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AMA QUARTERLY

JOURNAL OF THE AMERICAN MANAGEMENT ASSOCIATION

AN INTERVIEW WITH TARIQ AL WAHEDI

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Agthia and AMA Global: Cultivating Future Executives

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Agthia and MCE: Cultivating Future Executives

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41 Building a Coaching Culture Through Empowerment and Leadership Effective coaching begins with the realization that it is a form of investing in workers—specifically, investing in their future. It is a process designed to help them grow and develop as employees and future leaders, so that they, in turn, can grow and develop the company in which they are being coached to play a part. *By Rebecca Cenni-Leventhal*

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EDITOR'S PICK

Executing Strategies Takes Real Planning

When it comes to planning out and executing a strategy, are you a Leeroy Jenkins? Unless you have a past of playing the popular MMORPG World of Warcraft, you may not know what I am talking about. But back in 2005, a group of players got together in this fantasy online world to conduct a raid that entailed taking on a room of rapidly hatching fire-breathing baby dragons. The leaders of the raid had a carefully thought out (though flawed) strategy, and spent some time instructing everyone on what they needed to do to ensure that they would succeed with minimal or no casualties. That is, except the player of Leeroy Jenkins, who was not on the chat because he was fixing his dinner. When he hopped back into the chat, he yelled, "Time's up, let's DO THIS! LEEEEEROY JENKINS!" His character ran into the room, everyone ran after him, and everyone died. So much for the strategy, but a cultural meme was born.

AMA Quarterly in this issue is focusing on how to plan and execute strategies, and avoid the casualties of bad strategy creation and execution. Arthur Yeung and Dave Ulrich show how organizational culture delivers intangible market value to investors, and that employee experience often comes from organizational practices.

Lars Sudmann shares three keys to rapidly creating a strategy, so that not only will everyone in your organization be able to understand what your strategy is, they will know how to execute it. Anthony Abbatiello talks about how to plan for your next generation of C-suite leadership in your corporate strategy. Tom Leahey makes the argument for how a well-formed strategic plan can enhance corporate competitiveness by tapping into new and exciting opportunities. On the cover, His Excellency Tariq Al Wahedi, CEO of the food and beverage company Agthia, talks with Management Centre Europe about training up future executives and enhancing their planning skills.

AMA's Total Pro model underpins each of its offerings and can help you assess your organization's resources and strategy. Go to www.amanet.org/resources/skill-assessment/ for your own assessment. Don't let yourself—or your people—be a Leeroy Jenkins.

Christiane Truelove

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Guest Editor, *AMA Quarterly*

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Don’t Take Strategic Planning for Granted

The essential core to any business is strategic planning. This is a skill every executive must be adept in. Effective strategic planning, and then the successful execution of that strategy, rely on three key factors:

- Developing and communicating a clear, articulated strategy so that everyone hears the same thing
- Aligning the organization so that all are consistently working toward making the strategy a business reality
- Successful execution

The above may sound straightforward, but it is easy for a person (or worse, an entire department) to get derailed. It could be something as significant as a geopolitical shift and market downturn that suddenly affects your business, or someone in a key position who has a “great idea” and insists that resources be reallocated.

Our clients’ approach to developing a strategic plan typically reflects short, medium, and long-term business goals. Setting goals with milestones at staggered times allows companies to allot the time and resources needed to achieve their business outcomes.

Every organization must balance the requirements to operate the existing business against the activities and resources needed to support long-term strategic growth initiatives. Most organizations understand the need to operate in the present while they prepare for the future and allocate their resources accordingly. This is not always easy to do, however, and it may require a shift in people from one focus to another and/or finding those employees who can work with a foot in both worlds, toggling back and forth between the two (or more) businesses “in play” on a regular basis.

Because of this need for flexibility, strategic focus does not mean being rigid. Focus can and should certainly shift to reflect true business needs and demands as they occur.

Most organizations have sound strategies. However, they often encounter challenges in aligning their people to ensure the best chance at successful execution.

Because strategic planning needs executives who understand what the process entails, AMA has developed a long and deep portfolio of offerings. Our learning solutions include an overview of the strategic planning process, in *Fundamentals of Strategic Planning*, which is aimed at those who are new to the formal process. *Strategic Thinking* helps leaders shift into the innovation and growth mindset, and then there are the more detailed *Strategic Planning*, *Strategy Execution: Getting It Done*, and *Facilitating an Effective Strategic Planning Process.* Additional solutions can help put your planning process in the best position to succeed, including interpersonal and communication skills, finance, project management, and change management.

Manny Avramidis
President and CEO
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AN INTERVIEW WITH TARIQ AL WAHEDI, CEO, AGTHIA

Agthia and MCE: Cultivating Future Executives

AMA Global's Management Centre Europe spoke with His Excellency Tariq Al Wahedi, 46, CEO of Agthia, a leading United Arab Emirates food and beverage company based in Abu Dhabi, about his career path and how working with MCE has benefited the training of Agthia's executives.

Who is the man in the driver's seat of Agthia? What is your business background?

Tariq Al Wahedi: I am an engineer who graduated from Tulsa University in Oklahoma. I started my career as a technical engineer in the Abu Dhabi Basic Industries Corp. and slowly moved into management roles in the oil and gas industries, moving up into managing projects. Then I moved to Senaat, the government holding company that owns 51% of Agthia, in 2006. Senaat acts as the main industrial arm of the Abu Dhabi government. The idea was to strategically develop basic industries, then move later into the secondary and tertiary sectors. Today Senaat has many verticals, such as cement, steel, metals, oil, and gas. As a holding company, Senaat is worth $8 billion on the top line and has a similar value in assets.

In Senaat, my responsibilities were diverse, but due to the wide range of activities under Senaat's umbrella, I was able to utilize this multidisciplinary approach in my career at Agthia. So I've been in a position to be involved in the industrial sector in total. I've seen the challenges in each sector and had a direct experience of the supply and demand cycle in each.

I joined Agthia in September 2015 as chief operating officer leading the manufacturing and supply chain operations of the group. In November 2016, I was appointed as acting executive vice president of agribusiness in addition to my COO responsibilities, before I was appointed CEO in July 2017.

As an engineer by education, I've been able to apply my technical mindset and attention to detail to my role at Agthia—it's this calculated, fact-based approach that has contributed towards my role.

I have always been passionate about positively impacting my community, and with Agthia, I've been able to make a difference to thousands, if not millions, of consumers.

During my career, I did my executive MBA at the Kellogg business school at Northwestern University on a program split between the U.S., Hong Kong, and Germany. I did a week every month from 2011 to 2013...quite a bit was in Hong Kong. Kellogg is particularly well known for its marketing specialization. I wanted to expand my network, so I picked a program that was mainly based in Hong Kong, as we were doing lots of projects in China. It was a good opportunity to meet colleagues in other companies, then translate the ways in which we operated into a style more oriented towards process (just like any MBA).

Can you share with us the history of Agthia and how it has grown under your leadership?

TAW: The company was established in 1978 under the name Flour Mills and Animal Feed Company as Sheikh Zayed's personal food security initiative. In 1990, a water company, Al Ain Mineral Water Company, was added to secure a source of water for the nation. Grand Mills and Al Ain Mineral Water Company became the main building blocks for Agthia. In 2004, Agthia, under its current name, was established as a leading Abu Dhabi-based F&B group, headquartered in the UAE and listed on the Abu Dhabi Securities Exchange (ADX). Since then we have been consistently building our market share in the UAE and have been acquiring operations in other countries in the region.

The first step for us was to expand in Egypt and open a factory. Turkey was next. Since 2015, we have opened plants in Saudi Arabia, Oman, and Kuwait. Recently, we have started manufacturing in Iraq as well.

Our market cap is now about $800 million.

What are the particular highlights in your career? Can you elaborate about any deals in which you've been involved?

TAW: There have been lots of highs and lows: it's been an ongoing cycle.

Reflecting on Agthia, it is now one of the largest companies in the UAE and the Gulf, and is expanding fast. That experience has been really interesting for me. I come from the industrial sector, and so it is a great challenge to experience the fast-moving consumer goods (FMCG) more closely. This industry reacts differently to the market.

Since 2015, the company has gone through a major transformation, since it stopped receiving subsidies. We managed to keep our market share while we coped with that change and turned around some underperforming businesses. It was a mix of managing growth and change at the same time. We had to make sure that the company could protect and grow its market share.

What inspires you as the CEO of Agthia? Are there any role models or methods that you keep in mind when making decisions?

TAW: The No. 1 inspiration was the potential I saw in the company, seeing what it could do and what it could become. I was looking to infuse more vision to the company.

The biggest inspiration for me was the innovation side of the business. It has become a significant story for us, as we have shown that we are able to compete with several innovations that have become winners in the market. Today we are filing patents and have our own unique products that compete against major players.

So what inspires me? It is when we can drive innovation as new products for the consumer. It's a really exciting time. You always keep your eyes open on where the consumer is heading and what they are looking for, then you push your R&D team to capture that opportunity.

What are some examples of those kinds of innovation?

TAW: Al Ain ZERO, our zero-sodium water, has become a big success for us. It has now captured a market share of 5%.

We are patenting a process to add Vitamin D to water without the need for any other kind of additives—Al Ain Vitamin D has no flavors, colors, or preservatives. This means you can hydrate and get your Vitamin D without any unnecessary additives or preservatives. We are in the process of patenting our technique for preserving Vitamin D through the shelf life of the product. Normally, when Vitamin D is exposed to light or water, it just loses its value. The technology we are patenting preserves Vitamin D.

From that, we've built another innovation, where we've added Vitamin D to flour with the launch of our Grand Mills Vitamin D flour. So we are offering flour fortified with Vitamin D, with 100 grams giving you your daily dose of Vitamin D. So flour has become healthy again.

Who are your role models in innovation and leadership?

TAW: I was inspired by the founding father of the UAE, Sheikh Zayed bin Sultan Al Nahyan, whose vision and insight has given us so much.

I am also inspired by Sheikh Mohammed bin Rashid Al Maktoum, the ruler of Dubai, who managed to make Dubai one of the most successful cities in the world in a matter of a few years.

These guys have really big visions of where success can come from.

As CEO of Agthia, how do you see the position of your company today and in the future? What is the vision for the company now? Where would you like to get to?

TAW: Our vision is to be the first choice for supplying quality products to the consumers. Everything we do here is to support healthy living. We are focusing on continuing our expansion and protecting our market share.

"We are in the process of patenting our technique for preserving Vitamin D through the shelf life of the product."

Today, we are the leading player in many of the categories, such as flour, water, and animal feed, in the countries where we operate. Saudi Arabia is a major target for our expansion and Egypt is becoming interesting too.

As it operates within a highly competitive business environment, how is Agthia striving to lead its competitors? Do you see yourself as a regional player, or are you looking to compete against Coca Cola and Nestlé as well?

TAW: We try to benchmark ourselves against the multinationals, although we are regional and they are global. We are a regional player and we consider ourselves a pan-Arab company that has grown itself in the food and beverage arena. We benchmark ourselves against multinationals and aspire to one day become one. Today we are manufacturing in seven countries and exporting to 37.

How did you come to the vision to focus on developing the future leadership talent within your company? What were the goals that you set and how did you want to achieve them?

TAW: It all comes from changing the mindset within the company. We now want everyone to act and behave as an owner of the company. They then feel as if they're personally invested, and levels of accountability start to hit the roof. It goes back to our culture and values. Since becoming CEO, I've really focused on this sense of ownership, because it leads to higher levels of motivation and engagement. It also leads to lower levels of inefficiency. Where we are today comes from the success of the whole team.

With this vision, you have selected Management Centre Europe (MCE) to work with your team and build a fully customized development program for future leaders. Why did you choose to go with MCE rather than anyone else?

TAW: It was a decision driven by the human capital team who went through an exercise of weighing all our criteria against other providers. MCE's programs and skills were just how we saw ourselves engaging our employees. The company currently has a workforce of 4,500 employees and a human capital team of 80.

How did Agthia develop the solution with Management Centre Europe?

TAW: It's crucial for us to enhance the skills and capabilities of our employees on multiple levels, whether as new

Environment

Food Safety & Food Security

People

Health & Wellness

entrants, midcareer, or for senior management. It's now a big focus for the human capital team that we have developed. So we are running proper training programs for our junior employees, senior execs, and the same goes for management. We are also focusing on enhancing the skills of our sales team members who represent us in the market. We totally believe in training and growing our competencies.

What are the key learning priorities?

TAW: The priorities for me are setting the tone and changing the culture in line with what is happening in the market. All of us have to be agile and quick. We all take responsibility as leaders.

To get there, you have to train people and enhance their skills. Our aim is to develop a program that can enhance several skills, not just one. Specialization is important, of course, but everyone should have more than one skill, so they should be able to understand strategy, basic finance, and project management, as well as what their colleagues in the next office are doing. A program like the CEP (Career Enhancement Program) is crucial to enhance the skill of our employees, especially the younger ones. We are seeing some great results that are now coming out of the CEP graduates.

How did the initiative go? What did the participants get out of it? How did you measure those results?

TAW: For me, the measurement is when I see the graduates of these programs exercising more accountability and taking more of a leading role. You see them engaging in projects that are becoming more successful and leading them. We now have many graduates from the CEP program who are taking their first management positions. It is my duty to make sure that we have the next generation of talent ready to take on senior roles.

How does the team feel about having access to such programs? With the buildup to the graduate ceremony for the Advanced Career Enhancement Program, what is the impact that you have seen on graduates?

TAW: We are seeing several of those CEP graduates in marketing and in finance. A good chunk of them are really starting to shine. Their skills are really coming out. They are becoming more vocal and taking more of a leading role. It's exciting to see.

What about the impact on mid- and senior-level executives?

TAW: It is mainly happening at the mid-level and it has put them on a good career path for the next 10 or so years, as they continue to escalate up through the organization.

What do you think will be the impact of the development going into the future? How do you consider learning development for Agthia? What is the next set of learning challenges for Agthia? How do you see your priorities in the future?

TAW: For our growth, it is really important to communicate the values of the company wherever we go. When we make acquisitions in other countries, we notice that the people we hire don't necessarily share the same values and culture. They don't have the skills to operate as an experienced Agthia employee. Our biggest task is to cascade our culture and values to the countries where we are now operating, such as Kuwait.

Moving into the future, what do you think would be the next big challenges for Agthia and its talents?

TAW: A program such as the CEP has a key role to play in developing the skills of our employees. It is quite easy to expand into many countries, but if the culture is not the same, that is when you start having problems.

We thank you for your valued time. Do you have any feedback from the participants on how they've found the experience?

TAW: We have had lots of comments about how they've benefited from those programs. The only negative was around the timing. From my perspective, the program is delivering its objectives. AQ

Laying the Groundwork with Total Pro

Nicholas Igneri, SVP Education at American Management Association, answered a few questions about the Total Professional[SM] philosophy that now underlies all of the organization's offerings. The Total Pro model elaborates on the skills needed for successful strategy execution: Communication, Influencing, Critical Thinking, Change, Collaboration, Delegation, Financial Acumen, Customer Focus, and Managing and Mastering Data. A skills assessment based on the Total Pro model is available on AMA's website.

Why was it important for AMA to develop the Total Pro model?

Nicholas Igneri: AMA is a mature business with 90-plus years of history preparing professionals to succeed in their careers. As our breadth of offerings grew exponentially, it became increasingly obvious that we needed an overarching learning philosophy and organizing principle to capture the broad range of topics available. The Total Professional framework was created to do just this.

After assessing employees' development needs, customers are often faced with the paradox of choice, wading through a multitude of available options. The Total Professional is a logical framework for them to organize and synthesize a wide array of topic areas into domains.

How did AMA identify the four quadrants (Professional Effectiveness, Business Acumen, Analytical Intelligence, and Relationship Management)?

NI: Knowing that we wanted to have organizing principles that reflected market need, we conducted significant research which, by and large, affirmed our hypothesis that professionals needed skills in a variety of areas. Internally, at AMA, we took the position that there were four key domain areas and that they shared equal importance.

The research validated the domains but further clarified the weighting of the domains. Hence, Professional Effectiveness now resides at the center of the Total Pro model because the research respondents said that Professional Effectiveness, as defined by AMA, weaves through the other domains and should not be a stand-alone skill set.

How does having the Total Pro model help AMA's clients, and what are the benefits to them of using Total Pro to assess their competencies?

NI: The Total Pro model gives our clients a clear, learning framework that can be overlaid with almost any company's internal competency map. Companies often identify the competencies needed at each employee level in their organization (individual contributor, manager, leader, etc.). The companies use their competency map to guide learning and development paths for their employees.

Our Total Pro model can be used to assist companies in targeting the skill set needed to achieve competence in an area. For example, if an employee takes a seminar in data analytics, then the competency you would expect them to demonstrate after taking the class is the ability to interpret, work with, and analyze data.

How has this philosophy strengthened AMA?

NI: AMA now offers a clear, market-tested learning framework from which products, services, and delivery modalities are derived. It gives our clients an approach on how to best understand the underpinnings of our vast assortment of offerings. Once they understand the "what" of our offerings, they can then fully leverage how to access them, for whom, and in which format and/or modality they would like them delivered.

Are there more steps after Total Pro? Is AMA looking to expand on this philosophy?

NI: The Total Pro model has a pathway which starts with assessing people's skills. That assessment indicates areas that need development and, therefore, allows for a precise and more accurate prescription of a development path. Post-training assessment will ideally show an improved outcome. So the Total Pro is not the diagnostic tool but is the framework against which the assessment can be overlaid.

AMA firmly believes that once all the competencies and domains have been sufficiently addressed, the employee then becomes a prime candidate to sit for AMA's Certified Professional in Management exam, as an example. AQ

AMA's Total Professional Model Comprises 4 Domains with Multiple Competencies Contained in Each Domain

Professional Effectiveness: Mastery of personal awareness and interpersonal skills.

Business Acumen: Understanding of business operations.

Analytical Intelligence: Application of systematic thinking, analysis and data interpretation.

Relationship Management: Ability to establish and maintain professional relationships.

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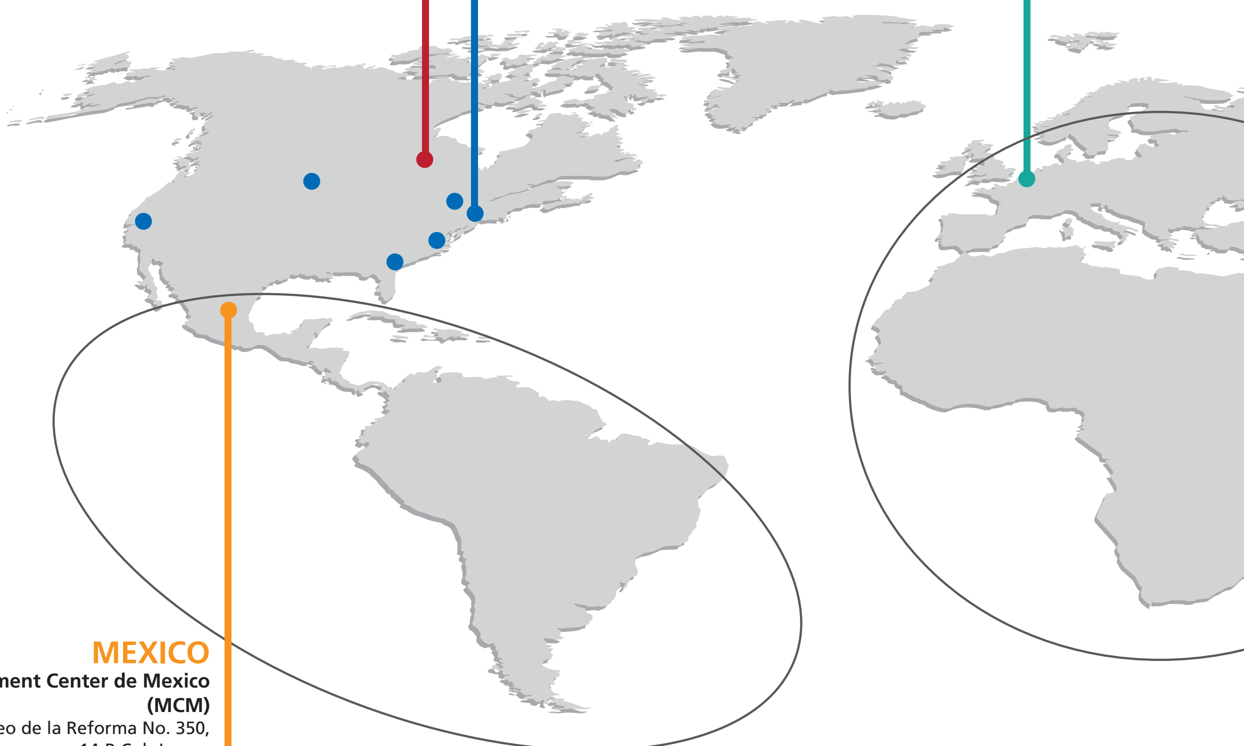

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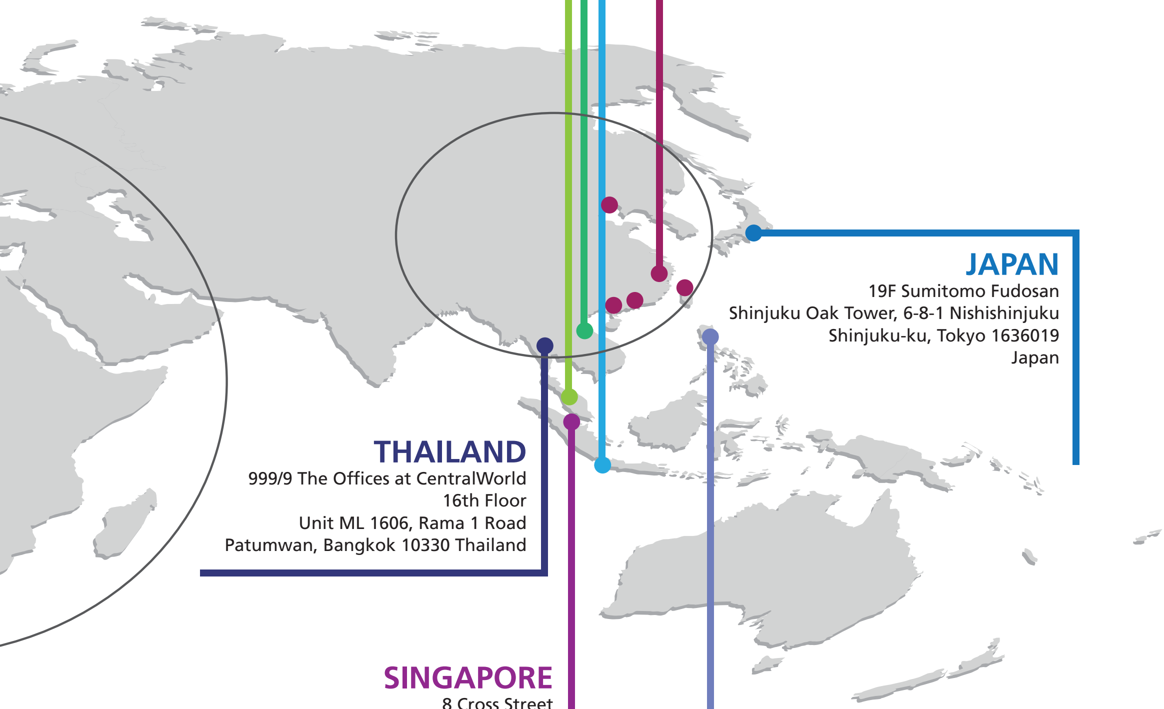

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Leading in the REINVENTED ORGANIZATION

BY ARTHUR YEUNG AND DAVE ULRICH

We know that "organization" matters. Organizations shape all of our lives: how we shop, are entertained, work, learn, receive healthcare, and worship.

Research shows that organization capabilities have four times greater impact on business results than individual competencies, that organization culture delivers intangible market value to investors, and that employee experience often comes from organization practices.

In recent years, a number of organization experiments boast fancy names to describe emerging organizations, such as holacracy, exponential, boundaryless, network, and agile organization. To crystallize and summarize organization innovations, we did in-depth studies of some of the iconic organizations (e.g., Amazon, Facebook, Google, Tencent, Alibaba, Huawei, DiDi, and Supercell). We call these organizations market-oriented ecosystems (MOE) that capture the new organizational logic. Instead of being organized by divisions where a chain of command allocates resources, the reinvented organization has a platform of resources (money, people, technology, data) that are dedicated to market opportunities. Each market opportunity is assigned an independent team (or cell) where employees anticipate customer requirements and move quickly to respond to them.

Historically, these organizations might be seen as holding companies—with hub and spokes. But the reinvented organizations we studied connected the independent teams or cells into an ecosystem because these teams shared information and resources about customers, innovation, and agility. This "market-oriented ecosystem" is a novel way of designing organizations that are both small (independent cells) and large (ecosystems), and innovative (new insights in a cell) and learning (sharing information across cells).

The MOE brings with it new leadership requirements. Based on others' insights and our research, we identify five roles in the MOE (see the figure "Leadership Domains That MOE Leaders Focus On"), with each having a set of key skills associated with it (see "Key Leadership Roles and Skills").

Here are examples of these leadership roles and actions from leading companies.

Business Strategist: *Where are we going?*

Pony Ma positions Tencent as a social network platform that connects people, things (i.e., internet of things), services, and companies and as an entertainment platform that offers digital and cultural content like games, music, literature, and movies. He also counts on strategic partners like JD.com and Meituan to offer other products and services. To stay strategically agile, Ma undertook a major strategic evolution for the company in 2018. Tencent began using internet and ABC technology (AI, big data, and cloud computing) to enhance operational efficiency and customer experience across industries (B2B internet services) on top of its traditional focus on user experiences (B2C internet services).[1]

Mark Zuckerberg at Facebook has very clear priorities about how to use his time, primarily in strategic direction and product innovation. He spends significant time thinking about new business opportunities fueled by new applications (like Instagram and WhatsApp) and new technologies (like augmented reality and AI) and how Facebook captures these opportunities by building internal teams or acquiring new capabilities from the outside. As the best product manager in Facebook, he regularly reviews new products and features. Winning teams from hackathons will get feedback and advice from him for further development. He also sends strong, direct messages to his engineers about the new products he wants the company to invest in. When the wave of mobile tech flooded the Internet years ago, Zuckerberg made it clear to all engineers that he would stop reviewing any new products or features that were not available on the mobile platform. His passionate sharing of company priorities is a highly effective way to steer the strategic direction of the company.[2]

Leadership Domains That MOE Leaders Focus On

Key Leadership Roles and Skills

Role	Leadership skill
Business strategist	• Anticipate and imagine future opportunities from a deep understanding of key trends (especially technological developments and unmet customer needs). • Build consensus on where to grow (customers, products, or regions) and how to grow (buy, build, or borrow).
Organization architect	• Replace bureaucracy's focus on internal roles and rules with customer-centric agility. • Establish autonomous teams or cells that draw on platform resources and connect to each other in an ecosystem. • Instill collaboration that is based on common values and governance mechanisms.
Cultural definer	• Define the right culture as to what the organization is known for, based on customer promises made real by employees. • Embed culture by constantly communicating the why, what, and how of culture. • Personally model the culture in your daily actions.
Talent manager	• Commit to the strategic importance of talent and people. • Set rigorous standards to select high-caliber employees who fit the desired culture. • Inspire employees with meaning and purpose (meeting their need to believe). • Help your people develop new competencies, for example, by moving them across units (meeting their need to become). • Help them create positive relationships with each other (meeting their need to belong).
Personal proficiency	• Demonstrate personal competencies for growth, including energy and passion, empathy for others, the ability to learn fast, a mission-driven outlook, resilience, and an entrepreneurial spirit. • Help other leaders acquire these personal competencies.

Organization Architect: *How can we redefine our concept of the organization and redesign its key building blocks to better deliver employee, customer, and investor value?*

Pony Ma formally announced Tencent's ecosystem strategy in 2012. The approach was based on the evolution of an open-platform strategy and the divestiture of its search business to Sogou and its e-commerce business to JD.com. These strategic partners represent "half of Tencent," as Ma redefines which business activities Tencent should focus on in the entire ecosystem, not just in the company itself. Allies and partners become important components of Tencent through business collaboration, reciprocal supports, and equity participation. In late September 2018, Tencent also formally announced the formation of a technology committee to unlock synergies embedded in its various technical teams across business groups.[3]

In 2015, Alibaba's Jack Ma decided to adopt an organizational model of small autonomous teams and a strong midplatform. More than 20 agile business teams are run by young business managers who are fully empowered to base their decisions on market needs. To further empower these agile teams to win, Jack Ma decided to integrate user data and ABC technological support at the midplatform level, so that the platform offers plug-and-play services to the agile customer-facing businesses.[4] As a result, Alibaba's profit and revenue grew rapidly again after 2015.

Cultural Definer: *What do we want to be known for not only by our employees but also, more importantly, by the customers we are serving today and tomorrow?*

Ren Zhengfei at Huawei is passionate about building the right culture and instilling accountability to drive people to prioritize the customer. Customer first, employee dedication, and self-criticism for continuous improvement are three overriding values. He reinforces the culture by telling stories and writing letters to employees, shrewdly using his time only with customers, employees, and partners (not investors or government officials), generously investing in technology and people for long-term success, and basing personnel decisions on the articulated values and culture.[5]

Jeff Bezos is obsessed with building the most customer-centric company in the world by offering low prices, wide selection, and the most convenience. He articulates 14 leadership principles and weaves them in all of Amazon's business decisions (including which business adjacencies to move into and which innovative products and services to offer) and personnel decisions (selection, review, promotion, and separation). As he and many other Amazon executives assert, good intentions are not enough. A successful ecosystem needs good mechanisms to make things happen.[6]

Talent Manager: *How do we make sure our employees are competent, committed, and contributing?*

Bezos insists on setting high standards for talent. Using the 14 leadership principles and multiple interviews for rigorous screening, Amazon purposely assigns respected executives who know Amazon culture very well as "bar raisers" to ensure that the new hires will rank above average in their teams.[7] Demanding standards apply to everyday decisions and work behavior. People are expected to work extremely hard (work-life balance is not a priority at Amazon) and to be ready to take on new roles and responsibilities when needed.

Founded by Larry Page and Sergey Brin, Google strives to use technology to solve complex human problems. Having the best and the brightest engineers is critical to its mission. As a result, the company invests a tremendous amount of time and effort to source, screen, and secure top-notch talent. In addition to multiple rounds of interviews, Google makes extensive use of hiring committees to calibrate potential candidates from different hiring departments. Once these talents are hired, Google simply offers them the best work environment (campus-like environment with a lot of free cafeterias, snacks, drinks…), opportunities to work and learn with other brilliant peers, and to take on cutting-edge challenges. Result? Google is continuously selected as one of the best employers in the United States.

Personal Proficiency: *How do I (and other leaders) manage actions, beliefs, and values that enable the above roles?*

Bezos, Zuckerberg, Pony Ma, Jack Ma, and Zhengfei are leaders with clear missions and strong values. They turn personal values into company purpose. They are authentic leaders who walk their talk. Their values give them emotional energy and resilience through tough business downturns. For Bezos, the bursting of the dot-com bubble in late 2000 was a life-or-death challenge for the company.

For Pony Ma, the 3Q battle with Qihoo 360 in 2010 challenged his leadership abilities. Without a clear mission and strong values, leaders can either give up or make the wrong business decisions. These leaders are also amazingly quick learners. Clearly, a leader models the right values and behaviors. As a leader said, "We teach leadership and sometimes use words."

Organizations matter. Organizations are reinventing themselves to become market-oriented ecosystems. Leaders of these new organizations are more effective when they master five leadership domains. AQ

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[7] Employees and former employees of Amazon, interview with Arthur Yeung (author) and Tencent Research Team. The interviews were conducted from March 1 to 22, 2017 in person in China and in the United States and by telephone; Brad Stone, *The Everything Store: Jeff Bezos and the Age of Amazon* (New York: Little, Brown and Company, 2013).

HOW TO SUCCESSFULLY PLAN TO FAIL

BY ANTHONY RUSSO

For far too long, "failure" has been a taboo word in life and in business. We were raised and told to be perfect, and anything short of perfection was a disappointment and failure.

What if I told you that this philosophical mentality has created a weaker, confused, and more depressed workforce and general population?

We have set unrealistic expectations for our children, our young adults, our workers, and our management. Perfection is temporary and fleeting at best, so why do we place all of our emphasis on this almost mythical golden goose? Exactly, we shouldn't. There is no growth in perfection, and it's an unrealistic goal. Failing, however, means you are pushing the boundaries of what is possible to you and opening up room for higher levels of success.

This philosophy works in business, it works in the gym, and it works in relationships. The struggle that comes from failure creates the opportunity for greatness. Choosing what is hard in the short term is what causes relief in the long term.

So now that the rah-rah portion of this program is over, let's get to the nuts and bolts.

Failure is inevitable. As soon as we get over the shock that we are human and imperfect, the sooner we can progress in our career and life. I've had an experiential marketing staffing agency with a million-plus in revenue, driven fancy cars, and enjoyed travel and fine foods—and for those who caught me in that moment, success might have been all they saw. You might think, "Well, life is easy for him. How can he have any idea what failure is like?" As the well-known iceberg analogy suggests, though, you have to look deeper to see what's below the surface. I had two enormous business failures that led up to the successful business I'm referring to. Each mistake and lesson learned from those two "failures" gave me the building blocks for the success of the third business. So the debt, the stress, the worry, the almost-bankruptcy you don't see—you only see the tip of the iceberg.

In the words of LeVar Burton—and yes, I know I'm dating myself with the *Reading Rainbow* show reference—"You don't have to take my word for it." Every major success

I have researched has been the product of overcoming failure. Bill Gates's first computer didn't work when he showed it off. Oprah Winfrey was fired for being "not fit for TV," and Henry Ford's first automotive company ran out of money. And I'm sure you've heard this one before, but Michael Jordan didn't make the varsity team on the first try. So what's your excuse?

DON'T JUST GET BACK UP AGAIN

When you and I fail, what should we do? First off, identify the failure—and I challenge us to buck off the typical motivational phrase that tells you to get up again and brush yourself off. It's an incomplete notion, and it's setting us up for continued failures that can be avoided.

Just because I say failure is a good thing doesn't mean that repeated similar failures are. Look at it like this: If you get knocked down from a punch and you get up, dust yourself off, and go right back and get hit the same way again, that doesn't make you any further ahead than you were before.

Instead, I challenge you to analyze what hit you and why you got knocked down to avoid the same mistakes. You know, learn to duck, to block and, better yet, counterpunch.

So now that you've identified the failure and know the causes, think about how it can be fixed or salvaged. If it can't be fixed, then figure out the exact mistake that caused the failure and set up your future plan to make sure a similar mistake doesn't happen again.

Here's an example: You've trained a new hire for three months just to find out he or she is going to take a similar position with a different company for better money, with all of your training. This is a huge waste of resources and probably causes some animosity and anger in your gut. If you can look back and realize there were signs much earlier in the process that the employee was being too opportunistic and disloyal, you'll know next time to cut the cord earlier so you don't get burned. Maybe it's a simple paperwork and contract change in which a new hire has a longer probationary period to make it harder to leave after receiving all that value from you.

"What happens if you don't push the envelope, change things up, and strive to fail? Well, then you fail to become a blockbuster…'"

All that matters at the end of a failure is that you are better equipped to handle or prevent similar situations in the future. I call this a "postmortem analyzation," and it allows you to connect with potential hires or clients that didn't work out in that instance while asking basic questions to learn from the experience. Not only does this help with new examples in the future, but sometimes this attention and care to detail will help you get a client back. The power of follow-up is amazing when it's done in a kind and friendly way.

DON'T JOIN THE SELF-PITY PARTY

Some actionable items I like to give for responding to failure begin with one major first step. *Do not sulk in failure.* The more time you spend sulking, the more time that is wasted. We are human, and we have emotions that cause us to take losses and disappointment hard. However, the quicker the turnaround, the better. The only regret I have in business as I look back is the amount of time it took, on occasion, to get my mindset turned back around.

Now that you're no longer crying in the corner, try to make sure the necessary changes are in place and then take action in the new direction. At the end of the day, remember that you are human, mistakes are inevitable, and failing and being a failure are two very different things.

So, my words of advice that I encourage everyone to think through are, don't be afraid of failure. Embrace it, learn from it, and even enjoy it because you are stronger, wiser, and better prepared than you were before that failure. Push the boundaries of your job title, your relationships, and your career. Change that negative connotation of failure and throw away that negativity. View failures as steppingstones that get you across a huge body of water without falling in.

Now with all that positivity in failure, here's a warning to those who are afraid to push the boundaries and to fail: What happens if you don't push the envelope, change things up, and strive to fail? Well, then you fail to become a blockbuster...and you eventually fail. Was that blunt enough? AQ

Anthony Russo is the founder of #BeTheChange LLC, a social movement to inspire people to create action and positivity. He is also a sought-after expert and speaker on failure with his keynote, "Doubling Down for Success by Overcoming Failure." He was the owner and managing director of Identity Marketing USA LLC, a nationwide promotional staffing agency. He is a published author of articles in several major publications, including Inc.com and Forbes.com.

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Strategic Planning in the New World

BY AL CHIARADONNA

We talk a lot about the digital revolution in business. But do we really stop to think about the word "revolution"?

Revolutions disrupt and change the way we live, work, communicate, and relate. The digital revolution is changing things at a pace we've never experienced. Today, billion-dollar companies that didn't exist 10 years ago (Airbnb, Snapchat, Instagram, Hulu, WhatsApp) are thriving. And the digital age is creating not only these successful empires but also brand-new, unparalleled opportunities for employment. Ten years ago, you never heard of jobs like social media manager, podcast producer, app developer, data scientist, and telemedicine physician.

As a leader, how do you develop business strategies that keep up with this pace of change? It's easy to believe that strategies have a short shelf life these days. But that's really only true if you define strategy as the outcome instead of a dynamic process. Strategy is how organizations create and capture value. This definition hasn't changed in today's fast-paced world, but the pace of change has impacted how we run and execute our strategies. It's no longer enough to build a strategy, present it, implement it, and check back in a couple of years to see how it's going. While implementing your strategy, you must be engaged and listen to ongoing feedback in order to measure, learn, and constantly adjust.

The market is changing so quickly today that planning beyond a year or two is incredibly hard to do (with any certainty, at least). That's why it's vital to create an "intended" strategy for the next 12 months with the flexibility and courage to adjust it based on what emerges throughout the year. But don't react to everything—only to those things that truly challenge or discredit your business assumptions. If you don't know specific assumptions that went into your strategy, it will be hard to know when to react to changes in the market.

A focus on the following four elements will help leaders build a solid business plan and a dynamic strategy that can keep pace with the rate of change brought about by today's digital revolution.

DEBATE ASSUMPTIONS

Strategy begins with candidly debating assumptions without judgment, followed by focusing on the most important drivers:

Customers. Who is buying from you, and why do they buy? What are your customers' current and future pain points, and do your solutions address those challenges? Are your customers satisfied? Loyal? Loyal customers buy more from you and provide referrals.

All relationships, even those with loyal customers, have their ups and downs, but it's how you react during the lows that will shape relationships and build longevity. Identifying short-term and long-term risks in each relationship can help you focus on areas of opportunity to strengthen the customer relationship.

Solutions. What are your customers buying from you and how do they consume it? Are you fairly pricing your solutions for the delivered value? What is the competitive landscape? Do you understand your place in the market—strengths and challenges? Do you understand the capabilities that make up your products and services?

When the market changes, we sometimes incrementally improve products instead of stepping back and looking through the product or service. By evaluating the underlying capabilities, we can potentially identify opportunities to combine capabilities in order to build completely new solutions or enter new markets.

Workforce. This is your strongest and most valuable asset as an organization. Do you understand the "social contract" or the relationship your company has with its employees? This is becoming increasingly critical as employees have more choice than ever before. Happy employees translate to happy customers, and happy customers translate to profits. But if employees don't feel valued, they move on, taking their domain expertise (and maybe some of their co-workers) with them.

It's never been more important to debate assumptions as they relate to your workforce because your strategy is irrelevant without them. Just as we developed a focus on "customer value propositions" in the last two decades, the next 20 years will be about "employee value propositions." This is the age of the employee—don't make the mistake of underestimating that.

Culture. Culture is the way people interact with one another. It is human, dynamic, and driven by leaders' core values and beliefs. People act the way they are treated. Do you have policies and procedures that instill a sense of belonging and/or trust? Do you have a future-focused culture? Imagine a culture that connects people and unlocks their collective intelligence, rather than one that isolates them in performing a given task and pits them against one another. Envision a culture that builds bridges, not silos, to get work done efficiently within teams and across the organization. These are the opportunities a future-focused culture creates.

Most activity happens as a result of open communication, and working as a team creates the opportunity to face

challenges together. As a leader, driving accountability starts with you and your ability to articulate the strategy and goals. By debating assumptions and creating open dialogue with your team to set the goals, you should have the necessary buy-in to build and execute the plan, as well as agreement on the metrics for success. What are the expectations? What are the options for building an action plan? Most want to focus only on action, but many may waste a lot of energy and time focusing on the wrong problem out of the gate. Debating assumptions builds buy-in and also creates a platform for people to openly share the challenges they face as these assumptions are executed in the real world. When everyone owns the strategy, it becomes dynamic.

DEVELOP GOALS AND COMMUNICATE

Once you debate assumptions openly and honestly, you can begin to develop goals. The goals need to be specific, and you will need to determine how you'll measure whether those goals are met. Metrics should be both process-oriented and results-oriented.

A strategy is hard to implement without a measureable process to gauge progress and learn. A formalized process allows for celebrating milestone metrics along the way. In many businesses, goals won't be met overnight, so measuring and acknowledging progress is critical in keeping your team motivated and focused on achieving the end goal. More important, measuring progress or activity helps people build confidence in reaching their longer-term, result-oriented goals. For example, measuring sales funnel activity provides insight into whether sales professionals are making enough connections to hit their annual targets.

The end goal is your result-oriented metric, which can include revenue, expense, profit, and workforce. It's important to be clear from the start about what success looks like in all categories:

- Do you want to focus on recurring revenue growth, overall revenue growth, or both?
- If evaluating expense, will you measure productivity improvement as a cost per revenue dollar? Or will you examine quality and focus on warranty claims or spoilage?
- Will you measure workforce satisfaction based on customer and employee attrition, number of promotions, product/solution experiments, or a combination of several metrics?

Don't sugarcoat progress. Ask "why" when the strategy is working—and when it's not. What can the team do to keep a trend alive or change course? Questioning with a tone of curiosity and learning, not judgment, tends to elicit more honest feedback. The focus isn't on what's right or wrong—it's about understanding and making truly informed business decisions as a result. Always strive to understand what is causing the business to act the way it does, good or bad. Don't run from the facts, embrace them. It's not about being "right" in a dynamic world, it's about adaptability.

COMMUNICATE AND MEASURE: THE BATTLE OF "INTENDED" VS. "EMERGENT"

While focusing on the deliverables, it's crucial to keep people informed throughout the process. Share assumptions and how they were used to develop the goals. Additionally, you want to communicate the result-oriented goals and how the process and activity metrics align to them. When communicating, think about the audience and how it will hear the message you deliver. Most companies think strategy is a secret and, therefore, dilute communications so they don't give away secrets. But the real secret ingredient is execution. Just because you know what someone plans to do, doesn't mean you can actually do it.

Communicating your strategy should extend outside the walls of your organization to an external audience. Clients often value the strategic process as much as they do the end result, and they're a critical component of managing your intended strategy in reaction to emergent trends. Knowing your customers and incorporating their thoughts, ideas, and support provides opportunities for improvement. That open dialogue drives reliable execution. After all, your customers are faced with the same pace of change you deal with regularly, and developing deep-seated, candid relationships can only help you manage the changing tides together.

Don't forget that an agreement to execute is a promise. How will you measure whether you kept your promise? Be deliberate about exactly what you will deliver and when you will deliver it—even share an example of what the end result may look like. But don't get caught in the trap of defining how you will do it; you need flexibility and opportunity to get it done the way you see fit. Treating your clients like partners will go a long way in helping you manage the ebbs and flows of strategy execution in a rapidly evolving world.

INVEST IN COMMUNITIES OF PRACTICE: THE FUTURE OF RELATIONSHIPS

In today's hyperconnected world, at the heart of any strong strategy lies the connection of communities: employees, partners, customers, and society. It's not about the product or services sold; it's about a business's purpose, the connection to the various parties, and the communities of practitioners we build.

Your industry doesn't matter. Whether you are in financial services or telecommunications, B2B or B2C—people want to connect with other people. It's that simple. Sometimes we come to work and think we have to check our human qualities at the door. The reality? We spend a vast majority of the week at work with co-workers, clients, and partners. We should feel a greater connection to them. Regardless of the product or service you sell, are you providing opportunities to engage on a deeper, more personal level with the people you interact with?

> "Keep community in mind as you build and launch your strategy. Audience development is a key ingredient in your strategic planning approach."

You already have something in common, given you work in the same industry. Find greater purposes and watch how fast stronger connections are built.

Communities are organic (which is what makes them so great), and they're contagious. It's surprising how much people will open up once they're invited into a conversation. And that conversation and feeling of community is the single greatest way to build trust and authentic, long-lasting business relationships.

Keep community in mind as you build and launch your strategy. Audience development is a key ingredient in your strategic planning approach. Are you focused solely on existing customers and solutions? Will you look behind the curtain and visualize the true needs of your current and future markets? Are you deploying human capital to its full capacity? Do you provide transparency and opportunities for open dialogue? Employee and client events, virtual meetings, social media, blogs and special interest clubs are all excellent ways to facilitate connection.

Business doesn't have to be all business, and community can actually be a fantastic catalyst for moving a business forward. Being part of the conversation (versus sitting on the sideline) provides direct exposure to all voices: the employee, customer, and market. Incorporating community into your strategy not only helps strengthen execution but also separates the future leaders from the followers.

A leader's job is to maintain relevance in an ever-changing world. To stay relevant, every business needs a strategy that's contextually timeless with flexibility and evolution baked into it. There's certainly more than one right approach to execution, but the four elements discussed here are critical to strategic planning in the new world. Be bold, be collaborative, and have confidence in your strategy, but not arrogance—it's the quickest way to kill the potential for success. AQ

Al Chiaradonna is senior vice president of private banking at SEI Wealth Platform, North America Private Banking. He is responsible for the overall launch and delivery of the SEI Wealth Platform and is also the author of the blog "Front and Centered," which provides perspectives on leadership and executive management.

Creating a CULTURE OF COACHING in Organizations

BY RICHARD E. BOYATZIS, MELVIN L. SMITH, AND ELLEN B. VAN OOSTEN

When Jeff Darner, senior director of talent management and human resources, first brought coaching into Moen, a Fortune Brands company, he faced a grindingly slow process.

As he said, the executives "were not used to asking people about how they feel." What's more, Moen's managers already felt pressed for time to complete their daily work and saw developmental conversations as another task on their already lengthy lists. Little by little, through training and conversations, the climate changed. Managers who once felt they didn't have time to talk—much less listen—to each other now take the time to do just that. They even report observable daily, informal coaching moments among managers and with staff members in the halls and after meetings.

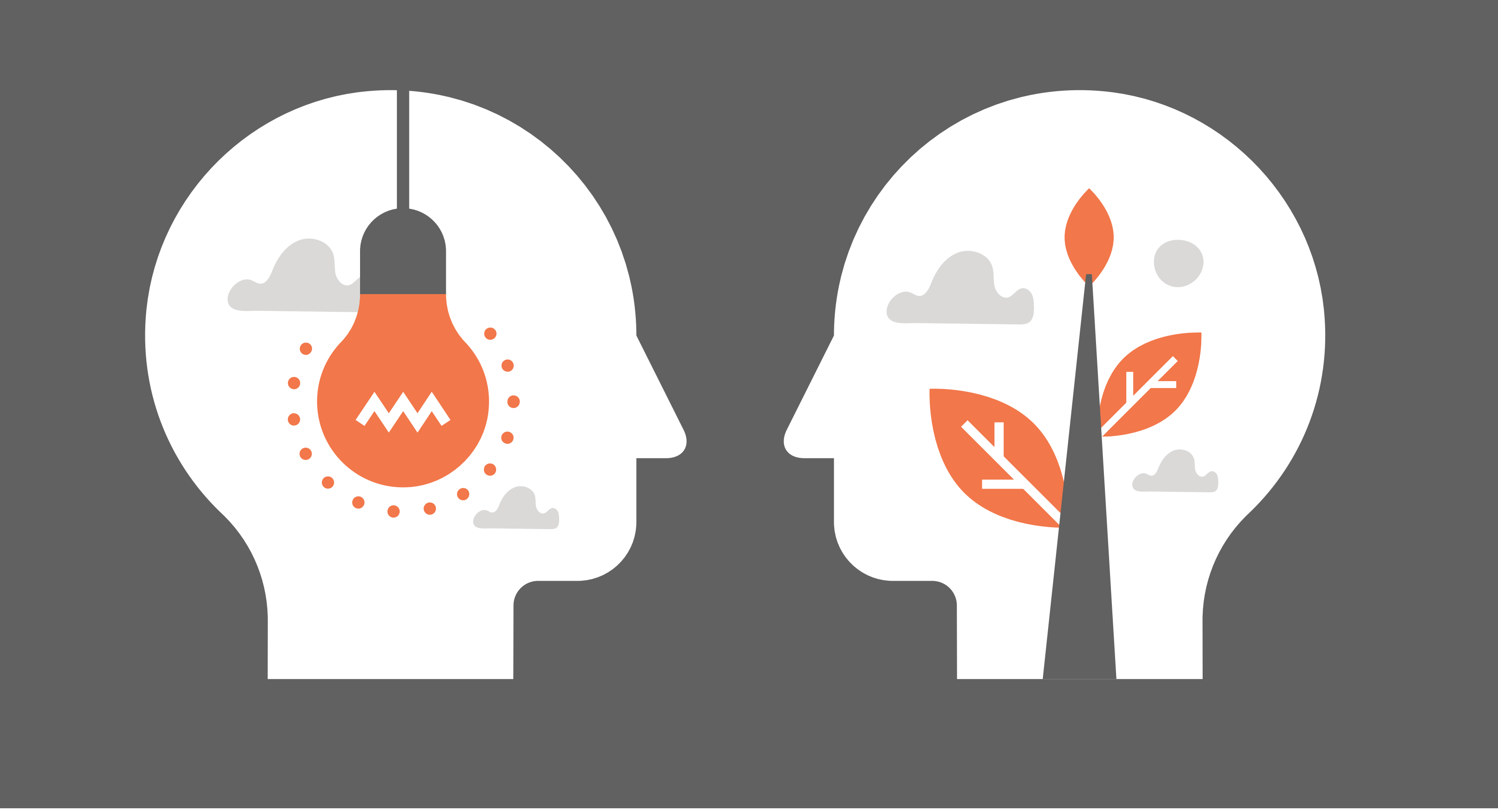
That's the kind of coaching culture we are helping to create in the organizations in which we work. Specifically, an effective coaching culture develops in organizations where people have gained skills in helping other people through coaching to their dreams and visions of the future.

BRINGING COACHING TO WORK ORGANIZATIONS

Coaching is still relatively new to organizations. They are still exploring the many forms of coaching and finding ways to perfect it. One thing we've learned, however, is that the coaching relationship is key, especially when we consider that organizations are in need of resonant leaders who can motivate and engage others. One of us, Ellen, in a study of senior financial leaders in a leadership development program with coaching, found support for the importance of a coaching relationship. Her study revealed that a high-quality coaching relationship had a direct, positive impact on the leader's work engagement, career satisfaction, and expression of a personal leadership vision.[1]

We also know that coaching can elevate the professional prospects of certain special and at-risk groups in organizations, such as emerging leaders, minority groups, and women. For example, we know that in the United States, women in organizations don't receive coaching as much or as often as do men. Yet women "face distinct individual and organizational realities" that coaching could help them address, according to our friends and colleagues Margaret (Miggy) Hopkins, professor at the University of Toledo, and Deborah O'Neil, professor at Bowling Green State University. In one of our many discussions with Miggy and Deb, they noted that women remain underrepresented in leadership roles and are underpaid as a group. Coaching therefore could provide professional women with a safe place to contend with issues like career advancement in male-dominated fields and to reflect on work-life integration. Researchers also recommend coaching for helping both women and minorities find their unique voice and advance through organizational structures.

But providing coaching isn't always easy, especially at first, as Jeff Darner found when he introduced coaching at Moen.



And it can also be challenging even long after coaching has been introduced in an organization, as Niloofar Ghods discovered when she became leader of Cisco Systems' coaching practice. She walked into the job looking forward to providing a variety of development options for thousands of Cisco's executives and professionals. Little did she know that her first task would be taking stock of the deluge of coaching configurations already in place. Cisco was spending millions on coaching but could account for only a small percentage of the coaches being used by the company and its people. As Niloofar described it, "I had to clean house."[2]

We've heard the same story from many learning and development executives of Fortune 500 companies. Like Niloofar, they find they must begin by surveying and documenting how much coaching is being delivered and by whom. At that point, they review the best ways for people to have access to coaches. Moreover, ensuring consistent coaching quality and managing fees presents a major challenge, something Niloofar addressed by creating a training and certification process for all coaches Cisco uses, both internal and external.

But other organizations face development challenges that are far more complex than accounting for and providing the best coaching. Amy Grubb coordinates staff development (which sometimes includes coaching) for 25,000 people at the Federal Bureau of Investigation. Adding to the pressure of the job itself, FBI leaders are in the public spotlight daily. They have to present a veneer of calm and perfection while somehow juggling the demands of truth, justice, and partisan politics. Although the FBI uses coaches automatically when onboarding a new executive or transitioning someone to a new job, Amy also created a program where a leader can request a coach as needed. When the federal budget became tighter, however, she began to encourage more "self-coaching" through mindfulness exercises.[3]

As these examples illustrate, creating an effective coaching culture requires a range of management skills and thoughtful discernment—everything from assessing overall need and managing access to coaches, to (sometimes) centralizing coach training and certification to ensure quality. We also see in these examples three basic approaches to offering coaching services in organizations: (1) encourage and train associates to peer coach in pairs or teams; (2) provide access to internal or external coaches (people professionally trained as coaches and typically certified by some professional group); and/or (3) educate and develop managers and senior leaders to provide coaching to their direct reports and others.

PEER COACHING

One approach used to craft a culture of coaching in organizations is peer coaching. Peer coaching formalizes a personal, supportive connection for mutual help. The idea is for two or more people of relatively equal status to come together to help each other with personal and professional development, using a reflective process often involving recalling meaningful incidents or stand-out moments. Our colleagues Kathy Kram, Ilene Wasserman, Polly Parker, "An important step is to vet the program and providers to be sure the experience and instructors are properly credentialed and the experience is high quality."

and Tim Hall describe the process of helping as dynamic and the main purpose of peer coaching "to promote goal-directed mutual learning with clear boundaries."[4] Reviewing specific events from work appears most helpful when the people involved see each of the events as a kind of living case study. So, one person selects an event of relative importance from work, presents it to the other individual or group, and together they brainstorm about how it went and what other options might have been available. This mode of review has been seen as more valuable when it involves peers talking to and helping one another, as opposed to peers being guided by an expert or "superior," which can feel like another level of the "ought" self being imposed, which then stimulates a stress response.

One of the most successful peer-coaching groups to help people change their behavior is Alcoholics Anonymous.[5] It was the peer aspect—people stripped of formal status differences and talking as equals—that gave AA credibility. It enabled people to approach one of the most difficult behaviors to change, an addiction habit, with a sense of possibility. The members of a meeting, as they are called, come to rely on each other for support, insight, inspiration, and comfort. Knowing that they have each "been there" makes the discussions believable and honest and the shared experience creates strong bonds between members.

Peer coaching can be formal or informal and can involve people from within and outside of the organization. These relationships often sustain themselves over long periods of time because the people develop deep, resonant relationships involving mutual caring and compassion, shared vision and purpose, and an upbeat, helpful mood.

Best of all, from an organizational standpoint at least, peer coaching offers a low-cost alternative for providing support to large numbers of managers and employees, and can lead to a very positive cultural norm. In particular, peer coaching provides a great way for organizations to practice coaching on a daily basis and to cascade it down from managers to employees.

USING INTERNAL AND/OR EXTERNAL COACHES

Another approach to building a culture of coaching is to utilize internal and/or external coaches. Organizations looking to hire coaches first must decide whom to hire externally or internally, and sometimes companies choose to do both.[6] The internal option might begin with an internal training program on how to develop a coach approach in developmental conversations with others. Many begin by providing coach education for managers to help them build their coaching capabilities. The most prevalent groups that provide coach education and training are universities and training companies. Programs offered by such organizations acknowledge a person has acquired knowledge and learned a particular model and techniques to help the individual coach more effectively. An important step is to vet the program and providers to be sure the experience and instructors are properly credentialed and the experience is high quality.

The second group comprises associations or companies that "certify" that the person is a credible coach. This is a certification based on their group's competency model. Currently, the largest of these are the International Coach Federation (ICF), WABC (Worldwide Association of Business Coaches), and CCE (the Center for Credentialing and Education). The awkward issue is that there are no published studies showing which competencies or characteristics of particular coaches enable them to be more effective than others. That is, these associations and companies offer certification without any empirical evidence that their models actually work. Their research takes the form of attitude or opinion surveys.

Perhaps the best method is to look for converging evidence from personal referrals, formal education, and certification in a variety of approaches. Using such methods to maximize quality of the coaches hired can help people seeking coaches to understand they are getting the best possible development.

Internal coaches may also help when there's a unique circumstance that might take time to understand. For example, when the Cleveland Clinic, ranked as the No. 2 hospital in the United States, wanted to develop more of its physician leaders as general managers, it turned primarily to a cadre of internal coaches. The clinic, which was one of the largest U.S. hospitals, had developed a highly effective patient-experience program that changed the culture. Meantime, it was acquiring other hospitals rapidly in other cities and countries. While each of these aspects of the Cleveland Clinic was not unique, the combination created a situation that few professional coaches had encountered. The aggressive program of using coaches helped develop doctors, nurses, and staff as effective leaders.

DEVELOPING MANAGERS TO BE COACHES

The approach of developing managers to also be coaches is not new. In the early 1970s, senior executives at Monsanto who worked in what we now call learning and development, asked coaching pioneer Walt Mahler to offer courses in coaching skills to selected executives.[7] In the decades since then, learning and development staff at many organizations have tried to promote this coaching aspect of the manager's role more and more—primarily because managers themselves have become more focused on development as a reason to remain in a firm. In other words, managers, research has shown, wish to grow and advance through developing people in their organizations and have found that coaching is an effective way to do it.

Of course, to ask managers to add coaching to their daily efforts means that they will need some training in why coaching is important in the first place and how to acquire both a coaching perspective and the skills required. The skills for developing others, however, are not the same as typical management capabilities. One study showed how training managers in coaching skills improved sales of their entire teams.[8] Without such training, managers are likely to fall back on their personal views of others—biases that may be as basic as a belief that people can't change—which could interfere with how well they come across to others as caring and interested in others' development.[9]

This even can help in hospitals and health care. Dr. Patrick Runnels is not only a psychiatrist but also runs a fellowship program for doctors finishing their residency in psychiatry and working in community mental health sites. In a development program with coaching in which he was a participant, he experienced and practiced coaching with compassion. "It hadn't dawned on me that when giving feedback in supervisory settings," he said, "you can use coaching with compassion to reach more people." He was trying to prepare MDs who would be managing treatment teams to take a growth mindset and try to frame their work as not managing tasks but motivating people. During the program he was running for the fellows, he asked each to develop his or her personal vision. He had them practice coaching each other and then discuss it with peers, using coaching as a regular part of their supervision (or management) of others in the hospital. Participants said coaching with compassion made a lot of sense and it was much more fun than typical ways people handle motivating others. Their reactions were, in his words, "amazing." Even though they were psychiatrists, he said, "Two-thirds had never thought of motivating others through the [positive emotional attractor]." Now many of the fellows have put these methods into practice.

The larger strategic image is that if a critical mass of managers saw coaching as part of their day-to-day role—and did it—coaching would become a new norm rather than just an occasional practice. It could change an organization's culture to one that is more developmental and compassionate (i.e., caring), which seems more in tune with the largest group of employees in the emerging workforce, the Millennials. According to international surveys, not only are Millennials demographically as large if not larger than the Baby Boomers were; they are also more purpose driven and they seek development in their work.[10]

If managers and executives viewed coaching as part of their style—that is, their personal way of acting in their role—this would also contribute to a shift in an organization's culture. Seeing coaching as part of your role instills an expectation

"Participants said coaching with compassion made a lot of sense and it was much more fun than typical ways people handle motivating others. Their reactions were, in his words, 'amazing.'"

that each leader should be coaching and helping others. When you change what people see as the rules of the game, how a person should act, and what they should value, you have changed the culture!

As authors, our hope and our vision are that as people begin to learn to coach each other with compassion, they soon will start trying the same approach in their work units as well as in their families, with friends and acquaintances. Organizations will see the benefits daily, as will the people within them.

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The Capital Elements of

BY TOM LEAHEY

With hundreds of contemporary books focused on corporate strategy, it is odd that the 20th-century Russian revolutionary and Marxist theorist Leon Trotsky provided perhaps the most prescient counsel on the matter when he wrote, "You may not be interested in strategy, but strategy is interested in you."

In our hypercompetitive world, where long-standing competitive advantages can be wiped out in a matter of months by plucky, well-funded upstarts, corporate strategy is no longer optional. Professional capital is finding companies at embryonic stages of development, and we all know that capital radically changes a marketplace and the behavior of its participants.

So why should we care about strategy when dealing with the here and now can prove daunting? To many, strategy is an empty exercise in which highly paid consultants try to shed light where there is no darkness. While there may be an element of truth to this adage, a well-formed strategic plan should result in enhanced competitive resolve by tapping into new and exciting opportunities, such as finding new markets, defending hard-won territories, extending one's brand, bolting on an acquisition, or reenergizing the balance sheet. All critical elements to building companies that stand the test of time.

FIRST THINGS FIRST

The development of an effective strategy is not an exclusive exercise. The first step in any useful planning process is to gather input from all corners of an enterprise. The group must have the following seven elements:

- It must be cross-functional. This is nonnegotiable. HR is as important as IT and finance.
- The team should be nimble and given authority to cut across lines and time-honored traditions.
- The team should have balance, being inclusive of levels, locations, lines of work, and so forth.
- The best teams operate below the C-suite. Input can break down when the CEO or CFO shows up.
- The team should present to the C-suite at regular intervals. Refine and calibrate.
- The team must be small enough to facilitate ideation but large enough to get to the corners of the enterprise.
- The exercise must be compressed so that clear deliverables are established and presented in four to six weeks.

Now that the team is established, what should the first step be? Although this seems like an odd place to start, one of the most useful outcomes of any planning exercise is to understand and inventory organizational weaknesses. Does the organization have a dearth of needed talent? Are there distribution or product issues? Is the company financially compromised? Document steps to overcome all perceived weaknesses so that you will have the foundational strength for the job ahead. An effective planning exercise cannot skip this step. You'll need to bolster corporate capabilities to produce desired outcomes. And, honestly, capital can be bargained for in the context of material strategic changes.

OUTWARD OR INWARD

A useful strategic plan must contain both top-down and bottom-up considerations. At this point, it's time to draw the curtains back, take in the sunshine, and look outward.

From a macro perspective, survey your industry and gauge the same competitive resolve of the companies you try to outsell and outservice every day. Catalog regulatory and expected market disruptions so that you can calibrate your thinking. This aspect of planning should produce a matrix. Has your industry moved away from your company so that, in essence, you have subordinated your business to your competitors? You should also know exactly where you can be forceful in your position and accelerate your growth. A few considerations:

- First and foremost, this is a trade-off game. You cannot be all things to all people. Recognize where can you accelerate a leading position (i.e., invest in fast-growing product or service line). Understand where you have subordinated your position. Where do you lag?
- Opportunities must be calibrated to available resources. All companies must compete for resources.
- If you want the attention of the board or the C-suite, risk-return scenarios must be quantified. Risk/reward must be expressed in some derivation of return on invested capital.

THAT'S IT...RIGHT?

All set? We've taken a wonderful cross-section of company leaders. We understand where we are strong and where we

lag our competitors and have developed a plan to overcome these challenges. But as they say, not so fast. All strategic initiatives place capital stress on a company. Even if your plan calls for the disposition of a money-losing operation, you'll have to stress-test this action against your capital structure. Given your debt covenants, can you simply close a money-losing operation, or can an asset be sold without input and approval from your capital providers?

It's time to take your plan to the laboratory for a slight detour. The group must prioritize and assign value to each recommended strategy. Each desired activity has a price tag (and one cannot forget the working capital involved). For example, you may desire to enter a new market through organic growth. A careful review of the required investment must be modeled first on its own with the expected uptick in revenue and earnings and then consolidated to see if this "fits" within the current capital and operating structure.

A member of the strategy team should be acutely aware of overall capital capacity and related restrictions. Often this involves stress-testing the change in the financial model against current debt covenants or return hurdles. Know the "flow through" of your plan before you present it to your C-suite. A high-return scenario may encourage capital talks with external sources, so do not be discouraged if you can't "fit" exciting initiatives within the current balance sheet.

PULLING THE PLAN TOGETHER

At this point, your conference room may look like the editing room at MGM Studios. Lots of great ideas scattered about. How do you pull this all together into a coherent and compelling story? It's time to connect your top-down and bottom-up strategy. What opportunities have you uncovered in your industry, and what can you do to take advantage of these pockets? Do your ideas speak to these opportunities? If your top-down examination reveals a wide-open West Coast market, then why think about an East Coast acquisition in a crowded and mature geography?

The team must develop a consensus on how to prioritize and decide on a clear number one, two, and three. All ideas must be filtered in the lab for stress and assumed returns, as well as required capital and resources, including human and IT. There will be disagreements, but a robust debate on how to finalize and prioritize your overall strategic plan will deepen the team's commitment to such recommendations. If a plan involves more than one idea, then be ready to go for it. A single plan can include several elements or a sequence, such as paring down debt, disposing of nonstrategic assets, upgrading plants, and investing in distribution. Thinking contextually will preempt the CFO's first question: How do we pay for all this?

Back to our favorite Soviet comrade Trotsky, who said, "The end may justify the means as long as there is something that justifies the end." There is no magic way to conduct a strategic planning session. And certainly, execution can elevate or destroy the best-laid plans. What is needed in all companies is the recognition that strategy is as relevant as the next sale. Your ability to see around the next corner will be critical to your competitiveness well into the future. AQ

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3 POWERS OF RAPID

CREATION

BY LARS SUDMANN

Some businesses, industries, and markets may be in recession or even crisis mode. The world is in turmoil. Why would we need a strategy in these times?

Times are changing fast, and digital transformation is putting high demands on every organization, large and small. Everything is changing in any case—and any strategy is going to be obsolete soon. So you might think, "Let's just go ahead, and not waste time with strategy."

While this attitude is understandable, everybody who has ever worked in business knows that it also doesn't feel right—aimless and without focus, especially for times of crisis. Why is that? Because of the headless-chicken phenomenon. As soon as an organization enters the unknown—be it rapid growth, transformation, crisis, or other circumstances—by definition there is no real direction anymore. People don't have direction and crave insight, but they don't get it. When life gets disrupted, what kicks in much more often is that they run around cluelessly, trying to find answers, shouting at each other, developing things on the fly.

Strategy can help here, providing a clear direction from leadership that gives guidance and security. However, there are some problems with the classic strategy process. Strategy often sounds sophisticated and smart, but also a bit fluffy. "We need to have a strategy" is heard in meeting rooms across the globe. Strategic teams are everywhere. A great strategy is the cornerstone for every business and team, from freelancers and start-ups to the Fortune 500. But how do you create a strategy, and what does a good strategy look like?

DEFINING WHAT STRATEGY IS

A person can get lost in the sea of strategies that exists in many companies: go-to-market strategy, pricing strategy, corporate strategy, product strategy, employee strategy.

So what is strategy? In my definition, I like to paraphrase Henry Mintzberg: Strategy is a stream of decisions that has a pattern.

Everybody who creates a strategy faces the strategy/pivot dilemma: Times are uncertain, events and assumptions are moving quickly, or a crisis is hitting fast. So the big question is: "What do we need a strategy for if we're pivoting all the time?" or "The moment we're done with the strategy process it's already obsolete." If you follow such an approach, you will be lost quickly, especially if you're running a larger organization.

As the "philosopher" and Major League Baseball player Yogi Berra once said, "If you don't know where you are going, you'll end up someplace else."

But how do we create a strategy? The problem of strategy in most companies is that it is like a pendulum between two extremes. On the one extreme, there are the endless PowerPoint® decks, with 100 slides that summarize strategy. These decks often end up in the drawer after the presentation and accumulate real or virtual dust. The creation of the strategy is so complicated that the strategy itself is not really known. Managers refer to the book when asked for their strategy. There it is, with pride. But nobody really reads it or knows what to do with it.

There is another extreme when it comes to strategy, which is also popular. Fueled by need and the fact that people don't read the strategy "book" anymore, some managers try to push their strategies into one sentence. When asked what the strategy should be, they say: "Just go out and hustle!" or "Our strategy is to sell more and spend less" (this is a real example I once heard).

While certainly short and memorable, this "plan" is not really what we have in mind either. We need a "sweet spot" of strategy, something with enough direction and specificity that it has a deep and clear direction, but also is easy enough to communicate without spending one hour talking about it.

In this sweet spot, there is strategy that is powerful enough to overcome difficult times. This type of strategy is relatively easy to create as well, and can be adapted fast. As mentioned above, in fast-changing times—whether due to rapid growth, technology change, or crisis—a company must have a strategy. This is why it's important to have a model in mind that is fast-moving and adaptable and can be quickly adjusted. The strategy must be there to guide the organization and teams so they know where they are going, which is a fundamental key to success.

How do we best create and execute this type of strategy? By relying on three "powers" of rapid strategy creation:

- The power of frameworks
- The power of speed
- The power of internal wisdom

THE POWER OF FRAMEWORKS

All managers know the painful moments when everyone is sitting together, brainstorming and discussing everything from the competitive direction to internal audit policy. Frankly, these often can be horrible sessions, as it all feels important but nothing is really "strategy." Instead, lots of brainstorming ideas are thrown around as the discussion goes into all directions.

The first thing to do in the rapid strategy creation process is to create a framework. As I like to say—you have to define a box and then think inside that box. All key leaders of the organization need to be versed in and agree on the process of creating the strategy. There is not one magic formula, but it's important that you *have* a formula.

When I guide executive teams through a strategy process, I typically use these six areas as a framework:

Define the core vision. Write down in one sentence, or tweet, what you want to accomplish. Here, techniques such as brain writing can help enormously to get different perspectives.

From there, define one or two core metrics. The key questions here is: How will you know that you are successful? Is it a monetary goal? Is it something else, like a quality measure? What is the one number that you are after, and that supports that vision above? It's the answer to the question: How do you know that you won?

Define three to seven key techniques, actions, and focus areas. How will you reach these areas? Where do you have to focus to achieve this? These are big focus areas. If it is a massive flow, it will be difficult. As Woody Allen says, "You can't ride two horses with one behind."

Assess and focus your resources. What is your focus in terms of how you will get there? In ancient military terms, these were your strengths areas. What will you leverage? What are your unique strengths?

Figure out what not to do. Defining three to five areas and being held accountable for those is absolutely key. I cannot stress this enough. It's easy to say that you will focus on strategy one, two, or three. It's hard to say no to number four when it slowly walks in the door. But saying no is part of strategy.

Define how you will measure that you are on the right path. This is where strategy and operations meet. It is the plan for the foreseeable future identifying the specific items and concrete next steps from this strategy that will be tackled.

There are other frameworks that work for strategy. The key, especially in fast-changing-times, is not to argue about the *best* form of strategy creation.

It is to define, to put a stick in the ground, and say: This is the process we are looking at, not just for one moment, but for the coming months and foreseeable future. And everybody in the organization follows it.

> "'Rapid strategy creation' already offers a hint: Create a first iteration, then follow the same time-boxing methods that make hackathons successful: producing something in a short time."

THE POWER OF SPEED

Once you've decided on a framework for your strategy process, you can concentrate on speed. Here, the term "rapid strategy creation" already offers a hint: Create a first draft of your strategy as quickly as possible. Create a first iteration, then follow the same time-boxing methods that make hackathons successful: producing something in a short time.

I call these iterations Stratethons—a very fast-paced development of the six key strategy areas. Always create the first draft of each of the six steps without much discussion, so that there is some kind of prototype. Then discuss this prototype. It takes a team only +/- a day to define these six fields. As one of my former clients mentioned, "We were able to produce in two days what took us three months to get into before."

Going quickly is extremely important, as strategy discussions can easily fall apart and create endless side discussions. But the combination of the power of frameworks and the power of speed helps take this issue off the table.

THE POWER OF INTERNAL WISDOM

Everybody who creates a strategy has fundamentally two options: have the strategy done as a long-term analysis by experts or tap into the wisdom of the crowd.

The key for me is to consider two things:

- Do I really need to get outside knowledge for a strategy? (Hint: rarely)
- Do I need to get internal alignment on the strategy? (Hint: almost always)

There are significant reasons for reaching out externally—for example, if you are seeking information on entering a new geography or advice on technical strategy. However, if your focus is on seeking internal alignment, then you are better off with an internal wisdom process. It's more rewarding, much more efficient, much faster, and costs less.

One trap that companies fall into is the "expert syndrome," in which they get a room of experts together, either from the outside or the inside, to do long-term work and create the strategy. However, this often ends in the "experts dilemma"—long white papers that go straight into the garbage bin. Additionally, these processes usually take a lot of time. I recommend a different approach: Tap into the wisdom of the crowd of the organization.

My experience is that when it comes to strategy, it's often not the knowledge that is missing. What's missing is alignment. Going through a good strategy framework creates this alignment. And the best way to create alignment is via rapid strategy creation. There is also no better way to generate buy-in for a strategy than by having employees co-create it so that they can see how the process came to life.

When you tap into internal wisdom, who should be there? That really depends on the type of strategy you are creating. In general, I recommend that these key players be included:

- All leaders/lead team members
- External stakeholders (such as a board representative)
- Some experts/others with deep understanding

At least some two-thirds to three-quarters of the people represented should be those who will work with the strategy on a daily basis. Otherwise this group rapidly creates something that is out of touch with business reality. But having some outsiders can add that special touch of external input that is valuable when looking at a company's direction. This combination brings a true diversity of thought.

COMMUNICATION IS KEY

If a strategy is to be a guiding pattern for a stream of decisions, it needs to be clear and easily communicated. The worst thing is to have a strategy and not be able to share and communicate it. As a leader, you should always have an answer to the question: "What is your strategy?" So one of the most powerful things a leader can do in times of change or crisis is to be able to communicate your strategy fast, in less than two minutes. I want people to live what I call the "Strategy Turing Test."

The Turing test is the famous challenge by Alan Turing on how to identify if there is true artificial intelligence. In a nutshell, the test is that if a human asks the computer questions, and the answers are indistinguishable from another human, that system would have passed the Turing test.

With a Strategy Turing Test, your team members should be able to share the strategy with another, almost indistinguishable one from another. Then you have achieved true alignment in an organization.

Whenever I work on strategy, I push people to fill in the blanks to these sentences, based on the six framework areas:

We want to create ____________________

For this, the one to three key figures are ____________

We reach this by focusing on these areas____________

And we will leverage these things ____________

We will specifically *not* do these things ____________

We will start tracking progress and implementing by______

If your leadership team, and maybe even all of your employees, can readily fill in the blanks in these sentences, it becomes very clear what your strategy is and how it can be achieved.

While detailed plans are needed to execute your strategy, they are not the strategy. If your strategy cannot be summarized in one to two minutes, it's not a good strategy.

By going through the steps above and leveraging the "three powers," you can rapidly create strategy and strategy alignment in an organization or team. Strategy is, of course, not a onetime event. It is a process, and these rapid alignment processes need to be repeated regularly by the key stakeholders. But the process ensures that the daily work and the daily decisions are linked to your strategy. As you are able to quickly review and pivot your strategy, you make sure that the strategy remains valid, fresh, and relevant. AQ

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Putting C-Suite SUCCESSION PLANNING in Corporate Strategy

BY ANTHONY ABBATIELLO

Transitions in the C-suite are critical moments in an organization's trajectory.

The disproportionate power C-suite executives have over the direction and operations of a business often means that succession and disruption go hand in hand. A smooth transition has the potential to sustain the confidence of investors, ecosystem partners, customers, and employees, while a rocky one can derail momentum for years to come.

Unlike CEO succession, which is managed by the board of directors, C-suite succession is led internally and typically lacks consistent methods and data to predict the next leader, making the transition even more risky for the organization. The best asset to increase the probability of a smooth transition is advanced planning. Successful transitions are grounded in a comprehensive succession plan, which integrates the organizational strategy, growth objectives, and transformation goals of the business with the desired profile of a new leader. The caveat is that developing such a plan and securing the buy-in of key stakeholders is a three- to five-year process, longer than many companies plan for, despite the obvious benefits.

While an unexpected succession event with a shortened time frame will still result in the hiring of a new leader on paper, the risk of misalignment between the new leader and the organization poses significant risk to the operations and the bottom line. The goal of succession planning is to mitigate that risk.

And yet, many organizations do not have a comprehensive succession plan readily available. In "The holy grail of effective leadership succession planning: How to overcome the succession planning paradox," a September 2018 Deloitte study, 86% of leaders expressed their belief that leadership succession planning is an "urgent" or "important" priority, but only 14% of them believe they do succession planning well. This shift toward prioritizing resources and investments toward greater succession management maturity can have a profound impact on organizations' health: It can reduce the risk of vacancies in the C-suite, accelerate the development of high-potential executives, and ultimately position organizations for uninterrupted, long-term performance.

MILESTONES FOR A SUCCESSION STRATEGY

While developing a comprehensive succession strategy for the C-suite can be a complex process, it is generally composed of four discrete milestones: (1) determining the organizational context, (2) identifying and assessing talent

pools, (3) determining the roles and responsibilities of key stakeholder groups, and (4) providing transition support to a newly appointed leader.

Determining the organizational context. Succession planning ultimately seeks to answer one fundamental question: What leadership does the organization need to ensure its future success? The journey begins with the organization itself. A comprehensive succession strategy is one that projects where the organization is headed in the next five to 10 years and then uses that data to determine what type of leadership is needed to execute against that vision. To that end, strategic goals, market trends, blind spots of previous or current leadership, and other variables impacting performance must be acknowledged and considered.

However, a senior team that is fundamentally aligned on an organization's five-year strategic plan is the exception rather than the rule. As such, addressing these differing perspectives and bringing the senior team into alignment is a necessary precursor for accelerating the development of a success profile that outlines the key leadership requirements of the potential successor.

Identifying and assessing talent pools. A common question brought up with respect to a talent succession pipeline concerns the merits of tapping into internal or external candidate pools, with both options providing unique benefits. The strength of internal candidates lies in their cultural alignment, institutional knowledge, and potential reduction in disruption to ongoing business operations. Furthermore, if identified far enough in advance, organizations can develop the needed capabilities in high-potential internal candidates.

External candidates, on the other hand, provide an outside-in perspective which may be required if the organization is going through a fundamental shift in strategy. When both pipelines are filled in unison, the organization can compare internal and external talent against each other. This helps ensure that identified high-potential internal talent has the necessary skills and capabilities compared to the external talent market and provides a balanced view of investments required to make the leader successful.

Determining the roles and responsibilities of key stakeholder groups. The hallmark of a smooth transition is the integration and alignment of all key stakeholder groups. Depending on the position being vacated, the CEO and chief human resources officer, with perhaps the board's succession subcommittee, should take responsibility for various portions of the succession planning process, up to and including providing support for the new leader's transition into the organization.

Having each of these respective stakeholder groups aligned on their individual responsibilities during the earliest stages of succession planning greatly increases the chances that the right candidate is accurately placed into the role and that his or her transition into the organization is relatively seamless.

Providing transition support. By their very nature, transitions are rocky at best. Done quickly, the uncertainties and ambiguities only become magnified. But when executed in a well-planned and thoughtful manner, the new executive's transition is likely to be a success. In fact, as reported by McKinsey's Scott Keller and Mary Meaney in a May 2018 blog post, "Successfully transitioning to new leadership roles," nine out of 10 teams whose leaders had successful transitions go on to meet their three-year performance goals, but when they struggle through transitions, "the performance of their direct reports is 15% lower than it would be with high-performing leaders."

Designing a process to manage senior leadership transitions sets the new leader up for success, engages the leadership team in supporting the new leader, and strengthens the external position of the organization, thereby stabilizing shareholder value during a period of change. In addition, identifying and addressing the hurdles a new leader will face can minimize growing pains, mitigate clashes with the prevailing culture, and define a support system for the newly appointed executive independent of formal channels. And lastly, by connecting with members of the investment community, the leader can reduce the market's anxiety about how the most urgent business issues that affect company performance will be tackled.

Russell Reynolds Associates, therefore, recommends a two-pronged approach to mitigating the risks of executive transitions: Transition Preparation that is focused on arming the individual with necessary organizational context before they arrive; and Transition Launch that is focused on the specific year-one priorities, key team members and stakeholders required for success. Many times, transitions fail due to factors that were known prior to the executive's start.

INDEPENDENT FAMILY-OWNED VS. PUBLIC

A question that continually arises with respect to succession planning concerns the differences in planning for a family-owned business versus a public company. While the outputs are similar, the path to succession planning is often very different due to the varying levels of politics and formality present in family-owned businesses. Analyzing the terrain in a family-owned business is a necessary step that may not always be needed for non-family-owned companies. This includes understanding the role of the family, the management team, and the potential "family trust," which can be the controlling entity composed of generational leaders. These entities may have different intentions and expectations.

When conducting the initial analysis, there are additional questions to consider such as the amount of control family members have over decision making, the priority given to maintaining familial control in the business, and the level of independence of the board. The analysis can reveal deep complexities or even contradictions within the governing body of the company. According to Northern Trust in "Family Business Transitions: Rising to the Challenge," only 12% of family businesses make it to the third generation, and there are primarily two reasons that explain why family business transitions often fail at this critical juncture. First, the third generation is simply not prepared to take over the business. Second, the current leadership generation has not developed a well-thought-out plan to prepare for this leadership transition. While no insights are better or worse than the other, the level of complexity identified through the findings must be considered when developing a succession plan.

The other major factor to consider is how the desired traits of a C-suite leader in a family-owned company may be different from those in a public company, all else being equal. To better understand this difference, Russell Reynolds analyzed in "Leading a Legacy: How Outsiders Can Thrive as Family Business CEOs," the psychometric assessment data of successful non-family CEOs of family businesses. We discovered these family-owned business CEOs scored higher on three main traits compared to their public company counterparts: deliberate, flexible, and collaborative. Translated into observable actions, these non-family CEOs of family businesses better knew how to pick their battles, had a higher-than-average ability to juggle and extend deadlines when necessary, and were more willing to work with others than the average public company CEO. This difference is notable because it materially affects the development of a succession strategy.

EMERGENCY SUCCESSION

While never the ideal, most companies today recognize the need for an emergency plan to account for a catastrophic or unexpected event that debilitates the CEO and other C-suite leaders of the corporation. A company should have a clear, detailed emergency plan that sets forth the processes should such an event occur. A plan would take into account exactly who will notify the directors of the event, the process to implement when contacting the media, who will be designated the acting CEO and/or chairman, as well as the search process to determine a permanent appointment. Catastrophic event planning should also include an assessment of the top external candidates, potential internal candidates, and any board members who are also viable candidates. Such a plan should be refreshed semiannually.

The ultimate goal of succession planning is to identify a leader who can help ensure an organization's future success. A secondary goal is to help mitigate against the operational and financial risks posed by a rushed or misaligned transition. While highly complex in nature and unique to the individual organization, succession planning follows a sequence that can be executed at any company and can dramatically improve the likelihood of the future success of the organization. AQ

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Building a Coaching Culture Through EMPOWERMENT AND LEADERSHIP

BY REBECCA CENNI-LEVENTHAL

One of the keys to business success involves energizing your workforce with a coaching culture.

To do this, a company must build a management team that empowers employees with opportunities to learn. Embracing a "people passionate" business philosophy encourages the growth of both your employees and your business. It certainly has for mine.

I founded our company more than 20 years ago with the intention of refining the staffing industry, and our applicant-centric trademark was a result of our humanized approach.

Coaching plays a prominent role in our organization and is a major factor in how our leadership helps guide junior staff up the ranks. Many of the ideas I share here are those I have put into practice in my own company, a talent management firm in which junior staffers are encouraged to learn from their more experienced colleagues.

Effective coaching begins with the realization that it is a form of investing in workers—specifically, investing in their future. It is a process designed to help them grow and develop as employees and future leaders, so that they, in turn, can grow and develop the company in which they are being coached to play a part.

They should understand from the outset that professional challenges are a form of opportunity. We say "pivot, adapt, succeed!" This is our leadership approach and the way we build collaborative partnerships with employees, candidates, and clients.

In this growth process, workers are encouraged not only to learn from their superiors but also to provide feedback on every substantive challenge faced by the company: how it gets to where it wants to go, and how it gets to the next level. Questioning and understanding—listening with empathy and rephrasing to confirm understanding—go a long way toward forming a coaching culture.

If this sounds like a form of empowerment, it is. Keeping the human value of employees in mind is a must for leadership. Coaching is a long-term partnership, not just a one-way teaching experience. The ultimate aim of coaching is to derive solutions, so merely dictating strategy is not the way to go.

Every journey that a company embarks on must be accompanied by the knowledge that the path may change, and all must learn to adapt together to the challenges that are encountered along the way. As such, effective coaching entails inspiring others to be a part of what leadership is working on, rather than merely dictating what they should do. Yet at the same time, being firm but polite—a combination I call "grit and grace"—is ideal.

FOCUSING ON POSITIVES LEADS TO BETTER RESULTS

In addition to directing positive energy and maintaining a positive attitude toward those being coached, coaches must listen to their concerns and embrace their strengths and creativity whenever possible. For instance, many of us are aware of the "strengths and weaknesses" sections of employee reviews. One thing that we have found helpful in our coaching culture is to focus on strengths rather than weaknesses. Even if the strengths are not 100% relevant to the job at hand, encouraging an individual's unique talents can result in enhanced motivation, engagement, and overall performance.

Focusing on strengths doesn't mean that we ignore our weaknesses or don't try to mitigate them. It means we encourage our staff to use their differing individual strengths to achieve the same outcomes of success. For example, one person's approach to sales—say, someone who loves winning people over in a personal way—will be very different from the approach of a much more analytical employee. It is important to recognize and value the individual's strengths and the things that make each person unique. Focusing on their weaknesses rarely leads to better results.

Leading by example is key to successful coaching. It is vital to inspire those being coached not by dictating tasks but rather by demonstrating through one's own actions. This idea extends to everything—including cleaning up around the office! Employees whose main job is outside the task at hand should still have their voices heard and ideas implemented. (Indeed, this occurred at my company when we recently moved into new offices and my assistant had great ideas about adapting existing building structures into our décor.)

YOU GOT THIS—YES YOU DO!

One thing I often say to my staff is, "You got this!" This is a phrase that I have learned to use as liberally as possible, as I have found it boosts morale and illustrates the level of trust that I and our senior staff have in those who are being coached.

This scenario often happens with less senior account managers and staff. They are often afraid to take responsibility for business decisions, such as contract negotiations, or to say no to a request without asking for approval. But when they come to me for an answer, the one I often give is, "You got this." It really does empower them to feel confident in making these decisions without having to second-guess themselves or always seek approval. It also builds a lot of trust within the organization.

I also use this approach with senior staff. They have a lot on their plates and can often feel overloaded. It may sound basic, but everyone needs reassurance sometimes, and a simple "You got this!" offers that. Sometimes I even say it to myself!

KEY ASPECTS OF A COACHING CULTURE

Let's look in a bit more detail at three aspects of a coaching culture.

"We say 'pivot, adapt, succeed!' This is our leadership approach and the way we build collaborative partnerships with employees, candidates, and clients."

"Remember that coaching is used to enhance job satisfaction, team and individual productivity, and even team morale."

Use positive role models and mentoring. These approaches are crucial to inspiring and developing the next generation of leaders. To understand why and how, it is first important to note that in traditional terms, coaching and mentoring differ in their aims and goals. One notable aspect of this difference is that mentors usually offer lots of advice while a coach helps you come to the answers to questions or a solution to an issue on your own. However, internally and in a corporate setting, there is much more overlap between the two.

I need to look no further than my own company for an illustration of this. In my firm, new hires are paired with a mentor on their team—someone who is not their manager but can serve as a touchpoint or a go-to for any questions they may have. The new hire also may shadow his or her mentor to see firsthand how things are done. This relationship is sincerely appreciated by both parties, and people who have been mentored are also more likely to mentor others when given the chance.

Implement a formal coaching program. Don't rely on ad hoc, informal methods of coaching to be effective in training your employees. A formal coaching program can easily be set up within an organization, although the exact method by which it is set up and maintained will depend on the type of coaching that is being provided by your company.

Establish a mentorship program. Generally speaking, a mentorship program would best be managed within individual teams and administered by the team manager, but with some formal process that is unified firmwide and across all teams. If, however, a company is offering a different type of coaching, it is best to have someone on your staff certified in a methodology.

In my company, we have used popular personal assessment coaching with several teams. It is a versatile method that has great applications at both the individual and team levels, so employees can really get the most out of it. While someone with a background in learning and development will be in charge of administering the coaching, the most important thing is that it be managed by someone who is really passionate about it. Training certainly helps in this process, but we also look for people who are passionate, care about coaching, and share our firm's core belief that a successful business is based on the success and growth of its own employees.

THE WAY FORWARD IS POSITIVE

What is a typical "day in the life" like for a coach and junior employee working together? The answer to this question depends on the type of coaching and/or mentoring that is being offered. But whether the emphasis is on coaching or mentoring, it is important to lead with the positive and focus on this, rather than on what is not working, to produce the desired outcome.

If something needs to be corrected, it should be done in a way that does not undermine the employee. Some part of whatever initiative he was responsible for was probably done correctly, so it can be best to start with a focus on that positive. The key here is to provide an open and safe place for the junior employee to ask questions or come to a coach/mentor with a problem without the fear of judgment.

BENCHMARKS FOR SUCCESS

What should the benchmarks be for the success of the program? Remember that coaching is used to enhance job satisfaction, team and individual productivity, and even team morale. If your firm conducts employee satisfaction surveys, these should offer a good indication of its success. If you don't offer them, I believe it is a good idea to institute them, even if you don't have a coaching program in place. They are simple to implement. Your employees will let you know if they find it beneficial or not. Team managers should also be able to offer great feedback on how their team is running as a result.

Attention to these considerations can result in a healthy coaching culture in your company. The personal and professional growth of your up-and-coming employees may depend on it—as well as the health of your organization overall. AQ

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Building a Foundation-Up Culture of BEHAVIORAL COACHING

BY NIKKI EVANS AND CAROL POCKLINGTON

A culture of behavioral coaching is not difficult to define, but it can at first be an elusive thing to create.

It is a commitment from leadership to invest in the skills—in themselves and their workforce—required to drive both personal and workplace success.

At its simplest, when individuals discover their inherent behaviors, they can begin to leverage their strengths and account for challenges, creating powerful change across actions, emotional responses, and communication styles that affects individuals, teams and, therefore, organizations.

Behavioral coaching doesn't just set goals, it guides and invests in people. It uses validated tools to reveal and understand behaviors. It has measurable outcomes and processes that demonstrate the degree to which investment into behavioral coaching, of both individuals and teams, delivers success. But behavioral coaching requires leaders to have clearly defined and agreed-upon objectives and vision, coupled with strategic planning.

Once the vision is outlined, a picture emerges of the kind of talents and behaviors essential to deliver objectives. Who has what talents, and how do we best deploy them so that they thrive and the team and organization do as well? Armed with vision, revealed talent, and behaviors, managers have a methodology for enhancing the individual's or team's current skills and behaviors.

HOW DO YOU IDENTIFY INSIGHTS?

So how do you uncover innate behaviors, parse strengths, and identify challenges? There are a number of approaches to a discovery process. One example is a probing questionnaire, which by design deliberately removes all situational, cultural, and educational biases so that it consistently and reliably reveals natural behavior—the innate behavior someone may not even realize he or she reverts to.

Administering such a questionnaire can be accomplished in about 10 minutes—less time than it takes for someone to sign up for a dating app. Optimally, it should provide results in real time, though it may naturally require someone with experience to help interpret and apply the insights gained. This person can be the coach and/or someone else in the process.

Still, it is crucial that both the person being evaluated and others in the process—like the coach—have access to and understand the insights.

GET TO KNOW EACH OTHER

Behavioral coaching is based on a mutual understanding of what makes people tick, what motivates them, and what environments bring out the best in them. And it can only begin when built on a platform of "knowing me knowing you." Personal behavioral insight produces a coaching culture. And there is no place for dictatorial command and control in the new behavioral economy. Leaders are increasingly waking up to the realization that they must engage more closely with those tasked to deliver business outcomes if they are to find success in the workplace.

A good starting point when introducing a culture of coaching is for key leaders to experience the benefits of coaching firsthand. Executives who go through the behavioral discovery process and are coached get to understand and appreciate the power of this support and are more likely to champion its introduction into their organizations.

Leaders who fail to mutually connect in the coaching process will not be able to build a coaching culture. For a coaching culture to succeed, it must be driven from the top.

Top-down, leader "sponsorship" also is important because there is an art to coaching. It must include accountability. It can't just be part of a "wish we could do this" list. It takes investment, commitment, and training, and leaders who have experienced the benefits are more likely to embrace it.

DRILLING DOWN

Coaching should always be about developing and empowering individual employees—at all levels—to use their talent, discretion, and judgment to act in ways that are congruent with organizational objectives and goals.

Again, an effective culture of coaching requires leaders to be committed to getting to know their people at a deeper level. Why do people want to work for me? Why should they want to? What are their other motivations? What impediments may be keeping them from going "all in" with a commitment to our organization?

Once leaders from the C-suite on down begin to understand the people who work for and with them, stories and patterns emerge that affect the emotional intelligence of leadership itself. Real conversations that are the basis of coaching cannot fail to build relationships and trust.

From this point, coaching becomes meaningful as behaviors are revealed and understood by everyone through and across the process. Though it is human nature, sadly, to make snap judgments about one another based solely on outward surface connections, when we dig deeper, using appropriate and empowering questions delivered with

sincerity, the conversations are more effective. Generalized assumptions have no place in building and sustaining a workforce that feels genuinely committed to the business.

Organizational behavioral coaching, based on a platform of understanding individuals' inherent behavior, must encompass a deeper understanding of how individuals think, make decisions, and respond to pressure and emotion. Revealing these influences is the major key to introducing a successful and meaningful culture of behavioral coaching.

And this is science, not "soft": Behavioral coaching is measurable. Such analytics can and should be used to communicate and demonstrate the effectiveness and impact of coaching throughout the organization.

MATCHING COACH AND PROTÉGÉ

The pairing of coach and protégé is crucial. Random coach-staff matches are too hit-and-miss. This is where the case for understanding individual behaviors is at its most relevant. The coach and the employee need to be carefully matched based on experience, skills, desired outcomes, and compatible (or complementary) behaviors.

As an example, placing a strong, strategically focused coach with a talented, yet reserved, employee may appear to deliver growth for the employee. In reality, it may close him or her down, scuttling the process. This emphasizes the importance of being fully cognizant of the protégé's inherent behaviors and how to understand and manage them.

A good guidepost phrase for coaches to keep in mind is "Know, Engage, and Grow." This focuses on helping people become more self-empowered through greater self-knowledge. They also get to know and engage with others, with an understanding of that person's innate behavioral strengths and challenges. Then, individuals, teams, and organizations can grow. (And individuals have the added benefit of improved knowledge, engagement, and growth off the job as well as on.)

Using behavioral insights, we can pinpoint existing culture and strategy misalignments that need to be managed in order to deliver outstanding people performance and business results. But we must start by aligning coach and protégé.

YOU OWN THE CULTURE

There is never just one culture that fits all organizations or one strategy that directs every business. But the common denominator for your team or organization could be that you consistently reveal the inherent behaviors of all individuals and help them manage the differences that can otherwise get in the way. Again, this approach is a foundational key to the coach/protégé relationship.

This behaviorally based common denominator also provides a common language (around behavior and decision making) and accurate and consistent long-term data/insights on which to build more powerful solutions, individually, for teams, or for the organization.

Along with being at the top of every CEO's priority list, a coaching culture should be inculcated into strategic planning. If there is no commitment to invest time and resources into coaching, strategic planning and financial performance will falter. Instituting behavioral coaching without building it into core business processes will fail.

Even if only subtly and subconsciously, external shareholders—such as customers and vendors—know when employees are treated well. They see evidence in the way committed teams deliver excellent service. Conversely, across all aspects of life, but especially in the business realm, intensified behaviors (caused by unmanaged human differences, pressure, and emotions) not only derail performance but also breed a toxic culture. External audiences read and react to this kind of behavior like an open book.

ORGANIZATIONAL BEHAVIORAL COACHING IN ACTION

People are born with unique gifts and talents. It's in their DNA. When they can't use them, when they feel unfulfilled, they become dissatisfied, disgruntled, frustrated, and unhappy. They are certainly not working to potential.

At the very least, articulating a strong cultural behavioral coaching ethos is the framework within which individuals can find their purpose and deliver their best. And that's usually a recipe for both individual and organizational success, so a clear case can be made for behavioral coaching and the alignment it brings having a positive effect on the bottom line.

When individuals have knowledge and insight into their own unique behavior and communication style, together with a clear understanding of the value they bring to the business, they and their teams deliver at a higher level. The chaos factor is removed. They know where they are going and can see how the work they do lines up with their life plans.

GIVING LEADERSHIP THE KEYS

Here's some guidance on how to launch behavioral coaching:

Recognize that CEOs are the principal architects of the behavioral coaching culture in their business. Understanding and reviewing their own behaviors, personal vision, values, and level of engagement with others is critical to the success of behavioral coaching. It starts at the top—often said, but rarely practiced. A CEO who knows his or her own personality, EQ, communication style, biases (yes, we all have them), and personal values is more likely to be able to introduce behavioral coaching than a leader who does not have this insight.

Ask whether your style of leadership is too strict, too controlling, and/or too rational. Do you know? It could be learned behavior, or it might be inherent, but it can be revealed and managed.

Determine what the market is saying about your business. If no one is talking and boasting about the culture of the organization, it's a sure sign there isn't one or, if there is, it's toxic. Introducing behavioral coaching will address this issue.

Take the pulse of and measure the current state of coaching. Maybe not everything needs to change; sometimes, coaching that takes place informally and through osmosis is working. It's not ideal, because understanding individuals' unique behavior is absolutely necessary, but it's a start and certainly worth building on.

Use a validated personality discovery process to quickly identify those able to own and manage behavioral coaching. It doesn't always have to be leadership to staff, it can be peer to peer. The key is to know who is coaching "healthily" and in line with company values, and who is coaching based on "rogue" behavior. All of this can be revealed, managed, and measured.

Give people coaching skills training. Help your team understand what coaching is and give them some training on how to ask empowering questions, help people identify action plans, and provide accountability. If you want a coaching culture, invest in teaching coaching skills.

Appoint a coaching manager. Empower this person to work across borders in the business to introduce, facilitate, and maintain the process of coaching.

Keep reviewing and auditing. This is especially important when introducing any kind of change, but particularly a program such as behavioral coaching, to ensure it is relevant and working.

Deliver customized experiences. Remember, employees wish to be treated uniquely, so look at how you can set targets and review performance based on their strengths, provide recognition that is tied to their style, and deliver customized communication across the business.

Do not underestimate the power of leaders' regular communication with team members.

Acknowledge the individuals championing the behavioral coaching program.

Create a vision of what the future of the organization looks like after and as a consequence of introducing the behavioral coaching approach.

THE REWARDS OF A COACHING CULTURE

Offering a strong behavioral coaching program will attract quality talent while maximally leveraging the talent already on board. People are increasingly looking to invest their skills and talents in organizations where "payback" is more than the salary they earn. They want to be seen as worthy of investment in other ways. Better still if the skills and insights they pick up at work can improve life away from work too.

But the real prize of implementing a robust and consistent coaching culture is that individuals take responsibility for what happens in their work areas, and problems are solved where they happen and by those affected. This frees leaders up to focus on the business and its opportunities. AQ

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