



»JOHN P. PALEN
Founder & CEO
Allied Executives

jppalen@alliedexecutives.com
www.alliedexecutives.com

The New Old Leadership: Back to Basics

HERE IS A CORPORATE WAKE UP CALL:

1. Whatever you earned two or three years ago may not come back.
2. Accept change or join the unemployed.

These realities may sound harsh, but reflect every business leader's adjustment in a very different economy. Salaries are not guaranteed to return to previous levels. Work loads may not lighten up. The hustle to sustain even a respectable profit margin is not going away.

On the bright side, most employees are more loyal, motivated and focused than ever. It might be out of necessity, but that necessity could last a while. In the meantime, leaders have some bootstrapping to do.

What I mean by that is a shift in focus. For many years, leaders and owners have had greater capacity and resources for corporate vision and long-range planning. Today, leaders need to get back in the trenches and make sure that motivated employees stay motivated and top customers stay happy. After talking to many Minnesota CEOs and senior level leaders on a regular basis, I see the successful ones doing the following:

Communicating with Employees

Even though leaders are preoccupied with client retention and revenue, they need to communicate more frequently and in more detail than they had to before. The fallout of downsizing is that employees are still on pins and needles. Companies doing better than industry averages have leaders who are communicating with more detail, depth and consistency. They are not micromanaging, but they are establishing new sets of expectations and processes for completing tasks and serving customers. They are keeping their people informed on the state of the company and their industry.

Communicating with Customers

Effective leaders are satisfying a customer's need for value (a

better deal), by talking with them more frequently about their needs while proactively recommending solutions. They might be ideas to reduce the cost of producing a product or a broader menu of services or even phased-in projects. Rather than just trimming internal expenses, leaders are creating solutions in collaboration with clients. Existing relationships are critical; effective leaders are leveraging them with more face time and more options.

Emphasizing Internal Leadership

Everyone has the potential to be a leader. Put another way, every person in the organization must contribute in a significant way. There is no cushion for results. Each contribution — from business development to technical skill — must be noted and maximized to meet the demands of customers. A strong leadership culture will get the most juice for the squeeze.

Sticking to New Price Limits

To avoid eroding margins and quality beyond acceptable levels, leaders need to set new parameters on pricing. Once that pricing is set, successful leaders are willing to say no even in a tough economy. Ultimately, a company's goal is to maintain relationships with top clients and vendors — and duplicate them. Leaders can't sell their products or skills short.

Accepting Constant Change

There is a saying that change is the only constant. In companies across the globe, we are seeing that play out. Employees and leaders who resist change won't last long. Successful leaders encourage innovation, but must weed out anyone with a case of bad attitude. They have too many options to waste time babysitting wounded egos. The same goes for whining or self-serving leaders.

Is there any reward in sight for our efforts? It may not be a trip to Hawaii, but it could be peace of mind that we've played our cards well during these challenging times.