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THE CHANGE CHALLENGE.....A Newsletter About Change

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Issue: 17



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Welcome to the Change Challenge Newsletter

Dear Eric,

Leadership is touted as a highly desirable executive skill. But is it possible to have too much leadership? That's the subject of this month's feature article titled: "*Too Much Leadership, Too Little Management.*"

The Leading Change article this month, titled "*Negotiating Execution,*" reminds us that excellence in execution is built on clear commitments developed through negotiation and appreciative inquiry.

This e-letter also contains the fifth topic in the Future Changes series titled: "*Economies Are Interdependent.*" Global interdependence in the current recession has been widely recognized, but what if we're just in the embryonic stages of how tightly coupled world economies are likely to become?

Your recommendations to make this e-letter more helpful would be valued highly via return email or The Change Blog at www.dickstieglitz.com.

Sincerely,

Dick Stieglitz, PhD

Feature Article

**TOO MUCH LEADERSHIP,
TOO LITTLE MANAGEMENT**

After his election victory, President Obama was widely hailed as a visionary leader who would deliver meaningful change. Expectations soared as people chanted: "Yes we can!" But what do the first seven months of his presidency tell us about leadership and change? Perhaps we aren't as gung-ho about change as we once thought. Perhaps the level of risk we are willing to accept to accomplish change has *changed*.

No matter how the current economic crisis started, watching our homes lose trillions in value and

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**Looking to balance
leadership &
management in your
organization? Taming
the Dragons of
Change can help!**

our retirement plans fall to half their value has diminished our appetite for change. Our tolerance for bold innovation evaporated roughly six million lost jobs ago. As citizens, we are changing our behaviors to spend less and save more, and are increasingly worried that the government is spending too much. So worried that we would rather not have another economic stimulus even if it means a slower recovery from the recession. We aren't so sure about policing the world in far-away places - the Afghanistan war is looking more like the Iraq quagmire every day. We want to improve the health care system, but not if it adds to a trillion dollars to a run-away annual deficit. Reducing global warming also sounds like a good idea, but let's slow down and get it right the first time. "Yes, we can" was an invigorating chant a year ago, but what if we can't? Or worse yet, what if we shouldn't?

President Obama seems to have relinquished management control of health care reform, climate control, and energy policy to Congress. He is more comfortable marketing grand visions than with the messy details of managing change. Managing change is hard - and in government it's really hard! Even when he issues directives to implement campaign promises (closing the terrorist prison in Guantanamo, for example), nothing happens until someone comes up with an executable plan, negotiates compromise, and pays attention to the details - in short, old-fashioned management execution. Implementation of the "Cash For Clunkers" program is another example of a good idea poorly executed.

The difference between lofty ideals and effective execution is the difference between Jimmy Carter and Ronald Reagan. Despite a cabinet and White House staff with impressive credentials, President Obama has outsourced management to Congress (less than a paragon of management excellence by anyone's standards) while he delivers speeches around the country. Allowing Congress to develop a flawed stimulus bill was forgivable - we needed a bill quickly and could fix mistakes later. But that strategy with respect to health care reform has spawned health care bills (as of this writing there are several) that fail to contain, let alone reverse, the rising costs of treatment while adding an expensive mandate that everyone be insured. What can President Obama do? Come down from his cloud and start managing the government as the Chief Executive Officer (CEO) that he is.

My point is not to bash a president who is working hard to meet the commitments he made to the American people. When I was CEO of my company, I fell into the same trap - albeit not on an international level. I set lofty goals without an executable plan. I pronounced high performance targets without having the resources to achieve them. I issued directives to my management team without establishing boundaries or measures of success. You may be doing the same things in your organization too.

As a management consultant, it's heresy to say I'm tired of hearing about leadership - where is management? I believe a large part of today's crisis was caused by inadequate management at the highest levels. Visionary leadership has become disconnected from plain old management execution. We got off-track by believing: "It's more important to do the right things than to do things right." The logic of that statement is understandable - but if we don't do things right, doing the right things still leads to failure. Some executives use that statement to justify detaching themselves from the hard work of day-to-day management. They delegate management to lower levels who too often don't share the vision, don't have a plan, and/or don't have adequate resources to pursue the lofty goals. We have too much leadership and too little management. Instead of separating leadership from management, executives must be both managers and leaders. Used together, leadership and management produce measurable results. One without the other either produces nothing, or produces the wrong things. Are you both leading and managing change in your organization?

Leading Change

NEGOTIATING EXECUTION

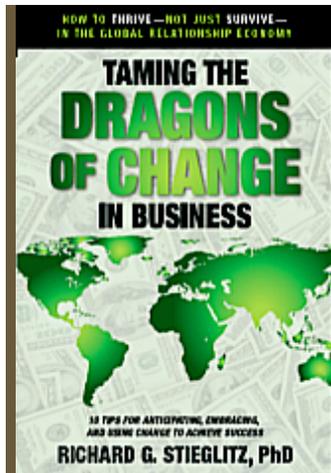
In setting goals and budgets for the new fiscal year, the director of a field activity told his headquarters sponsor that he would eliminate the backlog of quality deficiency reports and reduce the time to process new ones by half. The sponsor, excited by the director's goals but wondering if they were executable, asked: "The goals are great. But how will you achieve them? What resources will you need to change the process?" The director provided well-reasoned answers, but the sponsor pressed further: "Are your people behind the change? How long will it take? What are the intermediate milestones?" The sponsor didn't just accept the lofty goals and approve the budget request. Instead, as an effective change manager he encouraged everyone in the room to contribute, and used the forum to build their commitment to the aggressive new goals.

The challenge of execution is getting to the heart of issues through constructive and persistent negotiation. Since most negotiations begin with partial ignorance on both sides, the following guidelines are useful:

- Set the tone at the start: helpful or challenging, whichever is more likely to produce results.
- Ask questions to clarify goals, plans and milestones: *What do you mean by...?*
- Don't argue - arguing promotes defensiveness and no one wins.
- Remember that people take action to satisfy their needs, not yours.

Use these guidelines to negotiate agreements on goals, the strategy to achieve them, the measures-of-success, and the resources (including time) that will be required.

Negotiating is collaborating to gain the favor of someone from whom you want something. As an exercise in relationship building, negotiation is a vital skill in the global economy. You negotiate constantly in both your professional and personal lives. Whenever two or more people exchange information for the purpose of implementing change, they are negotiating. For example, you and I are actually negotiating ideas as you read this.



The recession, layoffs, budget changes, new technologies, acquisitions, and out-sourcings have produced a world of perpetual change. Today, ideas travel at the speed of light. You can communicate with anyone, anywhere, at any time, on any subject. To stay on top, you must do more than react. You must anticipate, embrace, and use change to your advantage.

THAT'S WHAT THIS BOOK IS ALL ABOUT!

ORDER NOW!



QUICKLINKS

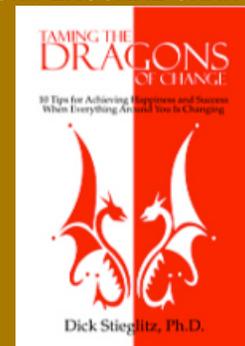
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TAMING THE DRAGONS OF CHANGE

10 Tips For Achieving Happiness and Success When Everything Around You

Future Change #5 ECONOMIES ARE INTERDEPENDENT

For most of its 233 years, the U.S. was consistently ahead of the rest of the world. In the agricultural age, the U.S. led the world in mega-farming. In the industrial age, the U.S. built mega-factories. Recently, we lead in mega-computing. But the world is catching up and, in some areas, is passing us by. We still have the most efficient farms and factories in the world, but those industries aren't an engine for economic growth and they are declining as sources of employment. Today's economic drivers are ideas and global relationships. Unfortunately, the transition from farms and factories to ideas and global relationships is painful for some.

Many people are afraid that off-shoring manufacturing jobs to China and service jobs to India will cause irreversible damage to the U.S. economy. Substitute the word *change* for *damage* and I agree. That reality is forcing a reallocation of labor and investment resources. Given our high salaries and benefits, off-shoring in labor-intensive industries is inevitable. Today, international trade is 25 percent of the world's GDP - it was roughly 10 percent back in the industrial era (circa 1960). The path to recovery for the U.S. lies in claiming a large slice of the growing but competitive international demand for goods and services. But how can we do that?

The good news is that off-shoring is building new markets by stimulating the appetite of Indian, Chinese, and other global consumers. They want high living standards, not slums. They want world-class goods, not junk. They want technological conveniences in their workplaces and homes. And they have the money to pay for them! Like us, the more they have, the more they want; and the more they earn, the more they spend. Their increased disposable income and expanding wants have created a demand for travel, and the innovative high-end products and services which the U.S. is famous for producing.

Many business leaders have been playing a waiting game since the global recession began. Their attitude is: *"If I can just survive, things will get back to normal."* But there is a more productive way to look at the world economy: This is the new normal - the old one is gone forever. There is a new world order and we must manage our organizations from that perspective. As we move deeper into the twenty-first century, ideas and relationships are replacing products as the main driver of economic growth. Today, our business challenge is to mass produce ideas and relationships like we mass-produced agricultural, manufactured goods and computers in the 19th and 20th centuries. In the end, inter-dependent global economies will be an economic windfall that will increase the quality of life for everyone on the planet. Your business may be falling behind if it isn't active in some way in international trade especially if you are seeing significantly more foreign-owned competitors in your industry than five years ago.

Friends & Colleagues,

If you are looking for effective balance between leadership and management execution in your organization, contact me to schedule time to discuss new possibilities. . If you found this e-letter to be useful, send it to a friend. If you didn't, let me know why at dick@dragonsofchange.com.

Until Next Month,

Dick

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