep-seated, root causes of why leaders do what they do.

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Howard Schultz, Starbucks Founder & CEO

An approach for the future: Have your leaders experience "great"

There are three core beliefs at the core of designing leadership development experiences that truly move the mean:

1. Leadership is contextual: experience "great" leadership at your company

At the core of "Experience Great" is a belief that Leadership is relentlessly contextual. How an engineering manager should lead a 12-to-18 month "waterfall" product development process is different from how an engineering manager should lead a six-week "agile" product release. The C-suite of a major oil company about to lose its license to operate in an emerging market has different critical requirements than the C-suite of a retail company shifting from wholesale distribution to a flagship retail strategy. Moving from an on-premise software world to software as a service requires new knowledge, skills and experience.

We know that people need to see, experience, and try out new ideas, skills, and mindsets before they believe in and master them. However, these powerful experiences aren't whitewater rafting or jumping a ropes course. They are a close approximation of real-life—an experience that allows leaders to perform in their role or a different, bigger role in their company. By using our Execution Challenges and choices™ methodology, we capture, codify and democratize the capabilities, actions

and mindset of your "great" leaders, scaling "great" across the organization.

Much the way a pilot learns how to perform a complex landing on water first in a flight simulator, a high potential executive can learn how to effectively enter an emerging Asian market by practicing first in a business simulation. In the simulation, the risk associated with trial and error is removed. Like the pilot, the business leader can crash in her first few attempts without having any real-life adverse impact.

Another advantage of the business leadership simulator is the condensed timeframe; we can close the time gap between action and consequence. In real life, it may take months or years to see the impact of your decisions. In the simulator, the consequence of decisions is immediate and, as a result, we can accelerate time to insight and capability. Highly customized to the company's business, simulations have the potential to condense and accelerate years of business experience and speed time to high performance.

Experience "Great": A Leading Cloud Company Engineering Product Managers ("Scrum Masters") Execution Challenges and Choices™ Methodology

For a leading Software-as-a-Service Company, the launch of a new software release is mission critical to the company's performance, and software product managers play a key role shaping the success of each release and the engagement of engineering teams. Not only are they leading teams through the ongoing six-week agile release process, product managers also coordinate with other groups to ensure the right interoperability, security and functionality.

The company recognized that they had a bell curve of product managers—some were true high performers and others were below average. At the same time, they were growing fast, hiring engineering managers from other technology firms, and quickly realized that these managers were joining the company with "old" or "differing" beliefs—and many were at odds with the culture.

To align the new managers to the company culture and allow them to experience what "great" looks like for a product manager leading a team, the company designed a leadership development simulation experience reflecting a six-week agile sprint release. The core leadership development experience included:

1. A high-fidelity business simulation experience that mirrored the most common and pivotal challenges faced during their six-week software release cycle—daily stand-ups, sprint planning meetings, one-on-ones, balancing features and security, recognition and celebration—and helped leaders recognize when they are in an important leadership moment.
2. Experiencing what "great" and "average" looks like in those leadership moments—how do the best product managers think and how do they act in each challenge?
3. Deep practice in the most critical challenges and the "great" leadership responses, all within the context of the company, business goals and culture.

The experience set "great" as the expectations for product managers, demonstrated "great" vs "average" leadership in action, and provided a safe practice ground to make mistakes and form new beliefs.

2. Designed practice builds skills more effectively

By now, “practice makes perfect” is a widely embraced and cited adage—Malcolm Gladwell’s “10,000 hours of practice to achieve mastery” echoes across business.³ Geoff Colvin in his book *Talent Is Overrated* cites the importance of “deliberate practice,” which is not just about a lot of practice, but about expert practice that is consistent and deliberate. As Air Force General (retired) Lance W. Lord contends, “Perfect practice makes perfect.” How often in your leadership development programs do you require “deliberate practice” that comes with expert feedback, course correction, more assessment and more targeted practice? It’s intense and iterative. And it’s mostly missing from leadership development designs as people search for the best guest speaker on a topic.

Exceptional leadership development programs—like perfect practice—must replicate real-world experience and design a practice that will lead to mastery. Leadership development programs must move beyond high-level, abstract discussions and engage leaders in the actual capabilities and behaviors most needed to be successful in their career.

Peter Bregman, business advisor and author, writes, “You can’t just learn about communication, you have to do it, in the heat of the moment, when the pressure is on, and your emotions are high.”⁴ While it seems obvious, ask yourself, “How many of our leadership development programs include multiple cycles of performance and the individual feedback and the expert coaching required to achieve “great”? We still see too many of our clients in the “spray and pray” mode, hoping exposure to new models and new insights will lead to improvement back on the job.

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Peter Bregman, Business Advisor & Author



Experience "Great": Leading Engineering and Construction Company Global Middle Managers and Project Managers Program

Translating "great" principles into action, a leading Engineering and Construction Company recognized that the difference between a high performing project manager and an average project manager led to a profitable multi-billion dollar project or a non-profitable project.

Instead of sending their project managers to an executive education program at a university or teaching them one siloed subject after the other—whether financial acumen, coaching or customer-centricity—the company captured what their best project managers and mid-level managers do during the most pivotal and daily moments in a multi-year, multi-billion dollar capital project. Then they applied that playbook and designed an immersive simulation experience.

Engaged in a customized simulation, project managers practiced leading a project and are confronted by the most pivotal and common real-world challenges: setting shared objectives with their team; managing customer, supplier and safety incidents; leading team performance during a crisis; raw material commodity price increases; project overrun; designing stretch assignments, performance coaching; and onboarding new team members.

The results included alignment to new "great" expectations, clarity on what high performance meant in the most common and pivotal challenges faced on the job, and project managers achieving "great" faster than the generation before.

3. Mindset Rules

We have seen the power of mindset, and we believe that it drives the actions and results in every company. At no other time is the power of past experiences and formed beliefs more powerful than when the most senior leaders of a company are faced with a new future state that will require them and the entire company to make major changes. For a smaller company, it could be the pivot from one core customer segment to a new one, or it could be the shift from one core product to a second one. For a larger company, it's often the realization that the core business is slowing down and new revenue streams—whether a new market, new business or new product—will be required for long-term growth ambitions. In this point of a company's evolution, the senior leaders and the employees they lead are forced to do two things in parallel: run the core business while also making the new one successful. Doing both well is hard, often demanding different business models, assumptions about how to win in the market, different speeds of execution and different metrics for success. Over-rotating toward the new business too quickly can be damaging to the culture and the company; not rotating enough will slow the new business' success. At the root of the difficulties is mindset. Senior leaders' beliefs were formed by what made them successful to date, and it's many of those same beliefs that will stop them from being able to embrace the new and lead both businesses successfully.

In order for leaders to change, they have to have new experiences that start to shift their mindset and build confidence around the beliefs and behaviors that will drive future success. What we know works is to create an experience, or series of experiences, where leaders can practice running the company from today into the future, and confront market, business model, strategy and metric shifts. During this leadership development experience, new insights happen, wide perspectives build, empathy for all functions form, and new beliefs are shaped around what is changing in the market and how they need to lead differently. This mindset shift and alignment is what's needed to do the nearly impossible task of changing deeply rooted beliefs formed from past success.

To ignore mindset is to fail at leadership development. In the McKinsey article "Why Leadership Development Fails," they warn,

“Becoming a more effective leader often requires changing behavior. But although most companies recognize that this also means adjusting underlying mindsets, too often these organizations are reluctant to address the root cause of why leaders act the way they do.”

Experience "Great": A Leading Technology Company Top 500 Leaders

Enterprise Simulation Methodology


A leading technology company found themselves at a critical juncture. They had made it to \$2B in revenue through a very successful innovation with coupled services, and realized that they had years of growth ahead by running "business as usual." However, at some point, perhaps five-to-seven years into the future, if they didn't diversify and provide their customers with a broader suite of technology and services, they would reach market saturation and growth would stall.

A new CEO was appointed, acquisitions were made, and the company crafted a broader vision. Products now had to evolve from point solutions to suites of offerings, go-to-market strategies had to evolve, and sales conversations with customers needed to change.

During the path to \$2B, the senior leaders and members of the executive team operated very successfully in siloed businesses and functions, pushing decision-making low into the organization. Clear metrics for success and healthy competition between silos propelled the company forward. Moving forward, in order to broaden customers' understanding of the company (from a technology partner to a trusted advisor) and grow from \$2B to \$6B, a lot needed to change.

For the CEO and Head of Talent, the immediate challenge became, "What is the most efficient way to equip the executive team and the top 500 leaders to pivot the company and lead the next phase of growth?" They considered all-company memos, global roadshows with the executive team, offsite working sessions with the C-suite, new metrics and accountability. Ultimately, they did all, but even still, they needed to ignite understanding and passion among senior leaders to bring the energy critical to lead the change, resist the temptation of fear, and build the cross-company relationships key to success.

Creating a two-day simulation experience, the C-suite engaged all 500 leaders, enabled them to assume the role of the CEO, and allowed them to practice running the entire company for three years into the future. Inundated with customer, technology, and competitive trends, the leaders felt shareholder value creation pressures as well as employee engagement and culture realities. As the teams wrestled with the tensions and tradeoffs in evolving the company and running the core and new businesses at the same time, the leaders matured—they matured in their understanding of why the company had to change and what it meant for them.

An overhead, top-down view of a group of people sitting around a large wooden conference table. Several individuals are using mobile devices like smartphones and tablets. The scene is dimly lit, with a blueish tint, suggesting a professional and focused meeting environment.

And by strengthening their command of both business models, they were better positioned to lead teams with authenticity, passion and empathy, while finding the right speed and timing of their team's evolution to best support the company's goals.

The Impact?

Six months later, the question on the all-company employee survey, "I understand and believe in the company's vision and my role in making it happen," moved from the lowest scoring metric to one of the highest. At the time, the COO said,

"When I was told a simulation would be the key alignment vehicle for our top 500 leaders I was skeptical. The custom business simulation accurately modeled our business challenges and anticipated our future evolution. The experience allowed our top 500 leaders to not just see the new strategy, but to practice making our strategy and vision a reality. The experience got leaders from different organizations with disparate points of view to work together and understand the real trade-offs and friction points, and provided the 'big picture' view we needed."

The company later achieved its growth target with the mix of "old" and "new" revenue it was looking to balance.

References

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3. Gladwell, Malcolm, *Outliers: The Story of Success*, New York: Little Brown and Company Hachette Book Group, 2008.
4. Kedges, Kristi, "If You Think Leadership Development is a Waste of Time, You May Be Right", *Forbes*, 23 September 2014.



About BTS

BTS is a global strategy execution consulting firm, focused on the people side of strategy. Partnering with today's leading corporations, BTS designs fun, powerful experiences that have a lasting impact on people and their careers—inspiring new thinking, building critical capabilities and unleashing business success. By leveraging customized business simulations and targeted experiential learning initiatives, BTS helps develop the leadership, business acumen and sales skills necessary for superior strategy execution.

Headquartered in Stockholm, Sweden, BTS has approximately 400 professionals in 32 offices located on six continents. Partnering with nearly 400 organizations, including over 30 of the world's largest corporations, BTS's major clients are some of the most respected names in business: Anglo American, AT&T, Chevron, Coca-Cola, Ericsson, HP, Rio Tinto, Sony, Telefonica and Unilever.

BTS is a public company listed on the NASDAQ OMX Stockholm and trades under the symbol BTS B.

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