

Business Management/Leadership Types, Why Should You Care?

Most business executives get into leadership positions of either ownership or management because they have a dream. They believe they will have more freedom from organizational red tape, after watching their managers they know they can do a better job, prestige, life balance and/or they want financial freedom. What happens to the dream once they get into the role of manager?

Business is an evolution not a destination. The market never stops evolving and any business must realize to stay relevant to a market they must also continue to evolve.

Mike Hsieh, Li & Fung Venture Capital Group leader said the following: "We pay close attention to a potential investment's managers. We want to know that they know how to adapt to market changes. A company that focuses only on the product doesn't necessarily have what it takes to maneuver with the market." Most Venture Capital Groups will tell you that the first consideration is management; they are usually the bottle neck to growth.

Great managers that build great businesses are few and far between. There is a 55 to 60% failure rate among managers. We have evaluated managers/leaders and found them somewhere along the gradient below. We believe that there are future Master Leaders that with our coaching can shorten their learning curve. Master Leadership is a journey that takes years for most of us. The Daley Group builds Master Leaders and their profitable, sustainable businesses so we are always looking for diamonds in the rough. The challenge is finding technicians that truly want to be Master Leaders.

No Relevant Skills

Technician

Leader

Above is a range and we all fall somewhere along that range. There are a few 2nd and 3rd generation business people that did not receive the appropriate training, do not want to admit it and think they can fool their peers. That is very dangerous. Most business people move into management from a technical role and there are very few that make it to Master Leader. **How will understanding this skills gradient help you build a leadership team? Why is there such a high failure rate in business and among managers?** What cost to you is a challenged or failed manager? The leader of any group will determine the productivity and range of the group. I'm sure you've heard any organization is only as good as the weakest link. They determine the organization range not only by their abilities and perspectives but by the abilities and perspective of those they have on the team. Technicians tend to hire people like themselves. True leaders learn to hire talent better than themselves.

Technician's can be found in any role of any organization. Technicians are necessary and great if they are in a technical role, but "leadership" at any level of a company is not a technical role. Technicians are task oriented as opposed to relationship oriented so people are the last thing they see as a product. Quite the contrary, they are seen as a nuisance and/or obstacle. **Technicians that become managers with no intentions of becoming leaders and developers of people and teams are destined to fail!** The question and risk is how much damage will they do before they fail. Some future leaders just get frustrated and backslide in the technician role.

Who are technicians and what are they like? We have heard the following statements around the world from sales reps to core team executives:

- **"Coach you just don't understand, it's not the same in this company, this market, this culture in this country."** They actually believe they have a unique situation and rarely do in this shrinking business world. We have a question we always ask in response that usually makes them rethink their decision to ask the question in the first place. Please email or call us if you would like that question.
- I make all the decisions in this business, nothing happens that I don't touch or know about!
- "Business would be great if we did not have to deal with employees and customers!" You will hear people say this with a smile but they usually are dead serious.
- Another example guised as a joke is "Your reward for a job well done is the salary continuation program!"
- "No one will ever do it as good as I can!" Technicians will never hire anyone better than themselves and if they do it will not last long. Technicians will retain a consultant to tell them what they want to hear. Usually a consultant just like themselves. Other than that you can't trust coaches or consultants. **Technicians always talk about what they did. Even if someone else did it!**
- "Spending money on the business is like taking it right off my family's dinner table."
- "You want me to reinvest money into the business? Do you want me to make my house payment?"

Technicians are always looking for short cuts, bargains or better "free stuff", often to their team's detriment. But watch out if a customer of theirs has the same goal. They will be visibly insulted and outraged.

- "I got into a small company so I would not have to deal with the corporate red tape (paperwork)."
- "I took this promotion so others would pull the hard work!" "I sincerely thought I would have more free time!"
- "I'll invest more money when we have more sales"! The heat from the fireplace theory on the next page.

Obviously we all have some of the above feelings at one time or another but the question is how predominant are they. Does your management team have enough of them that it inhibits growth and possibly makes your work environment toxic? At what cost?

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On the left side of this gradient the focus on is the person and on the right side of the gradient the focus is on developing others. From the list on the previous page it should be obvious that "Technicians" are great in technical roles but struggle as leaders and can leave a wake of damage. When these business people get out

of their comfort zone the previously listed challenges will be amplified drastically as will the stress they feel and radiate. Such as when the business environment gets competitive and margins decrease. Those that make the transition from "Technician" to "Leader" work through the challenges because of a sincere passion to be a leader and builder of people. They usually have a coach or mentor to minimize the learning curve and mistakes. They know they don't know what they don't know so look to invest in their leadership development. It's just like needing a Sherpa to climb a new mountain. *Destiny is not a matter of chance, it is a matter of choice. William Jennings Bryan.*

Obviously people are what a growing company eventually will need to continue to grow. Systems and processes needed for employees are a distraction at best for technicians. They tend to be very black and white in how they view things. Very different from the creative perspective needed for the evolution to keep a company relevant for its customers. Top Sales reps usually take a situation that looks less than ideal and build a valued solution. Technicians dismiss or discourage the effort (as not a obvious win) until it becomes reality and then will take credit for it. Technician managers usually have high turnover and low productivity. We observed an above average sales rep get promoted to sales manager of a major company and terminate all but one in her district within 2 months of being promoted. She didn't hit quota for over 3 years and ended up leaving. Slash and burn is the label for this management style. What were the costs to the company from that promotion.

Technicians attract a couple of types of employees. People like themselves, entrepreneurs (technicians going into management) that want few controls and high risk reward. Or diamonds in the rough, people that need a start somewhere so they can get experience and move into the big leagues. Both are huge risks. The entrepreneur will soon decide their "manager" is not as good as they are and start to figure out if they can take over or find a better fit. The diamond in the rough will put up with the technicians just long enough to get enough experience to get a real job in a real company with a future. This Ole saying is the belief of most technicians: "I'll put wood in the fire place as soon as heat comes out of it" or "I'll put more wood in the fireplace as soon as more heat comes out." Let's analyze those thoughts. The technician will not invest any more of his or her money or other resources (company or personal) unless you (employee) invest your time, knowledge, skills and experience and produce results thereby increasing my (technician) income. The employee will be rewarded for this risk and investment by the salary continuation program. The compensation package is usually far below industry standards. If the employee were so talented that they could develop their own resources and invest their time to produce sales wouldn't they be working for a leader that would invest in them? The "Master Leader" sees talent as an investment and is willing to invest appropriately for the experience ahead of time because they know their vision is solid they just need the talent to make it happen.

The interesting thing about most "technicians" is how predictable and how un-coachable they are unfortunately. The most interesting thing of all is that technicians will read this and think we are talking about them specifically. I suppose that's like your kids believing they are the only ones going through the experiences of the growing years and parent's amazement for how much easier it could be if they just learned from their parents experience and yet they don't. For most technicians not working towards Master



Leaders there is not a thing anyone can do. They will fly their business right into the ground and you can only hope they survive and learn from the experience. You would not believe how often we see this happen.

"Technicians" that do not make that transition and find their productivity decreasing have a couple of reactions. Some will try to grow and evolve only to realize that the work and financial challenges they experienced to get to the first plateau are nothing compared to the investment needed for the next. When they first make the decision to grow they act very open minded and committed. We hear things like "Whatever it takes, even if I have to change!" Then the realization of the needed investment hits them and they recoil drastically. They are usually not willing to risk what they can't believe they have already achieved. They also do not want to let go of their perspective that got them where they are. Usually the recoil is with significant emotion. They now are in the same boat with the "technicians" that choose the path of trying to hold on to the business and their role as it is. At this point we hear things like "this business has worked for years, this doesn't make sense". Their distrust, stress and tension levels increase and their self-reflection decreases. These traits tend to build a toxic culture that causes atrophy.

We see these traits in department managers, sales managers all the way up to core team members. They loose their best people and retain the least capable because they are not marketable. **Watching this happen is like watching someone try to hold onto sand.** The tighter they hold on the more it seems to slip away. The customers change, technology changes, competition changes and they are usually totally oblivious to it. They are so busy trying to protect what they have from all those they don't trust. This may shed some light on why so many businesses and managers fail.

Why go into this much depth about technicians? They are our target market. The percentage that is coachable, sincerely want to learn and are willing to invest in themselves are the people we want to coach. The easy part of business are the systems and processes, we have developed and implemented them for years. The tough part is identifying the potential Master Leaders but we believe they are a worthy market.

Some do make the transition to Master Leader!

A leader can be in any role of any organization. From the core team to low level manager and even the lowest level employee, they are leaders because people will follow them. Leaders focus on finding and growing talent. They see employees and a productive culture as their product. They will invest and groom their team for the best return on investment because they know their value to the company is the depth and breath of their team. Leaders know that with the right team there is not much the market can throw at them that their team can not handle. Natural leaders arise from teams even without an official title. They are the decisive position in any company.

Who are they and what are they like? You will hear them say things like:

"With the right team there is not much I can't accomplish." Leaders subscribe to the philosophy that no one is as smart or talented as the team is together.

"My employees are my most valuable asset."

"I hire people better than me."



"I am always looking for people I can learn from because I know I don't know what I don't know!"

"I would trust my team with my life and my family, they are the greatest!"

"Routine training will keep my team sharp, current and productive, it is an investment in the company's future."

"I will work my way out of this position and into the next by building people!"

"I have to find people that offset my weaknesses so we are better able to provide solutions for our customers."

A senior executive I greatly respect made the following observation, "Leaders always talk about the accomplishments of their people, you rarely if ever hear them talk about themselves."

"I'm not looking for an easier life but more knowledge, experience and skills to easily handle more and more challenges." Coach Daley

"When we long for life without difficulties, remind us that oaks grow strong in contrary winds and diamonds are made under pressure."
– Peter Marshall

Leaders are great at building relationships. Leaders are people others will believe in and follow. Leaders produce people that produce products and services. Their most prize product is their team. Leaders are humble servants whom the best and brightest follow. They will not let their ego get in the way of their teams development. Leaders have healthy, vibrant and productive teams that will go the extra mile for them.

Our team has found that most problems in any organization can be traced to the top. How can this be? The leader sets the culture including who is hired and fired. That culture is an ever evolving major part of any organization. So the leader has to focus on every aspect of the team and it's culture as it evolves. A good leader will attract the best and remove the employees that don't fit. They will set the best example as opposed to the philosophy of "do what I say and not what I do". The best leaders have coaches for a different perspective and are always on the hunt for knowledge. They are leaders of men and women. True leaders live in the future. The higher up in the organization the further out they live to develop the vision for the team to follow. These leaders will develop the vision from in depth and unbiased research and present it in such a way that the team will go the extra mile to help the organization grow into the vision. This vision will be presented by this leader in vibrant color and sound with passion to all stake holders!

Can a "technician manager" become effective? Yes, in different ways. Some are great leaders by bringing in leaders to run the company if leadership is a weakness or not an interest. Others love building people but just need some coaching and education. Could your core team use some coaching to be more effective building a productive and positive team?