

Modern leadership

The team is the star

Classic MBA-decorated executives are no longer the gold standard. What's needed are managers who act quickly and courageously, integrate talents and are both tech-savvy and team-minded.

A real-life example: a medium-sized company that sells consumer goods – mainly via **e-commerce**, but also internationally via trading partners – is flourishing. It's profitable and enjoying strong double-digit growth, although currently “only” in the upper single-digit range due to the corona crisis. According to the business metrics, it's looking at a prosperous future. So far so good.

However, a one-to-one conversation with the owner revealed that, despite the positive figures, he isn't satisfied: for some time now, he says, the company has been losing staff with vital expertise in crucial positions below executive level. Up until now, it's been possible to offset that. And he has no doubts about the quality of the current actors. But he's now wondering whether better interaction within the management team couldn't help to retain key talents and develop them as circumstances allow. This is especially important as the enterprise is based in a location with no obvious appeal for talented professionals, which is another reason why there is a danger of the company losing its crucial foundation. Ultimately the enterprise is aiming to double its revenue in the coming years. However, that goal cannot be achieved without the contributions of several staff members with crucial expertise.

The owner decided to explore the question by means of a leadership journey programme and commissioned an external consulting team with the analysis. The objective was to find out which challenges need to be overcome in the years ahead and whether the collective is actually capable of mastering those challenges in the owner's interests. In this particular case, the **management team** was made up of three executives plus two heads of division and an expert with excellent technology skills.

The leadership team under the microscope

First and foremost, the multistage programme was based on addressing the following questions:

- > Is there a shared consensus regarding the purpose of the business activities and the overarching goals? For instance with respect to revenue growth versus profit growth, **talent development** and targeted succession planning.
- > Does the **leadership** style (trust, transparency, operational discipline) facilitate the achievement of the goals that have been set?
- > Measured against both the organisation chart and real-life processes, is the organisation properly positioned to achieve the goals together? Do these goals come across well within the organisation? Are there any convincing concepts for retaining talent?

In preparation for the leadership journey, the first step was to conduct a stocktaking of the individual participants. This is important in order to get to know the individual actors and be able to make an informed assessment.

Deficits in talent management

The team effectiveness assessment is the core of the analysis. It zoomed in on how individuals **work together** and analysed their ability not just to focus on shared goals long-term as **part of a team** but to communicate those goals as well. In this specific case this proved to be the pivotal point, because the individual actors displayed a convincing mindset with regard to talent retention. But what the leadership team was evidently lacking was a unified message for addressing talent in a targeted way. The failure to orchestrate the various approaches, which certainly had their individual strengths, was recognised as a weak point by the entire programme team and tackled in several team discussions.

The outcome was a consistent talent retention logic that everybody involved could identify with, ensuring that both the development of an implementation plan and its subsequent anchoring in the organisation progressed smoothly.

The third step involved an assessment of the organisation based on the questions:

- > How does the organisation work and are there any dysfunctions?
- > Where will **succession situations** arise in future?
- > How can the company retain talent?

The concrete measures resulting from the team effectiveness assessment included new incentive mechanisms for the leadership team, tied to successful succession planning for key roles. Another outcome was that several key individuals, including selected talents, were offered a stake in the company so as to ensure that everybody would be working towards the same goals in the medium term. In addition, the technology expert was promoted and one of the two heads of division will move up to an executive level position in the coming year. In this case, external recruitment was not required.

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But what leadership skills are of fundamental importance today – not just in e-commerce but beyond? Executives are and always have been trained to extrapolate trends as accurately as possible – for instance in order to infer budget or market developments. Today, however, we are living in uncertain times. There is a need for **leaders** who are self-confident enough to make decisions even when the full facts are not yet known. That requires them both to accept fallibility and be willing to alter their course repeatedly as the parameters change. Probing and sensing is taking over from the learned approach of predicting.

In addition, the company is looking for executives who are capable of taking a controversial position within the **team** while nevertheless cooperating respectfully with their colleagues – people whose profile might occasionally be diametrically opposed, but is nevertheless complementary. This calls for tolerance and a genuine understanding of **diversity**. International experience and a trailblazing internal role with

regard to the meaningful and consistent application of technology in day-to-day business are indispensable requirements for tomorrow's executives. What's needed is a "talent engine" capable of securing the next generation's loyalty and retaining its talents. It's vital to present compelling leadership concepts that are economically successful, technologically progressive and sustainable.

So what qualities does an individual need in order to succeed in a leadership team in general and e-commerce in particular, including with regard to interaction? The ability to network in a functional way is becoming hugely important, as is the insight that all disciplines and functions are equally important. There are no stars, just individual talents who have to grow together and become a team. That might sound banal, but barrier-free interaction between the individual talents is the only way to ensure that the strength of the individual leaders has an effect in the corporate context. What's specific to the e-commerce sector is that, as a rule, the talents are relatively young and need a certain amount of time to gain first-hand experience and learn to "read" the organisations they work in. E-commerce companies often develop at an extremely rapid pace – which might be attractive on the one hand, but can also occasionally lead to "knee-jerk reactions" that are not always helpful in achieving the goals that have been set.

The focus on an MBA qualification that has dominated the assessment of executives for so long is currently losing its relevance for many positions, at least when it is not embedded in concrete practical experience and an instinct for what's feasible.

When it comes to choosing a suitable team of consultants for the leadership journey, there are two crucial points to consider:

1. Does the consultant have experience of complex team coaching processes, and
2. Do they have "access" to the business model, i.e. are they familiar with similar constellations from the past that they have been able to advise successfully (in this case: medium-sized international / consumer goods / e-commerce companies)?

Good "chemistry" between the client and consultancy team is definitely helpful because it's sometimes necessary to voice uncomfortable "truths". However, specific product expertise is not necessary with this kind of leadership advisory approach. (pg)



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