

LEADERSHIP (Observable Traits in Business)

Distinct from department heads or other supervisors, this concerns the person at the top of the org. chart – usually titled GM, President or CEO. Real leaders have traits that distinguish them from most employees, and in fact from most business owner / operators.

1. **Vision (In line with the company's prime directive)**
 - a. Leaders create things that didn't exist before.
 - b. The difference between Leadership and Management is leaders provide DIRECTION; good managers provide EFFECTIVENESS. Management = Doing things right. Leadership = Doing the right things.
 - c. The company must have someone at the top with a vision of how the organization will grow and be shaped in the future:
 - 1) What business do we want to be in; what markets, what industries?
 - 2) What formula will we use to achieve success and reach our growth and profit goals?
2. **Produces Followers**
 - a. Leaders display an ability to attract strong, capable followers. They can hold strong colleagues to them.
 - b. They inspire others to join the cause, and apply best effort to achieve the leader's vision.
 - c. The best are Servant Leaders – who work to serve rather than control those they are responsible for.
3. **Creates a winning culture**
 - a. They control the group culture. They set the pace.
 - b. They maintain harmony in the master-mind group. They are good at conflict prevention and resolution.
 - c. They inspire loyalty to the mission and confidence that the organization will win.
4. **Entrepreneurial Ability**
 - a. With New Ventures: Able to a) perceive market demand and disparities, b) and then undertake a new venture, c) to bring to market new, better, different or cheaper products or services, d) to profit from a market opportunity. – *T&R Peterson*
 - b. With Existing Ventures: Recognizes and pursues opportunities to increase sales, increase margin, reduce expenses, or improve the value of our product or service. They prioritize by highest impact, and drive to get them implemented. – *T&R Peterson*
5. **Business Strategist**
 - a. Good at conceptualizing and articulating the best next move to solve our business problems. Like a general partner at a venture capital firm, or a senior partner at a management consulting company, they think in terms of market demand, disparity and opportunity.
 - b. The opposite are most second-generation business owner / managers who do nothing more than steward over the business as it was then they inherited it.
 - c. Consistently successful leaders rely on empirical data from direct observation or practical experiments rather than relying on opinion or conventional wisdom. They are fact-based decision makers.
6. **Decisive & Self-reliant**
 - a. Appears confident; comfortable being in-charge; makes decisions timely.
 - b. This person at the top must have the strength and motivation to:
 - 1) clamor for more free-cash-flow
 - 2) clamor for maximum productivity (from equipment and employees)
 - 3) clamor for product quality and customer service
 - 4) remove the poor performers
 - c. They possess a leader's "strength of will" and "independence of mind" to reject pressures to conform in ways incompatible with company values, performance standards and long-term goals.
 - d. They are "conflict-ready," not "conflict-prone," but not "conflict-averse" either.
7. **Resolves Constraints to achieving company goals**
 - a. They are the "remover of obstacles" that are impeding our progress.

These same traits which are required to establish a new business, are required to maintain it. Unless there is a person at the top with these attributes, the business will perish. (It may take one or two generations; but without these entrepreneurial traits, in time, even a going concern will cease to be relevant.) The person at the top of the org. chart must also possess the "Observable Traits of Management Excellence." However, if he or she is good at those, but ineffective at these Leadership traits, the business will still perish.

Rick and Terry Peterson
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