A VALUABLE ROLE MODEL FOR 21ST CENTURY BUSINESS LEADERS DEMONSTRATED HIS STRATEGIC PROWESS 100 YEARS AGO, AFTER A SERIES OF TACTICAL ERRORS LEFT HIM AND 27 OF HIS DIRECT REPORTS STRANDED ON AN ICE FLOE NEAR ANTARCTICA.

Once the British explorer Ernest Shackleton’s ship The Endurance was swallowed by sea ice, he quickly revamped the expedition’s mission and strategy, kept his people focused on their mission in an extremely volatile environment, maintained a sense of purpose throughout ranks despite brutal conditions and constantly improvised. His leadership ultimately (after nearly five months) enabled him to get all of his men home safely.

EXPLORING WHAT IT TAKES TO LEAD IN THE 21ST CENTURY
CONTINUOUS STRATEGIC PLANNING AND OTHER LEADERSHIP COMPETENCIES

BY ERIC KRELL
simlar leadership capabilities remain valuable in a 21st-century business environment defined by extreme volatility, brutal (and global) competition and a growing need for innovation, improvisation and perhaps above all, purpose.

“BEYOND OPERATING AS A PROFITABLE BUSINESS, MANY COMPANIES CONFRONT AN ENORMOUS CHALLENGE DEFINING WHAT SUCCESS MEANS,” notes Kirk Coleman (BA ’93), an Irving-based Accenture partner who advises the global consulting firm’s banking clients and serves as a member of the Baylor Angel Network and the Hankamer School of Business Advisory Board. This definition, Coleman says, requires the identification of a shared purpose, an “articulation of what the company provides to its customers that they cannot obtain anywhere else.” Leadership success “all comes back to fostering that shared purpose,” Coleman continues. “How does a leader ensure that everybody in the company reflects that same sense of purpose in everything they do on a daily basis?”

Today, leading corporate captains understand that their organization’s people, process, technologies and even strategies change frequently and dramatically. What needs to remain constant and animated, if their strategic plans are to succeed, is the company’s sense of purpose and the values on which it is based. It’s no wonder that Shackleton’s people-centered approach as well as his ability to derive order from chaos and manage extreme volatility remain relevant grist for 21st century leaders and strategic planners. The type of survival improvisation skill Shackleton demonstrated parallels the product, service and relationship innovation leaders must foster today if they are to prevent their companies from perishing.

“The notion that leadership capabilities displayed in 1915 still resonate today does not surprise Ed FuKe (BBA ’74, MBA ’75), a retired Accenture managing partner and a former Hankamer Advisory Board member who now works as an independent investor. “Many of the capabilities that effective leaders possess today are similar to the skills they needed 10 or more years ago,” he notes. “However, while these leadership competencies were important a decade ago, their importance to the organization has increased exponentially today, given the challenges companies face.”

These competencies (seven of which are discussed later in this article) include a mix of leadership qualities (e.g., integrity and organizational stewardship) and management capabilities (effecting change and managing an increasingly mobile and far-flung workforce). Together, these capabilities help executives develop and continuously adapt strategies for achieving growth, resiliency and comprehensive sustainability in a global business environment pockmarked with iceberg-sized challenges.

Last year, Forbes.com blogger Larry Downes, an industry analyst and consultant, wrote a captivating entry detailing exactly why electronics retail giant Best Buy “is headed for the exits.” Downes’ argument combined astute business analysis of Best Buy’s strategic and tactical missteps with his own disappointing experience shopping with a friend in a California Best Buy store. Downes’ description of the impersonal service he and his friend received, as well as the culture that allowed this behavior to occur, gave voice to thousands of similar disappointing in-person experiences millions of readers have endured. To date, more than 3.3 million people have viewed his post. The blog entry was careful not to blame Best Buy’s demise entirely on Amazon’s disruptive pricing, selection, service and logistics offerings. However, the fact that a single negative shopping experience could attract 3 million readers and inspire 19,000 Facebook shares and 6,600 Tweets illustrates the disruptive power of social media as well as the need for companies to manage their cultures and the daily behaviors they generate in a more mindful manner.

Companies that don’t innovate quickly find themselves in a lot of trouble. If they fall too far behind, they can never catch up.
TEAMS SHOULD BE RELATIVELY WELL-KNOWN BY NOW; EVERY OTHER COMPANY AS WELL AS THEIR LEADERSHIP THE DRIVERS OF CHANGE INFLUENCING BEST BUY AND GLOBALIZATION THEY MOST NOTABLY INCLUDE:

GLOBALIZATION
The number of multinational companies more than doubled from 1990 (35,000) to 2008 (80,000), when these global organizations operated an average of 10 foreign affiliates, according to Accenture research. THE LARGEST 100 MULTINATIONAL COMPANIES COLLECTIVELY EMPLOY MORE EMPLOYEES OUTSIDE THEIR HOME COUNTRIES THAN WITHIN THEM, ACCORDING TO UNITED NATIONS RESEARCH. This trend intensifies the competition companies face while raising new challenges related to managing employees outside their home countries.

VOLATILITY
“Regardless of what industry you’re in,” Coleman asserts, “the pace of change is much faster than it was 20 years ago. 10 years ago or even five years ago.” The accelerating pace of change has dramatically reshaped strategic planning activities, notes Gail Auerbach, senior vice president of human resources for Masonet, a global door manufacturer based in Tampa, Fla. Auerbach spent the first half of her career, in the late 1970s through late 1980s, with General Electric, a company renowned for its long-term planning and decision-making. “We had 10-year strategic plans,” she recalls. “Of course, back then the organization charts seldom changed unless there was a retirement. Now, many organization charts change weekly. Global companies are constantly moving people around the world to leverage new opportunities.”

TECHNOLOGICAL CHANGE
A formidable challenge corporate information technology (IT) functions face stems in part from tablet- and app-equipped children. “Top executives of companies walk into work and say, ‘My kids can learn anything they want to learn about any topic instantaneously via the technology they use; why can’t I get a financial report in less than a month?’” explains Gary Curtis, Accenture chief technology strategist and global managing director of the firm’s Technology Consulting. These types of questions, categorized as the “consumerization” of organizational IT, “are absolutely changing the nature of the CIO role,” Curtis adds. "Regardless of whether I work with banking clients, operate as an IT outsourcing guy or work as a back-office finance support person [at Accenture], I can translate stewardship into my job every day,” Coleman explains. “Am I being a good steward of the company in terms of the decision I’m making in that meeting? Am I being a good steward of my customer by looking out for their best interest? Am I being a good steward for the people who work for me by giving them the right opportunities and enough of my time? Am I being a good steward of my peers, especially when they request my help or time?”

This sort of core organizational value helps foster and sustain a steady cultural foundation amidst rapid and dramatic change, Coleman and others note. That’s why 21st-century leaders devote sufficient time and effort to managing their cultures.

Each of these forces qualify as risks in that they pose challenges and threats to be mitigated or avoided as well as opportunities that can be leveraged—within the right strategy. Developing the most profitable and sustainable strategy requires a new form of business leadership, one that exhibits many traditional competencies as well as newer capabilities.
There is one more area that requires innovation and attention from current business leaders, according to Coleman: leadership development and succession planning. These internal processes need to be robust enough to ensure that a company, if its profits and purpose are to be sustainable, has access to a sufficient number of future Shackletons.