

Leadership Academy

for Leadership, Innovation & Recovery

MOLIE: Volume 2 Issue 3

South East Leadership Academy Newsletter

May 2010

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1. Editorial

One of the dominant discourses in western thought is that Man has overcome and now dominates Nature. Then along comes a volcanic eruption that brings air travel in Europe to a complete halt. Yet another lesson (if we needed it) that leadership cannot be about setting heroic long-term strategies. The world is so turbulent, that effective leaders are responsive to short time horizons, and are skilled at reacting to change. When the dust has settled (literally) we will have opportunities to reflect on how European leaders have responded to the current crisis. The contributions in this edition of the MOLIE were written before Icelandic eruptions, but nevertheless, offer an eclectic range of interesting, and sometimes challenging, perspectives.

Tessa Hood (Make an Emotional Connection) shows us how, in these difficult times, we need to be much more aware of how we market ourselves (to the marketplace, to peers and to our employers). The key is connecting to the market at an emotional level. Tessa offers a wide range of practical approaches for achieving this.

Sue Zablud (Mentoring across Organisations: The Ultimate Corporate Duet.) discusses an important but, as yet, fairly underutilised approach to mentoring. Mentoring is a helping strategy that is usually conducted between two people working in the same organisation. Sue, however, shows how a cross-organisational mentoring system gives mentees access to mentors with a broader spectrum of experiences.

David Klaasen (Financial Intelligence) offers us a vital insight into the importance of learning the basic principles of financial awareness. In these difficult times, managers need to be able to make a sound business case that is backed up by solid numbers and key financial indicators. Financial intelligence means being able to demonstrate how you are adding value to the business.

Alison Branagan (Pathways to Innovation) offers some practical guidelines on intelligent design and creative thinking. Mind mapping, for example, is an imaginative way of projecting ideas. Not only can it be used to plan projects, connecting seemingly unrelated information can unlock the secrets of creative thinking.

Christina Hartshorn (Leadership for Innovation) describes SEEDA's Leadership for Global Competitiveness (LGC) project, an important initiative, the aim of which was to bring together institutions of higher and further education, private sector providers and public business advisers, to increase the effectiveness of business support (to SMEs). The three strands of the LGC included the first phase of the Leadership Academy and the launch of the MOLIE (this newsletter).

Leadership cannot be about setting long-term heroic strategies.

Learning from the project included the publication of case studies of innovation (see link in Christina's article) and a detailed evaluation reported by Rebecca Allinson (Leadership for Global Competitiveness). The research (and a fairly rare example of the impact of leadership training actually being measured) points to the success of the project, with respondents reporting improvements in knowledge flow and overall gains in productivity.

Finally, don't forget our forthcoming event: on 27th May, the Leadership Academy is teaming up with the International Foundation of Action Learning to run an event during where you will personally experience the power of action learning.

David Gray (Director, Leadership Academy)

2. "Generating the Upturn: Review of 16th April event (hosted in partnership with Royal Holloway, University of London and Leadershape.)

Chris Howorth - Deputy Dean of the Faculty of History and Social Sciences, Royal Holloway University of London

Greg Young – Co-Founder and Managing Director Leadershape Ltd

Royal Holloway, University of London hosted the most recent Leadership Academy event on 16 April 2010 'Generating the Upturn: Rethink, Redesign, Revalue or Revert'. Now that we have officially exited the recession we were able to explore both how the current recession came about but also engage with ways in which businesses can accelerate their recovery from the financial crisis and avoid future shocks.

The event was organised in partnership by Leadershape and the School of Management at Royal Holloway, University of London and drew on the knowledge and experience of a range of professionals and business leaders to provide academic and practical insights into dealing with ambiguity in business.

The keynote speakers at this event were Paul O'Neil, Chief Executive Officer at International Financial Data Services, and John Peters, who came to the world's attention in January 1991 when as a POW his bruised and battered face flashed onto television screens around the world. John has written two best-selling books on his experiences and won Independent Documentary of the Year and is a BAFTA Award Nominee. In his keynote address John used illustrations of demographic change, especially population growth, and resource depletion to argue that the financial crisis and recession were symptoms of the need for radical change in the way in which we organise work and consumption patterns. John challenged the audience of over fifty consultants and business leaders to consider what they are now going to do differently.

Paul O'Neil, who has over thirty years of financial service experience, discussed how, whilst market conditions and regulation, in particular, have changed significantly for the foreseeable future this creates opportunities for businesses that embrace the changing marketplace. Paul provided a number of examples of ways in which business had changed in his own sector and challenged the audience to think how they might engage in such thinking themselves as consumers search for trusted and stable partners and seek to simplify their business models. Commenting on the success of the event Paul said: "The enthusiastic participation by the audience is a credit to the workshop forum. Everyone was engaged and seemed excited to be part of the program. I believe we all learned from each other."



"Everyone was engaged and seemed excited to be part of the programme."

The opportunity for business people to engage with the question of future planning came through participation in sessions facilitated by LeaderShape which focused on the sharing of practical tools for businesses to equip them to act both nimbly and pro-actively in an uncertain environment. Greg Young from LeaderShape said, "We designed these sessions to be highly interactive encouraging the cross fertilisation of knowledge, ideas and experience. The approach paid off with a high level of engagement and some very positive feedback from people who derived real benefit from the sessions".

Chris Howorth, Deputy Dean of the Faculty of History and Social Sciences at Royal Holloway and co-organiser of the day said, "This event provided the business community with vital insights and advice during this period of change. The day was a successful example both of business and research intensive universities working together and of government funding being used to aid organisations out of the recession in a truly constructive way. In working with Leadershape to design this event we hoped to ensure that the day would be able to deliver clear benefits to the business community and that we would be able to experience collaborative rather than didactic learning. The result far exceeded our expectations and I hope that the Leadership Academy and its partners will be able to build upon this going forward."

David Sweeney, Director for Research, Innovation and Skills at HEFCE, added, "This is an excellent example of collaboration between universities and business. It is heartening to see positive and beneficial interaction between business and academic communities to enhance economic growth."

3. Making an Emotional Connection

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Have you ever considered that you're for sale? Just as much as the goods and services that we buy from others, we all have a brand. We all have to market ourselves, in our own smaller arenas, very similarly to the way that massive global brands market themselves in order to be 'bought' in their own arena. People 'buy' people on a daily basis, and in order to be bought we need to be trusted and respected - it therefore makes sense to market ourselves in an empathetic way to be perceived, authentically, as having a promise of value and allowing people to make an emotional choice to work with us.

So it is interesting to see that huge global business such as Nike, Apple, MacDonalds and Disney are breaking through the recession by offering personal, tangible experiences to promote themselves through a two way emotional connection that links them to their customers' feelings instead of a more direct one-way approach.

Nike have increased their brand value by 4%, as seen in [Interbrands 'Best Global Brands 09' award](#), through teaming up with Apple to deliver the [Human Race](#) an event where everyone entering will run locally but will be linked globally through the Nike+ Running System.

14,000 people arrived in Trafalgar Square to sing 'Hey Jude' through [I Mobiles](#) flash event, and Disney are developing their [Disney Fairies](#) enabling fans of Tinkerbell to become fairies themselves. McDonalds also are retrofitting their [McCafe](#) coffee shops to make them connect on a more emotional level with their customers. All these huge companies are well aware of the emotional connection they must achieve with their clients in order to build business and brand awareness.

So how can you make an emotional connection with your marketplace, your peers or your employers?

"This event provided the business community with vital insights and advice during this period of change."



- Know exactly *why* people ‘buy’ you. What is it they say to you that they like about you? Is it that you’re always willing to help, willing to meet them half-way, enjoyable to work with, really know your stuff, and is it on that basis that they are more than willing to recommend you to their associates?
- Trust is a huge part of people’s decision to buy and it is earned on multiple levels multiplied by many interactions, and your market place will shun you if they don’t ‘get’ what you are and how you provide your expertise. Be resonant with your market and don’t allow any dissonance to creep in.
- Do you make it virtually impossible for someone to deny you work after they have met you? Do you leave them curious about your service and how it could help them or their business to progress? Maybe they want to set up another meeting or see some examples of your work, whatever, help them feel their interest on a personal level.

Show your marketplace that what you do connects on a truly emotional level with you. That you are passionate about your service and believe,

- Authentically, that it will help them to achieve more than they had hoped. Negativity or blandness will only block your opportunities.
- Deliver your reputation for doing consistently ‘what it says on the tin’, gain a reputation for being relevant and invaluable to your clients.
- Show examples of how you have helped others to raise their game through your intervention. Here’s an example of how that input has impacted my own clients: I worked with an IT company Owner/Manager who had no connection whatsoever with his company’s clients, he worked continually in the back office on software development and had no idea of how to lead from the front, leaving ‘all that’ to his team – we worked on his more ‘business-ready’ personal style, started to build his reputation with the media as being an expert in his field, developed his professional network, and, subsequently, his improved overall reputation as being likeable, proactive and at the cutting edge, tripled his income within just a few months.
- Make sure that people are very aware of all that you bring with you, you may be comfortable in what you deliver, but others may not be aware of the extra value you are adding that they hadn’t considered. People love to get more than they expected!
- Make sure that everything you do, write, deliver, and action has at its base your core beliefs and is always a reflection of how you want to be known – as “the person to go to”. If people believe they will buy.

So, as the ‘Compare the Meerkat’ would say, “It’s simples!” – build an emotional connection, be memorable, be liked, give added value and make friends with your marketplace.

About the Author:

Tessa speaks to MBA Business Schools, Global Banks, Professional Services, Retailers, Consultants and Entrepreneurs about their Personal Brand and their Reputation Management. She has been a leader in this field in the UK for the past 8 years.

If you would like to receive a free copy of Tessa's ebook on how to develop an authentic Personal Brand, then drop her an email at tessahood@changinggear.net and she will be delighted to send one to you.

Trust is a huge part of people's decision to buy.



4. Mentoring across Organisations: “The Ultimate Corporate Duet”

Sue Zablud

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Dating back to the time of Homer’s *Odyssey*, the notion, purpose and role of a ‘mentor’ has become part of our social and professional vernacular. Over time, many organisations have formally and informally incorporated the concepts of mentoring as a way of developing their talent and ensuring that valuable knowledge is filtered through the ranks. It is now recognised that mentoring is a career support process that can grow workplace effectiveness of not just the protégée/mentee but also the more experienced mentor.

Human Asset Development Group (HADG) is one of the leading facilitators and managers of mentoring programs and has taken the traditional internal corporate mentoring framework to the next level. HADG has created a mentoring model that connects mentors and mentees from outside the confines of their own organisations. The facilitation of this “ultimate corporate duet” spans organizations, hierarchies and geography.

Within the workplace, our role models may walk the same corridors or sit in the same office space, but the wise counsel and support we seek is not exactly a conversation you want to strike up in the elevator. Mentoring within organisations is the system of formalising a link between two people with a focus on knowledge transfer, effective communication and personal growth. The responsibility of the mentor is to provide an opportunity for the mentee to explore their goals and have conversations that add value to them in growing their competencies, networks and confidence. The benefits and successful outcomes attributed to mentoring programs are highly tangible and proven. However, in this day and age, the need has grown for both mentors and mentees to explore outside of their corporate cocoon and develop additional avenues for thought provoking conversations.

The notion of drawing corporate mentoring pairs from a broader pool of talent came from a pilot mentoring initiative conducted at a prominent Australian university. The pilot program matched students with alumni who were diverse in their experiences and career paths, but inextricably linked by the shared learning environment of the university. HADG’s Director, Sue Zablud who was involved in this program saw that there was enormous potential in creating a cross-organisational mentoring framework.

The opportunity arose to explore this potential when an enlightened group of in-house lawyers in Victoria, Australia went searching for a mentoring program for their members. They wanted to focus not on just building their technical legal skills but on developing their overall excellence as in-house legal practitioners working inside a diverse range of corporate and organisational settings. So began my journey with the Australian Corporate Lawyers Association (ACLA), firstly with the Victorian Division and their pilot program in 2005 to a program that now runs nationally for ACLA and to date, has involved hundreds of participants. HADG also works internationally with professional associations, universities, vocational colleges and other organisations on the planning and implementation of both cross-organisational and internal mentoring initiatives.

The structured, yet flexible process HADG developed to support this new breed of mentoring conversations, provides tools and a framework that are helpful in setting achievable goals and allowing the mentor to contribute a broader insight into the challenges facing their mentee.



Within the work place, our role models may walk the same corridors or sit in the same office space.



The characteristics of a mentor and a mentee are easily defined. The role of the mentor is two-fold, not only can they provide wise counsel, drawing on their own experiences, they can also incorporate coaching techniques to assist the mentee to identify their goals and find pathways to achieving them. The mentee is responsible for taking the initiative to start the process and to ensure it meets their goals for the mentoring partnership. The mentor and the mentee take equal responsibility in the process. The flexible and fluid space within the framework results in a mutually advantageous experience, allowing both parties to explore and develop their professional and personal aspirations.

There are four key critical components to the cross-organisational model that have proven to maximise outcomes:

1. Consultation
2. Training
3. Matching
4. Tracking

1. Consultation involves working closely with the sponsoring organization, for instance a university or professional association, to identify the aims of the program and to establish a dedicated team of mentoring advocates to drive the initiative.
2. Training is required for the mentoring relationship to work effectively as mentors at least must be provided with adequate training and resources. This has proved pivotal in the success of the mentoring relationship.
3. Matching is an “art” not a “science”, so it essential for mentors and mentees to be matched appropriately by an external facilitator based on information gathered through in- depth conversations and formal processes.
4. Tracking of the mentors and mentees needs to be conducted by the external facilitator throughout the mentoring relationship. This process ensures that both the mentors and mentees have a support system in place and the organization has an accurate channel for reporting.

Outcomes to date indicate that mentees gain valuable insight into the corporate dynamics of other organizations and learn strategies to work more effectively in their own organisations. They also enjoy the freedom to explore career management options that may run counter to their own organisational succession plans. Mentors on the other hand report that they valued learning about the challenges facing up and coming talent and the connection with a community of mentors who are often tackling common issues.

Cross-organisational mentoring is becoming an increasing pivotal part of the professional development process. Many now view internal and cross-organisational mentoring on par with compulsory professional development requirements. The advantages of cross-organisational mentoring are that it provides exposure to a broader spectrum of experience and opinion. This external sounding board has become invaluable as a platform for continuing professional development, proving that cross-organisational mentoring is the ultimate corporate duet.

About the author:

Sue Zablud, Director of Human Asset Development Group, www.hadg.com.au is a highly respected international provider of mentoring, executive coaching and career management programs. Sue played a key role in the establishment of a mentoring program that linked local and international alumni and students of a prominent Australian university and currently leads national mentoring programs for corporate lawyers in Australia and North America.

Cross-organisational mentoring is becoming an increasing pivotal part of the professional development process.

5. Financial Intelligence

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Certain uncertainty

Underperformance can no longer be tolerated and lack of financial awareness is no longer a valid excuse. Managers who say “I need more resources” without a valid business case, backed by solid numbers, are getting tough and often unsympathetic questioning by Directors. We now need to be able to justify the salaries of our teams as well as our own. In the boom years many managers got by with ineffective techniques and poor communication because sales were good and the money rolled in. Now the pressure is on and many are feeling the steely eyes of the Directors scrutinising everything and everyone’s impact on the bottom line. Those without the ability to state a strong and valid business case will flounder.

The prospect of a hung parliament, a double dip in the economy and massive cuts in the public sector mean that there is certainly a lot of uncertainty ahead. Even the most learned economists are at loggerheads about what to do and when to do it. This is creating a prolonged requirement to re-evaluate every aspect of the business and managers play a critical role in supporting it.

The trouble is that most of my clients are complaining that their managers are not supporting people at every level in the business to recognise the need for increased efficiency. The very nature of more stringent analysis of performance and managerial effectiveness is making a lot of people very uncomfortable, and management skills are under the spotlight. Managers are now required to take an entrepreneurial approach. This means looking at their department or division like a business that they own. However it is exposing a massive gap in awareness and intelligence.

What is Intelligence?

I’ve always had a problem with the word intelligence. I once got a ‘D’ in English when I was a boy and it made me feel completely and utterly stupid. At the time I didn’t realise that growing up bilingual (we spoke both English and Dutch at home) made certain aspects of writing and spelling rather confusing. For starters the alphabet is pronounced differently in each language, so spelling was a nightmare and concepts like syntax and grammar didn’t make much sense because they applied very differently to each language. It took me a long time and a lot of self-study to figure it out and what I developed was a relentless search for understanding and joy in discovering how people learn.

A few years ago when I was studying the psychology of learning, I was delighted to come across the work of Howard Gardner of Harvard University. He identified 7 types of intelligence: mathematical / logical; linguistic; visual /spatial; physical; musical; interpersonal and intra-personal. This made so much more sense to me than the now often discredited narrow definition of an ‘Intelligence Quotient’ (IQ).

We all have particular preferences and intelligences that help us to learn and make sense of the world. If we are wise, we exploit them and develop a career around the particular intelligences that make most sense to us. This helped me to understand why someone like David Beckham can be a genius with a football, and building an empire with his personal brand, but is not particularly articulate when he speaks.

We now need to be able to justify the salaries of our teams as well as our own.



So what is intelligence? Well, when in doubt I like to reference the Concise Oxford Dictionary because it gives the etymological roots of the words, i.e. where they originate from. The word intelligence is made up from 'Inter' (between) and 'Legere' (read) so in simple terms it is about the ability to 'read between the lines'.

When I first saw that, I got very excited because it gave me hope. That 'D' grade for my English exam no longer bothered me, because I knew that I was often able to read between the lines and make sense of quite complex situations. This is especially the case when there are a number of people involved, each with their own agenda, and where tension is high and each person is speaking but not hearing what the others are really saying.

Don't ass-u-me (avoid making an Ass of U and Me)

Where do you find it easy to 'read between the lines'? We all have our preferences and it is useful to know what our preferences are and how they may differ from those of others with whom we work. What makes 'common sense' to you may well be bewildering to others. Yet it's easy to assume that 'Everyone must know that'.

In the last 6 months I've frequently had to discuss performance measures with Management Teams. This means exploring the key indicators that show the business is going in the right direction. For example, in financial terms it means looking at Gross Margins and Net Profit. On numerous occasions when I've asked what the difference is between the two, the Managing Director has looked at me aghast as if to say "don't patronise us". But I often get blank looks from the managers or they shuffle uncomfortably, looking down hoping I won't ask them personally to explain it. This is usually a big surprise for the Managing Director, they assumed that all managers would know it.

It's this common experience that makes me want to add another 'intelligence' to Gardner's list: Financial Intelligence. The ability to read between the lines of the Profit and Loss accounts; to see the relationships between the cost of people's efforts (labour costs) and getting a job done on time and within budget (margins); to recognise the economic arguments for delegation and training. Business Investors have high Financial Intelligence and are increasingly looking at the skills of the management teams who are running a business before deciding to invest. Providing you have a sound business model, the management team is where the real value is (or fails to be). How does your Management team measure up? How does your own Financial Intelligence measure up?

Making it relevant

The turnover figures that most of my clients have are in the £1 - £10 Million bracket. That means that they usually talk in hundreds of thousands when discussing budgets and targets. For many managers these sums have little bearing on their salary and they find it difficult to relate to them.

I now regularly compare the Business Turnover to their salary and discuss how they divide up their salary to cover the basics like mortgage or rent, utilities, food, clothing, school / college fees, and what is left for entertainment / holidays / savings (or paying off the Credit Cards). Then explore the difference between fixed and variable costs, break-even points and profitability. More often than not, this is a revelation and managers say that they want to understand a lot more about it, but they are often too embarrassed to ask.



What is intelligence?

It is no longer possible to afford the luxury of having passengers on board.

It is also important to recognise that many people have a phobia about maths, and seeing spreadsheets or tables full of figures puts them in a state of overwhelm and stress. It is far better to illustrate the finances in simple graphs, especially to start with. Making a distinction about the difference between 'Data' and 'Information' is also useful. It is the senior manager's responsibility to explain what the tables of figures (data) mean so people can relate them to the jobs they do, the actions they have to take and the targets they have to achieve (information).

Managers also need to have the ability to explain these basic concepts to staff. Without knowing how to save more and how to be creative about being more efficient, everyone's job becomes at risk. It is no longer possible to afford the luxury of having passengers on board. Everyone needs to contribute to the best of their ability and demonstrate how they are adding value to the business. This requires the development of Financial Intelligence.

There are now a number of exercises and games that help people learn the basic principles of financial awareness and to understand the relationships between budgets, costs and income. If you would like to discuss how to increase the Financial Intelligence of your managers and your people, why not drop me a line at David.Klaasen@InspiredWorking.com or give me a call on 07970 134964 for a no-obligation chat?

6. Leadership for Innovation: Realising business value for competitiveness and growth

Christina Hartshorn, Head of Enterprise and Competition, South East England Development Agency
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Innovation is important; especially now. A number of critical challenges are being faced in the UK and across the world; the economic downturn, globalisation, the technological and knowledge revolutions, cultural convergence and climate change are all issues that need to be addressed. These changes mean that innovation is not just desirable but essential to survive in an increasingly competitive world.

The challenge for the South East of England is to maintain its competitiveness in the face of intensifying international competition. Innovation is key to economic growth and development, critical to business performance and productivity gain and is the catalyst and fuel that drives productivity, growth and wealth creation. In this publication we show how leadership support has helped businesses become more innovative.

The South East England Development Agency's (SEEDA) favoured view of the knowledge economy - the global milieu of the 21st century – is 'the capacity and capability to create and innovate new ideas, thoughts, processes and products, and to translate these into economic value and wealth'¹. This tenet has been central to successive regional economic strategies.

Innovation is defined as: 'the successful exploitation of new ideas'. This implies not just the invention of a new idea, but it being 'brought to market', used, put into practice or exploited in some way. It can lead to new products, processes, systems, attitudes or services that improve something or add value¹.

Inventive leadership and management skills are crucial in ensuring that business owners embed innovation as a core business activity. These become more important as the South East increasingly has to compete on the basis of knowledge advantage.



*Evaluation suggests LGC
has been extremely
successful.*

So when business owners or managers lack the confidence or know-how to innovate – to develop new products, services, markets, systems – and to keep innovation at the strategic core of their business, the economy as a whole can be held back. Research shows that half the variance in business performance can be accounted for by leadership; 15% directly influenced by leadership and 35% through the leaders' choice of business strategy¹.

In 2006, SEEDA began to pilot new support mechanisms that ensured business owners, entrepreneurs and managers could access the leadership and management skills they needed in order to innovate and thus grow successful businesses. Leadership for Global Competitiveness (LGC) was an initiative that brought together all relevant economic partners in the region; business owners and managers, academics, publicly funded business advisers and independent leadership and management development providers. Support, guidance, coaching and many other types of assistance helped business leaders and managers create innovation-led value in their companies.

Universities and colleges, private sector providers and public business advisers had all worked individually for many years with businesses. The concept behind LGC was to get them to work together using international good practice to increase their effectiveness in supporting business owners and managers.

There were three strands to the LGC initiative which ran from October 2006 to March 2009:

- Leadership Advisory Service, with a dedicated team of Leadership Specialist Advisers (LSAs) who built on the work of other advisers, including Business Link
- Leadership Web Portal, providing advisers with access to current research and e-learning support
- Leadership Academy, promoting collaborations between providers, academics and advisers in the region to develop and share knowledge of leadership for innovation.

Evaluation suggests LGC has been extremely successful; businesses increased or safeguarded their turnover and productivity, with most companies considering that the changes made as a consequence of their participation in LGC will be long term with sustainable benefits.

The success of this initiative was due to the many collaborations that happened over three years. Businesses increased turnover and profit, academics and private development companies created new knowledge about the links between leadership and innovation and shared that knowledge as a community of practice through workshops and a quarterly newsletter. All the partners agreed that case studies about the journeys undertaken by businesses engaged in the initiative would take the learning to a wider audience. This publication aims to share that learning, with input from the businesses sharing their stories and journeys and the practitioners, advisers and academics sharing their commentaries. Its purpose is to help business support organisations, universities, leadership practitioners and policy makers engage more effectively with business owners, entrepreneurs and managers in the challenge of releasing innovation-led value from businesses.



Each case is designed to demonstrate the interdependence of quality leadership and innovation. They provide examples that show in depth the range of leadership interventions that work for business leaders. This will give insight to both business intermediaries and those studying small business strategy and practice. In addition, we hope that this publication will provide a valuable resource to inform policy and help develop quality leadership support and learning interventions. To access the Case Studies, click http://www.seeda.co.uk/documentbank/leadership_for_innovation_case_studies.pdf

It is inspiring to see how small and medium enterprises in the South East region are responding to the recession. The case studies we have developed show the pivotal relationship between leadership development and innovation and the impact of this on the owners and managers, the customers and the productivity of the business.

¹ Huggins, R, 2001, Global Index of Regional Knowledge Economies: Benchmarking South East England. Final Report for SEEDA

¹ The Innovation Unit, What is Innovation? <http://www.innovation-unit.co.uk/about-us/what-is-innovation/what-is-innovation.html> accessed 11/08/2009

¹ Bowman and Helfat cited in Isaksen S and Tidd J, 2006, Meeting the Innovation Challenge: Leadership for Transformation and Growth, Wiley

7. Leadership for Global Competitiveness: Exploring the link between leadership skills and innovative capabilities within SMEs in the South East of England.

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The research looks at the enhancement of innovative capacities in SMEs in the South East of England who received mentoring and training for leadership.

Technopolis has published a number of papers on the absorptive capacities of SMEs building on R&D and innovation literature (Wesley Cohen, Daniel Levinthal, 1990). Literature shows that leadership is one of the most important factors that influence employees' creative behaviour (Elenkov & Manev, 2005; Jung et al. 2003, 2008; Mumford & Gustafson, 1988). A DTI study (2005) identified management and leadership skills as being of particular importance for all types of innovation.

This work forms part of a wider evaluation of the Leadership for Global Competitive project (LGC), funded by SEEDA. It explores the changes in business performance as a consequence of embedding new leadership skills within senior management. A paper based survey of 87 beneficiary SMEs was undertaken.

The survey covered issues of level of support (companies received a maximum of four days support and an optional grant of up to £1000 for further training); types of support (diagnostics, development plans etc); levels of change in capacity and know how (increased confidence and trust, better understanding of leadership and innovation, skills, organisational structure, access to external information, vision and strategic direction of the company etc). Measurements of improved performance, leverage of internal funding and employment were also collected and adjusted (taking into account issues of additionality, displacement, and deadweight).

It is inspiring to see how small and medium enterprises in the South East region are responding to the recession.



Results: The results showed a positive change in both internal and external mechanisms of organisation and knowledge flow within the SME participants. There was an overall positive effect on productivity with 52% of the respondents indicating that the productivity of their company had increased significantly or marginally as a consequence of the programme. Those who took up the grant showed even greater returns on investment.

Implications: In times of economic downturn, business positions have been safeguarded in terms of turnover and jobs, and there has also been growth. Many SMEs considered that the intervention had improved their competitiveness. The limitations to this research include the short time scale between intervention and evaluation, for example, 42% of beneficiary respondents indicated they were unable to yet comment in the impact of LGC on company competitiveness.

Leadership skills are becoming increasingly important as a clear mechanism for step change in SMEs, especially in terms of innovation. Measuring and documenting the types of change in management and leadership gives more insight into the processes that SMEs go through in learning new skills and embedding these skills in the organisation. The current national policy approach on Leadership and Management (the new Leadership and Management Advisory Service, investing £90 million up until 2011) mirrors the approach taken by the LGC project (although with a shorter intervention). The approach taken by the LGC project demonstrates that a combination of the specialist input plus further training yields the most effective results. The results from this research can be used to help shape the service offer of the national programme supporting leadership and management intervention and provide evidence of good practice in delivery mechanisms.

A link to the full paper can be found here: <http://www.technopolis-group.com/resources/downloads/articles/abstract>

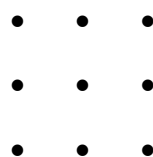
8. Pathways to Innovation

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This is a credit crisis, not a creative crisis.

John Galliano
British Fashion Designer, 1960 –

In 1969, incidentally the same year of my birth, Professor John Adair coined the phrase ‘Thinking outside the box’.



I am sure most readers familiar with creative thinking know this exercise well. Where the problem is posed, how to connect all the dots by four straight consecutive lines? (If you don't know the answer, then I suggest purchasing his book, 'Decision Making, & Problem Solving Strategies' and turn to page 76).

Leadership skills are becoming increasingly important as a clear mechanism for step change in SMEs.



Business leaders and managers often feel uncomfortable with the word 'creativity' and prefer to use terms such as 'innovation', 'R&D', 'brainstorming', or 'problem solving'. As approaches to creating new products, generating interesting ideas, or finding new ways to save time, money, and resources. Creative thinking is a huge topic to explore in a short article, so I will attempt to focus on two main areas that are crucial for all businesses to adopt in these difficult times. These are the importance of 'design' and the exploring the value of 'mind mapping'.

Exploring how design can improve your business

The first area 'design' by which I mean being able to use intelligent design to create more efficient systems or a more conducive environment for yourself or employees. Most people associate the word 'design' automatically with the visual arts. However, the substance of design is originated from a period of research, experimentation and analysing of results. Whatever the size of your business, all kinds of problems can be solved through better application of a consistent design process throughout all areas of business function and activity.

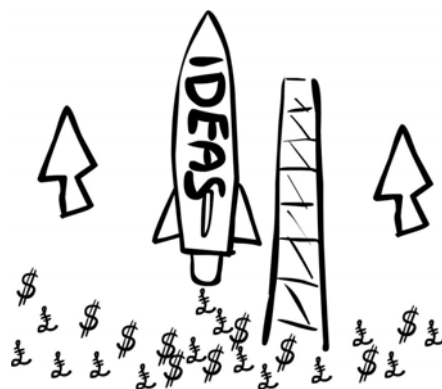
A good example of design for application can be accessed by visiting the Helen Hamlyn Foundation's portal on the Royal College of Art's Innovation portal. The research showcased has been undertaken by postgraduate design students, www.hhc.rca.ac.uk. Explore previous students projects in the 'Knowledge Transfer' section, click on the link in the New Graduates paragraph.

How design ideas can work in practice

Over the years I have always been struck by the over complicated systems organisations use or the chaotic milieu in which they operate in.

Being able to design efficient system requires in equal measure, analytical and creative skills. Many businesses just allocate quite complicated tasks to employees who have no in depth knowledge of education, behavioural science, or design. The result is often badly designed paperwork or procedures, which chokes the working day, causing stress and confusion. These factors can eventually contribute to the destruction of staff morale.

A simple change any manager can make is to investigate areas such as colour coding. In a college I worked for there were a large number of classes being provided. For each course they would place all the instructions, passes, and paperwork in about 1000 brown envelops and then distributed them to three different buildings. Mistakes were continuously made, which wasted time and caused staff to become exasperated.



My suggestion was to replace these envelops with translucent plastic A4 wallets issued in three different colours. This solved several problems. Firstly, administrators knew which wallets were required to go to which building. Secondly, the translucent nature of the plastic meant errors were minimised by being able to see all materials were enclosed. Thirdly, the wallets were reusable and therefore ecologically sustainable and cost efficient.

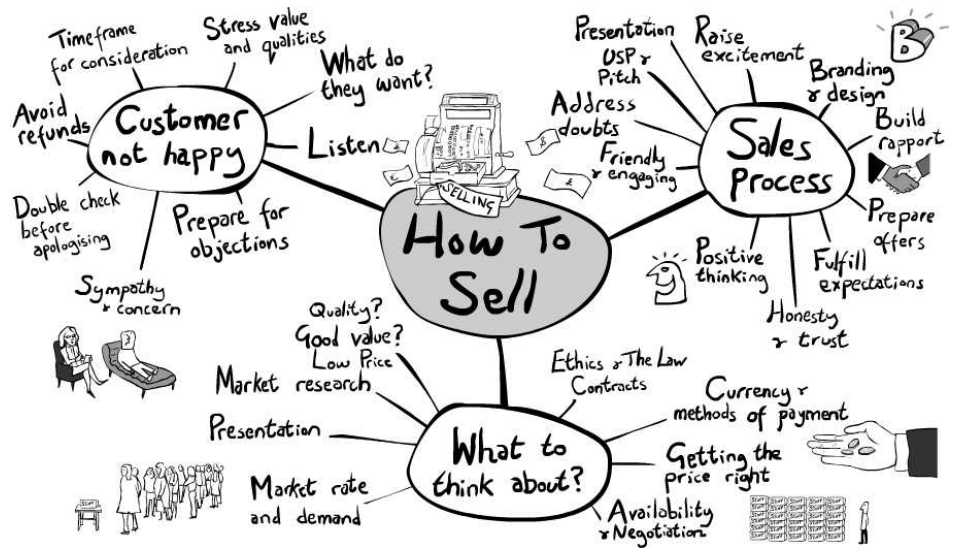
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In these difficult times, when banks are not lending and custom has taken a downturn, learning to be more ingenious is vital. I am sure everyone who reads this article, is thinking about how they are going to cope with fewer resources. These topics, plus a number of creative thinking exercises are discussed further in my book *'Making Sense of Business'*.

Making use of mind mapping

You don't need to be a professional artist to draw a mind map.



Mind Map - explaining 'How to sell' from *'Making Sense of Business'*

The Mind Map can be applied to every aspect of life where improved learning and clearer thinking will enhance human performance.

Tony Buzan, psychologist and author, 1942 –

Mind maps have been made famous by Tony and Barry Buzan, authors of various books that explore learning and thinking skills.

My own mind maps which have been recreated as illustrations by illustrator Tim Bradford. The reason why I make use of illustrators in everyway possible is that they can create an imaginative interpretation of the most cack-handed doodle.

You don't need to be a professional artist to draft a mind map. My original maps are more like spider diagrams than narrative images. However, employing designers to recreate polished versions of rough maps can improve the presentation of your thoughts to an audience. There is now software available to make mind maps on your computer, www.Mind-Map.com. However, I think to begin with it is far easier to start a mind map by using a piece of paper and a pencil.

The important thing is that you use mind maps to improve your thinking and communication skills. There will be always members of teams that find difficulty in summarising or structuring information in an understandable way. Some people are over specific and include far too much content in their explanations, with the result that the audience or reader can't understand the message, as it is lost in an information overload. Alternatively there are other people who are skilled in being able to give a general overview of a project, but can't grasp important details, which could derail a project later on. To achieve a balance by using an instrument of creative thinking, such as a map, can help solve information processing problems such as these.



What is the point of mind maps?

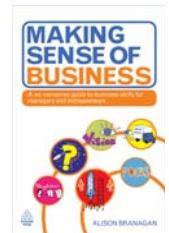
Many businesses and managers present reports, plans and reviews using the written word, and if you are lucky the odd bar or pie chart. PowerPoint can if composed of endless slides of bullet points and uninspiring Excel charts can simply just bore people to death. Like moving a wallpaper of facts to remember, no one will be able to absorb and make sense of it. If you can use mind maps, or imaginative ways of getting data or instructions across, then your audience will be more informed and engaged with the process.

Some businesses or project plans for instance, can be a long list of procedures, instructions, and sequence of activities. A mind map with a number radiant lines and ending in circles or motifs can get across a large quantity of information simply by using one slide. It acts not only as a visual summary but also as a tool so an audience or reader can gain at a glance an overview of a complex situation or proposal. Mind mapping can be carried out as an individual activity or with a team. It can be used to plan or explain projects, understand the relation or relevance of activities, and most importantly helps people to remember a large amount of information in one go.

Being able to make connections between seemingly unrelated bits of information is the secret to creative thinking. From making a connection creative ideas and solutions will come.

About the author:

Alison Branagan is an author and business consultant, specialises in artists, designers, photographers and other creative professionals. She has studied different approaches to teaching business enterprise skills. She is currently a specialist adviser at Hidden A recently written a book "Making Sense of Business."



Illustrations provided by Tim Bradford © 2009

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9. Comments/Suggestions

Please let Bethany know if you have any suggestions or comment about the MOLIE on 01483 683495 or b.d.james@surrey.ac.uk.

The next edition of the MOLIE will be distributed in June. If you would like to have an article included in this edition, please send it to Bethany **no later than the 21st May 2010**. Articles should not exceed 1200 words and be related in some way to leadership and/or innovation.