

Principles & Leadership in Business

WHY WE NEED AUDACIOUS & RESILIENT LEADERSHIP MORE THAN EVER

ROUNDTABLE DISCUSSION

Sponsored by:

NTTResearch



"Only if you know what you're aiming for can you define what success looks like." Kazuhiro Gomi, President & CEO, NTT Research

Audacious and Resilient leadership is essential to innovation and the future of business, and even more so in the wake of the global Covid-19 pandemic. But how can organisations ensure they stay audacious and resilient as they find their bearings in a business landscape that has been thoroughly and irrevocably transformed over the last two years?

The latest virtual roundtable from <u>The New P&L</u>, sponsored by <u>NTT Research, Inc</u> brought together an exclusive group of thought leaders including Kazuhiro Gomi, President and CEO of NTT Research, Franziska Dolak, Global Head of Digital Services at <u>Siemens</u> Smart Infrastructure, and John Harris, President & CEO of <u>Worldwide Partners Inc</u>, the largest global network of independent advertising agencies in search of an answer to this and other questions around the future of leadership in business.

Kazuhiro Gomi started the discussion by providing a vivid sketch of what the pandemic meant for many businesses: "When it first started, there was huge uncertainty and many businesses went into survival mode, which involved a lot of thinking outside the box. Over the last year, there's a growing acceptance of this 'new normal', and the realisation that you don't need to do some things anymore, or that there are better ways to do them."

It starts with the vision

The wide-ranging discussion explored how businesses can adapt to grasp these new opportunities. All participants agreed that it starts with the business's vision. Said Kazuhiro Gomi: "Only if you know what you're aiming for can you define what success looks like. And you have to be able to articulate the vision and put in place the measures to empower and support your people. You have to allow them to make mistakes, too, and learn from them. And treat everyone with fairness."

Franziska Dolak agreed strategy and vision are vital "if you want people to be more adventurous, courageous and resilient." She felt strongly, too, that a corporate culture should develop organically within the business, not be imposed from the top. "It shouldn't be some fluffy thing we're told we have, but something we all play a part in shaping. For example, at the outset we should agree what we mean by, say, 'innovation', because it means different things to





"Strategy and vision are vital if you want people to be more adventurous, courageous and resilient." Franziska Dolak, Global Head of Digital Services at Siemens Smart Infrastructure

different people. Everyone needs to share the initial understanding of the company's goals. Are we flying to the moon, or to Mars? And are we even going by rocket?"

Franziska stressed too the need to build an 'operating system' around everything — the tools to support the vision — and the importance of adopting a genuine learning culture: "We need to ask ourselves what's working well, and what not so well."

John Harris added the need for alignment into the mix. "It's critical that the whole organisation knows where we're going and how we'll get there. Because being audacious and resilient isn't easy — as a leader you'll be challenged and, maybe, question yourself. But if you have clarity of vision and alignment within the group, the organisation has a comfort and steadiness because the leaders' behaviour becomes predictable and is understood by everyone."

From 'client first' to 'people first'

John and Franziska shared their personal experiences of pandemic-induced changes to their organisations. Within the advertising and creative industries, John has observed a significant change in agencies' orientation. "Alongside the 'client first' philosophy that most agencies were engineered around, we're now equally defined by the experience we create for our employees. Their needs are first and foremost not at the expense of accountability, but to allow them to 'lean into' a much more flexible environment. For them, it's about 'when I work, how I work and who I work with.' After all, personalisation is the name of the game in everything else!"

There has also been a fundamental reframing of the agency/client relationship, according to John. "Today, the fastest-growing agency offering is strategy and consulting. It's no longer about simply solving communications problems but solving business problems. For example, if you had a client that was 100% travel industry focused before the pandemic, then overnight you were involved in an all-handson-deck effort to save their business. So now we see clients and agencies working together, in a much more iterative fashion, to solve problems."

Unexpected changes

At Siemens, Franziska noted several unexpected, subtle changes. "The pandemic raised awareness of some strengths we had that we hadn't really considered — like the security of our supply chain, which we'd never particularly regarded as a KPI. We also realised that market trends we were working towards, like clean air infrastructure, did matter, and that we were on the right track."

She added that changes were apparent in Siemens' customers: "The pandemic accelerated what I'd call their digital maturity. They focused more on factors like safety and security and became more willing to engage in new technologies. After all, as business it's not just about having strong financials but also about whether you can adapt to change. So we've seen customers becoming more open, taking the time to understand more about the ecosystem they're operating in, and having the courage to look beyond who they are now and ask what they want to be in the future."

New forms of collaboration

The vaccine development was the preeminent example of pandemic-induced collaboration, and all three participants welcomed a new era of



"Being audacious and resilient isn't easy ... so you have clarity of vision and alignment within the group." John Harris, President & CEO of Worldwide Partners Inc





"When Leaders show curiosity and are open-minded and spend the time and listen, you achieve good alignment in a team."

Kazuhiro Gomi

collaboration coming out of the pandemic, albeit over the likes of Zoom and Teams.

For Kazuhiro Gomi while the people-to-people connection has lessened, and that made it harder to create 'the team' ethos, online platforms had helped by minimising travel and enabling the team at NTT Research to reach out to many of its partners quickly and efficiently, helping scale its collaborative approach across the globe.

John Harris believes the pandemic has given rise to a whole new dimension of leadership, collaboration and cooperation, in society and business. "I fundamentally believe that we have come together as people, as global citizens, as companies, as clients, and as service providers, around a shared enemy, to some extent, and it's really amplified the power of connectivity and community."

He went on to extrapolate from the new collaborations between agencies and clients to observe that "in a lot of matrix-style organisational structures, the walls came down and everybody came together to solve the immediate problems everyone faced."

For Kazu Gomi and Franziska Dolak, the main evidence of collaboration was at a strategic level. "We're more open to partnerships to conquer new markets, or customer segments, or to approach market in new ways. The process is being helped by the new platforms being developed to facilitate new models, new ways of collaboration and operating models — and not just to help corporates work together but individuals to. It means things can get moving much faster."

At the same time, the panel felt businesses shouldn't underestimate how strenuous setting up and implementing such collaborations can be, especially for smaller organisations partnering with larger corporates. "You have to tackle questions like apportioning revenue, and it can be overwhelming even if you share the same vision," continued Franziska.

Power to the people

Taking on the question of how to build a business with audaciousness and resilience at its heart, Kazu Gomi said; "To implement audacious and resilient leadership, you need to create a community that you can trust. CEOs need to create high levels of trust across an organisation and to do this, you need to allow employees to fail, and then treat them fairly. You also need to understand who has those important leadership capabilities, recognising the weaknesses and strengths everyone has, and, who the 'next levels' of leaders are. But, the common theme has to be the shared vision, and then the alignment that the John alluded earlier. This needs to be consistently implemented throughout the team."



"The pandemic raised awareness of some strengths we had that we hadn't really considered — like the security of our supply chain, which we'd never particularly regarded as a KPI." **Franziska Dolak**

This was supported by John Harris who proposed the "power of community over company as a critical proposition — for both new businesses and existing businesses. It's every bit as important as clarity of vision and it should be a key factor in recruitment. And within the community, you have to empower people to leverage their instincts and intuition, which have after all served us all well in the last two years. So, aim to build an organisation that balances individuals' subjectivity and instincts with the collective objectivity of the community, aligned against a shared goal."

Expanding on the idea of empowering people to create a community of success, Franziska Dolak added her take on striking the right balance between traditional leadership models and those where employees have personal responsibility. "I'm firmly of the opinion





On the post-pandemic collaboration: "We now see clients and agencies working together in a much more iterative fashion to solve problems."

John Harris

that everyone is a leader, and that the team is the key entity of the organisation. Each team should take ownership as if it their own business, which means flatter hierarchies. And because the team is the entity of the organisation, there must be a learning orientation, leveraging what they have in common — vision and passion — but also differences, because each brings something different to the table."

Keeping the faith

Audaciousness and resilience are admirable, but with some courageous projects it takes time for results to become clear. So how do you keep the faith as they gather momentum over what can be often years and in the face of what is sometimes intense criticism or cynicism on the speed or the tangible results of the project?

For Kazu Gomi consistency and holding firm to the vision you have as a business was the key, stating that with any major initiative it inevitably takes time to build the programme, roll it out and see the results. And, the bolder the project, the longer the commitment. So leaders had to remain resilient and courageous in their belief through this period to help maximise its potential success.

John Harris observed that marketing people "are used to predictability based on data that shows the impact of campaigns quickly. And with CMOs having an average tenure of 41 months, you can understand why they want certainty. But now we're seeing a greater understanding that the short-term ROI model isn't sustainable — after all, you can only optimise a campaign so much.

"There is a realization that we can do both — we can have predictable behaviours and campaigns to drive short-term revenue while also building a longerterm proposition for a sustainable brand. Working within the new collaborative agency/client model, we're building trust by being strategic and forthright, explaining how we believe this will serve the business in both the long and short term."

For Franziska Dolak it comes back to her idea that "each of us has to be a leader in the sense of channelling our own audaciousness and resilience, feeling good about ourselves. This involves a reframing, and seeing leadership not as being unique to certain people but open to everyone in the organisation to take ownership. And real co-creating means taking risks — if you put an idea forth, what if people don't like it? It means creating an environment where everyone feels safe enough to take those risks."

Halting 'the Great Resignation'

The Great Resignation phenomenon that has come with the pandemic stems in part from employees questioning the purpose of organisation. So it was natural for the discussion to tackle how audaciousness and resilience can help leaders change these perceptions.

For Kazu Gomi, the answer was personal: "One-toone one conversations are very critical. My team is full of brilliant scientists, and brilliantly-mind people. So when I have a conversation with them, I try to ask the deeper questions around what they're doing: 'what do you want to accomplish? Why do you want to reach that goal?' These scientists have great ambitions, so when I ask, I see their eyes start shining! When Leaders show curiosity and are open-minded and spend the time and listen, you achieve good alignment in a team."

John Harris agreed: "The first step is to acknowledge the problem. It can be hard, because it takes a degree



"Each of us in business has to be a leader, channelling our own audaciousness and resilience." **Franziska Dolak**

of vulnerability to acknowledge things need improving. And then there has to be a desire to really listen, ideally not taking the easy 'town hall' option — you'll be bombarded with questions and can't answer them all — but through more intimate channels. The culture should be 'of the people' not 'for the people.' And this isn't a one-off exercise — it's an ongoing iterative process. And you need to share what you hear."

As the Roundtable came to a close, Franziska Dolak returned to the importance of the team entity as means of adding purpose. "Often employees expect leaders and management to know everything and know it better than everyone else. But in the team concept the collective comes together. One thing that creates a lot of energy is combining the individual passions of the individuals with the vision and creating something around that.



"You have to empower people to leverage their instincts and intuition." John Harris



"To implement audacious and resilient leadership, you need to create a community that you can trust." **Kazuhiro Gomi**

"I remember at Siemens we took a reframing approach to our participation in a big industry conference, broadening the scope to emerging countries and combining it with what we're passionate about. The result was astonishing — just by taking a different perspective and point of view the energy created was unparalleled to anything I'd seen before."

Thank you to NTT Research, Inc for sponsoring The New P&L 'Why we need Audacious & Resilient Leadership more than ever' Roundtable Panel Discussion.

To sponsor a The New P&L Roundtable Panel Discussion, email: paul@principlesandleadership.com

The New P&L® - Principles & Leadership in business Podcast Series and Institute

We believe business needs a 'New P&L': one that is focused as much on 'Principles and Leadership' as it is on 'Profit and Loss', because we know that if a business's Principles are right and aligned with its purpose, and its Leadership has clarity of vision and is strong, focused and empathetic, then it will be in profit and not in loss in so many ways.

Our aim is to challenge leaders, entrepreneurs and industry influencers to bring their most intelligent, inspiring and insightful observations and opinions to the conversations on principles & leadership in business.

We do our research thoroughly, ask the deeper questions and aim to give our audiences real tangible insights and examples they can use to help further focus their principles, enhance their leadership and work towards building more ethical, productive, collaborative and ultimately, successful and principled businesses – those that encourage great, inspirational leaders and high performing, motivated teams.

For more information go to www.principlesandleadership.com