

CEO/MD Guide

The case for Best Practice Leadership and Management in SME companies

- Personal development of Leadership and Management skills as fundamental core competencies for today's MD/CEO/Business Leader will **DIRECTLY** contribute to increased value for their enterprise
- With proper attention to their development **and** application, it becomes easier to gain consensus, align resource and motivate others to deliver to your expectations; efficiently and consistently
- With appropriate focus, leadership attributes and strategic performance management skills can be developed to improve personal contribution in increasing company productivity and achieve breakthrough for establishing sustainable business value

Synopsis:

Personal development for MD and CEO is too often neglected or receives a low priority as leaders focus their attention on directly supporting staff and company day-to-day performance. However, the leader's role is becoming ever more difficult in an increasingly hostile and dynamic business environment where; change is a 'constant', globalisation is increasing competitive pressures, legislation is increasing governance and staff administrative burdens and value chain pressures are increasing customer demands. Thereby creating immense pressure to innovate, with competition to recruit the best staff at an all time high whilst on the other hand, staff loyalty is reducing. **Accountability for sustainable stakeholder value has also increased greatly as a more informed, educated and competitive business environment is forged by more demanding legislative and governance requirements.**

A best practice approach to leadership and strategic performance management is a widely accepted fundamental to successfully managing these issues. This guide is therefore written to motivate you, the business leader, to consider your own professional development as a priority for improving corporate performance and success.

..... **Making a Difference!**

ISΔS

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Best Practice Leadership and Management in SME companies

“Vision to Value”

Every business leader, no matter the size of their enterprise, has an idea in mind as to what they would like their business to become and what they would like to achieve with it. This is their ‘vision’ and articulating this for others to understand and support is fundamental to the leader’s role in order to provide a sense of identity, direction and purpose for the enterprise. One of the key attributes of leadership is therefore to provide vision and to interpret and communicate that vision for others to understand and relate to. Motivating and creating a culture of ‘teamship’ for consensual support in delivering this vision is also an implicit part of leadership; as is leading your team on the journey of change over time in reaching your Vision.

As your vision is about something that will be delivered in the future, the initiatives to achieve the vision must be planned; a programme which requires an effective strategy to achieve. Strategy means change and must cope with and accommodate change over time. This requires appropriately balanced management of both short and long term objectives in order to realise sustainable value. Risk is also part of the equation when considering the investment of hard earned and valuable resource, such as finance and people. This risk has to be managed as a visible and integrated part of the change process within the strategic programme.

Management of change and risk and the delivery of long and short term objectives can only be achieved by an efficient and effective strategic performance management process. Gaining the consensus of all key stakeholders and aligning all resource in support of this process is therefore another fundamental for the leader’s role.

Leadership and Management are therefore co-equal, complementary and integrated elements which increasingly form the core competencies of every MD/CEO role. Whilst this may sound intimidating to some, there are proven tools and techniques which simplify this process to facilitate successful implementation. Indeed, the keys to successful delivery are to keep it simple and ensure common sense is applied to each and every aspect.

Common Barriers to Success:

Success, normally measured as increased profit, should not and must not be transient. However, most businesses fail to achieve this sustainable value due, mainly, to poorly *implemented* strategic programmes. Even businesses which consider themselves to be currently successful will fail without good leadership and management of transformational change drivers when they inevitably impact their market, customers and/or business.

There are two commonly repeated factors which contribute to this misguided approach:

- a) Performance measurement via annualised budgeting and planning which ‘forces’ short term decision making and reactive planning, usually to the detriment of long term gain and resulting in a classical zigzag business ‘evolution’ over time.

This usually ‘encourages’ the MD/CEO to take a more active role in the tactical day-to-day management of the business, thereby diluting the time available for their leadership and strategic management duties and hence reducing their development priority in the process.

- b) A lack of understanding amongst staff of the strategic objectives resulting from poor communications such that key stakeholder consensus has not been achieved in support of the vision and resource is poorly aligned with the key strategic themes and non-financial value drivers considered vital for sustainable success.

This is often the result of MD/CEO not fully appreciating the holistic dynamic of Leadership and Management as core competencies of their role and concentrating instead on ‘doing’ and supporting others in ‘doing’, rather than leading and managing performance.

In these circumstances, the situation is often made worse by the fact that the MD/CEO has to cope with stretched and limited resources; in terms of money, time and expertise. A situation where the call on their time from those around them increases as the business grows and significantly interferes with their own personal professional development. A downward spiral which leads to their being 'too busy' to consider such development as it 'interferes' with the focus they have within their business and consequently means they fail to keep pace with change as it applies to themselves, their role and their business.

When left unattended, this situation impairs the ability of the leader to maintain professional contribution at required and/or expected levels, thereby leading to increased stress levels, lower job satisfaction and ultimately reducing corporate performance and their role longevity.

We are therefore left with the dichotomy faced by every business leader; How to run the enterprise with all of its demands AND AT THE SAME TIME develop professional skills and knowledge to maximise short and long term contribution and achieve breakthrough performance into sustainable value for the business?

The consequences of impaired L&M:

Earlier we discussed the 'Vision to Value' concept which highlighted the vital importance of an integrated approach to leadership and management (L&M). Without adequate priority and focus being allocated to these core competencies both the business and the leader will suffer:

- Without a vision which has been communicated and understood by everyone, it will be difficult to direct and steer the business which will then meander along a path dictated by unmanaged internal and external influence and short term budget driven decision making
- Consensus will not be achieved with senior managers thus disabling effective and efficient teamwork and enabling departmental 'silos' to be created thereby contributing to negative inter-departmental rivalry and disrupting internal co-operation and co-ordination
- Change imposed by market and legislative pressures can create suspicion or fear from the reactive threat imposed by lack of understanding about the 'unknown'
- Key stakeholder groups such as investors, customers, suppliers and staff become confused as to what you are all about, where you are going, who you are, why you are important to each other and what is expected of them by you
- Efficiency and productivity is impaired as the cause-effect relationships between the various initiatives within the company are poorly understood and therefore poorly co-ordinated and often mis-aligned
- Without a sense of direction and purpose, innovation which challenges status-quo in delivering continuous improvement is disabled, proactive cultural development is impaired and recruitment of the best staff is made difficult
- Company performance and personal contribution will be impaired leading to dissatisfied stakeholders and putting your company and your position at risk
- And so it goes !!!

Achieving Personal as well as Corporate success:

It is vital for all key stakeholder groups that the leader (MD/CEO) succeeds at their job and excels in their performance. Therefore personal success for the leader should be synonymous with corporate success for the business. Indeed, the holistic benefit gained from this synergy should be the goal realised from appropriate focus on Leadership and Management development for the leader of the business. Creating a motivated and committed 'following' is therefore vital to every successful leader.

We have considered the down side of not allocating the appropriate time, focus and priority on the leader's professional development. However, overcoming the 'busy people' syndrome and getting the leader to open their minds to contemporary best practice management techniques and accept the need for their personal development is the vital first step in making progress on this programme.

Successful sports stars and corporate business leaders have already recognised the benefit from having professional and experienced coaches and mentors to improve their performance and help make them winners. Within the SME domain, the following key 'enablers' should be addressed in order to overcome initial scepticism of the value of outsourced support to facilitate professional and relevant development for leaders in this important area. [These are also important steps to successfully addressing the focus/time dichotomy mentioned earlier:](#)

- a) The leader should appreciate that identifying and accepting the need for outside support is not a sign of weakness! It is practically impossible to run any business today and efficiently and effectively work on your own professional development
- b) [Any such support should have the real world knowledge and skills which totally empathises with your role accountabilities in supporting your professional development to:](#)
 - [stay ahead of the pace of change demanded to carry out your fiduciary duties](#)
 - [improve and then maximise your personal contribution to sustainable success](#)
 - [improve your job satisfaction and increase the fun in your role](#)
 - [increase your corporate appetite, stamina and longevity](#)
- c) Take it step-by-step with 'bite sized' chunks at a time and keep it simple. Work on programmes within your business which are identified as being of specific benefit both to you and your business. Also ensure that support is provided throughout implementation to enable successful and timely RoI as well as personal development from the programme. This approach will eliminate distraction from current business priorities and facilitate a cost effective outcome
- d) [Ensure an integrated approach to leadership and management development which is available 'on demand', directly applicable to your personal and business needs and scalable with them as both you and your business grow](#)
- e) [Ensure leading edge best practice is appropriately balanced with a practical and common sense approach to maintain applicability and relevance to your needs](#)

NB: [ISΔS](#) has produced a number of white papers, opinion papers and short presentations which provide more detail and information on this topic and its associated processes; as specifically applicable to MD/CEO/Business Leader within an SME domain.

About ISΔS:

[ISΔS](#) is a business practice established specifically to provide practical support to leaders of SME-type organisations on the value driving processes for growing sustainable value in their businesses AND for improving their leadership skills, job satisfaction and longevity in so doing. The practice uses an integrated approach to leadership, personal development, strategic planning and performance management to assist in the creation of balanced short and long term value and establishing the principle of strategic performance management as a core skill. This approach, based on best practice processes applied successfully in a diverse spectrum of SME's, uses leading edge, yet proven tools and methodologies commensurate with 21stC business performance management techniques applied in a logical and practical manner. These processes are designed as stand alone packages which can be integrated for holistic benefit and are also scaleable for expansion in line with the size of the business and its needs. The approach is therefore focused on maintaining real world fidelity for continuing applicability with the dynamic nature of the business, its environment and evolving change drivers.

[As an outsourced service ISΔS is able to provide objective, dispassionate and confidential support directly to business leaders on these crucial and often sensitive issues, by working with them on-the-job and therefore within the context of their business facilitating minimum time away from the helm. Thereby initially coping with the 'busy people' syndrome and subsequently improving their time management, delegation skills and leadership attributes. Thereby enabling an enterprise AND business leader competitively 'fit' for today and the future.](#)

For more information on these services contact Brian Wadsworth using the details listed below.

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