



PRAESTA

PRAESTA INSIGHTS

Beyond 2020

(Things will be different)

PRAESTA

Praesta Partners is the UK's premier firm of executive coaches, based in London but operating both nationally and globally. We coach senior leaders and executive teams in several hundred organisations in the private and public sectors, including FTSE 100 and 250 companies, private equity owned businesses, leading professional services firms and all areas of financial services.

All members of Praesta's team had senior level business careers before becoming coaches. Thorough initial training, continual professional development and regular supervision are integral to how we work. As well as one to one coaching, we conduct team coaching and board effectiveness reviews.

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*“There is tide in the affairs of men which,
taken at the flood, leads on to fortune;
omitted, all the voyage of their life is bound
in shallows and in miseries. On such a full
sea we are now afloat; and we must take the
current when it serves, or lose our ventures.”
(Julius Caesar, Act IV, Scene III)*

Cover Photo: NASA

How should organisations reposition themselves for 2020 and beyond? What should leaders be doing now to prepare for that? Big questions. Our view is that today's answers are very different to yesterday's. A sea change is in motion. Here, we pull together some strategic strands towards a focus on what you and your organisation could and, perhaps, should do to get in shape for the long term. The bare bones that emerge are:

- To play their proper part in our changing world, enterprises must be socially useful as well as socially responsible. They must help people lead better lives.
- Doing so makes good business sense. Not doing so increasingly incurs reputational risk.
- Most enterprises will need to re-think “what we’re really here to do”. Some form of cultural transformation will then be needed to make it happen.
- Authentic leaders, who can identify with a high moral purpose that guides their own conduct and decision-making, are more likely to succeed in creating socially useful enterprises than those who cannot.
- Leadership of that kind requires a combination of deep self-awareness and the exercise of skilful management practice over a long period.
- None of this is easy, but all of it can be done.

The World, Our Nation And You

Sixty years ago the world's population was 2.6 billion. It is now 7.0 billion. Only 10 years ago, global socio-economic power and influence rested firmly with North America and Europe, now it does not. An old order is yielding to another. Our world is more dynamic and less sustainable than ever before. Few, if any, of us is immune to, or isolated from, the impact of these mega-trends.

Some continents and nations are winners, others are not. Britain is one of several countries that finds itself economically challenged by low/no growth, fierce international competition for raw materials, goods and services, the uncompetitive nature of much of its national infrastructure and unsustainable levels of national borrowing. It is socially challenged by the growing unaffordability of our welfare and health systems, lack of jobs, an ageing population and the creation of a relatively uneducated, poor and unemployed underclass. For at least the next decade, may be a lot longer, we are probably going to be poorer economically.

No-one we speak to wants this situation to pertain. Nearly everyone wants things to be better. Few, if any, believe government will do it all for us. Rather, as leaders, we have our own part to play, even if we're hazy about what that is. We recognise that most of the choices we face are dilemmas, that none of the options is wholly attractive or easily achieved.

If creating wealth and using it wisely is part of the solution, then mobilising our collective talents and resources to help create greater, sustainable prosperity seems one obvious strategy we should implement. The question is: what kind of commercial, social and public enterprises will make a lasting difference to our prosperity; and how can we mobilise to build them?

2020 Enterprises

Ideally, the kind of enterprises we help build and work for will fundamentally improve our socio-economic condition by generating sustainable prosperity.

Successful enterprises are already supporting people in their quest for better lives. They are moving from value chains to value cycles, that achieve prosperity and growth by enabling improvements in the welfare and capability of their customers and of the environments they live and work in.

A regionally-focused building society believes passionately that its members' interests are supported by it playing an active role in promoting the prosperity and well-being of the community it serves. Social housing, that enables lower paid people to live close to their work, is one of that community's most demonstrable needs. The society has joined with local groups and government to build several hundred affordable homes on a derelict, urban site. That commitment will enrich the community it serves and reinforce the relevance of its brand. It is, very literally, good business.

Enterprises like this one are working authentically from a guiding philosophy that informs activity and stimulates creativity. They are seeking to make a difference by playing proactive, leadership roles in the societies and communities in which they operate.

In their 2012 "Top 25 corporate reputations" survey of 40,000 consumers in China, Brazil, Germany, Japan, USA and Russia, Burson-Marsteller et al concluded that: "In short, good corporate citizenship really is good business....in an increasingly transparent, world, isolated programs and insufficient, insincere commitment will undermine, not build, corporate reputation.....Put simply, a brand is what a brand does"

If that's true of international consumer markets, then there is also plenty of evidence that talented people are attracted to working for organisations that demonstrate an innovative approach to good corporate citizenship, even if the organisations themselves are not so good at communicating what they are about.

The information and social networking revolution, catalysed and supported by mobile, web-in-hand technology, ensures that even small pieces of news that can affect an organisation's reputation spread quickly, in ways that are not susceptible to traditional management techniques.

Consequently, the best approach to earning a reputation as a great organisation, that people want to deal with and work for, seems to be a combination of:

- Doing the right things well, day after day, week after week, year after year; and
- Operating with sure-footed agility when the opportunity or need arises.

This consistent, sure touch needs the kind of authentic leadership that can only be sustained by embedding a culture that connects the organisation's head and heart to its moral compass in such a way that "doing the right thing" is *sine qua non*.

2020 Leadership

If the key components of leadership are to be mindful, give hope and show compassion, in the context of emerging 21st century corporate citizenship it seems to us that:

- Mindfulness has, at its core, a well-informed awareness of the impact our organisations and ways of doing business have, not just on those who interact directly with them but also on the wider world.
- Giving hope is not only about showing how our organisation can deliver benefits to its direct stakeholders but also about engaging constructively with other parties to help shape and deliver desirable, sustainable outcomes that benefit the societies and communities to which it belongs.
- Showing compassion is more than about giving something back. It stems from a fundamental understanding that our organisation – any organisation – has a duty to care for the wider socio-economic systems of which it is a part. It must be socially useful and seek to do as much as it can rather than as little as it can get away with. It belongs, cares and therefore acts accordingly.

2020 Leaders

A generation of leaders is emerging that embraces these challenges very differently to those who went before them. They are finding ways of operating in a 24/7 world of multiple time zones characterised by contending professional, social and personal priorities, which can place unsustainable demands on individuals that become stressful when they conflict with personal values.

These leaders have at their core an attitude to life that resists, more than previous generations, work taking over everything else. Yet they are highly effective. They are accomplished users of modern technology that they exploit to organise their lives. They tend to work in organisations whose can-do cultures support and facilitate flexible working arrangements: they, in their turn, sustain them. They travel easily between different cultures and geographies and see things from an international perspective. Although leaders like this are still in a minority, their example is indicative of a growing cadre. Generation Y is coming of age.

We Do This Already....Don't We?

Does mobilising enterprise in this strategic way require organisations – private and public, yours and mine – to re-think their core purpose, goals, operating principles and business practices? Does it require their leaders to re-define what they are there to do? The short answer, for most of them, is “yes”, at least in part. For example:

- To become a good 21st century corporate citizen requires many organisations to re-interpret what citizenship really means and how that will be tested in courts of public opinion. Increasingly it is about embodying the spirit of what society is seeking rather than complying with the letter of the law, as recent debates about the UK Corporation Tax paid by well known companies such as Amazon, Google and Starbucks illustrate.

- This model of citizenship informs not only the roles and goals of corporate leaders but also the sort of people they should be. A wide range of stakeholders is increasingly influencing who is fit to lead major organisations, such as Barclays, as they assert new corporate values.
- There is then the challenge of how to retain a strong focus on the outcomes you most want for your organisation and yourself such that a series of tactical decisions, each sensible in its own right, does not lead it, or you, to a very different place than the one you wanted to get to. Who wants to end up beached, wondering, as so many people do: “How did that happen?”

Mobilising Enterprise

Mobilising to build enterprises on the scale required to change our fundamental socio-economic condition needs sustained leadership that is, by definition, a team game because:

- The impact of our collective leadership must be to engage, motivate, and catalyse a generation (or two) to act in the service of creating a better future. After all, if we carry on doing what we are doing, we will carry on getting what we are getting. So, it follows that building sustainable enterprises will require us, collectively, to change what we do and the way we do it.
- The required outcomes *cannot* be delivered by individuals doing their own jobs well. They require collaboration between the public and private sectors; between suppliers, producers and customers; between those who have the ability to make things happen and those who have the power to stop them; between those whose collective skills, experience, knowledge, power and influence are required to get the results we want for our country, our society, our communities, our neighbours, our children and ourselves.

Many agencies subordinated their right of independent action to jointly deliver an outstanding experience for those who visited and participated in the 2012 Olympics and Paralympics. Westminster Council's CEO was one of many who were involved in years of planning and delivery. In his view, the result could not have been achieved without a clear commission for the team that was put in place; and sustained, effective team work to make it happen. On the few occasions when someone protected or promoted their own narrow interest rather than the overall one, the behaviour was dealt with quickly and effectively.

- Achieving the required outcomes will take a long time. People will run their own laps and then pass the baton to others. One generation will take over from another. This isn't "job and finish" – it is a way of being.
- Building sustainable enterprises isn't just for business men and women. Public servants and regulators must also participate in and help expedite the process for it to succeed – creating wealth and using it wisely is at the heart of public service too.

Each of us has to ask him/herself: should my organisation be part of such an agenda? Should I be part of it myself? Do I want to be? And, if your answers are affirmative, then how can you engage others in shaping that agenda and making it happen?

The MD of a credit card business is determined that it, and the sector of which it is a part, should help its customers build better lives. He has taken a sustained personal interest in mobilising his business to think and behave differently, such that it now holds itself responsible for helping sub-prime credit card customers restore their credit rating and thereby qualify for lower interest rates. This has involved taking some personal risks, including advocating, and winning support for, his approach with the foreign parent.

What Can I Do?

One of the principles of solution-focused coaching is that the client comes up with things he/she might do to help mobilise his/her own enterprise and others. As coaches, our role is to facilitate clients in that process. So what follows is intended to stimulate your thinking and action, rather than provide a blueprint or checklist.

- What is your mission in life? What will matter most to you when, in your healthy old age, you look back at who you have been, what you've done and whose lives you have touched? What regrets might you have, if any? How might all this inform your next step?
- Reflect on who you really are. How well do you connect your head, your heart and your moral compass? Is the version of "you" whom you most like and respect the one who speaks and acts most of the time you're at work? If not, how can you bring the "best" you more fully into your job?
- Find a source of inspiration that lifts your spirits and raises your sights. Catch the mood and see where it takes you. Let your imagination take flight.
- If there is one thing you could do to make a difference, what would it be and for whom? How can you use your talents, resources and positions of influence and power to do that?
- How can your colleagues, friends, neighbours and family help you become the best you can be? How can you help them to do the same?

What Can Our Organisation Do?

- How good a corporate citizen is your organisation? How well does it fulfil its duty of care to the communities and societies of which it is a part?
- How does your organisation help support people in their quest for a better life through its day-to-day business? Can and should it do more?
- What is your organisation's guiding philosophy, implicit or explicit? Does it inspire others and help give true meaning to what they do in its name? Is it fit for future purpose or past its "best by" date? What would be more compelling and motivational?
- Is your organisation doing enough to help create the sustainable prosperity that will enrich future generations? What else could it do?
- How does your organisation use its resources, power and influence to help mobilise enterprise and enable others to do so? In what respects is it, or can it become, a role model for others?

Questions Are Easy.....

...it is the answers that are difficult. Yet the tide of change that is already flowing strongly is likely to take all with it. For most organisations, the people that work for them and those who would like to, the choice is how to travel rather than whether to travel at all. Bon voyage et bon chance!

*Come gather 'round people
Wherever you roam
And admit that the waters
Around you have grown
And accept it that soon
You'll be drenched to the bone.
If your time to you
Is worth savin'
Then you better start swimmin'
Or you'll sink like a stone
For the times, they are a changin'*

(Bob Dylan)

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Praesta Insights pull together thought and experience of topical leadership issues in an accessible and digestible way. This publication has been researched and written by one of our partners, Steve Wigzell, who would like to thank Dr. Peter Shaw for his insightful editorial input.



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