



Customer



LEADERS IN LONDON

2007

Leadership think the glob





Leaders in London is an annual conference which aims to show some of the best leadership thinkers from around the globe. The event is now in its fourth year and we sent Stakeholder Satisfaction writer, Martin Donohoe along to see what he could learn.

The interesting thing about attending conferences like Leaders in London 2007 is that you never know quite what you are going to get. The delegates were a varied bunch, with the blue chip corporates from sectors such as banking and IT well represented, through to many individuals from much smaller businesses. This was surprising as although the event has top name speakers, it isn't an inconsiderable expense to attend and that must represent a large chunk of the training budget for some of the delegates that I spoke to. What I was most intrigued about though was what lessons from the latest leadership thinking would translate into relevant terms for customer or employee satisfaction?



Benjamin Zander was the first speaker of the day – wow, what an act to follow! Mr Zander is by profession an orchestra conductor! He draws

upon his musical experience and orchestral work as a metaphor for leadership, rather effectively. Mr Zander has been working as an inspirational speaker for a number of years now. He's an incredibly effective speaker and delivers his points with an energy that really is quite amazing. But what lessons did he have for leadership or customer satisfaction?

Zander's view of leadership is unconventional, as is the way he puts it across to his audience. His view of leadership is one that it is the leader's (conductor's) role to release in the team (musicians) "the passion, creativity, interconnectedness and fine-tuned listening as well as the desire to contribute". By way of a demonstration he got the entire audience to sing happy birthday to a randomly selected delegate, he showed how this made the delegate feel valued and suggested that we "treat customers like they have a birthday coming up – because everyone does". Zander's leadership is full of vision and living in possibility ("possibility is always one sentence away"). Whilst this is a fine sentiment, it seemed lacking in explanation as to how a leader should instil this level of commitment in their team (orchestra). However, Benjamin Zander is certainly an entertaining and engaging speaker..

Promisingly, **Steven Levitt's** presentation was entitled "Key Trends – Knowing What to Measure...understanding Modern Life and its impact on Customer Behaviour". Levitt is the bestselling author of *Freakonomics*, in which he presents a fascinating and sometimes controversial interpretation of society at large. He touched on one point that was very relevant to Customer Satisfaction. Levitt described incentives (for employees) as being the guts of economics and went on to give an example of how employers can get this wrong. John Szilagyi was a researcher at the IRS (in America), he identified that people were cheating on their tax returns by falsely stating they had dependent children. By simply changing the tax form to ask for the "children's" social security numbers, 7 million fictional children vanished overnight generating an additional \$3 billion dollars of tax income



Leaders from around the globe.





for the IRS. Szilagyi's reward for generating this astounding amount, \$25 thousand dollars, paid to him 8 years later. Levitt's point, there are incentives for everything, incentives for employees and incentives to cheat on tax returns! Levitt's work is definitely worth looking at from a general interest perspective with some fascinating points such as the discovery that some gangs effectively operate franchise models which are very similar to those of commercial organisations.



At first glance, **Andrew Zolli**'s presentation didn't seem to offer much from a satisfaction measurement perspective, yet this futurist's presentation contained some real insight and food for thought. Zolli's work is all about global foresight and innovation, he's in the business of predicting future trends and how they might impact business. Zolli showed some demographics predictions for the population of different cities around the world. Aside from population growth (and shrinkage) in different cities, it also demonstrated the huge demographic changes that will occur such as population age etc. Obviously, dependent upon who your customer base is, this has massive implications for the future of your business. He introduced the concept of "thinking in network terms" where "a network is empowered individuals working in small groups". Defined in these terms, the internet ceases to be a simple repository of information and can be defined as "a political socio-philosophy giving power to small groups". This sounds like some kind of geek speak, but when you consider the rising power of citizen marketers and the impact they can have upon an organisation's customer satisfaction, it reflects exactly what is happening.



Other speakers on Day 1 included **David Cameron** who gave a polished performance, but ultimately didn't have anything new to say on Leadership and

James Brown (publisher and editor) who gave an entertaining talk but one that lacked any real substance ("I developed my leadership style from watching football managers"). The final speaker of the day was Edward de Bono, the popular author and creator of the term 'lateral thinking'. His presentation gave an overview of how we use ideas to analyse data...

Marcus Buckingham is a former researcher and is now best known for his series of books based around the idea of working to your strengths. An accomplished presenter, Buckingham drew on examples from his research and client work to



illustrate his arguments. Central to all of his work is the premise that an individual will get the best results if they deliberately work to their strengths. He says that companies normally ask him to study their best teams and identify why they are the best. Buckingham says he normally finds that there is actually a big range in performance within a team and that there isn't one company culture that all of the team follow. His point, that what is referred to as a great company is actually an accumulation of great teams – there's no such thing as a great company! He cites the example of Toyota and the front line personnel at Lexus dealerships. The top 10% of dealerships have excellent records at retaining their people, the bottom 10% of dealerships lose over 10 times more of their people. Of particular interest, Buckingham refers to one question as the "employee equivalent of NPS" – "At work, do you have the opportunity to do what you do best every day?". According to Buckingham, the response to this question is a key to determining levels of employee satisfaction and engagement. His key message was that more of the conversations we all have should be about strengths. Some of Buckingham's proposal is counter-intuitive, for example, he argues against the idea that 'a great team member puts his strength aside and does whatever it takes to help the team' saying instead that 'a great team member volunteers his strengths to the team most of the time'.

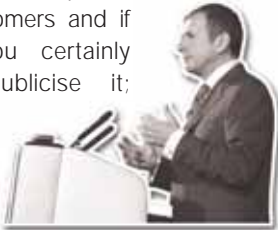


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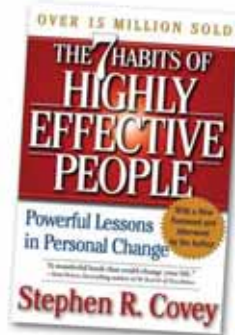
Gerald Ratner was an unusual choice for speaker at this conference. His infamous “prawn sandwich” comment, provided the source for much of his talk. The story illustrates that you should never make jokes at the expense of your customers and if you do, you certainly shouldn’t publicise it; unless you want to destroy your business!



Stephen Covey is a well-known author and speaker (the ‘7 Habits’ series). Covey gave an engaging, and at times challenging, talk that took in some of his latest work and the principles behind it. Covey started by saying that the key to unleashing human potential is the implementation of strategy, the organisation’s culture must be behind it and the culture is driven by the people. He also echoed a point made by Marcus



Buckingham’s earlier talk – build on strengths, make weaknesses irrelevant. Covey’s perspective is that leaders build moral authority by being ‘principle centric’. He describes management practices as ‘still being in the industrial age’ and of the need for leadership to unleash what he calls ‘the whole person’. The ‘information age’ model of management is where the moral authority of leadership is the driving force for future success.



Nick Wheeler the founder of Charles Tyrwhitt (the shirt suppliers) gave an amusing insight into the development and operation of his business. But again, there was no real insight into his thoughts on leadership.



the key to unleashing human potential is the implementation of strategy



Prof. Michael Porter is a world renowned strategy guru. Porter’s talk took us on a strategic journey. We start by setting the



right goals (according to Porter, the goal of a company is superior economic performance, not shareholder value). The next steps are to i) understand the competition, ii) consider where strategy fits and iii) goals. Look at your business relative to the industry you are in. The key is to understand the industry’s structure. Then, shift the basis of competition, move away from just price and think about positioning your business, understanding the industry means you know where you can position your business. Porter quotes the ‘value chain’, operational effectiveness

a varied and interesting conference



together with strategic positioning mean that an organisation can achieve superior performance. Porter gives five tests of a good strategy:

- A unique value proposition
- A different, tailored value chain
- Clear tradeoffs and choosing what not to do
- Activities that fit together and reinforce each other
- Continuity of strategy with continual improvement of realisation

Porter is particularly scathing of the ‘be agile and flexible’ approach to strategy arguing that continuity of strategy i.e. you stick to it, is absolutely key. Porter also asserts that ‘good strategy involves making customers unhappy’, he argues this on the basis that responding to the biggest complaints (from customers) may actually undermine strategic plans. In this respect, he defines strategy as something which customers listen to.

Leaders in London was a varied and interesting conference with a diverse range of speakers on the topic of leadership. The relevance of some of the speakers and their message was debatable, but this was more than made up for by the ‘heavyweight’ speakers such as Covey, Porter and de Bono. Whilst obviously not a customer satisfaction focused event, it was significant that most speakers touched on the importance of customer satisfaction in their leadership views. **S**