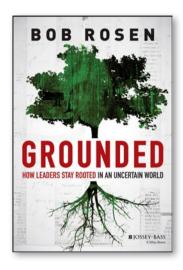
# Developing Leaders Executive Education in Practice



# **Book Reviews**



#### Grounded

How Leaders Stay Rooted in an Uncertain World By Bob Rosen

Published by Jossey-Bass, 2014, ISBN 978-1-118-68077-3

As the engine of recovery gets moving cracks hidden by the flat economy will start to appear, and companies whose leaders have not adapted to the challenges of an increasingly complex business world will fall behind. Those that have will forge ahead.

Despite this warning Bob Rosen, speaking to IEDP recently in London, is optimistic. Bob an organizational psychologist and renowned advisor to CEOs around the world has observed many successful leaders at close quarters that have adapted and believes there is a model for leadership that can succeed today.

In this, his sixth book, he presents a holistic template for 21st century leadership based on his wealth of experience and long-term research. Liberally illustrated with stories of successful leadership, from the New York Fire Service and Kinshasa Symphony Orchestra to PricewaterhouseCoopers and Proctor & Gamble, the book offers managers, at all levels, the means to become more energized, decisive, resilient, inclusive and self-aware, attributes that can help them and their organizations find the higher purpose that is essential to driving success.

Fundamental to Rosen's belief is that the traditional model for corporate leadership is broken and we need to "flip the paradigm". True leadership comes, not from a focus on what we do and (often short-term) results, but from a focus on who we are as 'grounded' individuals. Who we are drives what we do. To address this new paradigm Rosen suggests that leaders must develop six facets of personal 'health': physical, emotional, intellectual, social, vocational, and spiritual health.

Physical health is about how we live: body-mind awareness, energy management and lifestyle. Emotional health concerns how we feel: self-awareness, positivity and resilience. Intellectual health concerns how we think: deep curiosity, adaptive mind-set and paradoxical thought. Social health touches on how we interact: authenticity, building rewarding relationships and nourishing teams and communities. Vocational health is about how we perform: meaningful calling, personal mastery and drive to succeed. And finally spiritual health, underpinning all of the above is about how we view the world: global connectedness, generosity of spirit and finding a higher purpose.

Massive disruptive changes across society and specifically in the business world have left too many business leaders ill-equipped to spark change and innovation or to contend with the management issues they face. To be successful leaders need to change and adapt, and we need them to if the business world is to find solutions to the many problems and opportunities it faces.

There is a nature vs. nurture aspect to this to – can leaders really change? Fortunately as discoveries from neuropsychology tell us people are not only hardwired for positive emotions but human nature is adaptable and very capable of change. Rosen's optimism stems from this observation and because he has seen many truly grounded CEOs who have adapted – though as he admits disarmingly "Some people claim to be self-aware, they may be, but they happen to be jerks."



# Management of the Fuzzy Front End of Innovation

Editors: Oliver Gassmann and Fiona Schweitzer

Published by Springer, 2014, ISBN 978-3-319-01056-4

The crucial importance of innovation was underlined recently when Harvard Professor Clayton Christensen was named as No.1 at the prestigious biannual *Thinkers50 Awards*, for the second time running. Christensen the architect of 'disruptive innovation', famously explained why management practices that established companies as industry leaders also makes it hard for them to develop the disruptive technologies that ultimately steal away their markets.

To stay ahead in our fast changing world, particularly as we come out of recession, companies need to develop new technologies, products, services, and new business models, and to do this innovation is the key.

Unfortunately in the 'real world' many mangers feel unnerved by innovation, at least in its early stages, conjuring up images of laid-back millennials 'brain-storming' around a pool table, and feeling apprehensive about costs and accountability. Neuroscience tells us that the creative mind needs space to flourish; but for a tightly managed, budget conscious, organization how is this possible? In its later stages data analysis and market testing have their part to play, but at the front end of innovation the process is necessarily 'fuzzy' and to the worried manager apparently unmanageable.

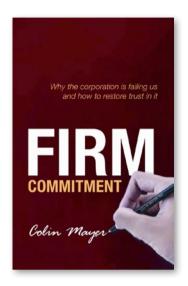
In fact managing the fuzzy front end of innovation is one of the most important of leadership roles. This insightful new book offers some essential guidance. It comes from two senior academics who have been studying the topic for many years: Oliver Gassmann, Professor of Innovation Management and Head of the Board of Directors of the Institute of Technology Management at the University of St. Gallen, and Fiona Schweitzer, Professor of Marketing on the Innovation and Product Management Program at the University of Applied Sciences Upper Austria in Wels.

Highlighting the importance of the front end in the innovation process, Professor Gassmann says "CEOs consider innovation as vital. Management prefers to address the late phase of innovation, despite knowing that the leverages are in the early phase. This is similar to the drunken man who loses his keys in the street and looks for them only under the streetlamp, where it is brightest."

The editors bring together a number of leading experts whose conceptual analysis is helpfully supported by practical advice for managers, and is enriched by the inclusion of a series of case studies from companies that have successfully managed the fuzzy front end; companies such as 3M, ABB, Bayer, BMW, Google Ventures, IBM, etc.

The book looks at some traditional instruments and processes for managing early stage innovation such as technology monitoring, market-oriented research management, lead-user developments, and then also considers modern approaches such as frontloading, user community-driven innovation, crowdsourcing, anthropological expeditions, technological listening posts in global R&D settings, cross-industry innovation processes, open innovation, and IP cycle management.

This book is far from being a fuzzy academic treatise. Rather it is a serious practical guide to one of the corporate world's most pressing management issues.



#### Firm Commitment

Why the corporation is failing us and how to restore trust in it

By Colin Mayer

Published by Oxford University Press, 2013, ISBN 978-0-19-966993-6

Every economics undergraduate and every entrepreneur's primer kicks off with an introduction to the various types of corporate structure available for business. The list has for a long time been dominated by the sole trader, the partnership and above all the private or public corporation. In recent times we have seen various alternatives gain popularity, particularly the non-profit-sharing social entrepreneurial constructs - but for most purposes the corporation has remained unchallenged as the vehicle of choice for 'serious business' and while much analysis has occurred around how to make it more efficient and increase its performance there has been little fundamental exploration of how it might be improved for wider society. This is peculiar as Colin Mayer, until recently the Dean of Said Business School at the University of Oxford, and a noted economist, observes in his new book, as the failings of the corporation are well understood.

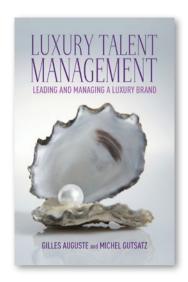
Mayer notes early on that the Victorians contrasted his chosen subject - economics, 'the dismal science' - with 'the gay science' which was a collective of 'life enhancing knowledge' and pleasantly for the reader he starts the book not with an examination of corporate tax structures but his clearly life enhancing experiences of a trip to The Galapagos. For there he saw what occurs when real trust exists between animals and humans and by extension paints the benefits that a trusting environment can bring to those who live in it.

Mayer's central premise is that "[s]hareholder value is an outcome, not an objective. It should not drive corporate policy but be treated as a product of it....the preoccupation with finances in the UK and the US is misconceived and damaging." He continues to say that the short-term obsession with share prices, and by extension dividends, is imposed on CEO's, particularly in the UK, where a predator may pounce if the price falters temporarily.

Mayer also explains that the tension between executive management and owners is an inevitable result of the evolving, financial focus of the public, shareholder-owned business and the financial environment it is measured by. He clearly prefers the longer-term horizons that the family-owned and more socially integrated European firms adhere to, while acknowledging their weaknesses too.

The beginning of a solution is for there to be a 'paradigm shift...redefining the conventional view'. While he is no doubt correct – and it is a view that has also been expressed by others, such as Roger Martin's 'Fixing the Game', this is currently more an aspiration than a blueprint. Mayer's further stages to re-balancing the process are "Education....the new view should move from the pages of learned journals to the classrooms of the professional schools in business, government and law in quick succession....Stage three is to restructure the policy prescriptions of national governments and international organizations, such as the World Bank....The final stage is the widespread adoption of new structures and systems in corporations around the world."

Mayer's diagnosis of the problem is accurate and well-supported. The solution however, seems as distant as ever. Change needs to happen, the shift to more social entrepreneurialism is beginning but it may be some time before an improved, workable version evolves.



## **Luxury Talent Management**

### Leading and Managing a Luxury Brand

By Michel Gutsatz and Gilles Auguste

Published by Palgrave Macmillan, 2014, ISBN 978-1-137-27066-5

We tend to think of iconic luxury brands such as Burberry, Cartier and Hermès as having been around for ever and perhaps being immune to the ravishes of time that afflict so many companies, but without talented and innovative leaders no brand is invincible.

For a manager or creative executive seeking to develop and maintain career momentum in this industry this book will be an invaluable resource. It seeks to provide a concrete and comprehensive framework of what talent in the luxury industry is about.

In the ten years from 1995 to 2005 the value of the global luxury brand market doubled, since then it has grown a further 30% to €91 billion in 2011. This rise is due largely to a generation of talented luxury executives who professionalized the industry – an industry made up of less than 200 brands. Regional companies were transformed into global players.

Several issues will now shape its future according to the authors Michel Gutsatz and Gilles Auguste. Take for example the issue of succession. The generation that led this development is close to retirement. Will talent be hired from outside or inside the industry? Then there is the issue of strengthening the customer experience – customers seek a personalized relationship as well as the product. This will require innovative approaches to retail and marketing in order to gain customer loyalty. "It is the customer that will ultimately decide which brands meet their desires, their needs and their expectations." Asian markets must also be included in any consideration of the future of the sector for within the next decade China is set to become luxury's number 2 market. Identifying local talent and mastering cultural issues will be critical. The authors believe luxury brands need to address these, and other challenges, in a new and fresh manner.

The book provides a sound methodology for tackling luxury leadership challenges, as well as providing innovative conceptual models and tools. It is full of profiles and case studies from around the world and it should offer insight into the critical career tracks and competencies for the coming generation of luxury leaders. Intriguing 'behind-the- scenes' stories abound, for example, meet the premiere d'atelier tailleur at Chanel, read the story of the Hermes Kelly bag, and be in awe of the craftsmanship behind it, and learn about 'a modern gypsy at Gucci'.

About the authors: Gilles Auguste conducts strategic talent assignments for clients in the luxury and retail industries. He is currently Senior Advisor at Sociovision, and was formerly VP in the leadership consulting practice at AT Kearney Search and served as International Human Resources Director at Cartier (Richemont Group). Michel Gutsatz is an international expert in luxury brand management and Director of MBAs at Euromed Management (Marseille and Shanghai) and Adjunct Professor at CEIBS (Shanghai). He served as Human Resources and Internal Communication Director of the Bally Group in Switzerland.



Despite much discussion about the need for leadership development in corporate and public organizations, and the considerable industry that surrounds it, this is the first authoritative periodical focused entirely on this area.

Developing Leaders looks at the critical confluence between the provision of executive education and the real everyday needs of organizations to strengthen their management teams, their corporate performance, and their leadership.

The publication presents the latest thinking and most recent developments in both academic and commercial executive education provision worldwide, what it is achieving and which are the best models for success, sharing the experience and expertise of top leaders and world class educators.

Developing Leaders is published in both hardcopy and online "page turning" format. The quarterly magazine complements the IEDP website - the definitive resource for executive developers worldwide.

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