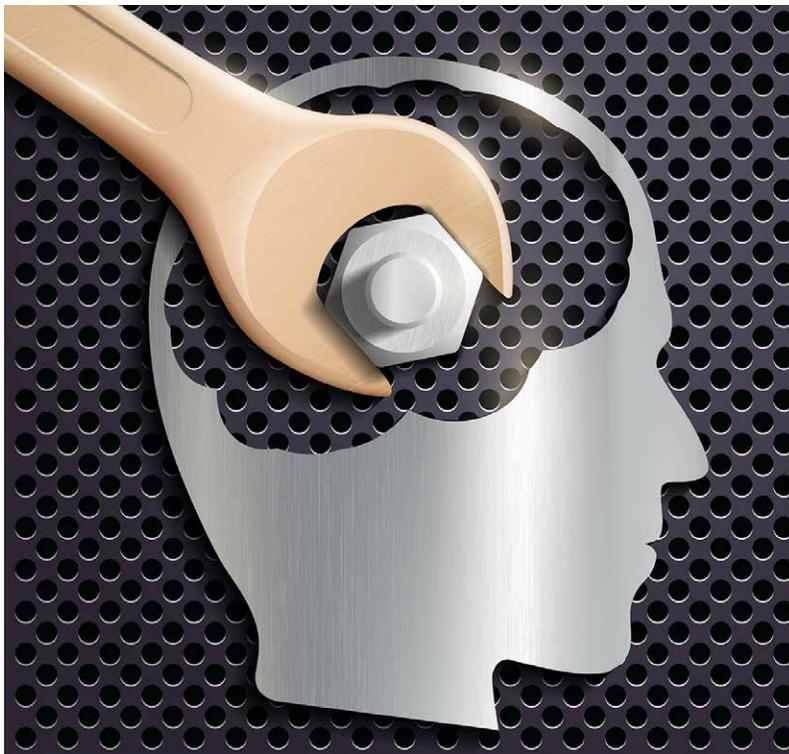


# Are You Getting Better?

By Rich Horwath

A business is only as good as the people who lead it. If a business improves, it's generally because the leaders improve. When a business is stagnant or declines, often the leaders have not improved. Unlike fine wine, leaders do not naturally get better with age.

One of the reasons a leader's performance may not continue to improve is due to a lack of development. Less than 1 percent of worldwide corporate learning and development expenditures are allocated to the executive level. As a leader's responsibilities and influence on the success or failure of the business increases, their developmental support decreases, and in many cases, disappears altogether. Those companies that forego developing their executives beware: the top 15 percent of investors in leadership development outperformed



the bottom 15 percent in market capitalization growth by 85 percent over a ten-year period. Failure to properly develop senior executives will likely result in failure to meet your financial goals.

A second reason leaders don't improve may be the developmental initiative itself. Despite research showing that the top-ranked human capital priority is leadership development, a whopping 93 percent

of senior leaders do NOT believe their companies are effective at developing leaders. While the lack of efficacy can be attributed to the quality or delivery of content, it's imperative that the most important type of content is mastered.

While leaders need to be equipped with a host of capabilities ranging from business acumen to emotion-

al intelligence, their key challenges tend to cluster in one area. A survey of more than 4,000 executives on the top challenges of senior leaders showed the following top five:

1. **Allocating resources in a way that really supports the strategy.**
2. **Ensuring day-to-day decisions are in line with the strategy**
3. **Quickly translating strategic and operational decisions into action**
4. **Setting a clear and differentiating strategy**
5. **Communicating the strategy and getting buy-in**

These top challenges illustrate the fact that today's leader must be strategic. Being strategic means that a leader can coalesce insights into differentiated strategies that deliver superior value to customers. It means they can concisely and consistently communicate these strategies to others. And it means they have the ability to champion the strategies throughout the organization by influencing the thinking and behaviors of others. Boris Groysberg, associate professor at Harvard Business School, summarizes his research with the same findings: "One theme that ran through our findings was the requirements for all the C-level jobs have shifted toward business acumen. To thrive as a C-level executive, an individual needs to be a good communicator, a collaborator and a strategic thinker." Additionally, The Corporate Board of Directors Survey showed that the #1 trait of active CEOs is strategic expertise. As Indra Nooyi, CEO of Pepsi said, "To me, the single most important skill needed for any CEO today is strategic acuity."

One method leaders can explore to develop their strategic capability is coaching. High performers

in sports, music and acting have traditionally used coaches to enhance their skills. Even non-traditional areas like medicine have seen the value of coaching to improve performance. Renowned surgeon and professor Atul Gawande commented on the value of the coaching process when he came to the following realization: "I'd paid to have a kid just out of college look at my tennis serve. So why did I find it inconceivable to pay someone to come into my operating room and coach me on my surgical technique?" Dr. Gawande's insight demonstrates that high performers in intellectual fields don't often consider coaching because of the very fact that *they are high performers in an intellectual field.*

People often look at highly successful leaders and assume they are just naturally more talented than others. This is generally untrue. As research by professor Ericsson has shown, higher performance in all walks of life is a product of effective, deliberate practice toward a goal. A coach can provide a thoughtful practice regimen through dialogue, development and direction. While many assume that leaders like Steve Jobs (Apple), Eric Schmidt (Google), Alan Mulally (Ford), and Jack Welch (GE) were just better than others, the fact is that they all had advisers or coaches supporting their growth.

A coach provides an executive with the opportunity to dialogue openly on key business issues, allowing for reflection, questioning and attitude formation. Without this dialogue, these outlets are missing.

Strategy coaching provides a one-to-one forum for executives to enhance their leadership performance. Using feedback and

on-the-job application of new ideas, executives can "think out loud" about key issues, tap into an unbiased sounding board and develop new strategic capabilities. With an external coach, they can consider changes in their business model or the launch of a disruptive innovation without the

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worry of how this would sound to their internal colleagues. As professors Cossin and Metayer write, "In a world where business models are evolving rapidly and new competitors can emerge almost overnight, strategic thinking--especially at the top of the company--is more important than ever to a company's survival."

If you want to improve your business, begin by improving yourself. Start your developmental journey by answering the following questions:

**1. Which competencies/skills did I significantly improve last year?**

**2. What developmental activities led to those improvements?**

**3. What are my top three business goals for this year?**

**4. What are the key competencies/skills I need to improve to help achieve those goals?**

**5. What is my plan for improvement?**

The next time you open up a nice bottle of Cabernet Sauvignon before dinner, admire the color and savor the bouquet. Swirl it around the glass. Take a sip. The wine has improved with age. Have you?



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*Rich Horwath is the CEO of the Strategic Thinking Institute where he has helped more than 50,000 leaders around the world develop their strategic thinking capabilities. Rich is the author of the new book, Elevate: The Three Disciplines of Advanced Strategic Thinking. He is a New York Times and Wall Street Journal bestselling author on strategy and has appeared on ABC, NBC and FOX TV. Sign-up to receive your free copy of the Strategic Thinker newsletter by visiting [www.strategyskills.com](http://www.strategyskills.com)*