



August 2008 Newsletter

It's the summer holidays, so I'm showing repeats.



Repeat 1: Interview with Mike Pegg

Q: Mike, what's going on?

A: There seem to be three kinds of organisations operating in today's world:

a) Some organisations are making the new rules.

Some are doing pacesetter work. They are going into new lands, making new rules. People are energetic, self-motivated and working hard towards a specific goal. Their spirit is entrepreneurial. They emanate a sense of purpose - to build a new venture, launch a fresh product or win a pot of gold. Some have a sense of hubris - believe they know it all. Many are hungry to learn from any field, however, in order to gain the slightest advantage. Virtually all are goal-

centred. They focus on: a) The purpose; b) The principles; c) The people who will enable them to reach the goal.

b) Some organisations are trying to squeeze what they can from the old rules.

Some are doing everything possible to make the old system work - with varying results. Some are succeeding. They are recording profits but, at the same time, may be upsetting their customers or staff. The spirit is 'engineering'. They believe in their system and urge their people to make it work better. Many banks, insurance companies, retailers and even some software firms are taking this approach. Some organisations are failing. They are overloading their staff with targets, internally-focused activities and 'painting by numbers' procedures. There is little joy in such places. People turn-up for work and go through the motions. There is little vision higher up the chain. Senior managers produce many initiatives, but few communicate a compelling company 'story'. Such senior managers are in 'Stalin's country' - where occasionally one or two get taken out and shot. They may have failed to deliver; other times it can be because new leaders shoot a few people on 'whim'.

c) Some organisations are trying to follow both the old and new rules.

Some are trying to get the best of both worlds. Building on the principles that work, they want to maintain their core offering. At the same time, however, they see the world is changing. This poses a fundamental challenge: How to keep the best of the past - yet also shape a successful future? Some organisations are taking the following steps.

- They are maintaining and improving their core business.
- They are developing future business by building 'successful prototypes'.
- They are keeping these two activities separate - which allows both types of businesses to practice the principles in their own ways to deliver success.

This final point is crucial. Good organisations follow their time-honoured principles. But the ways these core principles are practised must continue to evolve. Customer service in the 21st century, for example, calls for different approaches than in the 1980s. Some organisations fail to understand such implications. So they hire enthusiastic people to build new types of businesses - then ask them to follow ancient internal procedures. Good organisations give people the accountability, autonomy and authority required to deliver successful prototypes. Such new ventures then develop the future income streams. Only a few organisations manage this balancing act. They maintain

their core offerings - whilst also developing successful new businesses.

Looking at the three kinds of organisations, it is useful to know which kind you prefer. Each type does, of course, contain both pluses and minuses. Bearing these factors in mind, you can consciously accept the whole package. You can then perform fine work and deliver success.

What do you see as the approaches leaders are taking in successful organisations?

Good leaders are doing what they have often done. They are communicating a compelling story. Great organisations have one story - not six stories - and people want to be part of making it happen. Good leaders communicate: a) The 'What': the results to achieve. b) The 'Why': the benefits of achieving the goals - for the company, the colleagues and the customers; c) The 'How': the key strategies to follow to reach the goal. d) The 'Who': the roles that different people can play in implementing the strategy. e) The 'When': the specific things that will show people have reached the goals. Good leaders make sure they are implementing the right strategy with the right people in the right way. Sounds simple - and it is - but that doesn't mean it is easy.

What do you see as the changes in attitudes demonstrated by employees in organisations?

Perhaps I should give some context. During the past 5 years the axis of my work has shifted. Five years ago much of it was with established companies, such as Microsoft and Sony. Nowadays the majority of my work is with companies in new media. These businesses are small and fast moving. They are also stacked with employees who have share options and are heading towards a sale. Many of these employees are from 'Generation Y'. As we know, such people are interested in the 3 F's: fun, freedom and fulfilment. They are prepared to put in long hours - but want work to be fun, otherwise they will be off. They want a sense of freedom and the ability to make choices in their work. Finally, they want to get the right balance between personal and professional fulfilment.

"But aren't such individuals hard to manage?" some people may ask. Certainly they can be challenging, but I found them to be hungry to work long hours towards achieving a meaningful goal. The

organisations I work with do three things. First, they communicate a clear purpose. Second, they communicate the key principles to follow to reach the goals. Third, they give people freedom, within parameters, on how they put those principles into practice - providing they deliver the results. Employees seem to respond to this approach.

What do you believe are the key skills that people need to learn to ensure they can shape their careers and build a successful future?

"The world of work keeps changing," people may say, "so how can we help people to shape their futures? It is hard to know what skills they must learn to be successful." Perhaps, but as the saying goes: 'the more things change, the more things stay the same.' At least, some things stay the same. For example, freelancers have followed certain themes throughout history. They have built on their strengths, found sponsors who paid them and delivered success. People who develop such eternal skills are more likely to shape their futures. Let's explore these three themes.

a) Build on your strengths.

Michelangelo, Anita Roddick and Steve Jobs had at least one thing in common. They all built on their strengths. They did what they did best and got somebody to pay them for doing it. This has been a key skill throughout history. Some customers will always be interested in buying quality - and the best way of producing quality is to develop your top talents.

b) Find sponsors.

Anybody can do work they love, the art is to get somebody to pay you for doing it. Creative artists have had faced this challenge throughout history. They have asked themselves: "Shall I be true to my art, stay in a garret and wait to be discovered? Shall I publicise my services, sell my soul and do whatever is necessary for money? Shall I be true to myself, find patrons and try to get a 'win-win' solution?" People will continue to face this challenge in the future.

So how do you find sponsors who will pay you for doing what you do best? There are several rules. a) To understand the sponsor's agenda - their picture of success; b) To provide services or products that will help them to achieve success; c) To reach out to

these sponsors and show you understand their agenda; d) To make clear working contracts about how you can help them to achieve success.

c) Deliver success.

"My role is to help my sponsor to reach their goals," said one of my mentees, a freelancer. "I go through several steps when working for a person or organisation. a) To make sure I really want to work for them. b) To make clear contracts about what must be delivered. c) To keep them informed, go the extra mile and provide great service. Going through these steps produces lots of repeat business."

"Change is the only certainty in the world of work," we are told. Perhaps, but there is another certainty. People will need to build on their strengths, find sponsors and deliver success. Developing these eternal skills will enable them to shape a positive future.



Repeat 2: Gangsters in business

I came across a memorable shorthand view of the 3 types of business organisation in James Surowiecki's "The Wisdom of Crowds". Consider Hollywood gangster films:

- The Godfather
- Heat
- Reservoir Dogs

In each case, a group of individuals is working together to create net profit. However, gang/business organisation differs:

The Godfather (FF Coppola)

This is the traditional business model with top down control by the CEO (Corleone). Different divisions are run by different managers and the business is widely diversified with plenty of capital for investment in new products & services. The problem is that the managers (lieutenants) are all looking after their own best interests (despite effective use of a baseball bat) and therefore filter the flow of information to the top. In the end, Corleone is totally divorced from reality and makes increasingly erratic decisions.

Heat (Michael Mann)

The business is a small coherent group (led by De Niro) where the members are able to trust one another and rely on individual ability and mutual awareness to get (the right) things done. The problem is the lack of resources (think small business) and when they recruit a gang member who doesn't fit in, the whole thing goes horribly wrong (and there's a fantastic shoot out).

Reservoir Dogs (Tarantino)

This is portfolio business - the gang is assembled to do a particular job, make lots of profit and then break up. The problem is that it takes a lot of work to put the team together, you never really know where their best interests lie and trust is tricky because of the short term nature of the project. So they end up shooting one another and swearing a lot.

So, how does Pacino fit in?

Disclaimer

Take the best and leave the rest.



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