

# Where Have All The Leaders Gone?

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**E**mployee Loyalty Declines Worldwide: "...the global top five non-financial factors—respect, work-life balance, type of work, quality of co-workers and quality of leadership."<sup>1</sup>

- Penn State sex scandal
- Special task force on debt reduction
- Corporate governance: Enron, Arthur Andersen, WorldCom

"...executives need greater flexibility to create strategic and tactical options they can use defensively and offensively as conditions change. They need a sharper awareness of their own and their competitors' positions. And they need to make their organizations more resilient."<sup>2</sup>

When was the last time you committed to lead someone through the gauntlet that resulted in developing a true leader? When was the last time someone helped you? The fact is, virtually every consistently successful leader has learned their craft from either experience, a mentor or both.

In the "new normal", there is little time to gain the experience because we're running too fast and there are less and less experienced people around to mentor the next generation of leaders.

The best place to find a mentor is inside your company, assuming there is mutual interest. They understand the company's culture and politics.

If you're going outside your company, your mentor should possess all of the following attributes:

- **Real leadership experience.** Assignments with responsibility for policy making. Positions in the C-suite (CEO, CFO, COO).
- **Ability to relate to you.** Do you understand the words he/she is using? Can they share their experiences in a way that is meaningful and/or useful to you?
- **Ability to compare psychological assessment results against best-in-class leaders.** The output of almost all psychological assessments is valid; they accurately depict the participant's capabilities/tendencies. Many issue reports that are in plain English. However, the

only real benefit is in comparison to successful leaders. Make sure your outside mentor can make this comparison or you could be misguided in your improvement efforts.

- **Has a proven approach to leadership.** There should be both philosophical and practical elements. A mentor that is not sharing successful approaches to leadership is merely helping the mentee mine their own ideas. They are not adding to the sum of total knowledge within the mentee.
- **Provides proven, successful management tools.** Leaders are managers too. A strong managerial tool kit allows the mentee to delegate more effectively, leaving more time to invest in their leadership responsibilities.
- **Will be available when you need him/her.** This has three elements. First, there should be no limit on the amount of time the mentor will spend with the mentee. Second, the mentor should be willing to discuss any topic that the mentee brings up. Finally, the mentor must take responsibility for the mentee's growth. Clearly, the mentor cannot guarantee the mentee's success at grasping the shared leadership concepts. But, like a parent, the mentor must be willing to go to extraordinary lengths to keep the mentee on track.

And one more thing, check their references. Mentees should have demonstrable improvements in business results as a result of coaching efforts.

## Case Stories From Our Files

*Division president, Midwest chemical company (in his own words):*

I have "graduated", if one can ever truly graduate, from two years of mentoring and I have been immeasurably changed in my views and approach to business. Just as when starting a business, the change goes relatively unnoticed until you adeptly handle a crisis or business opportunity that makes you realize how much you have changed your skill set.

Mentoring and coaching mean the same to most people, but in reality mentoring implies a closer relationship and more involvement than should be expected in coaching. My division ben-

Herein we explore the growing need for mentoring senior executives. The first of a two-part series.

edited from both as I, as president, was mentored, and my management team was coached.

**Benefits**

1. A better focus on material margins and their impact on the business wherein more attention was given and action taken to raise prices when possible and maintain prices when raw material costs dropped, increasing the bottom line.
2. A penchant for action in all areas of the business, thus allowing the company to continually improve and free employees for other and higher level tasks.
3. Applying proprietary business models in assigning tasks to appropriate departments and functions and not to favored personnel, providing for a better understanding of the demands on the business and abilities of the personnel.
4. Developed significantly better business plans for acquisitions and increasing manufacturing capabilities.
5. Departments employing a proprietary “plan to plan” technique to keep initiatives well managed and grow personnel skills in the process.
6. Understanding the data to information (a structured report) to knowledge (personnel interpretation of information) cycle and that without the “to action” step at the end the prior steps serve no business purpose.

**Nice Words But “So What?”**

Of course most leaders want it boiled down to dollars and cents of each and every improvement. Almost like making it an ala carte menu that you can pick and choose from. Unfortunately, the issues are so much a part of overall operations that separation is impossible.

I will share that when my division was sold, the sales price was about 12 times EBITDA (vs. an industry average of seven times) because of the value added through mentoring activities and the perception the division created in the marketplace.

**Owner/CEO Privately Held Chemical Additives Co.**

The owner is the second-generation owner/CEO of his company. The company’s survival was in jeopardy when their largest customer was acquired by a company with a long-standing relationship with the owners’ primary competitor. The revenue loss put the company at negative cash flow even after the owner took action to reduce costs.

The owner knew his business and had excellent leadership instincts. However, he believed he was, in addition to CEO, the CSO (chief solutions officer). This isolated him in his decision-making. The owner hated conflict and avoided it at almost all cost. He also found public speaking to be very difficult.

In the owner’s case, the lost customer caught him by surprise. But, he was determined not to let that happen again. He knew the answer was to have many more customers so as not to be so dependent on any one customer. The concern was could his organization handle the additional workload and still maintain their high level of customer service and product quality?

The owner really had two problems: getting the organization prepared for the larger customer base and improving his leadership skills in the area of conflict resolution and communication.

With some coaching the owner shared his vision of a larger customer base and his fears with the organization. Through a series of seminars and workshops, the management team learned about alternative organizational structures. They settled on one and went about the restructuring, becoming more market driven without losing their customer focus or manufacturing quality.

Their customer base increased significantly over the next few years. Then the Great Recession of 2008 hit. The owner’s business was affected as were most in his industry.

This time he framed the situation for his management team and provided guidelines for keeping the business going. Then he let the management team come up with their solutions to meet his guidelines. They have made the changes necessary to weather the storm and accelerate to even greater success as the Up Cycle started.

The CFO tells me the owner has become more confident as a leader. By sharing the business’ problems with the organization, he finds communicating is easier.

As a footnote, the owner has retired from his chief solutions officer position. Next month, we will visit specific customized mentoring programs. **CW**

*References*

1. Mercer’s 2011 “What’s Working” survey of nearly 30,000 employees.
2. McKinsey Quarterly, December 2008.

**Successful Strategies for Decision-Makers**



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