

Enabling leaders to cross the organisational Rubicon within this global financial crisis to deliver commercial success

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Backdrop

- “The world has changed” and there will be no “return to normal”
- 80% of leaders believe that the GFC is having a negative impact on their business
- 10% believe it is having a positive impact

- CMI Survey of 900 leaders March 2009



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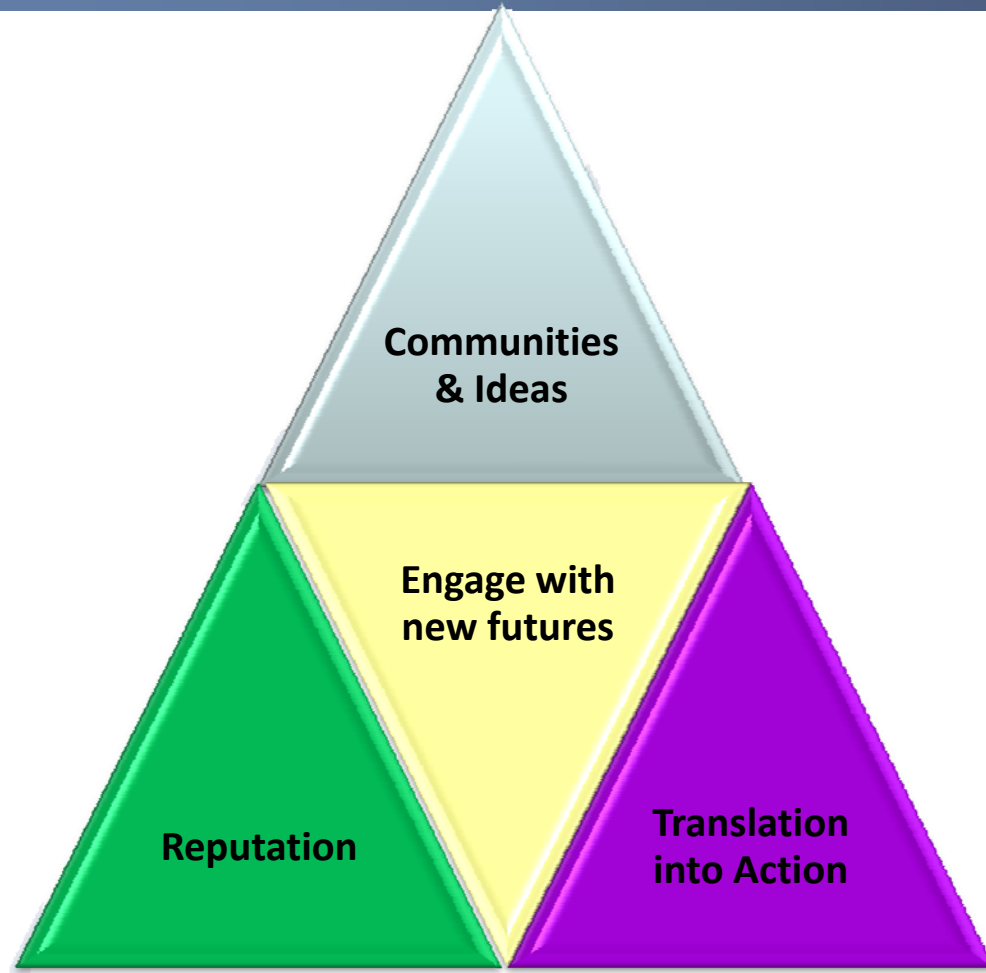
What is being done about it?

| | September 2008 % | March 2009 % |
|---|------------------|--------------|
| Reduced business overheads | - | 49 |
| Recruitment freeze | 32 | 47 |
| Improved cash flow management | 49 | 36 |
| Frozen pay levels | 13 | 33 |
| Compulsory redundancies | - | 31 |
| Improved customer responsiveness | 61 | 30 |
| Voluntary redundancies | - | 28 |
| Introduced new products/services | 48 | 26 |
| Diversified into new markets | 27 | 23 |
| Focused on developing core internal staff | 44 | 22 |

Table 1: The ten most common responses to the downturn



Leadership Agenda



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Engage with new futures

- Consulting dialogue enabling ‘space’ to think & work out how to identify these & go forward
- Not to identify & develop new futures is to be out of the game – perhaps not at this moment, but soon
- Clarity of proposition to meet the future (services/ products/ technology platforms/ marketplaces)
- Profoundly uncertain & changing environment provides extraordinary opportunities ...



What are the big issues that your clients or the leaders in your organisation are facing?

- M &A as cheaper/ out & in-licensing
- Increased regulation / people not willing to take risk
- Reduce cost thro efficient operations
- Salary costs too high
- Employees de-motivated following down-sizing, tougher conditions & no salary increases
- Lack of entrepreneurship & energy
- Corporate people obedient & diligent rather than innovative (Hamel)
- Increased multi-culturalism of clients & alliances





Communities & ideas

- World is a resource to be scanned
- Diversity of groups from which thinking is sought
- Strength through access to, & sharing of knowledge
- Meaning & resilience created



Communities & ideas

| | Operational | Personal | Strategic |
|--------------------------------------|---|--|--|
| Purpose | Getting work done efficiently; maintaining the capacities and functions required of the group. | Enhancing personal and professional development; providing referrals to useful information and contacts. | Figuring out future priorities and challenges; getting stakeholder support for them. |
| Location and temporal orientation | Contacts are mostly internal and oriented toward current demands. | Contacts are mostly external and oriented toward current interests and future potential interests. | Contacts are internal and external and oriented toward the future. |
| Players and recruitment | Key contacts are relatively nondiscretionary; they are prescribed mostly by the task and organizational structure, so it is very clear who is relevant. | Key contacts are mostly discretionary; it is not always clear who is relevant. | Key contacts follow from the strategic context and the organizational environment, but specific membership is discretionary; it is not always clear who is relevant. |
| Network attributes and key behaviors | Depth: building strong working relationships. | Breadth: reaching out to contacts who can make referrals. | Leverage: creating inside-outside links. |





Communities & ideas

‘Open innovation’ to identify who knows what:

‘Combining internal and external ideas as well as internal and external paths to market to advance the development of new technologies’

Proctor & Gamble

2000: 15% research initiatives from OI initiatives

2006: 35%

2008: 50% = \$4B p.a in new revenue

‘Easy restaurant’ in Switzerland



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Communities & ideas

- Downtime & mindfulness are significant tools for change –perhaps more important than models & processes (Michael Chaskalson)





Reputation

- Our clients' reputations have become ever more important
- They are in the public domain
- Proactive + clear communications
- Authenticity
- Self understanding

