Leadership in Private Enterprise

Discussion Document

Fahrenheit Advisors – Lud Kimbrough

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Effective Leadership:

- Fits Company's evolutionary stage
- Meets employees' needs
- Fits the Leader's style

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Typical Evolutionary Range

Lifestyle Business

- **Autonomous**
- **Self-dependent**
- **Driven**
  - **By Personality**
  - **Or by Technology**
- **Defined by a person**
- **Personal**
  - **Avoid taxes**
  - **Don't spend**

Enterprise

- **Team in place**
- **Customer-driven**
- **Strategy**
  - **Low risk**
  - **Scalable or tuck-in exit options**
- **Defined by brand & culture**
- **Institutional**
  - **GAAP-compliant**
  - **Well maintained**

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Constraints after the Startup Stage

Operations

Management

Sales

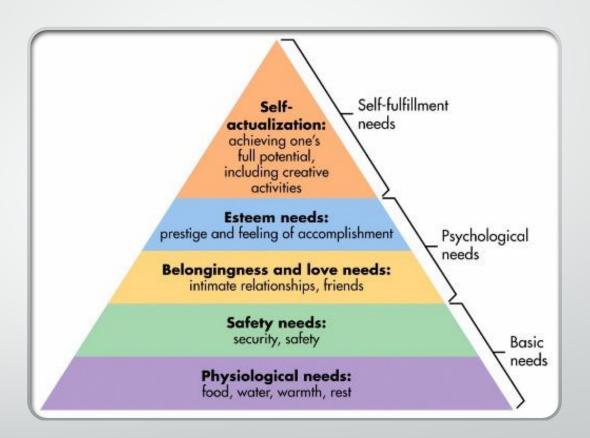Strategy

Finance

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Employee Needs:

… And the Cultural Implications

- Creating a culture and brand that people want to be part of

- Is coming to work a job, a career, or a meaningful life?

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Leadership = Inspiration + Performance

Bain Inspirational Leadership Model

Developing inner resources

Stress tolerance
Dealing with stress in a positive and constructive manner

Self-regard
Holding a confident yet realistic assessment of your abilities

Emotional self-awareness
Understanding your emotions, their causes and their impact on others

Self-actualization
Improving yourself and engaging in personally meaningful pursuits

Flexibility
Adapting your responses to dynamic circumstances

Independence
Maintaining the conviction to follow your own course of action

Emotional expression
Voicing your feelings openly

Optimism
Remaining resilient and positive despite challenges

Centeredness
Engaging all parts of the mind to become fully present

Connecting with others

Vitality
Showing passion for your work and giving energy to others

Humility
Maintaining a balanced ego

Empathy
Understanding and appreciating others' needs and feelings

Development
Assisting others in advancing their skills

Assertiveness
Advocating your point of view in an open, honest and direct way

Listening
Paying true attention to others' comments, ideas and feelings

Expressiveness
Conveying ideas and emotions clearly and compellingly

Commonality
Sharing mutual interests and activities

Setting the tone

Worldview
Seeking to understand and incorporate diverse perspectives

Openness
Demonstrating curiosity, creativity and receptivity to input

Shared ambition
Living the organization's mission and operating principles

Responsibility
Taking proactive ownership, giving credit for success and being accountable for mistakes

Follow through
Showing integrity and consistency in word and action

Recognition
Showing appreciation for the efforts and results of others

Balance
Respecting the boundaries of others' relationships and commitments outside of work

Unselfishness
Putting team needs above short-term personal benefits

Leading the team

Focus
Orienting teams toward the most relevant set of outcomes

Harmony
Fostering alignment and resolving conflicts

Vision
Creating a compelling objective that builds confidence and encourages sign-up

Direction
Setting the appropriate group and individual expectations

Empowerment
Allowing and encouraging the freedom to stretch

Co-creation
Trusting that collaboration can yield better results

Servanthood
Investing on behalf of others and finding joy in their success

Sponsorship
Engaging to help others achieve their broad career aspirations
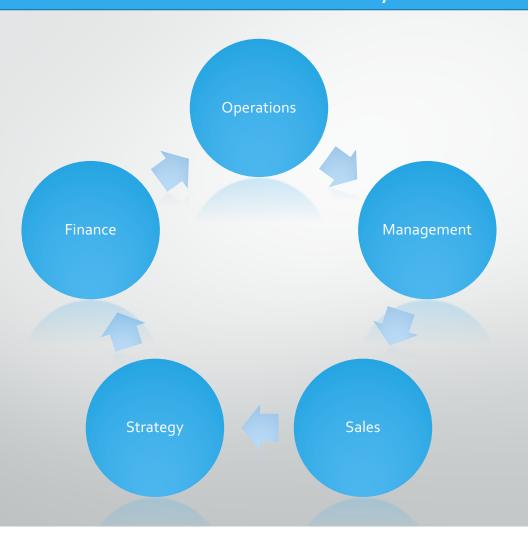
Source: Bain & Company

Centeredness
Engaging all parts of the mind to become fully present

- Ranking in the top 10% in your peer group on just one attribute nearly doubles your chance of being seen as inspirational.
- One trait that our matters more than any other: centeredness.
- This is a state of mindfulness that enables leaders to remain calm under stress, empathize, listen deeply, and remain present.

Bain & Company

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Performance Needs are Driven by Constraints

Pick Moments to Reinforce Performance Culture

- Paul O'Neill - CEO of Alcoa

- Alan Mulally - Ford CEO in 2006

- Howard Schultz returned to Starbucks as CEO

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Here are 10 leadership styles that are commonly recognized:
– Autocratic leadership
– Bureaucratic leadership
– Charismatic leadership
– Democratic leadership
– Laissez-faire leadership
– People-oriented leadership
– Servant leadership
– Task-oriented leadership
– Transactional leadership
– Transformational leadership

While the Transformation Leadership approach is often a highly effective style to use in business, there is no one "right" way to lead or manage that suits all situations. To choose the most effective approach for you, you must consider:
* The skill levels and experience of the members of your team.
* The work involved (routine or new and creative).
* The organizational environment (stable or radically changing, conservative or adventurous).
* You own preferred or natural style.
A good leader will find him or herself switching instinctively between styles according to the people and work they are dealing with. This is often referred to as "situational leadership".

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Presentation: "Leadership, Awareness, and Success"

Summary: We can find dozens of "styles of leadership" in books and articles. The most effective leadership fits the company's evolutionary stage, its employee needs, and the leader's own personal style. Awareness is the key to unlocking the right combination. In this session we will discuss diagnosing company and employee leadership needs and the styles of leadership that maximize performance. Finally, we will touch on the biggest challenge to meeting those needs, that of self-awareness.

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Lud Kimbrough
804.514.5858
Lkimbrough@TheFahrenheitGroup.com

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