

# **“A Question of Leadership”**

## **Introduction to the Focused Management Leadership Strategy**



# **A QUESTION OF LEADERSHIP**

## **DAY 1**

The candidate thought:

*I received a call from a gentleman who outlined a fantastic opportunity to possibly become the CEO of an organization in my field of expertise.*

*It sounded too good to be true, so I wondered if there was a catch. But, it doesn't hurt to listen so there I was in a hotel conference room face-to-face with the caller and a woman in an expensive looking outfit.*

*Her elegant diamond earrings flashed as she said:*

**"Thanks for meeting with us on such short notice. You were recommended to us because of your experience in your field and several people we respect have been complimentary about your leadership abilities. We are executive recruiters representing a private investment fund. Our client uses a different approach than some of the venture capital funds you may have read about. Rather than first picking a business, this group identifies a person with strong leadership abilities and a proven track record in a field.**

**The fund hires the individual and buys controlling interest in a solid business that shows potential for expansion. These are usually businesses with one or more of the following attributes.**

**One, it must be currently profitable. They don't do turn-arounds.**

**Two, majority control can be obtained for twenty to fifty million.**

**Three, the organization could expand if provided additional working capital.**

**Four, current management is average or below average and, therefore, not exploiting the potential of the enterprise.**

**The fund currently has two hundred eighty million available to invest. Generally, they like to buy a company and then sell out in three to seven years, although there are exceptions."**

*At this point, the man jumped into the conversation. He was enthusiastic and was more the salesman-type.*

**"This could be an opportunity of a lifetime. The people selected to be a president of one of their firms are generously compensated and are provided an equity position. Some of the younger presidents have gone on to buy out the business from the fund.**

**In any case, growing wealthy in just a few years is probable. More than the money is the excitement of building an organization that can provide a livelihood to others, produce needed products and services, plus contribute to the community. Being a private fund, they encourage their firms to be active in their communities."**

*The woman, Catherine, looked right at me and stated firmly:*

**"We are looking for people with experience, maturity, and the ability to lead an organization. We have just a few questions. As you answer, you may assume that finding a business in which to invest and funding the investment are not issues. The key concern is this – How would you lead and manage a business?"**

*What kind of question is that? Stall, I had to stall to give myself some time to think. So I asked:*

**"What kind of business are we talking about?"**

**She replied, "Any business. It does not have to be a classical business; it could be any organization. Let me restate the question. What is your leadership strategy for leading and managing an organization?"**

*I came back with,*

**"I guess it all depends upon how you define leadership strategy."**

**The man said, "Peter Drucker defines a leader as a person with followers. Strategy is defined as a carefully worked-out plan of action. Therefore, give us your plan of action for leading people to build a successful organization."**

**"That's a very good question." I said.**

***Now if I just had a very good answer. What is my plan of action to lead and manage an organization? I felt like a sheep that just walked into a coyote convention.***

**"Would you like a few minutes to get your thoughts together?" the lady asked.**

**"Feel free to outline your answer on the white board if you wish."**

***Was there a hint of sarcasm in her voice? Thoughts whirled through my mind.***

***Develop a business plan with emphasis on cash flow and ROI?***

***Stress that people are the most important factor?***

***Be responsive to customer needs?***

***Build an organization that responds quickly to market conditions?***

***There was the old business-course approach to plan, organize, motivate, and control, or was it lead and control?***

***I was getting a sinking feeling. I do know how to lead an organization, don't I? But how do I to express what I know?***

***The investment firm would probably like an answer that stressed the bottom line with lots of structure and financial systems.***

***But the executive recruiters were going to be more interested in the leadership and people-side of the equation.***

***What could tie everything together and appeal to both groups?***

***I noticed the recruiters were getting restless.***

***The empty white board seemed to mock me.***

***Damn! There must be an answer.***

***What is my leadership strategy for successfully managing an organization?***

***I should know this.***

## **DAY 2**

**The recruiter made a few notes about today's candidate. Catherine thought:**

***This one is just so-o-o-o average - average clothes, average height, ordinary looks, and a pleasant, but not exceptionally forceful personality. I wonder how this one gets such great recommendations.***

***Oh well, there goes Bob starting into his pitch about what a great opportunity the CEO position could become. It is really irritating when he tries to "sell" the candidates. The investors need candidates who don't need to be persuaded about the opportunity but rather have the self-confidence and intelligence to see it on their own.***

***Good old Bob, the Boy Scout, his constant upbeat nature gets on my nerves, but he sure can talk high potential people into these interviews, everyone likes Bob! When he finally winds down, I can ask my leadoff interview question, "What is your leadership strategy for managing an organization?"***

***It is an almost perfect interview question. It gets the candidate to really think about what is important to business success. Equally important, it allows us to see how the candidates operate under pressure.***

***Watching them respond to a question that doesn't have a ready answer is very revealing.***

***The expression on the face of yesterday's candidate was priceless! The poor sap panicked to the point I almost felt sorry for him.***

***The most important thing about the question is I get an insight about what the candidate values.***

***They seem to fall into three categories.***

***The first type tends to come out of marketing and operational backgrounds.***

***They draw models on the board that start with market analysis and work through customer needs and building organizations to respond to the needs. These people stress that operating efficiency leads to financial success. They are very "thing" and "systems" oriented with the role of people usually assumed. In fact they only talk about people in the abstract.***

***We hire quite a few of these types and they are often very successful, particularly if supported by a good human resource manager.***

***They need someone to run around smoothing things out and to keep people from cracking under the constant pressure to perform. The people sometimes feel like they are just part of some big impersonal system.***

***On the other hand, there are the people-oriented managers who always write on the board, "People are our most important asset." Sometimes I ask them "More important than the investment fund's money?" Perhaps I ask, "More important than the product design or more important than the computer system?" It is always amusing to see if they will back pedal or stand by their statement.***

***If the organization has some early success this type of leader can be a cheerleader and can really get people whipped up to build upon the success.***

***The flipside is if the company hits a rough spot, the investors worry if this type of leader can make the hard decisions especially if the decisions adversely affect friends within the organization.***

***The third of the general types are those managers locked onto the "bottom line." Their management model looks like a spreadsheet. They are big cost cutters and have clever financial tricks.***

***We hire the better ones as CFO's but not in the top spot. They seem reluctant to spend the bucks to grow the business and both the customers and employees grow weary of the "cheaper is better" approach. They try to cost cut their way to success.***

**Bob starting the questioning process interrupted her thoughts. This was her signal to ask her leadership question.**

**She was surprised when the candidate's unhesitant response was to step up to the whiteboard and write "Objectives" in the upper left hand corner.**

**Catherine started to make notes . . .**

### **DAY 3**

**If you looked out the conference room window, you would receive a panoramic view of the city all the way past the old factories to the waters of Lake Erie. Bob, the recruiter, was more interested in greeting the investment group officers. He knew each by name, their spouses' names, and their children's activities along with most of their golf handicaps. His recruiting partner, Catherine, walked in, waved, "good morning" and sat down at the conference table.**

**Bob thought:**

***You would think that a psychologist would be more interested in people, yet Catherine seemed reserved with others. The candidate they were about to discuss was an example. I intently watched the facial expressions, body language, and the intensity of feelings in the voice while Catherine furiously wrote notes. She copied everything on that board – there must be twenty pages!***

***Then when the candidate didn't want to disclose where the leadership strategy plan had come from, she accepted it. Of course, later I charmed the name and phone number of the Focused Management Course instructor out of the candidate. The CD should be on my desk tomorrow.***

**The meeting was called to order and the group quickly agreed to bring the candidate in for interviews with the key partners.**

**One of the partners said, "This Leadership Strategy that Catherine described, is there a chance we could use the concept to develop CEO candidates or to develop leadership skills?"**

**Another partner added, "I'm not so sure you can train people to be leaders. Our whole approach has been to find them, not develop our own."**

**The senior partner responded, "Back in the '70's I was a Marine Corp Officer. The military proved a long time ago that leadership can be taught. So have other organizations such as a corporation like General Electric.**

**Now, whether this Focused Management Program can train organizational leaders is unknown, but we know teaching leadership and management skills are possible. Let's take a look at their program. If this leadership strategy can create a competitive advantage, then I would rather have us using it before our competitors discover it."**

**"What I want to know," asked another partner "is why we've never heard of this Focused Management Leadership Strategy"**

**"Come on," replied the senior partner, "our fund makes millions on organizations and products that most people have never heard about. Most people don't know we exist. We are successful because we grab opportunities before everyone else finds out about it. So let's check this one before everybody is using it. Meeting adjourned."**

## **The Question of Leadership**

**What is your leadership strategy to manage an organization?**

**If you were asked to step up to a whiteboard and draw a diagram of good management and leadership, what would it look like?**

**How do you balance the need to "make the numbers" with the concern for the well being of the members of the organization?**

**There are many management courses and books about organizational skills, but what ties them together?**

# **THE FOCUSED MANAGEMENT ANSWER**

**The Focused Management Leadership Strategy is designed to meet deep seated human needs and achieve maximum organizational results in an orderly and logical manner.**

**The Model is a visual representation of the Leadership Strategy.**

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**The Focused Management Model is a visual representation of "Better Management." It is a model for successfully leading and managing an organization. It is easily understood by all levels of an organization and is applicable to any organization.**

**The Focused Management Model program contains 59 PowerPoint slides and an instructor's script and a 55 page participants' handout. This story and example was taken from the handout booklet. The program also contains a nine page follow-up handout plus an interactive computer-based version of the model. Any point on the computer Model can be "clicked" and you will be provided additional information and examples of that component of the Management Model.**

**The program provides materials for approximately 4 hours of presentation and discussion. The Management Model works best when combined with the entire Leadership Strategy Series.**