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WIN AT BIZ®

DEVELOP SUCCESSFUL LEADERSHIP SKILLS

A TEN E-BOOK SERIES

AUTHOR DAVID GABBERT

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Line editing by Sue Ericson Ensign
Comprehensive editing by Sarah Cypher, Three Penny Editor
Interior design © Joel Adams
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DEVELOP SUCCESSFUL LEADERSHIP SKILLS

Introduction

Every successful company needs a successful leader. A company's ability to produce profitable growth will rise or fall depending upon the competency of its leadership. Just as a ship needs a captain to chart the future course, a business needs a leader with a clear vision of where the company is going and how it is going to get there. Tom Watson, founding CEO of IBM, stated it best when he said that his success was due to being able to write down what he wanted the company to look like in ten years and how it would have to act to become that company. You must start working toward acting that way today by measuring your actions at the end of every day and comparing them to the actions you wanted to take, and correct any shortfalls.

Many people think the culture of a company is a slogan or a few sentences of copy in an advertisement—however, the real culture of a company is the customer's experience every time he or she does business with you. The people who the customer meets in the course of a transaction form their positive or negative experience. Employees' actions, for better or for worse, are a direct result of the culture that has been created at the top. When you look at the most visible results of effective leaders, you'll see that their leadership is apparent in how they define and affect the culture of the company. Leaders may have a vision of what their company should be, but to achieve it, they must also inspire that vision and spirit in every employee.

A winning culture is developed by a myriad of leadership actions that we will examine in this e-book. As John C. Maxwell points out in his book, *The 21 Irrefutable Laws of Leadership*, leadership is simply the ability to influence others. Yet managing is not the same as leading. Managing is focused on maintaining systems and a positive direction, while leadership requires vision, building relationships, earning trust, passion, humility, training new leaders, and a continuous habit of self-improvement. Only through these processes can you earn followers on the journey of leadership.

As your abilities to lead improve, you will add more value to both employees and the company. Every company has a lid on its growth potential based on your skills and effectiveness. Removing that lid demands self-awareness and self-improvement.

Develop a Clear Vision

Employees need a clearly defined mission. Clearly defined goals provide meaning and purpose to their work; they need to believe they are working for something worthwhile and greater than themselves. When employees are engaged and inspired by a clear purpose, they will create a real value in the marketplace by providing superior products and service to their customers.

This vision—and its clear communication to employees—is the basis of leadership, and it shows up in the increased growth and profitability of the company. To help clarify a vision for your company, I have found the following core topics an excellent place to start. Jim Collins, in his book, *Good to Great*, calls these first three topics “the three circles for success.”

- The *first* circle is what the company stands for, or what the company and its leaders are deeply passionate about.
- The *second* circle is whatever it is in the world that you can do the best.
- The *third* circle is what drives the company's economic engine.

It is sad but true that many companies muddle along day after day without ever discussing the topics of the three circles of success and, as a result, never focus their employees' efforts towards a common purpose or vision. A continuous flow of information to your employees is imperative, because it nourishes the human desire for a mission. That is why leadership succeeds or fails based on the quality of the communication. So, the circles for success not only need to be determined, but also need to be in writing. They need to be openly debated and understood by all of the followers in the group; actions need to be measured and reviewed quarterly relative to the distance between the end goals and daily actions and results.

As you go about the processes of vision planning, articulation, and communication, consider the following tenets of good visionary leaders. First, skilled leaders will determine their vision and chart a course of action for the company by drawing on their past inner experiences, examining outside competition, evaluating economic conditions, and collecting ideas from a variety of sources. Second, they use skillful communication strategies to articulate their vision, allowing time for his or her key people to accept the uncertainty of a new course and get onboard. Third, they plan future actions in detail to instill a sense of trust and confidence in their followers. And fourth, leaders will help their followers stay focused on the objective by reviewing results and shortfalls frequently, evaluating new roadblocks or changes to the competitive environment, and pointing out successes.

In tandem to these considerations, I have found it useful to be aware of the following pitfalls to growth discussed in Bill George's book, *Authentic Leadership*:

1. Always remember what your core business is and do not lose sight of it.
2. Do not depend on a single product line.
3. Do not venture outside your core competencies.
4. Do not work without a clear mission that is understood by all of your followers.
5. Stay in touch with your customers and competition so you can identify technological and market changes that are taking place within your industry.

Win at Biz Scorecard

- **Everything starts with a vision of where you are going. It is the leaders's role to capture and communicate the vision. Have you identified your three circles of success?**
 - **Do your followers debate and understand them and do their daily actions focus on a common company mission?**
 - **Do you periodically review where you are relative to your goals?**
-

Become a Pro at Building Relationships

Beyond awareness of your industry, beyond a vision of success within it, and beyond even the most diligent communication strategies, you still may not be an effective leader. If you want to build a team of followers, you must also develop leadership skills. People will not buy into your goals, dreams or passions until they have first bought into you as a qualified leader. People will not follow someone who has not taken the time to build a successful relationship with them, or whose skills and qualities aren't worth their trust.

To become an effective leader, you must become a professional relationship-builder. Relationship skills ought to be common sense, but sadly, they are not. Start by listening to people and learning what they value; focus on them, rather than on yourself. Give sincere praise; spread hope about the future; teach people new skills; provide them with new opportunities; communicate insights from your past experiences; lift them up in your communications to see the best in themselves; make them feel important.

Your goal should be to always create a positive and encouraging atmosphere. It all starts with expressing a sincere interest in others by listening for clues of the good things they are doing. You can then respond with positive phrases that fit, such as "I believe in you," "I trust you," "You can do it," "I need you," "I respect you," "Thank you," and, "I'm proud of you."

The Maxwell Daily Reader on leadership, by John C. Maxwell, offers excellent suggestions about building relationships. A major factor in building successful relationships with each person is simply the leader's ability to adapt, understand, and connect with each person individually. It is important to understand all people will value some things in common. Everyone wants to feel special, so compliment them. Everyone wants a better tomorrow, so give them hope. Everyone desires direction, so navigate them. Everyone is selfish, so speak to their needs. Everyone has emotional lows, so encourage them. Everyone wants success, so help them win. "If you first find their hearts," Maxwell writes, "they'll be glad to give you their hands."

Win at Biz Scorecard

Abraham Lincoln said, "If you would win a man to your cause, first convince him that you are his sincere friend." Are you focusing on building meaningful relationships with your followers?

Enlarge Those Around You

To lead others using relationship skills, you should seek to enlarge your followers. Competent leaders are modest about their own accomplishments, and instead put their focus on enlarging those around them by generously passing out praise and recognition for jobs well done. Every time you give people credit for doing something right, you give them the positive reinforcement and confidence they need to perform at a higher level.

Give ample encouragement; everyone needs encouragement. Encouragement will empower people to try harder, give them energy, and help them to reach their potential. Everybody can be somebody when they know someone believes in them. The simple act

of telling someone, “I believe in you,” enlarges and empowers them. To help them win, develop goals for them so they can experience success in small steps. Success will make them feel good about themselves and show them who they can become.

Leaders can enlarge others simply by giving people personal attention. Show someone you care about them by taking an interest in their life story; make them feel special about themselves. Don’t be afraid to tell people how valuable they are to your organization. Let them know often how much of a difference they are making and how much you appreciate their work and loyalty. By making this a daily practice in your life, you will be nourishing the relationships essential to your success as a leader.

Win at Biz Scorecard

Thomas Jefferson said, “A candle loses nothing when it lights another candle.” Poet Johann Wolfgang von Goethe said, “Treat a man as if he already were what he potentially could be, and you make him what he should be.” Are you consciously devoting your thoughts, efforts, and words to enlarging those around you?

Build Trust, the Cornerstone of Leadership

Relationships are about more than just offering kind words and listening to people’s needs. Enduring relationships require trust.

Trust is the glue that holds everything together in business. Employees must trust their leaders. Customers must have trust in the products and the people who represent them. Investors and vendors must trust the management of the company. Trust is built by leading from your values, a good and just moral center that conveys your convictions and beliefs. Successful leaders do not talk about their values—they practice them. Leaders who exhibit strong character with consistent actions, honesty and loyalty, and who place their followers’ and company’s interests ahead of their own personal agenda, build trust.

Leaders let their actions speak. They practice their values, and surround themselves with people who share the same ethics. As a result, they build ethical companies that people trust. When leaders fail to abide by the values they proclaim, they undermine their credibility. To paraphrase Thomas Jefferson, in matters of moral values and principal, stand like a rock; in other matters, swim with the current.

Think about the trust an insurance company must project. The company is asking you to give them your money today for an event that may happen sometime in the future which would require agreed upon actions by the insurance company. Names like Prudential, Allstate, and State Farm are all names that you trust to deliver on their promises.

Building trust starts with the leadership at the top. Without trust it would be impossible for these companies to be successful. If you hope to develop into a leader at any level of the business world, you must successfully build trust with your followers, coworkers, and upper levels of management. Remember, trust has to be earned by your words and actions *every day*. If you make a promise, follow through and keep it. Prove to your team members, employees, and customers that they can always count on you not only to be encouraging, but to be ethical and consistent as well.

Win at Biz Scorecard

Trust is the single most important factor in building successful relationships. Are you building trust everyday with words and actions that are consistent, accountable, and reliable?

Be Willing to Sacrifice

Your generosity of spirit, encouragement, and values will do much to build relationships. Those relationships will be built on trust, and in the best of times, will be the cornerstone of your leadership power. But what about the inevitable, challenging times? How will you preserve that trust, and let it grow ever deeper?

There is a cost to leadership. If you want to lead people, you have to be willing to accept the responsibility that goes with the job. Effective leaders must always be willing to give up more of themselves than their followers are. It is a decision of trade-offs that every leader must constantly be entertaining. Ralph Waldo Emerson expressed it best when he said, “For everything you have missed, you have gained something else; and for everything you gain, you lose something.”

Leaders must be willing to make personal sacrifices for the team, as well as make difficult decisions. As a leader, you must model sacrifice before you can expect your followers to sacrifice. Your company will see good times as well as challenging ones, but if you have built your leadership on strong relationships, strong ethics, and a willingness to lead by example—starting with the sacrifices—it will continue to grow.

Win at Biz Scorecard

Author John C. Maxwell says “Success comes down to sacrifice; a willingness to pay the price, sacrifice your own desires and give up a part of yourself for the success of the organization.” Do you model sacrifice before you ask others to do the same?

Identify Your Passions and Lead with Servitude

How does one become an effective leader? You hear people say, “He’s a born leader.” Others believe that leaders all share common traits or natural talents.

What about you? Start by identifying your passions. Think about how those passions will serve others. I would encourage you to read an excellent book, *True North*, written by Bill George, former CEO of Medtronic. In the book, George points out that one of the most common characteristics leaders share is a passion about something that is overwhelming to them. The book cites many examples of successful leaders that have become very passionate about something that has evolved from their life experiences.

Another interesting book, *Success Built to Last*, by Jerry Porras, Stewart Emery and Mark Thompson, talks about the importance of pursuing something that really matters to you—especially if you are going to succeed over a long period of time. If you are not pursuing something in a field where you feel you can make a difference; if it does not bring you personal fulfillment; or if you do not love it more than just about anything

else, you will lose to someone who loves it more than you. If you are going to succeed long-term by overcoming the many failures that will assuredly cross your path, the reward for pursuing your passion must be in the doing—not in the title, power, or financial rewards. If your passion is going to become a business success and endure, then whatever it is that is important to you must also serve and help others.

As most company-builders pursue their passion, they learn the skill of motivating others to want to make a difference. When leaders are successful, their passions will serve others and become their followers' passions as well. Developing these leadership skills can be a transformation that takes a lifetime.

A wonderful example that comes to mind are the lifetime efforts of my friends Dianna and Norm Hedgebeck. Dianna and Norm both evolved into successful leadership roles from the pursuit of their passions that developed out of an unfortunate life experience. At the age of 13, their daughter died of leukemia. Before her death, she asked her parents to donate her savings for her bicycle to search for a cure for leukemia. Out of this tragic life experience, Dianna and Norm pursued their passions by organizing a charity event to both honor the life of their daughter and to help stop this terrible disease from taking other children's lives. The event's purpose was to raise money to fund research at the University of Minnesota to search for a cure for childhood leukemia. The first event was organized by Dianna and Norm and a handful of friends; over the years, they were able to successfully transfer their passion to a growing group of followers. They developed into successful leaders because they were able to make the transition from *I* to *we*. Every person who donated his or her time and effort was rewarded personally with feel-good benefits, and the Children's Cancer Research Fund has raised \$100,000,000 since 1980.

There are a few core characteristics of passion that feeds successful companies. First, your passionate pursuit may start with you, but if your passion is going to become a successful organization that will pass the test of time, it ultimately will not be about you. If your venture is going to flourish and grow, you will need to get your followers as excited about your mission as you are. And, in order to generate excitement in your followers, your passion will need to complement their interests.

Second, and naturally, one of the groups of people that leaders will need to be passionate about serving will be customers. The purpose of every company boils down to serving its customers. True leaders must have a real passion for serving customers' interests and must set the standards, aligning the employees' passions to serve customers as well.

Third, in order for you to successfully serve others, you must be authentic. Authentic leaders are so passionate that it becomes apparent to everyone that this passion is not an act—it's the real thing. Passion is infectious, and brings people together around a shared purpose. You cannot develop credibility as a leader until you show your followers how much you genuinely care about them. For instance, to become an effective leader, your goal should be to add value to your followers' professional lives. When you are committed to adding value, you are advancing their knowledge and feelings of self-worth; you are also inviting them to become a part of something bigger than themselves.

Mary Kay, one of the most successful woman entrepreneurs in America, talks in her book, *The Mary Kay Way*, about how every leadership decision at the Mary Kay

Company is based on the teachings of the Golden Rule, which states, “Do unto others as we would have others do unto us.” In other words, make decisions based on what is truly best for your employees and customers. Treat them the way you would want to be treated. Lead on a philosophy based on giving and caring about what is genuinely in the best interests of others. Always remember that people will not follow you until you have first developed a relationship with them that tells them you care.

John C. Maxwell, leadership author, said, “Following your passion is what allows ordinary people to achieve great things. The stronger your fire, the greater your desire, dedication and productivity. You can’t start a fire in an organization unless one is burning in you.”

Win at Biz Scorecard

- **Have you determined what it is that you are truly passionate about?**
 - **Do your passions serve other people’s interests?**
 - **Are you adding value to your followers’ lives?**
 - **Do your followers believe you care about them? Remember, you have to show people you care about them by taking an interest in them before they will move toward you and follow you.**
-

Allow Your Passion to Feed Your Perseverance

Typically, successful leaders are so determined to pursue their passion that they are almost fanatically driven to produce positive results. They take whatever actions are necessary, and make tough decisions to ensure the company’s success. They possess a winner’s attitude, giving them the staying power to overcome the many obstacles that would hold back lesser people. They understand that failing is a path to success, and that errors and negative experiences are parts of life. They learn from their failures and turn them into opportunities to achieve a dream.

The determination of Henry Ford offers a great example. Henry Ford, a farm boy born in 1863, showed a preference to mechanical tinkering rather than farm labor as a young boy. When he was sixteen, Ford left the family farm to seek employment as a machinist in Detroit. He started reading scientific publications and became aware of others experimenting with engines that could run on illuminating gas formed from the vaporization of gasoline. By the age of twenty, Ford had developed a reputation as one of the best mechanics in the area while working for Westinghouse as a troubleshooter repairing steam-driven farm equipment. Ford frequently talked about the possibilities of transporting people with a horseless carriage, and became obsessed with developing a lightweight gasoline engine that would make farm labor more efficient.

By 1890, Ford had developed a two-cylinder gasoline engine that did not require a heavy flywheel to apply power. Now married with one child, Ford was the chief engineer for the Edison Illuminating Company. While working for Edison, Ford worked evenings and weekends on the development of his visionary engine. In 1893, Ford successfully started a four-cylinder engine with a spark from an electrical current. Over the next three years Ford assembled a team of tradesman with various skills to help pursue his dream.

He showed an amazing ability to assemble talented people to work together for the pure love of a common goal. Ford found investors and the Detroit Automobile Company was formed in August of 1899; however the company failed to produce one vehicle. In November of 1901, the Henry Ford Company was capitalized by another group of investors, again failing to produce a single vehicle.

Ford turned his attention to building and driving racecars in his spare time until the fall of 1902 when he assembled another team of devoted followers to help him build another car for mass production. In June of 1903, with another group of investors, the Ford Motor Company was incorporated; the first Model A was sold in July for \$850.

Ford proved to be an authentic leader because the purpose and ambitions that relentlessly drove him were not self-serving, but instead focused on improving the daily lives of the masses. Ford was never motivated by financial goals, power or fame. He would often work out in the factory, side-by-side with the other mechanics. As a true leader, Ford knew the role in which he could excel was as a master engineer and mechanic. He understood that he lacked business skills, and surrounded himself with qualified people to carry out the day-to-day business tasks.

The investors of the first two companies, as well as the investors of Ford Motor Company, insisted Ford develop and market luxury automobiles to the wealthy which could sell for higher margins; however, Ford could not be coerced into abandoning his teenage dream of providing powered transportation for the masses. After forcing out key investors who had endorsed the production of luxury vehicles, Ford was finally able to turn his lifelong passion into reality. In 1909, after years of design changes and relentless testing, the famous Model T was introduced. By 1920 over fifteen million Model T's would be manufactured, accounting for over half of the cars on the road.

Henry Ford provides us with a great example of how a fanatically driven leader can endure a multitude of failures, disappointments and roadblocks over a long period of time until the goals are finally realized. To learn more about this outstanding entrepreneur read *The People's Tycoon*, by Steven Watts.

Lead by Example

As a leader you must be visible and accessible. Leaders have to be seen working tirelessly toward common goals if they expect others to follow them. You cannot lead effectively by hiding behind a closed office door and never being seen. Your passions can only become infectious if you are accessible, actively communicating with others, and outwardly working at your passion. Being an effective leader is not about what you think or say but about enacting your values. Effective leaders will model their visions for their followers by their own actions. Utilize “management by wandering around,” as it describes how effective leaders use visibility to help them gain the trust of their followers.

People will only follow a leader whose actions are in line with what they are communicating. A leader can talk about desired actions, however, a good leader will lead by example. Typically, the more convincing a leader's actions, the higher the level of actions, commitment, and productivity he or she will generate from the team. What could be better proof that what you are asking people to do can be done, than giving a

demonstration with your own actions?

Remember followers will always doubt what you say, but they will believe what you do. It follows that if you want to teach your employees how to raise the level of their productive actions, you need to constantly be working to improve your own. People will always work alongside you.

Many companies fail, not because the abilities of the leader are poor but simply because there is an absence of leadership. Rather than actively and visually leading by example, the leaders are out playing golf or hiding behind a guard of assistants to limit their accessibility. In order to lead by example, it is important to maintain an open door policy and to be a visible leader.

Win at Biz Scorecard

Albert Schwetzer said, "Example is not the main thing in influencing others... it is the only thing." Your followers will emulate what they see modeled. Are you creating a positive climate by leading with a positive example?

Practice Accountability and Constant Self-Improvement

Leaders also need a high level of self-discipline. In order to produce results, leaders must hold people accountable for their actions and hold them responsible for achieving necessary outcomes. But most importantly, leaders must hold themselves accountable—it is a natural extension of leading by example.

Leaders understand that you don't look around for someone to blame every time things go awry. They look in the mirror. They discard blame, keep their thoughts focused on the objectives, and search for methods to improve. As President Truman said, "The buck stops here." Successful leaders understand that problems will arise and mistakes will happen; however, they are ultimately responsible for the solutions.

Win at Biz Scorecard

Dealing with problems is a matter of attitude and perspective. Successful leaders will focus on the solution rather than the problem.

Ideally, to grow your company you must be proactive in improving yourself first. Successful leaders realize self-improvement is a never-ending process; you must be willing to change yourself to become a more effective leader, avoid problems before they happen, and see the company's potential realized. You can never expect to reach your full potential if you are not willing to commit to change and personal growth.

You need to remain teachable. Successful leaders must be perpetual learners. John C. Maxwell offers the following thought: "The first step to becoming a teachable leader is to learn to listen. Listen to others, remain humble, and you will begin to learn things everyday that will help you to expand your talent and leadership skills." As you develop the disciplines to self-improve, start by recognizing your strengths and then focus on improving by accepting new challenges in your strength zones.

There isn't anyone who is not capable to do more than he or she thinks they can do. We all have unlimited potential, yet to few of us ever try to reach it. It is when you can identify your passions and are committed to growing everyday to reach your full potential that you begin to walk down a path to success, and lead your employees by your example.

Win at Biz Scorecard

Successful people must possess an attitude of teachability and willingness to change themselves to self-improve. John C. Maxwell sums it up by saying, "No matter how much I know, I can learn more from anyone or any situation. If you live to learn, then you will really learn to live." Are you committed every day to learning new skills and new knowledge to improve your leadership capabilities?

Expect Success

Passionate, authentic leaders will accept nothing short of success. Your personal success will ultimately be judged by how effectively your company can compete in the marketplace, and how successful it is in generating both tangible and intangible benefits for your employees, customers, suppliers, and investors.

True leaders possess a persistence and determination to continue searching for winning strategies until they have surpassed and defeated the competition. In the free supplement to Book 1 of the *Win at Biz* series, you will read about Bryce Peterson, founder of Plantscape. Bryce founded his plant leasing business in 1974. Despite a ten-year struggle to find a winning business model, he persevered and expected success: and eventually discovered lasting financial success that in the marketplace. At a business breakfast club gathering, I had the pleasure of listening to the life story of another successful local businessman, Dick Enrico. Dick is the founder of 2nd Wind, a successful retail outlet of exercise equipment operating approximately forty stores in seven states. Dick told us 2nd Wind was his twenty-second business start-up after twenty-one previous failures. Talk about an example of persistence and determination to succeed!

Yet my favorite story from history is about the Wright brothers' desire to exit the waning bicycle business and enter the business of inventing, manufacturing, and selling airplanes. In the course of four years' attempts to apply the principles of physics to a new application, the Wrights invented and solved "the torsion principle," which is the ability to bank a plane on a turn by raising one wing with increased air pressure while lowering the other wing. The Wrights tested over two hundred wing styles, developed a mathematical coefficient for air pressure against the wing, and invented a six foot tall vertical tail to improve control of the plane. In their hundreds of test glides they developed nine different control systems. To make the leap from a successful glider to a powered plane, the Wrights would first have to develop a twelve-horsepower, four-cycle engine as well as a propeller that could provide 132 pounds of thrust and rotate 350 revolutions per minute. Their first successful powered flight in 1903 lasted 59 seconds and covered 300 yards. Yet in order to turn their years of labor into a profitable business, they would need to obtain patents to fight off the increasing competition, improve slide

slipping on turns, and provide more lift for takeoff. It would ultimately take ten years of labor, before American investors capitalized the Wright Company in 1909 and offered them an initial payment of \$100,000. In 1915, Orville Wright sold the company for \$1,500,000.

We live in a nation of innovators, and their lessons are all around us. To succeed as leaders, we need to show the same unwavering persistence and determination in any endeavor we take on.

Win at Biz Scorecard

Only when something really matters to you and you believe you can make a difference can you sustain your leadership efforts over a long period of time. Only when your passions serve others interests can you build a lasting organization.

Build Around Others' Strengths

Effective leaders tend to have a strong self-awareness. In other words, they really need to know themselves. They need to understand their strengths and interests and be able to recognize the roles in which they will perform best. Great leaders accept and are open about their weaknesses, too, astutely filling those skill gaps with other people's strengths.

Consider the leadership challenge President Lincoln faced as Southern states were seceding from the Union as he was taking the oath of office. Lincoln wisely surrounded himself with a cabinet of advisors comprising the best political minds of the times, regardless of political ideology or ambitions. Most of these men doubted that Lincoln had the leadership capability and experience to lead the country through the conflict that threatened the nation's survival. Though many doubted him, Lincoln held steadfast to his belief that the Union in its entirety must be preserved at any cost. As his cabinet members witnessed his leadership skills and character shine through over the early years of the war, they eventually began to trust his judgment, becoming loyal followers who supported his decisions while working tirelessly for their leader's cause.

Great leaders surround themselves with great people. They know that they cannot do everything themselves; there is a need to surround themselves with people who have the right talents. As Jim Collins says, "To build an effective team you have to get the RIGHT people on the bus." The "right people" means people with the talents that align with the job. In other words, you not only need to get the right people on the bus but also you must get the right people in the right seats on the bus. If there is not a seat for them, you must get them off the bus. Search for people's strength zones—the areas in which they can achieve successful experiences and benefit the company. Once you have the right people in the right positions, you should focus on putting your best people on your biggest opportunities, not your biggest problems. Leaders always use their best people in roles where they can multiply the growth and profitability of the company.

Win at Biz Scorecard

Consider asking an employee the following question: “If you could have your choice of any job, what would it be?” Whenever you can move a person from a job they dislike to a job they love, it can be a life changing experience for the employee as well as a production benefit for the organization.

Good leaders also understand that they need to compensate for their areas of weakness by surrounding themselves with people who have the right talents. They understand that their potential as leaders is limited to the talents of the key people closest to them. A strong leader builds relationships with people who add value to both themselves as a leader and the organization, contribute to raising the performance bar for other key member, display high standards of quality and achievement in their work, and possess the character, responsibility, and maturity to keep building on their leadership skills.

John C. Maxwell offers guidelines for determining which people would make a solid addition to your circle of key employees.

1. Do they have influence with others?
2. Do they possess strengths in your areas of weakness?
3. Do they add value to the organization?
4. Do they positively affect the other key members of your inner circle?

Win at Biz Scorecard

Surround yourself with creative people and let their ideas inspire you. As a leader, you cannot succeed alone. The talents of the key people closest to you determine your potential. Have you surrounded yourself with people who can increase the success of your organization?

Multiply Your Impact by Training New Leaders

Effective leaders multiply the growth of their organization by turning their key followers into leaders. Think in terms of growing your organization by teams instead of individuals. When you as a leader can only affect the growth of an organization by the people you can touch directly, your effect is limited to those numbers of people. On the other hand, for every leader you develop, you can affect additional people in the organization far beyond your reach. As a result, for every follower you develop into a leader, you can multiply the number of people you touch as well as multiplying the effect on the growth of the organization.

Develop leaders by promoting from within the company. This approach pays huge dividends by motivating employees with the opportunity of personal growth, and ultimately prolongs careers and reduces turnover in key positions. If you are going to retain quality people, you need to provide personal growth opportunities and challenges. What could be a better way to provide a company with potential leaders than on-the-job-training?

When you analyze the return on the time spent working with your followers, consider the following results: When you work with the bottom twenty percent of your followers, you are spending your time attempting to improve their weaknesses. When you work with your best followers one-on-one, you can work on developing the strengths of one individual at a time. But when you work on teaching your best followers leadership skills, you are spending your time affecting every person that this newly developed leader touches. John C. Maxwell points out the following qualities for which to search when you are considering a potential leader:

- A positive attitude
- Loyalty
- A desire to self-improve
- An inclination to enlarge and encourage others
- A creative thinker

Developing followers into leaders requires you to foster a work environment that teaches leadership skills, offers new responsibilities and opportunities, and empowers people to make decisions and deliver outcomes. As we've emphasized in other Win at Biz books, written training programs can harness the people-power in an organization.

For instance, in our lawn maintenance service, business we hire a number of young, seasonal field technicians who require a significant amount of training and supervision to deliver the company's expected level of customer service, image, and production outcomes. The initial training program includes motivational speaking and listening skills. We teach the importance of not only using the proper speaking and listening skills with subordinates, but also the importance of using these skills to help raise the level of the performance of their fellow supervisors. We also spend time discussing the importance of communicating recognition. The balance of the introductory leadership training focuses on how to lead by setting the right example with your own actions as well as a session on how to serve the needs of the new employees.

An essential piece of any leadership training program also requires teaching the power of sincere concern for your subordinates and their potential. Emphasize that becoming a leader in the eyes of your subordinates requires putting their needs ahead of your own. Nor would such a training program be complete without teaching the benefits of a positive attitude, so trainees should also study the positive and negative implications of attitude.

In our experience, we have found that these topics are a good place to start and that they have provided the company with a good return on our investment in training time. The following quote by Arlene Lenarz, a Mary Kay national sales director, is a winning philosophy: "We don't use people to build our business; we use our business to build people."

Win at Biz Scorecard

John C. Maxwell said, “The bottom line in leadership is how far we advance others. ... It’s sharing yourself, your influence, position, and opportunities with others for the purpose of investing in their lives, so they can lead at their best.” Do you have a program in place to develop your key followers into leaders?

Empower, Inspire, and Develop

Successful leaders know that in order to achieve maximum productivity, where everyone on the team is working towards common goals, you must empower people. Leaders understand that you need to manage the systems, not the people. You must manage the outcomes and empower people to find their own best ways to achieve those outcomes.

In the natural course of becoming a leader, you have to make the transition from *I* to *we*. Before you can empower people, you have to make this transition. Leading is not about you; it’s not about controlling everything, accomplishing individual goals, or about personal success or recognition. You must always remember that the more power you have, the less you should use it. Every time you exert power, you take something away from others. Once you make the transition from *I* to *we*, you will be able to unleash the power of others to pursue shared passions and goals.

Once you make the transition from *I* to *we*, you can engage your people in an open, effective debate about your three circles of success discussed in the section, “Develop a Clear Vision,” at the beginning of this book. You can decide together what the company stands for in the marketplace and what it is passionate about; what the company can be best at in the world; and what fuels the company’s economic engine. Once you have identified your circles of success—the three places to focus your actions—you can create an open debate with your followers. Successful leaders understand that in order to maximize productivity towards common goals, people must be given an opportunity to be heard. People need to feel that they are contributing. Successful leaders create a culture of openness where everyone can speak their minds and speak the truth without worrying about blame. Effective leaders lead these discussions with a lot of questions, and practice attentive listening habits that reassure people, saying, “I am interested in your ideas and what you have to say.”

The open debate with your followers is part of the process of empowering your followers. If you currently are not allowing your subordinates to contribute and be heard on a regular basis, you are not leading. If you are not empowering people to act on their own ideas, where there is a continuous opportunity to learn, they will not work toward shared passions and goals. If you are not open to ideas and experimentation, the company will not be successful at adapting to change.

In a *Time* magazine article enumerating his leadership qualities, Nelson Mandela said that in order to be a great leader, you need to lead as a herdsman; you always get your best results when you lead from the rear. If a leader is going to be successful at engaging followers to work towards shared goals, it is only reasonable to expect people to support that which they have had a voice in helping to create.

Techniques to Empower Others

1. Build trusting relationships within the group by backing up your spoken words with action. To be successful at empowering you must first build trust.
2. Align everyone's passion and purpose in the same direction. Successful leaders accomplish this by uncovering and understanding each individual's personal passions and then showing him or her how to fulfill these passions by achieving the company's mission.
3. Treat people with respect and as equals.
4. Get people involved in the decision-making process.
5. Challenge people by asking tough questions and raise their level of thinking to a higher level.
6. Hold people responsible to deliver outcomes and expect people to exhibit self-discipline in their actions.
7. Allow people to use their own creativity to discover the best way to achieve the desired outcomes for which they are responsible.
8. Give people an opportunity to learn new skills and tasks and empower them to go to the next level.
9. Encourage personal growth by assigning them more challenging tasks as they are ready.
10. Show up and be seen so you are accessible to coach and counsel.
11. Be an active listener to demonstrate that you are genuinely interested in the questions, suggestions, and ideas of others.

Win at Biz Scorecard

John C. Maxwell summarizes the essence of empowerment as employees making decisions concerning that which most directly affects themselves. When employees are engaged in this manner they will “buy-in” and take ownership of everything they’re doing. Are your followers engaged in the decision making process? Are the empowered to act on their decisions to improve the outcomes for which they are responsible?

Put Leadership into Practice in a Changing Economy

We have been discussing the many qualities of successful leaders. Some of the more important attributes we discussed are as follows: developing a vision for where the company is going, enlarging your followers, building trust, modeling sacrifice and leading by example, delivering success by demonstrating determination and persistence, using your employees' strengths, and empowering your followers. Once your foundation as a competent leader is built, to achieve success you will be required to use your skills to lead effectively. This will require the ability to delegate, prioritize, adapt to change and consider the optimum timing to initiate action.

Delegate Effectively, Lead Effectively

It goes without saying that in order to empower others, successful leaders need to delegate. It's part of giving budding leaders new and more challenging tasks. But what should be delegated?

The tasks you delegate will vary depending on the size of your company and on your own strengths and weaknesses. Struggling leaders who have not yet made the transition from *I* to *we* will have many reasons why they cannot delegate a task. The excuses often go something like this: "No one else is capable of doing the job as well as I can," or, "I can do the job myself in less time than will take me to explain it to someone else." Effective leaders not only delegate but they also empower, which distributes responsibility and authority to others. Leaders will then hold these people accountable for their performance.

Effective delegation also frees you up to focus on running the business. To quote a phrase from the book *E-Systems* by Michael E. Gerber, "You have to work *on* your business not *in* it." Empowering others to run the day-to-day operations is what allows leaders to look out to the horizon and focus on future positioning of the company relative to competition and its customer's needs. Such tasks might include final hiring decisions, the continual development of operational systems, employee communications, motivation, networking, financial planning, company positioning, presentations to financial institutions, developing an annual marketing plan, and the planning and development of annual company goals.

Win at Biz Scorecard

In order to lead and work on your business rather than in it, you need to be effective at delegating responsibilities to others.

Prioritize Tasks for Impact on Bottom Line Performance

Successful leaders prioritize their tasks—and their followers'—to maximize productivity and growth. Prioritizing tasks is an essential part of leading, and it requires a leader to think ahead, build a list of tasks that align with current goals, and consider which tasks will have the most immediate effect on the bottom line.

Remember, being busy does not equate to productive work that will affect sales or bottom line growth. Every effective business plan needs a well-thought-out plan of action points. These action points need to be prioritized in order of importance relative to their immediate impact on the outcome. The 20/80 rule will almost always apply: Twenty percent of your action points on your list will produce eighty percent of the results, so it only makes sense to focus your efforts on the top twenty percent to receive the best return on your time. Once you have determined the tasks upon which to concentrate your efforts, select the items for yourself that align best with your strengths and delegate the remainder of the tasks to the strengths of your followers.

In order for a leader to maximize effectiveness, it is also important to analyze how much time he or she should be allocating to various areas of the business. For example, the prioritizing may look something like this:

- Developing marketing plans: 20 percent of time
- Developing key people: 20 percent of time
- Developing and improving operating systems: 5 percent of time
- Networking: 10 percent of time
- Planning and goal development: 10 percent of time
- Financial planning and budgeting: 10 percent of time
- Final hiring decisions: 5 percent of time
- Product enhancement and development: 20 percent of time

Speaking from my own experience, prioritizing has always been one of my most useful management tools. What can be more important than forcing yourself and your staff to focus on how you should be spending your time most productively? Prioritizing helped me make one of the most difficult and important decisions of my business career, closing Daltons Furniture. As I analyzed how I was spending my time, it became obvious that I was spending a disproportionate amount of time on a business that was not contributing proportionately to our economic success.

Win at Biz Scorecard

Great leaders are effective planners and remain focused on committing each person's time to tasks that will have the biggest impact on the highest priorities. To maximize productivity, prioritize your tasks, delegate effectively, empower, and lead passionately

Predict and Prepare for Change

Leaders make tough decisions and put them into action. Change is a continual process of survival and success in the fast-paced, ever-changing business world we live in today. Improvement and growth is impossible without change. True leadership requires a capacity for change, and the continual collaboration with the end user to determine what they really want. With the economy and customers' needs ever-changing, leaders understand that their business model must be continually reinvented. It's mandatory to long-term success.

For instance, consider some of the situations that you may have read about in the Book 1 supplement of the Win at Biz series, *"If I Knew Then...": Case Studies that Could Save Your Business*. Amcom's market of reconfiguring and selling mid-sized computers in the eighties completely disappeared in the nineties. Plantscape would have gone out of business if it had continued with their retail garden and landscape business model. DecoPac was developed out of a three-generation retail baking business that no longer exists today. Without leaders willing to adapt to change, these businesses would not have survived.

It can be costly to initiate a change that ultimately becomes a mistake—but remember that change will always cost you something, if not monetarily, then in time or energy. John C. Maxwell offers an excellent checklist before initiating any change.

1. Will the change benefit the followers?
2. Is the change compatible with the purpose of the organization?
3. Is the change specific and clearly stated?

4. Are the top 25 percent of the influencers in favor of the change?
5. Is it possible to test the change before making a commitment to it?
6. Are the financial and human resources available to make the change?
7. Is the change reversible?
8. Does the change offer both short- and long-term benefits?
9. Is the timing right to initiate the change?

To lead an innovative company will require leaders at the top to encourage risk-taking, experimentation by trial-and-error and an atmosphere where failure is accepted and learned from. Mike McGlynn, founder of DecoPac, uses the expression, “Failing your way to success.” Mike is a pro at encouraging his employees to participate in expressing their ideas and empowering them to implement those ideas in the shared goal of seeking company goals.

Win at Biz Scorecard

Competition is continually changing your business environment. In order to capture new market share while maintaining your existing market share, leaders must constantly re-evaluate their business model. Have you objectively re-evaluated your business model in the last twelve months?

Consider Timing

Adjusting to changes in the real world of business is necessary to survive. Yet even the best ideas need to be accepted by others to become a reality. Many times the threshold for others to accept the change you feel is necessary may be received more willingly at a later date. More often than not, the success of your ideas will require some preparation on your part.

What comes to mind are learning experiences of my own past business experiences. For example, before introducing required financial changes to a commission program for salespeople, I needed to wait until the people who would be affected by the change were engaged in the process, educated on the numbers, and had enough time to understand the benefits of the change in their own minds. Timing is critical! Many of my own good ideas have failed simply because they were introduced prematurely. For instance, we made the decision to expand our target market and advertising program, but the timing was poor simply because we did not have all of the sales tools in place to convert the extra demand into satisfied customers. I recall an innovative, interactive, web-based training software product we developed for small businesses. The product was not received well because the product was introduced before the use of web-based personal computers became common among small businesses. It would have been effective had our timing been better.

When we look back on the great leaders in American history, we see the same principles at work. For instance, President Lincoln utilized uncanny leadership skills and judgment when he introduced the Emancipation Proclamation, granting the slaves freedom during the Civil War. Lincoln had written the document a full year before he introduced it, waiting patiently for the right timing when the mood of the country and

Congress was ready to accept this controversial legislation into law.

On the other hand, the right decision introduced at the wrong time can be received by resistance and ultimate failure. Timing is as important to a leader's success as making the right decisions. Be sure to consider the timing as you plan to introduce new ideas, actions, or change.

Common Leadership Mistakes

1. Allowing the vision to fade.
2. Spending too much time on details rather than on goals to achieve the mission.
3. Making yourself scarce.
4. Changing the key objectives too often.
5. Not modeling what you say.
6. Failing to identify your own weaknesses and fill with others' strengths.
7. Not assessing people's talents well or aligning others talents with the right tasks.
8. Assigning job responsibilities without empowering people to make decisions.
9. Placing results ahead of people's needs.
10. Hiring too fast and firing too slow.
11. Recruiting followers rather than potential new leaders.
12. Leading with a top-down attitude rather than serving from the bottom up.
13. Being a dictator when making decisions rather than soliciting input from others.
14. Failing to take the time to listen to your followers.
15. Refusing to delegate and prioritize effectively.
16. Placing tasks and paperwork before people work.
17. Letting personal agendas get in the way of organizational success.
18. Only seeking information that supports your own views.
19. Inability to control anger.
20. Seeing disagreement as disloyalty.
21. Not talking to people affected by a decision.
22. Taking the credit and handing out the blame.
23. Lack of clear and consistent communication with followers.
24. Lack of giving consistent appreciation and recognition.
25. Inadequate coaching.
26. Hiding mistakes rather than learning from them.
27. Focusing on problems rather than fixing the process.
28. Not following your gut instinct.
29. Failing to invest time to grow your own leadership skills.

Win at Biz Checklist

- | | | | | |
|---|--------------------------|-----|--------------------------|----|
| ✓ Do your everyday words and actions create a positive culture that trickles down through your followers to create positive experience for your customers at every point they touch your company? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Have you determined a vision for the company, charted a course of actions, and communicated the vision effectively to your followers? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Do you stay focused on the objective while reviewing the results and shortfalls regularly? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Do you love what you are doing more than anything else? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Have you created an atmosphere of trust with your employees and everyone who comes into contact with your company? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Do you focus on building authentic relationships with your followers by sincerely showing you care about them? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Do you convey positive communication and sincerity to enlarge those around you? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Have you developed the answers to your “three circles for success” so your followers are focused on shared goals? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Do your passions serve to help others? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Have you been successful at rallying your followers around common passions, goals and interests? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Are you driven to succeed? Are you willing to make personal sacrifices? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Are you committed to learning and self-improvement? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Do your daily words and actions as well as your company’s culture succeed at empowering your followers? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Do you regularly conduct open debates and allow group decision-making in order to give everyone an opportunity to be heard, determine the best actions, and work toward shared goals? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Have you surrounded yourself with the right people with the right talents capable of adding success to your organization? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Do you conduct training programs committed to teaching your key followers to become effective leaders? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Are you setting the right example and modeling leadership with your actions while being accessible and visible to your followers? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Are you solution-oriented rather than problem-oriented? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |
| ✓ Do you pass recognition for success on to others? | <input type="checkbox"/> | Yes | <input type="checkbox"/> | No |

Win at Biz Checklist

- ✓ Do you hold your followers accountable? Yes No
 - ✓ Do you delegate the right jobs based on your personal strengths and weaknesses? Yes No
 - ✓ Do you accept change and make the tough decisions that are necessary to succeed? Yes No
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About the Author

David Gabbert

Entrepreneur, business mentor and growth coach, David Gabbert helps business professionals, business owners, new startups, and students learn how to win at business. Self employed for forty-seven years, founder and owner of four million-dollar-plus businesses, and author of ten Win at Biz® business books, Dave offers free business articles about a variety of proven business strategies which compose the basic building blocks of starting and operating a successful business.

Free monthly e-zine subscriptions are available: www.davidgabbertbusinesscoach.com

We welcome your comments and questions: david@winatbiznow.com

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- Book 3: Initiate Effective Financial Management Tools
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- Book 8: Build a Successful Sales Organization
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