

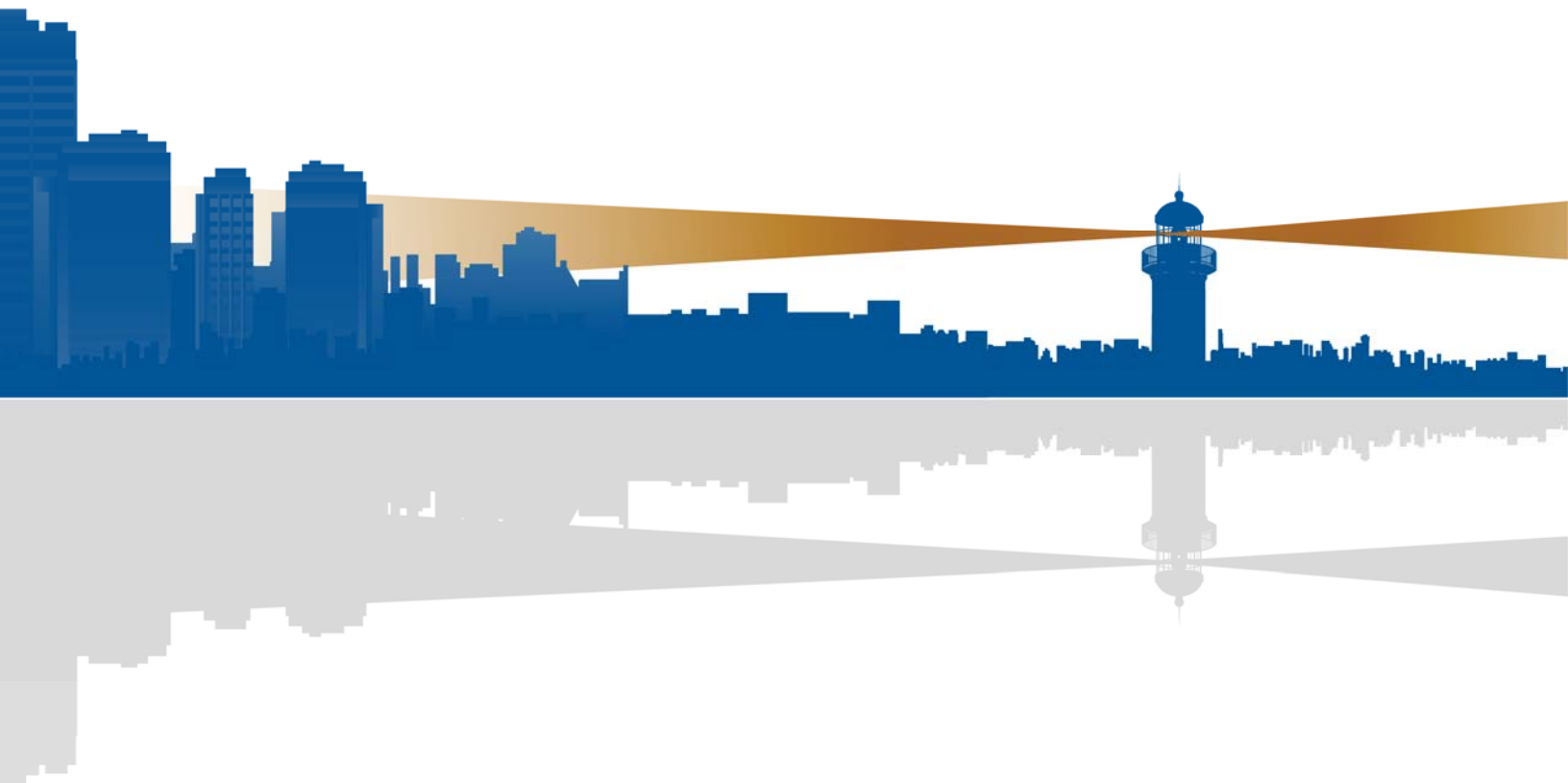


Navigate the Future™

2016 – Turning Point or Tipping Point?

Issue 8 – Volume 4

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Our Quarterly Newsletter



In Our View ...

It has been an interesting year.

The many events that have transpired, and been so well chronicled over the past twelve months, caught most of us by surprise and we still do not know how they will all play out into the future. It certainly seems as though there are some broad sweeping trends, however, which multiple events in the political, economic, social and business spheres would all suggest have implications.

Leaders need to figure it out and respond very quickly. Chances are, the events which we summarize on the following pages will, at minimum, serve to add extra fuel to the fire.

These events are not random.

They did not just occur out of the blue.

They are the result of pressures that have been building for some time now, and which far too many have either dismissed or ignored. To continue to write off these signals from the future would be a big and unforgivable mistake.

For leaders of organizations, all of this means that it's not business as usual.

In our own modest effort to help people understand what is happening, make sense of what it means, and decipher what they must do, we have put together our thoughts on how business leaders need to rethink and reboot their organizations in 2017. We are not sure whether these events are reliable bellwethers or not, but we are pretty sure they are more than just blips on the radar screen of the future.

Yours truly,

R. Douglas Williamson
President & CEO

Impacts From The World of Business ...

There were some events in the global economy and business world which are well worth examining through the small end of the telescope in order to better understand what they mean, and what they portend for all of us in the future. By putting them forward in this way, we are asking leaders to read between the lines of what, on the surface, might seemingly be unconnected events to see if there are some hidden, underlying messages.

We see three big trends we should not ignore.

China Comes to Visit and Maybe Stay

We have known for a while now how a country of 1.4 billion, with a rapidly expanding middle class and a desire to join the rest of the world in harnessing the power of a growing middle class to create wealth, has become a major player in the global M & A field. A few big transactions show us just how much muscle they have:

- Lexmark sold for \$3.6 billion
- Ingram Micro sold for \$6.3 billion
- GE appliances sold for \$5.6 billion

The Big Get Even Bigger

It used to be the big would eat the small, then it was the fast who would eat the slow, and now it seems the big want to eat the even bigger. A few big transactions show us how much appetite they have:

- Dell acquires EMC for \$60 billion
- Microsoft acquires LinkedIn for \$26.2 billion
- Marriott acquires Starwood for \$13.0 billion

Slow Death & Inevitable Decline

Darwin taught us something about survival of the fittest, and it plays out every day in the business world. Those organizations that cannot find a way to transform and reinvent themselves will die in one of two ways, a quick death by guillotine, or a slow death pulled apart on the rack. The jury is out on some, and we await the verdict.

- Xerox (USA) splits itself in two
- Hanjin Shipping (Korea) files for bankruptcy
- Sun Edison (USA) files for Chapter 11

Impacts From The World Beyond ...

If we turn the telescope around and look out the wide end, we can certainly see another series of equally significant events which occurred on a broader scale, but have an unquestioned impact on business leaders. The challenge is to decipher the code, figure out how the downstream consequences have changed the game and how business leaders must now respond.

We see three patterns that should worry us all.

Trump, Brexit & The Populist Movement

The good people of Britain and its former colony (the USA) both woke up this year to discover people in a democracy actually do vote and their choices are not always so predictable or conventional. There is every reason to believe this will continue in:

- Italy
- South Korea
- France

Dictators, Devils & Despots

The world has always had its share of nationalistic leaders, but never have we seen non-sovereign groups like ISIS emerge to launch their misery on the world. The problem is not only is the list of questionable characters getting longer, but their unpredictability is becoming both increasingly disarming and alarming. This includes:

- Kim Jong-un in North Korea
- Recep Erdogan in Turkey
- Bashar al-Assad in Syria

The Fragile Nature of the Human Condition

Misery comes in many forms (and always has), but with the advent of modern media and new tools like Social Media, the pain comes into our lives more often and more vividly than ever before. The question becomes what are we doing, on a global scale, to ensure the paradox of the gap between plenty and pain is narrowed. We have seen:

- The fear of Zika virus in South America
- The refugees of the Middle East and Syria
- Gun violence against the LGBT community in Orlando



Impact on the Chief Executive Officer ...

The role of the CEO is not static, it changes with the times and the circumstances - or at least it should. We know from experience, the turnover rate amongst North American CEOs has been rising, while the length of time they spend on the job has been declining. There is a reason for this and, at the very highest level, it has been the failure of too many to read the environment correctly and adjust on the fly.

In times like these, if 2016 is an early warning sign of things to come, it would be wise for CEOs to take a moment to reflect on how they define their role, how they fulfill their role, and how they may need to pivot to ensure the success of their organizations in an environment like we have never seen before.

We see three levers a CEO can use to change course.

Assembling the Team at the Top

Teams need to be built not for what the individual members may have achieved in the past, but for what they are able to achieve collectively going forward. As a result, the emphasis should not be on the pursuit of harmony and teamwork, but rather on healthy tension, diversity of opinion, breadth of experience, and on team performance.

Creating the Right Climate

The CEO is the one responsible for creating and maintaining an environment within which individuals and groups can do their very best work. This is an environment in which dissent is welcomed, and disagreement is used to fuel the fires of excellence, not tamp them down to achieve mediocrity.

Poking the Bear - Question, Provoke & Stimulate

When CEOs view themselves as the "chief organizer", rather than "chief disorganizer", they are already on the path to trouble. It is the CEO who should be cajoling the team to think better, move quicker, take more intelligent risk and stretch the envelope. This does not happen through command and control, it happens through the very artful use of the office of the CEO to mix the ingredients and stir them continually.

Impact on Executive Leadership Teams ...

We have suggested in the past, our belief that the most appropriate metaphor for how a modern leadership team should operate is as a jazz ensemble from New Orleans, not a symphony orchestra from Vienna. The reason is quite simple.

Since we seem to be living in rather disorderly, unpredictable times, it occurs to us we need musicians (i.e. leaders) who know how to create amazing music in the midst of the confusion and chaos around us. In short, we need to build a team that can operate as would any good jazz band, tapping into their inspiration, imagination and improvisation.

We see three fundamental abilities the "band" must have.

Ability to Think

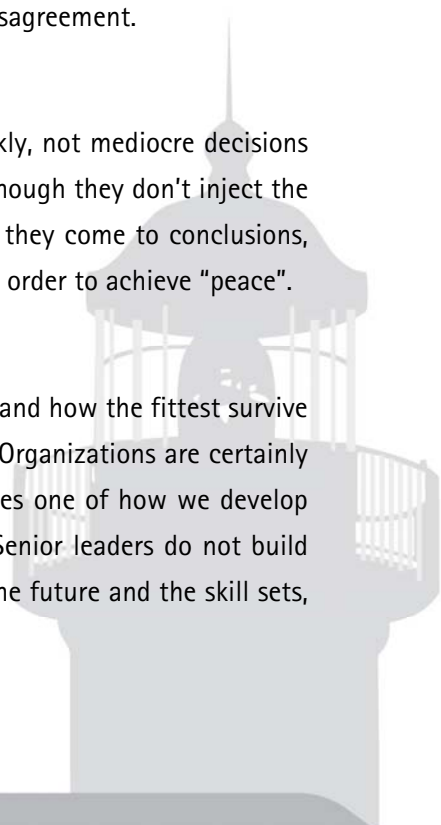
There is no finite limit on thinking. There is enough thinking power to fuel the world for another 10,000 years. The question is, how to tap into the rich vein of thinking that lies just beneath the surface and mine it for extra value. This requires a collective genius that is only released through the diversity of thought, the expression of strong opinions (loosely held) and the power of constructive discontent and disagreement.

Ability to Decide

The role of a leadership team is to make good decisions quickly, not mediocre decisions slowly, and yet that is exactly what most teams do. It's bad enough they don't inject the right vibrancy into the process, but its worse still that when they come to conclusions, they are watered down to the lowest common denominator in order to achieve "peace".

Ability to Develop

Biology tells us a great deal about the survival of the species, and how the fittest survive by adapting to the conditions in which they find themselves. Organizations are certainly not immune to these same rules, and so the question becomes one of how we develop the talents of people to meet the challenges of the future. Senior leaders do not build their bench in their own mould, they build it with an eye to the future and the skill sets, competencies and abilities required for tomorrow.



Impact on Organizational Culture ...

Our organizations are a reflection (and perhaps a product) of our broader society, and so they operate as a microcosm, subject to the same pressures, fears and dysfunctions. You only need to look around to see the stresses, strains and disparities that exist generally, and see the way in which these tensions are pulling at the seams of civilized society.

It is fair to suggest that organizations can experiment in ways that may not be readily available in the broader context, and so they have a potentially huge and important role to play in modeling new forms of civil community. Leaders have responsibility for their organizational climate and culture, and they must understand how they can evolve their "community" to ensure prosperity and longevity.

We see three changes we must tap into.

Worshipping at the Altar of True Diversity

It will remain the case, that communities of any type will be more diverse than before, and the definition of diversity and/or inclusion will also broaden. This requires leaders to find better ways to not just create more tolerance and acceptance, but also proactively stimulate diverse points of views and experiences to generate fresh perspectives.

Defining Equitable in Ways that Matter

Fair does not mean equal and, while there is a certain romantic appeal to the notion of fairness, it does not apply in any community that wishes to grow and remain relevant. The challenge for senior leaders is to differentiate amongst people, but not discriminate, ensuring those who perform are treated differently from those who do not.

Opening up the Door to Opportunity

If you talk to someone from a less developed country, or a small town under economic duress, they will almost always tell you they don't want a handout, they want a hand up. That means an opportunity. This translates into the need for organizations to find more creative and flexible ways to provide employees with opportunity, and to do so from a new menu, not the same old tired and bland menu of choices from the past.

Impact on Optimal Performance ...

The prolonged period of low inflation, and slow to flat economic growth, means that it has become harder and harder for organizations to lift themselves up and find a new jet stream to carry them forward, faster and higher. In the absence of a lift that comes from more broadly based economic prosperity, it is up to individual organizations, and their leaders, to find their own lift. The lift of cost cutting is a temporary illusion that requires little or no intelligence, while the lift of growth is more difficult in every possible way.

The key to outstanding serial performance excellence is found not just in changes made by the CEO, the senior executive team or the culture (as described previously), but comes as a result of changes made to the organizational architecture or plumbing. They may not be sexy, but they are effective.

We see three triggers to jump start growth and fuel performance.

Dismantling the Dysfunctional Barriers

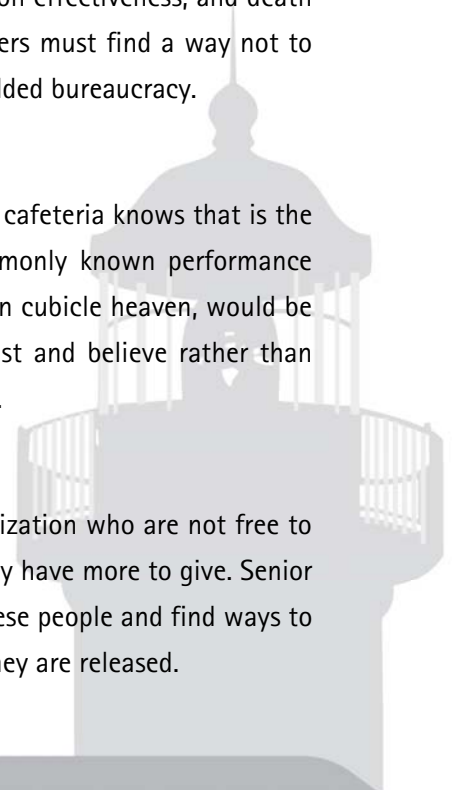
Every organization, unless blessed with remarkable genes, falls prey to hardening of the arteries. Policies, processes and procedures become a burden on effectiveness, and death from minutiae comes slowly and often goes unnoticed. Leaders must find a way not to cut more cost, but cut more red tape, waste and non value-added bureaucracy.

Unplugging the Corporate Drain

Any leader who has dreamed of being a fly on the wall in the cafeteria knows that is the way to hear people providing answers to most of the commonly known performance bottlenecks. The average Joe or Jane on the factory floor, or in cubicle heaven, would be able to call out the congestion points, but until leaders trust and believe rather than protect and defend, there will be no purging of the bad water.

Releasing the Hungry Hostages

All too often, there are good people buried deep in the organization who are not free to do their best work. They are seldom seen or heard, but yet they have more to give. Senior leaders must find a way to reach down a level or two, find these people and find ways to liberate them. They are a silent killer of productivity unless they are released.



Impact on Talent and Human Capital ...

As much as technology, in all its forms, has been a means to improve performance, drive efficiency and accelerate the flow of information, it is still our human genius, and the exchange of ideas, that creates value on which we can build. We live in abundant times. Never has so much information been available to so many, so quickly, and at such a low cost, but there still remains the need to turn all this information into insight, and the insight into action. We don't need more graveyards of information, we need more cradles of knowledge. This requires leaders to radically improve their understanding of talent and what human potential offers as a means of performance enhancement.

We see three actions necessary to chart a new path.

Invest in Character & Aptitude

Hire for attitude - Train for skill. Not a new thought, but one with even more resonance today. In a world where you actually need your people to do the right thing when there is no one else to ask, you need people who have the DNA to rise to the challenge on their own, rather than waiting to be told what to do. You want people that "get it".

Focus on Potential

Past performance is not a predictor of future success. In a world with fewer and fewer precedents to fall back on, you actually need people who can adjust on the fly and figure it out quickly and accurately. Leaders need to change the measuring stick and trust the upside, rather than hedge their bets. You want people that are "different" in every way.

Release the Discretionary Investment

Every person can do more. Every employee can do more. Every leader can do more. The question is - why don't they just do it? The answer lies deep in human psychology and the idea that people will only do more and dig deeper of their own volition, not out of duty per se. This requires leaders to find ways, beyond the old fashioned idea of employee satisfaction and employee engagement, to ensure people feel totally and fully invested in their job and the success of the organization.

Impact on Thinking & Innovation ...

There has been no better time than right now for free thinkers, alternative thinkers and dissidents to broadcast their ideas and offer new ways forward to the future. This is not to say they are all right, or well intentioned, or even logical, but rather to say the petri dish is overflowing with wild ideas and novel approaches. The challenge, in the organizational context, is how to tap into the vitality of all this diverse thinking, and pull from it the valuable strands we can use to weave together a new product, service or means of distribution. It has been said many times that - all that is new in the world is not so much in the "what" we do, but rather in the "how" we do it. If so, then it is important we focus on the raw material of any new idea - a new and different perspective flowing from a new and different way of thinking.

We see three mindsets that need to change.

Think First - Plan Later

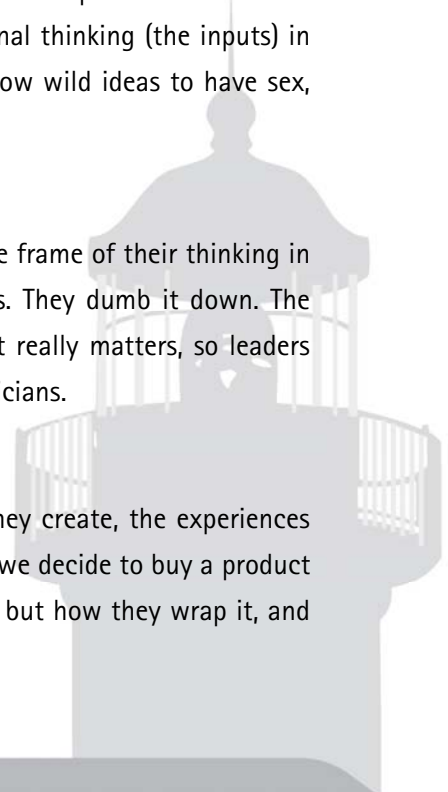
The world of business is full of plans (by the volume and PowerPoint deck), but what are they really worth? The quality of the thinking process is what shapes and most often limits the quality of the plan. Leaders need to focus on original thinking (the inputs) in order to get creative, game changing ideas (the outputs). Allow wild ideas to have sex, and then stand back and watch the result.

Think System, not Parts

Too many organizations, and leaders, default to narrowing the frame of their thinking in order to be able to better understand how something works. They dumb it down. The hard truth is that it is the way the parts work together that really matters, so leaders must learn how to be system thinkers, not bureaucratic technicians.

Think Design

The way things look and feel really matters. The emotions they create, the experiences they provide, all become part of the evaluation process when we decide to buy a product or service. Leaders need to redesign not just what they offer, but how they wrap it, and this applies equally within the organization itself.



Steps to Take :: Actions to Consider ...

There are no easy answers, and certainly no quick fixes. The challenges facing leaders are getting more complex and there is no doubt the stakes are higher. The pace of change has overwhelmed most organizations, and certainly threatens those who have not yet come to terms with the need to transform themselves into something that can place them on a new trajectory of growth and greater relevance.

It has always been the case, and increasingly the fatal flaw, that leaders punt their problems down the field and into the future in the hope they will be better able to deal with them tomorrow than they are today. Unfortunately, the truth is not so convenient, and the reality is fundamental changes become harder the longer you take to make them. The lessons of 2016, and the broad megatrends and seismic shifts they would seem to suggest, all conspire to put even more pressure on leaders to face the facts, shift the approach, increase the intensity, and wrestle the wicked problems facing their organizations to the ground - once and for all.

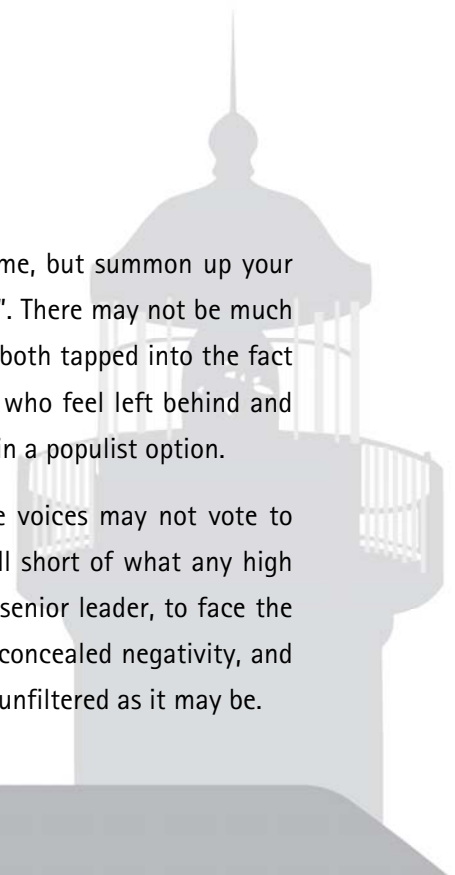
History will almost certainly not favour the timid.

Here are some of the things you can do right away.

Tour Like a Rock Star

It may not seem like the best, most efficient use of your time, but summon up your inner rock star and hit the road for a genuine "Listening Tour". There may not be much we can learn from the Trump or Brexit phenomena, but they both tapped into the fact there is a voiceless, marginalized segment of the population who feel left behind and left out and who, if there is no other choice, will take shelter in a populist option.

The same thing exists within organizations and, while those voices may not vote to change the leader, they vote with their effort, and it will fall short of what any high performing organization needs. It may be time for you, as a senior leader, to face the ugly truth, deal with the latent cynicism, take on the barely concealed negativity, and listen to the people in a way you never have before. Raw and unfiltered as it may be.



Convene a Thinkers Conference

Gutenberg opened up the sharing of information with his printing press in 1440, while Jobs, Gates and Berners-Lee gave it a real time distribution channel that has changed the way we consume information and share insights. The fact of the matter is, there are countless, hidden "thought leaders" in your organization who need you to provide an outlet, a forum or a vehicle to share their knowledge.

In order to reimagine the future, you need the best thinkers in the room, and you need to tap into their crazy and wild ideas in order to help you shape an alternative future. Leaders must have the courage to open the door to a new age of enlightenment, and not be afraid of what it will bring. Great leaders welcome the views at the margin of convention, and delight when new ideas come together and breed new alternatives.

Adopt the Sherlock Holmes Approach

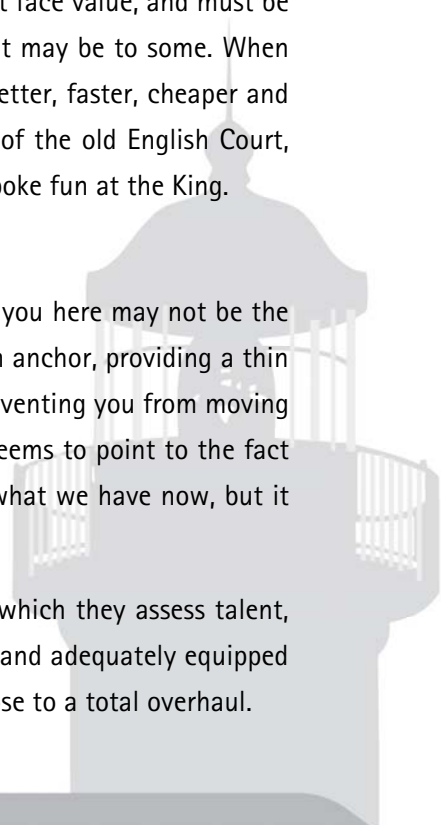
We all like a good mystery in which the investigator somehow puts together a tapestry of clues to solve a thorny dilemma. So too must the senior leader figure out how to look at their surroundings, and piece together sundry bits of evidence that lead them to a breakthrough conclusion.

In business, this means a leader can never take assumptions at face value, and must be willing to pressure test them, no matter how threatening that may be to some. When the objective is to reinvent the organization, and find new, better, faster, cheaper and more game changing solutions, you have to adopt the rules of the old English Court, inviting all the jesters you can and giving them permission to poke fun at the King.

Retool the Talent

The skills, competencies, capabilities and knowledge that got you here may not be the ones you need to take you there. In fact, they may serve as an anchor, providing a thin veil of comfort and familiarity, but also acting as a weight preventing you from moving forward. While only hindsight will tell us for sure, evidence seems to point to the fact the talent we need for the future is not only different from what we have now, but it also responds in ways we don't fully understand.

The leaders of organizations need to reconfigure the way in which they assess talent, and devise more precise methods to ensure the talent is fully and adequately equipped for the task at hand. Chances are, you will need something close to a total overhaul.



The Beacon Group ...

We are a Canadian based professional services consulting firm supporting a diverse portfolio of clients throughout North America and around the world. We work with senior leadership teams in all sectors and industries, in the development of their organizational strategies and in leveraging their human capital.

We advise senior leaders on how to transform their culture, improve performance and build effective leadership capability at all levels. We help:

Identify critical gaps – which impact organizational and leadership effectiveness

Facilitate crucial conversations – in a direct, "straight talk" manner

Align resources – to achieve sustainable high performance

Develop talent – in order to navigate the future

Our practice is divided into four main areas of expertise.

OUR MISSION :: BUILDING THE HIGH PERFORMANCE ORGANIZATION OF THE FUTURE

ORGANIZATIONAL TRANSFORMATION

LEADERSHIP DEVELOPMENT



FACILITATION

We facilitate...

- ▶ Leadership Team Offsites
- ▶ Competency Design Sessions
- ▶ Strategic Planning Sessions



ORGANIZATIONAL ASSESSMENTS

We provide assessments of...

- ▶ Organizational Culture
- ▶ Employee Engagement
- ▶ Team Effectiveness



INDIVIDUAL ASSESSMENTS

We design and deliver...

- ▶ 360° Feedback Programs
- ▶ Talent Assessments
- ▶ Individual Diagnostics



DEVELOPMENT

We provide...

- ▶ Executive Development
- ▶ Management Training
- ▶ Executive Coaching

Our Point of View ...

Times have changed.

Organizations are facing difficult and complex challenges.

Leaders are being asked to make different choices to confront crucial problems.

In times of turbulence and uncertainty, The Beacon Group helps organizations navigate the future. We help senior leaders redefine their strategic ambition and identify the stubborn barriers that are getting in the way. We help them reimagine a new path and then support them as they take practical steps to enhance performance, improve effectiveness and achieve new levels of sustained excellence.

Our Promises ...

We Believe – mindsets, attitudes, behaviour and character matter and that clear, consistent and authentic relationships are at the very heart of any “Trusted Partnership” with a client.

We Commit – to being a progressive, passionate, customer driven partner. We are thought leaders who are not only responsive, but agile as well.

We Support – progressive leaders and ambitious organizations in transforming business performance, organizational culture and leadership potential.

We Partner – with senior leaders to help create robust strategies, solid frameworks and pragmatic solutions to their most difficult challenges and intriguing opportunities.

We Achieve – results that make a difference and allow our clients to lead with confidence, and execute with clarity and accountability.



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