

# DevelopingLeaders

Big picture leadership, *fine-tuned* Quarterly

## Innovation and the Learning Journey

A Conversation with Marion Debruyne

## Secrets of Sustainable Leadership

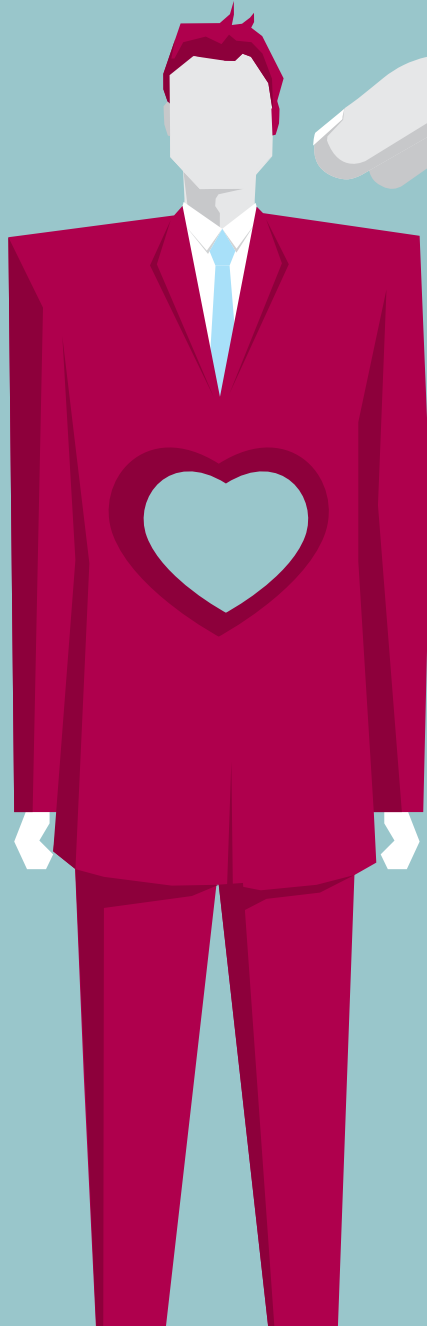
Steven P. MacGregor

## Leadership Challenges of Tech Entrepreneurs

Rakesh Sondhi

## Corporate Best Practice

At Airbus Group and Coloplast



# Values, Spirituality & Organizational Culture

**Insights from Bocconi, CCL,  
EMLYON, ESADE, Darden,  
NUS, Sandhurst, Schulich,  
Vlerick and others**





# Leadership Journeys

## Dennis Nally – Viewing Change as Opportunity

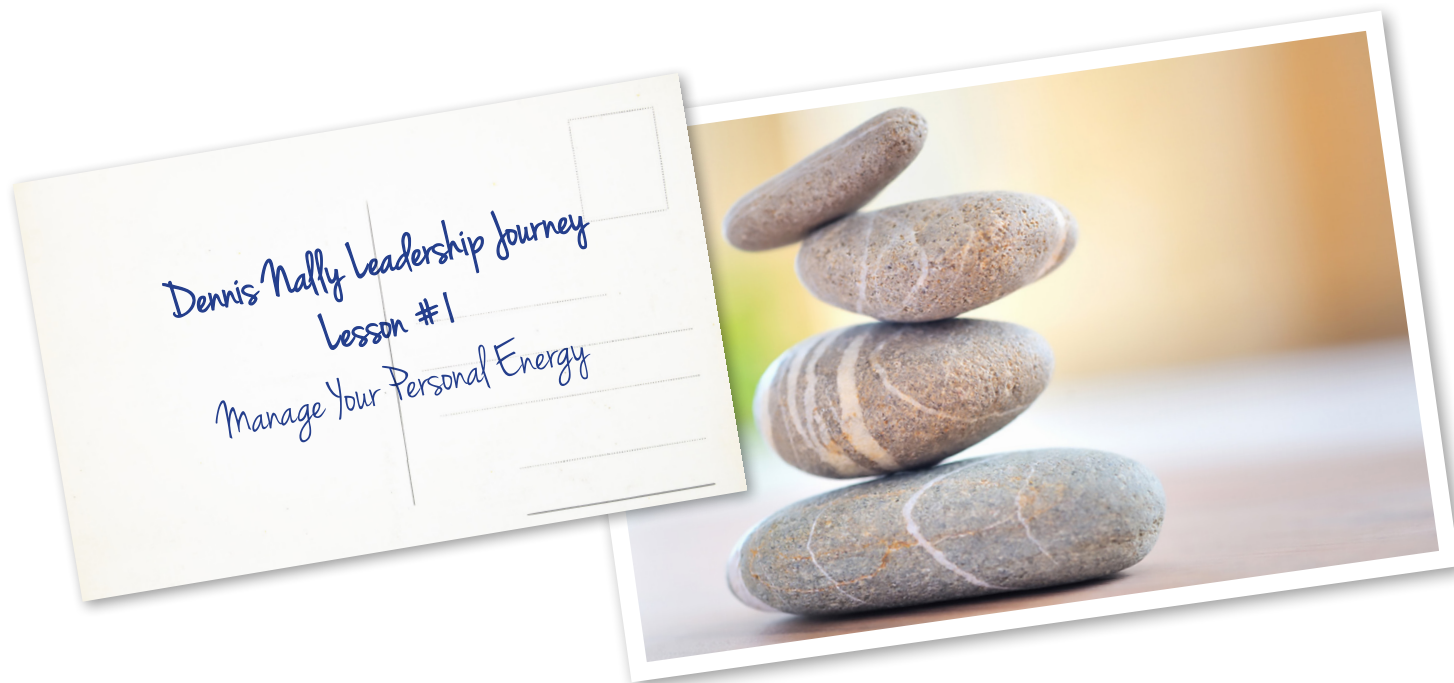
Dennis Nally, global chairman of PwC International Ltd., is not a man to shy away from a challenge. On Twitter (@Dennis\_Nally) he tackles subjects as diverse as gender equality and climate change, big data and the consumerization of health care. He openly shares his perspectives on PwC's 'CEO insights' blog, demonstrating that while he is at ease confronting big questions, it is the relevant ones that get most of his attention. Nally gives the distinct impression that even bigger upheaval lies ahead. And as the ultimate change leader, he is the perfect person to find opportunity in that upheaval—and to guide PwC deeper into the excitement of the 21<sup>st</sup> century

By Bob Rosen

Nally never expected to lead one of today's 'big four' professional services firms. His father worked for the FBI, moving the family from Washington to Richmond, Virginia, and ultimately to Detroit. Joining PwC in 1974, Nally figured he would move on after two years and join the auto industry. Instead he made partner in 1985 and now leads more than 195,000 people in 157 countries. His presentations at the World Economic Forum in Davos routinely garner heaps of media attention.

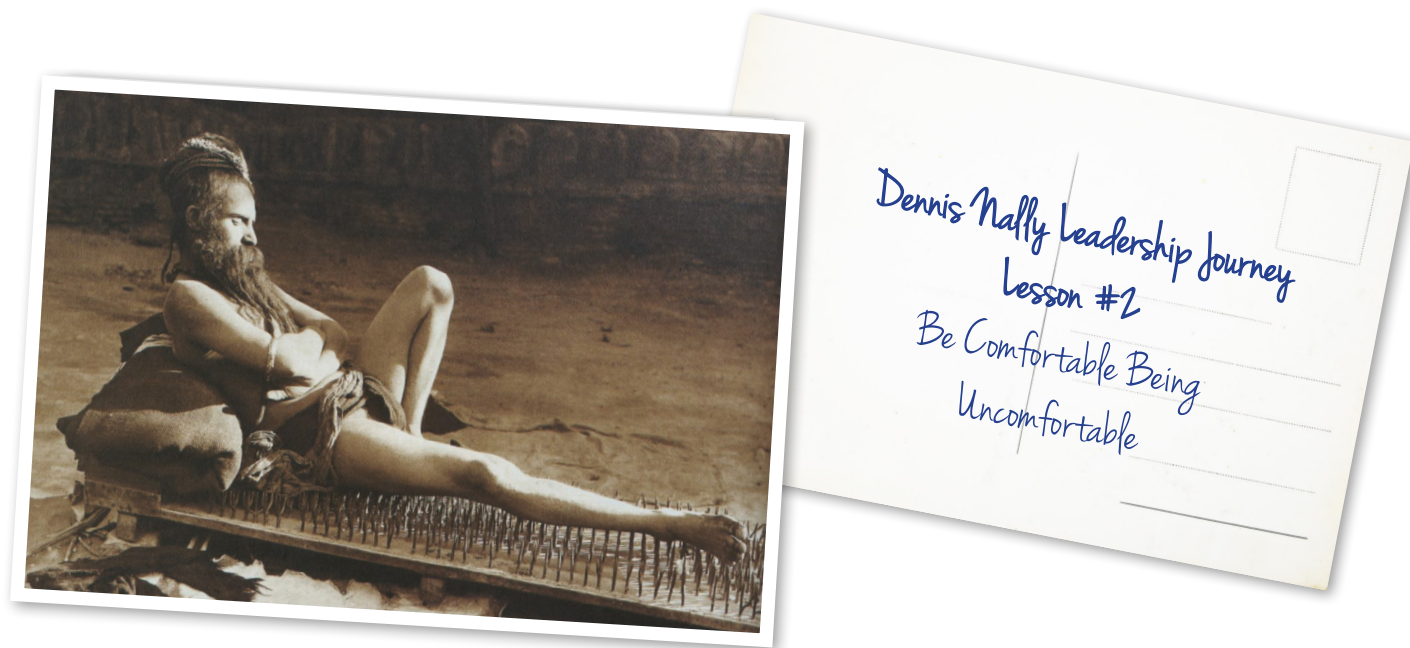
### Leadership Lesson #1 Manage Your Personal Energy

One of the more powerful forces confronting business today is speed—many people simply cannot keep up with the pace of change. The world is changing faster than our ability to evolve, which raises the question: How do we keep up while maintaining the ability to balance our lives and bounce back in the face of adversity?



Nally answers that question by focusing on his personal energy management, so that he is ready for whatever comes his way. In his view, energy management is like a three-legged stool: if one leg is weaker than the others, then the stool falters. Nally makes sure each leg of his stool—personal life, family life, and work life—is strong and on solid ground. He has an internal meter that tells him when he needs to disconnect from work demands, and take time away to focus on renewal.

In addition to managing his personal energy better than many leaders I have encountered, Nally also understands the key to maintaining a peak performance lifestyle. Intuitive and self-aware, he knows precisely what depletes his energy and what replenishes it. This self-awareness, coupled with his willingness to prioritize, allows Nally to practice healthy habits most days, optimizing his health and tackling challenges head-on. "You've got to understand what works for you as an individual," Nally says. "And if you don't, you're at everyone's mercy."



## Leadership Lesson #2 Be Comfortable Being Uncomfortable

Another powerful force confronting business today is the simple notion of uncertainty. Stability itself has become an illusion, and it takes a unique mindset to live and thrive in the gap between where we are and where we want to be. That gap, and the uncertainty that comes with it, is an uncomfortable place in which to operate, let alone grow a business. Yet Nally has managed to do just that—by embracing ambiguity and asking tough questions, and by acknowledging the volatility and complexity of the marketplace. His comfort with discomfort is something that also inspires others as he helps everyone at PwC navigate the endless cycle of change.

Nally admits that early in his career, he was not consistently mindful of the impact his hard-driving energy had on other people. He has since learned that while he has the energy and adaptability to handle uncertainty, others are not necessarily wired to handle such turbulence in the same way. He sees his job as continually taking the pulse of the organization so that he knows when to push, and when to slacken the pace until the group can regain its balance.

Fifteen years ago, Nally was U.S. senior partner when PwC faced a series of 'showstopper' challenges, as he remembers it. "Every part of our organization felt it." Scandals at Enron, WorldCom, Tyco and Nortel eroded public trust in large accounting firms. Arthur Anderson



imploded in the wake of the Enron debacle, and the subsequent 2002 passage of the Sarbanes-Oxley Act forced PwC and its competitors to redefine their business models. Historically, 70 percent of PwC's revenue came from audit clients. After Sarbanes-Oxley, that dropped to below 50 percent.

Nally decided that dreaming about 'the way things were' five years ago would be fatal to the firm's future. He knew that leaders should draw inspiration from past successes—but never mistake nostalgia for strategy. As a result, and at the direction of Nally, PwC leadership went on the offensive, using the industry shakeup as an external catalyst to create a more distinctive firm, as well as to create a solid roadmap for both the near and long term. They sold their consulting practice to IBM, acquired the former Andersen business in China and Hong Kong, and hired about 3500 Andersen alumni to bolster the company's global talent pool.

### Leadership Lesson #3 View Change as Opportunity

Along the way, Nally felt it was important to be honest with employees, to build trust through constant communication, but also to help them reframe—if necessary—how they viewed change.

How much change is too much, too little, or just enough? Nally says he is "constantly recalibrating," and this ability to take the temperature of the organization is not something that a leader can delegate or rely on others to do for him. "My job is to keep my finger on the pulse at all times."

For Nally, this emotional and intuitive intelligence comes back to energy. Few people in an organization will view change optimistically if their leader does not exude positive energy. "You can always do better, you can always learn from your mistakes, but it's the positive energy that makes all the difference. If you can get people to look at challenge as an opportunity, you have much more positive energy around what you're trying to accomplish."

Nally firmly believes that any organization that can greet big change head-on, and with enthusiasm, will move toward lasting distinction. And with top-notch competitors like Deloitte, Ernst & Young and KPMG, PwC cannot afford to get too comfortable in its current position as the most prestigious professional services firm in the world (according to Vault Accounting 50). Fortunately, Nally prefers the pressure on, not off. For him, a willingness to venture places one has never gone before—and model that courage for the group—is the essence of grounded leadership.

It is also more important now than ever. As Nally points out, the skills required to do an audit today are "fundamentally different" than even ten years ago. Global scale plus increasingly vast business organizations make accounting processes far more complex—never mind rapidly advancing technology and economic power shifts. All of these megatrends make planning for the firm's future difficult.

But it is a leadership challenge Nally is happy to face. "When you think you've become too comfortable, that's when you lose your competitive advantage." Staying relevant is never easy, but sometimes the journey is its own reward.



*Bob Rosen is an organizational psychologist and author of six books, including his latest, The New York Times Bestseller Grounded: How Leaders Stay Rooted in an Uncertain World. His firm, Healthy Companies International (healthycompanies.com), has worked with Johnson & Johnson, Brinks, Northrop Grumman, Citigroup, PepsiCo, ING and PricewaterhouseCoopers among other major organizations.*



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.

[www.iedp.com](http://www.iedp.com)

