

Lay the groundwork for later releases in the initial presentations. This way people expect the strategy will evolve. This process will result in a superior strategy and implementation—and in a commitment to making it work.

3. Go slow to go fast. You are tempted to implement the new strategy very quickly to gain competitive advantage. But you need to balance this with:

- The need to communicate the new strategy clearly. The more radical the shift in strategy, the more time will be required to comprehend and internalize it by employees, customers, vendors, regulators, and investors.

- The need to allow for feedback from each constituency, resulting in a more refined and better strategy because of their input and acceptance.

- The need to implement the ideas received from feedback. The costs of a full-scale roll-out may be sharply increased—and the effectiveness decreased—if major changes are required from the original vision. You may need to surface the new strategy on a smaller scale.

4. Seek to understand your strategic idea before trying to implement it. When the *Eureka* moment of a new strategy arrives, you're tempted to move full-speed ahead. You've seen the defining moment of the company's future—a way to achieve faster growth with greater profits and increased incentive compensation. However, there are risks in speed. Unless people understand the strategy and the reasons for the change, they won't implement it effectively—and may even resist and sabotage it. So, express in simple and clear words the need for the change, the logic of the new strategy, why it will improve your competitive position, how it will be implemented and impact people.

Realize that some changes or refinements may be required. These can only be achieved if people understand the reason for the change and the rationale for the new strategy. They can then express their ideas regarding how the strategy or its implementation needs to be modified. To receive this feedback, you need to encourage it and be positive in response. There's no substitute for engaging in personal, face-to-face dialogue with employees, customers, vendors, regulators, lenders, and investors—both to communicate the importance of the change and to read the non-verbal communication. **LE**

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ACTION: Implement your high-value strategy.

Wartime Leaders

7 habits of high performance.



by Howard M. Guttman

THE WARS IN IRAQ AND Afghanistan are not the only battles being waged today. With unemployment skyrocketing, profits squeezed, and many corporations teetering on the verge of bankruptcy, today's senior executives should view themselves as wartime leaders. Here are seven habits worth taking to the business battlefield:

1. Stay strategic. Think of strategy as a North Star to keep resources focused on the key results that provide the competitive difference. This is not the time for grand strategies. Keep it clear, simple, and specific. In the first Gulf War, then-General Colin Powell laid out this strategy: "First we cut off the Iraqi army, then we kill it." That's clear! Today's leaders should take note.

2. For-real communication. Today's organizations are holding pens of anxiety, which can only be fueled by no information, misinformation, or rose-colored information. Recall the cartoonish Baghdad Bob and his press briefings at the start of the Iraq War? The closer Baghdad came to being overrun by coalition forces, the greater his false bravado and lies about what was happening around him. Lack of "real" information kills morale, leads to cognitive distortion, and impairs the information processing and decision-making. While *what*, *when*, and *how much* information to communicate must be considered, people are entitled to know the truth.

3. Flawless execution. These are unforgiving times. Just ask Circuit City, AIG, or Lehman Brothers. Every decision must come with a smart plan of implementation, or be shelved. This is also true of game-changing strategic decisions: shock and awe. You don't want to take your company down the path Rumsfeld and colleagues took the U.S. after the bombing campaign ended phase one of the Iraq War: a reminder of what happens in a planning vacuum.

4. Lead from the front. As one client put it, "If a lieutenant in Iraq doesn't have the courage to ride the Humvee



down the road, he can't expect his troops to do it." Today, leaders must be on the frontlines talking to customers, board members, investors. Run alongside the "troops" in the field to listen, learn, and provide support as they battle for advantage over competitors. Leading by circulating keeps you visible and informed. And while you're running and gunning, don't forget to empower those closest to the action to make decisions. They are the people who possess the greatest knowledge of day-to-day operations. Army colonels and generals are typically not charged with tactical decisions. Driving responsibility down the decision chain shortens response time and makes for reality-based decisions and effective warfare!

5. Keep it positive. Wishy-washy, tentative messages are demotivating in times of adversity. "What is our aim? It is victory. Victory at all costs, however long and hard the road." No foot shuffling from Sir Winston. Many leaders are asking their employees to sacrifice—to soldier on in the face of frozen salaries, shortened work weeks, and neighboring cubicles left empty by RIFs. Cost-cutting is always a tough message to deliver. Why not accentuate the positive by trying to optimize resources before cutting them? It's a better strategy, and a much more positive message to the troops.

6. Look for leverage. In battlefield tactics, people and materials should be deployed for greatest impact at the "decision point." Where's the leverage in your organization? It's a question every leader must ask in times of economic warfare. All must be put to the test: the capital and financial assets, products and services, projects and people.

7. Keep true to horizontal, high-performance leadership. In times of trouble, leaders often retreat to hierarchical habits. Crises cause wariness and bunker thinking. People head for silos, avoid risks, and go underground. Disagreements get papered over, and the culture becomes a neverland of *false agreement* and *hope*.

Horizontal, high-performance organizations are built for this warfare. As the winds of war continue to blow, high-performance leaders provide their "troops" with a sustainable competitive advantage. **LE**

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ACTION: Cultivate these seven habits.