

Here's your **FREE CHAPTER** from the award winning
Leadership Agility

LEADERSHIP AGILITY

FIVE

LEVELS

OF MASTERY

FOR ANTICIPATING

AND INITIATING CHANGE

BILL JOINER &
STEPHEN JOSEPHS

Leadership Agility is the master competency needed for sustained success in today's complex, fast-paced business environment. Richly illustrated with stories based on original research and decades of work with clients, this groundbreaking book identifies five levels that leaders move through in developing their agility. Significantly, only ten percent have mastered the level of agility needed for consistent effectiveness in the turbulent era of global competition.

Written in an engaging, down-to-earth style, *Leadership Agility* is your personal guide to leadership agility in action. After describing the essential competencies of agile leaders, Bill Joiner and Stephen Josephs use real-life stories and examples to provide a clear road map that shows you how to bring these competencies to new levels. Reading this book will confirm your best instincts and introduce you to new forms of leadership currently practiced by only a small percentage of highly agile leaders.

Reviews

"*Leadership Agility* is a unique and extraordinarily important contribution to our understanding of what it takes to lead in a world of rapid change and increasing complexity. They show us with vivid real-life examples how leaders grow, that this growth is essential to achieving higher levels of success, and that agility is the new master skill of leadership. I highly recommend this book."

—Jim Kouzes, coauthor of the best-selling book, *The Leadership Challenge*

"Great coaching on how to develop leadership agility! Probably the most important competency for leaders to have in today's rapidly changing world."

—Marshall Goldsmith, author, *Coaching for Leadership*, *Global Leadership*, and *The Leader of the Future*

"In an era of turmoil and complexity, *Leadership Agility* is a breakthrough in thinking about leadership competencies. Joiner and Josephs have achieved a creative synthesis of best practices in strategic thinking, emotional intelligence, problem-solving, and action learning. Profusely illustrated with clear examples from real-life leaders, this groundbreaking book will be welcomed by both the line leader and the leadership development professional."

—David Giber, senior vice president, consulting and leadership development, Linkage, Inc.

"As executives operating in an often chaotic business environment, we know instinctively that our company's ability to zig and zag is critical. *Leadership Agility* takes that instinctive understanding and defines it, measures it, and shows us how to develop it in ourselves and others. This is a timely, thought-provoking, and very important book on leadership."

—Betsy Bernard, former president, AT&T

"*Leadership Agility* gave me the inspiration I needed to respond creatively and decisively to several of my current leadership dilemmas. Many readers are bound to be similarly inspired. The clear, specific guidance it provides makes it a "playbook" that managers and leaders will read closely and return to again and again."

—Bill Torbert, professor, the Boston College Carroll School of Management; author, *Action Inquiry: The secret of timely and transforming leadership*

"*Leadership Agility* gives you an insightful, research-based framework that helps you develop as a leader. This book is not about reading and agreeing/disagreeing, it's about learning and doing."
—Patrick Canavan, senior vice president, of Global Governance, Motorola

"Joiner and Josephs provide a clear, detailed road map that helps pinpoint where you are on your leadership journey and shows you how to get where you want to go."
—Lee Bolman, author, *The Wizard and the Warrior*; Marion Bloch/Missouri Chair in Leadership, Bloch School of Business and Public Administration, University of Missouri-Kansas City

"*Leadership Agility* is a remarkable achievement. It will serve as a valuable guide not only for business leaders but for anyone who wants to grow as a person, have more satisfying relationships, and experience greater success in all aspects of life. I heartily endorse this book."
—Jack Canfield, co-creator of the *Chicken Soup for the Soul*® series and coauthor of *The Success Principles: How to get from where you are to where you want to be*™

A Biographical Note from Stephen Josephs

I help top executives bring out people's best work and lead their companies forward.

I strive for two benefits for my clients. I want their leadership to make a difference, and I want them to develop as leaders by meeting challenges in new ways.

I have recently completed a novel, "Dragons at Work(tm)" that tells the story of a tightly wound executive whose command and control style is inadequate to deal with the complexity of a project he has been given to lead. It is a fictionalized case study of coaching that produces fundamental changes in a leader.

"Dragons at Work" will be available in the spring of 2011 in serialized weekly chapters. The [website](#) will be a forum for Leadership Development Professionals and visiting authors to share knowledge and points of view. A complementary LinkedIn Group: "[Leadership Development Professionals - Transformational Methods](#)" also hosts lively discussions of leadership.

Bill Joiner and I have co-authored "Leadership Agility: Five Levels of Mastery in Anticipating and Initiating Change" (Jossey-Bass, 2006). It shows how being at one stage or another of psychological development affects a leader's capacity to lead.

My doctorate at the University of Massachusetts focused on Aesthetics in Education – how to teach anything through art, music, drama, and movement. To create greater impact and raise the fun quotient in teams and large groups, I have applied these media in business settings for more than 30 years. I am particularly interested in the intersection between business performance, psychology, and mind/body disciplines. I have had a daily meditation practice for 45+ years (plus tai chi and qigong). I have played classical guitar for 48 years.

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From Leadership Agility: Five Levels of Mastery for Anticipating and Initiating Change, Bill Joiner and Stephen Josephs (Wiley, 2007)

CHAPTER TWO: THE FIVE EDS

At this point, you may be asking yourself: What is my current level of leadership agility, and what would it be like to move to the next level? You may also want to assess your colleagues' agility levels. Chapter One provided a brief introduction to each level. This chapter offers the opportunity to assess yourself and others using a more complete, real-life picture of each agility level. It presents five scenarios designed to show you how a leader at each of the five agility levels would respond to the same leadership challenge. In Part Two, you will read about each agility level in greater detail.

A LEADERSHIP CHALLENGE

Ed is the new CEO of Overmyer AMT. During the nineties, the company was an industry leader in designing and installing advanced technology used in manufacturing plants. Cecelia Overmyer, who ran her own publishing company, became board chair of the family business when her father died in an automobile accident. She quickly realized that the company had lost its innovative edge and that the current CEO was a big part of the problem. The search for a new top executive led the company to Ed.

Ed is a bright manager in his mid-forties, well-qualified for the job. He has a bachelor's degree in engineering, an MBA, and many years of experience in the industry. He has a track record of successful assignments and is known for his initiative and his ready grasp of business and technological issues. In his last job, he led a small advanced manufacturing technology firm that made inroads into Overmyer AMT's customer base.

Cecilia Overmyer has given Ed a clear mandate: Restore profitability within two years and reclaim market leadership within three to five years. Overmyer AMT's larger size and its more complex array of products and customers will make this a bigger challenge than the one Ed faced in his previous job. Competition will be fierce, and customer requirements for new advanced manufacturing technologies will continue to change rapidly.

“What we need now,” Cecilia tells him, “is real leadership. I’m confident that you’re the man for the job.” She only hopes that she’s right.

A Little Imagination

As you read the five scenarios, we’re going to ask you to use a little imagination. Taken as a whole, they’re a bit like the 1993 movie *Groundhog Day*. In that film, Bill Murray plays Phil, a jaded weatherman who’s covering the annual groundhog ceremony in Punxsutawney, Pennsylvania. After a very frustrating day in a town he hates on sight, he wakes up to find himself reliving the day’s events all over again. This bizarre time loop recurs morning after morning, until it dawns on Phil that he can learn from his experience. Once he decides to use each day as an opportunity to change his life, he gradually transforms himself. In the end, with a few basic quirks still intact, he becomes a happier, wiser, and more compassionate person, open to the wonder and uncertainty of life.

Reading the five scenarios will be a little like watching Phil gradually transform as he repeats the “same” day. Each new scenario will show the same person (Ed) responding to the same leadership challenge. The only difference is that, for each successive scenario, we imagine that Ed has developed to the next level of leadership agility. Throughout all the scenarios, Ed will remain exactly the same age and have the same IQ and personality type.

Assessing Your Level of Leadership Agility

As you read about “the five Eds,” ask yourself which scenario best describes the way you would respond to a similar kind of leadership challenge. This will allow you to make an initial assessment of your current level of leadership agility. Reading the scenario that follows the one with which you most identify will show you what it’d be like to move to the next level.

If you’re like the vast majority of managers, you have one agility level that represents your home base— a way of operating you gravitate to again and again throughout your day. But your agility level can also vary somewhat over the day. For example, you might function mostly at the Achiever level, sometimes at the Expert level, and occasionally shift into the Catalyst level.

Each scenario shows how a leader at a particular agility level would typically lead an organization, build a team, and conduct pivotal conversations. In reading these scenarios, notice whether your own level of agility tends to change as you move in and out of these three action arenas. For example, you might identify with the Achiever level of team and organizational leadership, but when it comes to pivotal conversations, you might identify more with the Expert.¹

Here are a few more details to set the stage: You and Ed are friends but you don't see each other that often. Seven months into his new role as CEO, he invites you to dinner to catch up on things. Each scenario will take the form of a brief, informal conversation. Each time, you'll ask Ed the same questions about how things are going at work.

The first evening, you'll talk with Ed1, who's spent the last seven months leading at the Expert level. When that conversation is over, you'll take a few moments to reflect on it. Then you and Ed will have a "groundhog day" experience: The next evening at the same table, you'll talk with Ed2, who's just spent seven months operating at the Achiever level. You'll continue this way until you've talked with all five Eds. One more thing: You can remember each conversation, but Ed has "groundhog day amnesia" – he can only recall his current agility level.

Here we go . . .

ED1: THE EXPERT

YOU: Well, Ed, you've been at it for seven months. How's it going?

ED1: You know that expression, when you're up to your butt in alligators, it's hard to remember you're there to drain the swamp? Well, this place is full of alligators. It's a tough job, but it's the kind of pressure I thrive on – having to use my industry know-how to fix a business. I'm a quick study, and I like solving problems. Wind me up and I drill down, figure out the problems, and come up with the right solutions. The fact is, I've got a damned good track record with this kind of thing.

YOU: How did you get started?

ED1: I went right away after the information I needed to wrap my head around the business. I met with each of my directs, but I concentrated on the main functions— R&D, Manufacturing, and Sales and Marketing. I studied reports— got up to speed on sales projections, financials, manufacturing efficiencies, and the product development pipeline. I kept in shape lugging two briefcases stuffed with reports back and forth between home and the office!

I have to admit, though, we have so many different products for so many different kinds of customers, this business is a little more complex than I'd expected. The learning curve's been a real bear and I haven't climbed it quite as fast as I thought I would.

But it didn't take me long to figure out some obvious things that needed to be done. I got R&D to accelerate development on a couple of products that could really be big for us, and I got Sales and Marketing to support faster launches. I told my Manufacturing VP he needed to cut costs for the year by 15 percent, and I showed him a few specific budget items to prune. Looking toward improving next year, I told my R&D VP and my Sales and Marketing VP to work with me on a profitability analysis of all our products. Also, I told my VP of Finance to start getting me the monthly numbers on time. I gave him a new way to format the data to make it easier for me to analyze our costs.

YOU: What's it been like working with your executive team?

ED1: I get more real work done with my directs when I meet with them one-on-one. Getting everybody together on a regular schedule, whether we need to or not, just isn't productive. Don't get me wrong. If we need a group meeting, I call one, but I use those meetings mainly to keep everybody informed about my latest thinking and review progress. I usually start with Sales and Marketing, then focus on Manufacturing, then R&D.

By and large, though, group meetings usually don't get you that much. People tend to hold back. When you do progress reviews, people focus more on making a good impression than on getting down to the real facts. Everybody else sits back and looks like they don't want to be there. I've tried all the usual techniques to get people engaged— forceful arguments, provocative questions. I've even tried to get them to debate issues. But I usually leave thinking, "No wonder this place is in trouble. Everyone just

sits back and plays it safe.ö

To be honest, I'm frustrated. My VPs don't seem to share my sense of urgency. I'm also not sure we have all the right people in the top few levels of management. But I don't think this is the time to shake things up with a lot of personnel changes. Right now what I need to focus on is getting this business back on track and under control.

YOU: Have you had any conversations so far that have been especially challenging?

ED1: What pops to mind? Last week, my HR VP asked if she could talk to me about company morale. I said OK, and she started talking about this meeting I'd just held with the group that runs R&D. Apparently, some people were offended by some of the comments I made about how to run a first-class new product development process. Something about my cutting people off when they reacted to what I was saying. Well, I had to stop her right there, because the real problem was that they were defending business-as-usual. I've gotta say, I was pretty disappointed to see how closed-minded they were to new ideas. I mean, why did Cecilia Overmyer hire me in the first place? Because in my old job I was taking market share away from this company! I just wish more people here shared my passion for making this a first-class operation. Sometimes I wish I could clone myself.

After you and Ed1 go your separate ways, you reflect on what he said. He expressed a lot of pride in his knowledge and expertise. But you get the distinct impression that he's focusing on issues in so much detail, he's getting overwhelmed by the complexity of the business. You wonder how much the executive team's passive stance is a business-as-usual mind-set and how much it has to do with Ed1's behavior. Finally, there was that conversation with his HR VP, where he cut her off just as he did with the R&D managers. You know he's always been successful in the past, but you can't help but wonder how things will work out this time.

ED2: THE ACHIEVER

YOU: Well, Ed, you've been at it for seven months. How's it going?

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ED2: It's moving forward. The big challenge is shifting people's mind-sets. This place has an interesting history. In his own time, Cecilia Overmyer's father was a pretty innovative guy. During the nineties this company was a

real industry leader. But they fell into the success syndrome mentality. You know, everything's working, you have a lot of pride in what you do, and you just keep doing it. Pretty soon, you lose your external focus, you miss changes in the marketplace, then competitors start to eat your lunch. That's the basic problem here. I'm working on getting everyone's head back into the marketplace, thinking further out and looking at things from the customer's point of view.

YOU: How did you get started?

ED2: For the first six weeks or so, I mainly just took a lot in. Got to know the executive team, did skip-level interviews, talked with current customers and ones we'd lost, walked around the factory, and generally made myself visible. Even did a town meeting. I think leadership has a lot to do with the personal qualities you bring to your mission, that ability to challenge and inspire others to go beyond what they think is possible.

I know the industry quite well. The company's biggest strategic problem is that it's lost its innovative edge. In this industry new technologies quickly become commodities, so we need to reignite Overmyer's tradition of innovative leadership. We need to revamp our new product development process and some of our other business processes so we can be more responsive to our customers. From a strategic point of view, we also need to deal with commodification by improving and expanding the services we offer.

The other thing I did at the outset was look at our people. Having the right strategy and infrastructure is essential, but to execute, you've gotta have the right people.

YOU: What's it been like working with your executive team?

ED2: We usually meet once a week, unless something major comes up. I start by doing updates and sharing important information, but I try to reserve most of the time for group discussion of important topics, either strategic or operational. I know I need to motivate them to focus more externally, so in every meeting I try to introduce at least one agenda item that stretches them in that direction. For example, I instituted a more meaningful customer survey process, and I make sure we talk at the executive level about results

and implications.

Several months after I got here, I started a strategic planning exercise, and that worked really well. Nothing too detailed or ponderous. I used it mainly to make sure my team and their directs are all working off the same data. Even more important, we're driving for the same outcomes. By having them work on *how* we're going to achieve Cecilia's mandate, I got them to buy into the mandate itself! Not only that, I got them to sign off on some new strategies that really worked for me in my last job.

I can't say that it's all been smooth sailing, though. I don't think everyone's going to be up to the challenge in front of us. One guy in particular I got very concerned about— Ray, my VP of Manufacturing. I could tell he hadn't really bought in to the need to change, that he was just going through the motions. A few others in the top ranks are question marks right now. But Ray's performance really stuck out like a sore thumb, so I knew I had to deal with it.

YOU: Have you had any conversations so far that have been especially challenging?

ED2: The meeting I had last week with Ray. These discussions are never easy, but I know from experience that if you avoid acting on major performance issues you can be sorry later. I had a number of conversations with Ray, starting early on. Before long, I was telling him what he needed to do if he was going to stay with us. I asked our HR VP to help me be sure I was handling this the right way. She was actually very helpful.

The previous VP of Manufacturing was a guy named Dan. When Cecilia's father went from being CEO and chairman to just being chairman, he promoted Dan to CEO, and Dan tapped Ray to take over Manufacturing. Unfortunately, Ray got promoted to a level over his head. He was hanging on, doing the old turtle routine, keeping his head in his shell and hoping no one would find out.

It finally came down to this: I realized I wasn't going to achieve Cecilia's mandate with Ray in that role. Last week, I finally told him he had to move on. We got him a good package, and I'm probably going to replace him from outside. We may need to let a few other people go as well.

Afterward, comparing this conversation to the one before it, it strikes you that Ed2's approach is quite different from Ed1's. While Ed1 focused mainly on discrete problems, Ed2 is more outcome-oriented. His top priority is achieving Cecilia's mandate. Whereas Ed1 seemed to lead primarily by giving orders, Ed2 wants to motivate people to adopt a strategic mind-set that's more focused on customers and marketplace dynamics. Ed2 also seems more prepared for the give-and-take of tough conversations: Unlike Ed1, he initiates discussion about major performance issues, and he accepts feedback and advice from his VP of Human Resources.

Then a few questions come to mind: Are his VPs really as supportive of his objectives and strategies as he thinks they are? Will the strategies that worked so well for his previous company be on target for the new one? What about the managers at the next level, which include people managing the company's overseas offices? Is Ed2 placing his VPs in a situation where they'll wind up getting things done by giving Ed1-style orders to their organizations?

ED3: THE CATALYST

YOU: Well, Ed, you've been at it for seven months. How's it going?

ED3: It's quite a challenge, but I'm excited about where we're going! Overmyer AMT definitely lost its edge after Cecilia's father stepped out of the CEO role, but I've always respected this company's tradition of excellence and innovation. In the martial arts, they say you need to aim right through and beyond your target. That's what I want to do with Cecilia's mandate. I envision a company that will not only regain its status as industry leader but also become a benchmark for other industries—a participative, high-performing organization that's a great place to work. To do that, people need to learn to lead and manage this place in new ways. It's going to be challenging for everyone, but I think the great majority will be able to rise to the occasion.

YOU: How did you get started?

ED3: I got to know people at the top levels, but I also walked around a lot and started following some of the social networks. I sought out the innovators, learned what they're doing, and gave them some encouragement. I also met with key customers, including some former customers, and I've

asked my VPs and their people to do the same. Then we talked about what we learned.

A couple of months in, I had a two-day off-site with my directs and their directs, a good-sized group that included our top overseas managers. To help design and facilitate the meeting, I brought in a facilitator I worked with in my previous job. I started by saying a few things about myself and my respect for this company and its people. I said I'd been in their place a few times before when a new leader came in, and I could easily imagine the questions they might have about the company's plans and their own future. I reiterated our mandate to achieve profitability and industry leadership, and I said, "To achieve these objectives, we need everyone to contribute their best work and their best ideas. That's what's going to secure your job and mine, starting right here in this meeting."

Then I said that, these days, sustaining industry leadership takes more than innovative know-how and a can-do attitude. If you look out across different industries, I believe that the best companies are those that intentionally set out to establish an organizational culture based on participation, mutual respect, and straight talk—and that's what I intend for us to do, starting with this meeting. Of course, that kind of talk makes people nervous, because they're not used to managing or being managed that way. But I got right into it by asking for questions. A few brave souls spoke up, and we were off and running. It was a hugely productive two days. We only touched the tip of the iceberg, but our facilitator captured everything in writing, and it really opened things up.

YOU: What's it been like working with your executive team?

ED3: In many ways it's like a laboratory. I'm trying to develop an executive team that can serve as the prototype of a participative culture, which they can then disseminate to the rest of the organization. This is so important that I try to spend two hours a week with the team engaging in important strategic and operational issues. They know I make the final decisions, but they have a lot of influence. I may put my ideas on the table and ask for their critique, or I may just throw out a topic and let them go at it for a while. They may have fallen asleep at the wheel before I got here, but they know a hell of a lot about this company. Sometimes I wind up changing my mind, and sometimes I don't. But the main thing is that they see I can be influenced by their ideas, and they know it's not just a game to get their buy-

in. I've already made some better decisions with their input than I would've made on my own. Not only that, it creates an environment where anyone can step in and exert constructive leadership. It also models what they can do with their teams.

Another vehicle I'm using is the strategic planning process. In addition to the usual process with the executive team, with their people playing supporting roles, I said I wanted to set up a way to get meaningful input from a cross-section of people at all levels. Not just as a feel-good thing, but because I think people at all levels can come up with interesting ideas— strategic as well as operational— that can be really useful.

The team batted the idea around a while, then dove in. A few weeks ago, we started a series of focus groups to capture ideas from a broad cross-section of employees. We also tasked a couple of groups to get ideas from outside stakeholders. This process is generating a lot of positive energy, which we really need right now, and I know from past experience that we'll get some ideas that will really make us think. When my VPs see what this generates, I think it's going to help change the way they lead their own organizations. That's the first step toward creating a new culture.

We also need to reexamine our core business processes, especially product development. We've also got some huge opportunities to make our manufacturing processes more efficient and more environmentally responsible at the same time. Lots of cost savings possible there.

YOU: Have you had any conversations so far that have been especially challenging?

ED3: I can think of several. I've been coaching some of my VPs. But about three months ago, I asked my executive team for feedback on my leadership approach. After some hemming and hawing, some people actually spoke up! Parts of that discussion were a little difficult, but it was very helpful overall.

The most challenging was a series of meetings with Ray, my VP of Manufacturing. After a couple of months, I saw that we weren't going to turn this place around if he stayed in that position. These conversations are always tough, but I finally just told him, very straight, what I'd observed about his attitude and his performance. I checked out a few assumptions I had, asked him how he saw the whole situation, and gave him a lot of room

to respond. Pretty soon he opened up and acknowledged that he was over his head trying to manage an organization on an international scale.

After we reached that level of honesty, I said, "If you could invent any job you wanted, what would it be?" Turns out that Ray loves being a plant manager. After I talked it over with other key players, I concluded that he'd be a great asset back in a plant manager role. He said he'd love to do that, even with the pay cut. I won't go into detail about it's all going to work, but it's opened the door to several other important personnel changes.

After you part company with Ed3, you reflect on the differences between this conversation and the previous one. Ed3 has a more ambitious vision that involves creating a company that not only is an industry leader but also has a model organizational culture. In fact, in just seven months, he's already doing things to shift the culture in that direction: that first three-level meeting, the way he's leading his management team, and the strategic thinking process he and his team have instituted. This participative approach might go a long way toward addressing the commitment and execution questions you had after your dinner with Ed2.

The other thing that strikes you is the difference between how Ed2 and Ed3 dealt with the VP of Manufacturing. Both confronted the issue, but when Ed3 got Ray to open up, it led to a more creative solution. Actually, Ed3's whole approach sounds pretty good. You just wonder how he'll handle the tension that might develop between the people who commit themselves to the transformation he's starting and those who'd rather continue with business as usual.

ED4: THE CO-CREATOR

YOU: Well, Ed, you've been at it for seven months. How's it going?

ED4: It's challenging and exciting at the same time. Something of a roller coaster. But I feel like we're already revitalizing this place. The company's tradition of excellence and innovation gives us a lot to build on. The other night, just as I was drifting off to sleep, I got this image that brought together everything I'm trying to do here. The image was three waves. The first, short-term wave returns us to profitability, and we become an industry leader. On the medium-term wave we develop the culture and the infrastructure of an agile, high-performing organization that's a magnet for the kind of people we need. The long-term wave establishes us as the leader

in creating the AMT industry of the future, not just in technical innovation but also in social and environmental responsibility.

For example, if you look at the future of advanced manufacturing, you see highly skilled computer-control jobs driving out lower-skilled jobs. Yet here in the States, our students are way behind their worldwide counterparts in math and science. I put together a task force to see what we can do about this, and they tapped people from the education sector and some of our client companies. They've already identified a lot of good ideas, like IBM's practice of developing a new career options for senior employees. Instead of retiring, they stay with the company and get certified to teach technical subjects to the next generation.

Each wave is longer than the one before it, all starting now and building over time. I think this could be the most meaningful assignment of my career. As far as I'm concerned, I'm in this for the long haul.

YOU: How did you get started?

ED4: During the first six weeks or so, I got out and felt the pulse of the place—learned a lot and had lots of vision conversations, where I told people what I think this company can become and elicited their dreams for this place. My vision for the company is so far-reaching that I was surprised to find so many kindred spirits—including quite a few closet environmentalists—along with many who're stuck in the mind-set that being environmentally responsible automatically makes you less competitive.

I also met with key customers—and some former customers—face to face, I sought out a number of other stakeholders, and I encouraged my VPs and their people to do this, too. I also instituted a process where, every month or so, we pick a customer company in the area, and we invite a few people—like a plant manager and a manufacturing engineer—to spend an hour with us talking candidly about ways to strengthen our relationship.

A couple of months in, I had a two-day off-site with my executive team and their direct reports, including our top overseas managers. By then I'd connected with just about everybody in the room, so when I talked about where we can go as company, I knew I wasn't just speaking for myself. Then we moved into some facilitated discussions that helped us get the company's issues on the table. The two questions I kept asking were: Where

are the internal and external obstacles to reaching our potential? and How can we overcome them?

YOU: What's it been like working with your executive team?

ED4: If the three waves of change are really going to happen, I can't lead them by myself. I need to build a collaborative leadership team, where every one of my VPs feels accountable not only for their own function but also for the company as a whole. I have no intention of giving up my final decision-making authority, but I want my executive team to function much like a collective CEO, where company-wide issues aren't just my purview—they're everyone's responsibility. A real team where each of us helps all of us succeed.

We're still in the early stages of development, but I already see signs we're moving in the right direction. A few months ago, we decided to create a scenario-based strategic thinking process that will incorporate input from a broad cross-section of employees, plus some outside stakeholders. We had a big meeting to launch the process, where people from all levels made presentations. During the week before the meeting, there was this incredible buzz as people prepared—lots of energy and excitement. I was really impressed—moved, actually—by the panel of manufacturing supervisors. They were so nervous and so real. They had lots of good ideas, and you could see what it did for them to be thrust into that role.

Ever since, we've been hearing how much our people liked the meeting. But it was also a great opportunity for the VPs. They got to experience themselves as a leadership team—empowering others but also empowering themselves. It also gave me a chance to see how they interact with people at different levels.

I also want the executive team to get to the point where we have enough trust in each other that anyone can step in and exercise leadership. I don't want to be the only person in the room who confronts Ray when he doesn't walk his talk. I can do the tough one-on-ones when they're necessary, but I'd want to see a more collective sense of responsibility, and I've told them that. I think we're getting there, but it's still early days.

YOU: Have you had any conversations so far that have been especially challenging?

ED4: The toughest I've had so far was a conversation with Cecilia about social and environmental responsibility. The first time the subject came up was during the interview process, when I mentioned that I'd cut costs in my old company by increasing energy efficiency and cutting environmental waste. I could tell that this whole way of thinking was unfamiliar to her, and we didn't pursue it further at that point.

Later, when I discovered some environmental co-conspirators in one of our local plants, I gave them some money from my own discretionary budget so they could do a pilot program, under the radar, and demonstrate how environmental efficiency cuts costs. But some good old boys from the plant got the word to Cecilia that I was "wasting money on nonessentials," and she called me on the carpet. She was very angry, insulting actually. She'd explicitly told me to hold off on doing anything like that. In fact, she hadn't told me that explicitly, but I knew well enough how she felt.

I just sat there at first, listening to her, aware of some very negative feelings her rant kicked off in me. I didn't agree with what she said, but I think I managed to respond without being too defensive. I reflected back what I heard her say, then I asked if she'd be willing to hear my rationale for doing the pilot. She said OK and seemed to calm down. I explained how I'd done this on a larger scale in my old job and gotten some fairly quick and impressive returns on the investment. Long story short, she agreed to withhold judgment until we could review the results of the pilot together.

I guess that's a pretty good overview of how things are going. Have any advice for an old friend? I can use all the help I can get. You think for a moment and then say, "You seem to be spending a lot of time on what many managers might consider peripheral issues. You're trying to create a collaborative culture, and you've got teams focusing on social and environmental issues, when the company is struggling with profitability. Are you really sure about starting all three waves at the same time?"

"That's a very good question," he replies. "In fact, it's come up in our executive team meetings. In terms of environmental efficiencies, there's enough low-hanging fruit in this area that it will help us, not hurt us, in

becoming more profitable. Things like the IBM idea that have short-term costs and longer-term paybacks we'll have to play those by ear. I'm trying to develop an executive team that can raise and manage exactly these kinds of dilemmas. For me to be truly strategic as a CEO, I think participation and collaboration are essential. The faster we develop a cohesive, straight-talking executive team, the faster we'll return to profitability and industry leadership.

ED5: THE SYNERGIST

YOU: Well, Ed, you've been at it for seven months. How's it going?

ED5: It's been exhilarating and almost all-consuming. Right now, I'm in search of a little more balance between work and the rest of my life. At this moment, I'm just enjoying this opportunity to clear my head, reconnect with you, and savor some good food!

When I was first offered this job, I wasn't at all sure about it. I actually had a lot of questions about staying in the industry. In my last job I had a lot of success demonstrating how much money an AMT company can save by being environmentally efficient. But when I looked at what's happening globally, changing one company seemed like just a drop in the bucket.

I thought about becoming a corporate responsibility consultant, but I'm really more of a leader than a consultant, and manufacturing is in my blood. Then one morning, just as I ended my morning meditation, this question hit me from out of the blue: What would a manufacturing industry look like that's *really good for people and the planet*—both in the products it produces and in how they get produced? Could I develop a new kind of AMT company with an overarching mission to help create a truly sustainable manufacturing industry on a worldwide scale? What if we started by becoming a model company and then added consulting services to help our customers follow our example?

The more I thought about it, the more exciting and scary the whole idea became. It seemed like way more than I could possibly accomplish. But I also had this persistent feeling that, somehow, this was what I needed to do.

YOU: How did you get started?

ED5: I did all the usual things—the stuff that, by now, feels very natural: Got to know my direct reports, started to build relationships, and tried to understand the social networks. Had conversations throughout the company, many about vision and innovation. Found quite a number of highly competent self-starters and a number of co-conspirators and gave them all a lot of encouragement.

I talked with customers and other stakeholders and got my VPs and their people to do the same. I also held “opportunity conversations,” where I’ve pulled our executive team and other groups of managers together. We pooled our knowledge about emerging customer needs, new technologies, what competitors are doing, and environmental issues—even had a few speakers in. Then we brainstormed where our best opportunities might lie.

A couple of months in, I had a two-day off-site with my executive team and their direct reports, which included people from overseas. I gave a short talk to help them get to know me and let them know I’d been in their shoes. I focused on profitability and industry leadership, and then I planted a little seed that I’ve been watering ever since: Being an industry leader isn’t just about market share. This industry is constantly changing, sometimes in very new and disruptive ways. Being a true industry leader means influencing how the AMT industry evolves, which could mean influencing the future of manufacturing itself. I was brief—just planted the idea.

After some Q&A, we spent the rest of the time in roundtable discussions on two sets of topics: First, what are our strengths? What initiatives are already moving us toward industry leadership, and how can we build on those? Second, what are the obstacles to regaining industry leadership, and how can we remove them? It felt like a great start. I could feel the energy shift as we began to talk about our strengths and how we can build on them.

YOU: What’s it been like working with your executive team?

ED5: My aim is to transform the executive group into a truly collaborative leadership team that can essentially function as a collective CEO, which will free me to focus more on long-term vision and external relationships. They’re already showing a lot of promise. They designed a very successful

meeting to kick off the scenario-based strategic thinking process we initiated. That meeting generated a great deal of buzz and lots of good ideas. Great developmental opportunity for the VPs.

Within the first month, I knew we had the wrong guy as VP of Manufacturing. We had some heart-to-heart discussions, and he actually acknowledged that he was in over his head. By mutual consent we moved him back into a plant manager role and this allowed us to make some other needed personnel changes. We're about to replace him with an extremely competent and innovative guy, someone who shares my audacious vision for the company. He has extensive experience creating high-performance, team-based manufacturing plants— exactly what we need going forward. Very exciting!

YOU: Have you had any conversations so far that have been especially challenging?

ED5: The most challenging and interesting conversations have been with Cecelia. In the early months it was extremely important to her to see that we were taking tangible steps to return the company to profitability. However, as she's gotten more comfortable with me and more confident about what I'm doing, she's been able to relax enough to have some heart-to-heart conversations about what she wants as her family's legacy. I've encouraged her to talk about her values, and we've also started to talk about ways we might begin to integrate those values more fully into how the company operates.

For example, she was willing to support the pilot we've started, where we've added environmental efficiency criteria into some process redesign work we're doing in one of the manufacturing plants. Down the road, she'd like to be doing something to support better education in math and science. But what really sparked her interest is this wild idea a few of us came up with: Just before I was hired, my predecessor was thinking about selling off the company's old tool and die unit, the last vestige of the Overmyer Tool & Die Company founded by Cecelia's great grandfather. Our idea is to take the unit into the third world where it can be used to support the development of micro-enterprises among the poorest of the poor. It's kind of a crazy idea, but once we're profitable again, we might just find a way to make it work.

Overall, I'd say I have a tiger by the tail! You've been a very patient listener. I'm interested in your perspective on all this. You tell him you think he's pretty gutsy, and you ask him if he ever worries that he's being too idealistic—that he'll overreach and wind up crashing if others don't ultimately share his vision.

“Yeah, sometimes I worry about that,” he replies. “Sometimes I feel very confident. At other times, I feel I'm being stretched beyond my capacity. Who knows how this will turn out? The thing is: The underlying vision is so compelling, I feel like I just have to go for it. It sure keeps me on my toes!”

You respond and continue the conversation and before long you realize that you're talking about important things in your own life. Ed5 has become the listener.

INITIAL SELF-ASSESSMENT

Some people who read these scenarios wonder if the post-heroic levels we've portrayed aren't a bit idealistic. A few even want assurances that these levels are based on sound research.² In fact, although the preceding scenarios are fictional, each one is research-based, crafted to be consistent with what clients and interviewees operating at that agility level have said and done in similar situations. When you get to Part Two, you'll see many connections between the scenarios presented here and the real-life leadership stories presented in those chapters.

This would be a good time to flip back through the five scenarios and consider which one best represents the way you exercise leadership.³ (You could also use Table 1.1). As we noted earlier, you may find that you function at somewhat different levels of agility in different kinds of situations. If so, it's helpful to note where these variances tend to occur. Does your level of agility change mainly when you move from one action arena to another, or are there other situational factors that cause you to act from different levels of agility?⁴

You can also begin to ask yourself: Having seen the full spectrum of leadership agility levels, am I satisfied with where I am now? Suppose you usually operate at the Achiever level, and you'd like to move to the Catalyst level, but you're not sure you'd ever want to be a Co-Creator or Synergist.

That's fine. To shift fully from one level of leadership agility to another requires time and intentionality. So take it one step at a time. Once you're firmly established in the next level, subsequent levels may or may not attract your interest. You won't know for sure until you get there.

Dear Reader,

Which one of the Five Eds has a mode of operating (stage of Leadership Agility) that is similar to yours? Do you straddle two or more stages? Are you on the verge of entering a new one? If you want to discover more about these stages, you can read **Leadership Agility**, or...

Talk directly with me about what you want to accomplish through your leadership and in your career. Typically, these conversations accomplish one or more of the following goals:

- Validate or refine your self-assessment of your leadership agility stage
- Generate ideas about how to fully develop the capacities of your current stage
- Explore how moving to the next stage would expand your capacity to lead and make work more enjoyable, fulfilling, and successful.
- Strategize how your current challenges can take your leadership to the next stage of agility

If you'd like to explore any of these topics with me, I invite you to schedule a time for us to talk. This involves filling out a questionnaire before our conversation. If after reviewing your questionnaire, I feel coaching would be useful, you'll have the option schedule a 90-minute working session. There is no obligation or charge for this session unless you choose to work further with me. If you don't want coaching, or if I believe I'm not the right coach for you, we can still talk briefly. I'd like the pleasure of meeting you.

You may wonder why I offer so much of my time? Is this any way to run a business? Glad you asked.

Here's what's in it for me: I don't work with everyone. I work with clients who show the most potential to apply new methods and new ways of understanding to their work. Essentially, I work with clients who want to move to their next stage of development. It's what keeps my work lively and generative. It inspires me. So, I scout for talented clients. And it's well worth my time to find out who can best use what I offer.

Click this [link](#) to find out more and begin the process.

I look forward to meeting you.

Stephen