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Economic Downturn

- Lack of growth
- Economies are collapsing

Slowdown in Trade

- Central banks interest rates going down
- Stock markets are tumbling
- Lack of capital and lack of bank sector functioning
- Manufacturing output going down
- Bankruptcies and government interventions
- China is down in imports and exports

Lack of Trust

- The banking crisis
- The collapse of the shipping markets
- Real-estate difficulties
- Job market challenges

Lack of Management Stability

- Top leaders lose jobs
- Friction amongst stakeholder groups, not cooperating

Leadership Challenges Now

Many general leadership principals are always valid:

- Strategic positioning
- Open interaction
- Work with the customer
- Human ressource management
- Take feedback, in non-hierarchical organizations

Not to be discussed here, but I shall report on the result of 60 interviews form Europe, the Americas and Asia

Four Key Leadership Issues for Turbulent Times – and Leadership Dilemmas

1. High Integrity and Trust
2. Simple Strategies, respect cognitive limits, decompose
Speed is key
3. All key stakeholders matter, not only the financial/owners
4. Optimism: understand business cycles

1. Integrity and Trust

- The leader must stand behind his/her deals
- Risk of default
- Breakdown in trust in certain sectors (financial)
- Open, participative style, but with clear top-down inputs

Dilemma: How to establish integrity/trust and be directive?

2. Speed, Simplicity, Respect for Cognitive Limits

- Speed is the key! Focus!
- Decompose the value-chain
- Understand the relevant underlying critical success factors
- Do it and learn from it – avoid analysis to paralysis
- Have respect for competitive limits
- But, avoid too simple strategies:
 - Global niche strategies
 - New technologies for niches

Dilemma: How to develop clear , simple strategies, and avoid that these are naive!

3. All Stakeholders are Key

- Not only the financial stakeholders
- Not only the owners
- External stakeholders are more key than ever
- Build strong business relationships, avoid "milking"
- Much time and energy on the business, to general revenue

Dilemma: How to focus on key (external) stakeholders and maintain credibility with owners and investors (internal)

4. Guarded Optimism

- Understand the business cycles
- Positive trends do not go up forever
- Negative trends do not go down forever
- Realism regarding the cycles
- Loneliness of the leader
- In/out
- Long/short
- Turning points

Dilemma: How to be optimistic and realistic!

The Following Three Issues are Particularly key to Handle at the Meeting Place Now!

- Key strategic choices
 - The customers
 - Revenue-side

- The organization
 - Focus on what is core
 - restructure, right size

- Mode of functioning
 - Chemistry in organization
 - We, we, we
 - Incentives – for money, not excessive at top

Conclusion

- Speed and decisiveness are key
- Back-to-basics
- Focus from the top-in the leadership function – is key:
 - Integrity and trust
 - Simple strategies, speed
 - Broad stakeholder base
 - Optimism – the cycles
- An effective meeting place is key
 - Decisions, not debate club!
- Key decision areas
 - Strategic choices, key customers, revenue
 - The organization; core
 - Functioning mode: we, we, we