How good executives manage: 15 success stories

15 senior executives discuss how they are adapting their day-to-day functions to deal with emerging business realities.

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The travails of the average workday mean that important questions like "What are our goals?" or "How do we want to compete?" get put on the back burner. This weakens executives' ability to rise up and meet the challenges facing their companies.

But there are ways of incorporating a forward-looking vision into day-to-day tasks, as a new book by IESE professors Jaume Llopis and Joan E. Ricart reveals.

The book shares the stories of 15 top executives from Coca-Cola, Codorníu, Ficosa, Fnac, Ikea, ING, "la Caixa", La Fageda, LVMH, Merck, Microsoft, Nestlé, Telefónica, Unilever and Vodafone.

Their stories contain common threads that the authors have also observed in their studies of 200 other executives.

The executives give three issues top priority: the business model, the future and people.

Executives are no longer just strategists who seek to compete and gain value through suppliers, clients, society and employees. Their portfolios have become much broader, and to manage well, they need to have a clear list of priorities.

Envisioning the future

To prepare their companies for the long haul, senior executives need to know their business inside-out and envision a future for themselves.

Kim Faura of Telefónica recommends three tactics: Be aware of the value of time, know how to multitask and be organized. "I only answer the phone between 12 and 1," he says.

To know their business, executives agree they must reach out to clients in order to get to know their concerns and needs.

They must also have a feel for what the competition is up to. Competitors should be viewed as a mirror, not to imitate, but as a way of gauging oneself.

Differentiation is essential, but without falling into the trap of price wars. Standing out from the competition must permeate the entire company and be embraced in all processes and training programs, beyond R&D.

While companies certainly need a clear strategy to keep them focused, Laura González Molero of Merck reminds readers that one must never forget that the world is in a constant state of flux, so they have to keep reinventing themselves in anticipation of arising scenarios.

Managing people

All of the executives agreed that companies must create an organizational environment that encourages the development of people: creating strong teams, training, retention and anticipating future personnel needs.

Rosa García, a former Microsoft executive who is now president of Siemens Spain, sees her role as a trainer capable of identifying the best talent, assigning people to the right jobs, facilitating their training, and demanding results.

Peter Betzel of Ikea says that he prefers a team of strong-willed people, even if they are conflict-prone and tough to lead, because the results "are always better."

Corporate leaders have to create the right challenges for their executives, encourage them to take risks and teach them to deal with failure. In measuring results, they should give credit where credit is due for a good performance.

Above all, a good leader must know how to delegate, a skill that is not at all commonplace. It requires being able to define responsibilities clearly, create the right teams and then allow those teams to get on with their work, making their own decisions and at times making their own mistakes.

Leading by example

Building an institutional strategy is another fundamental task of senior executives. Leaders will not build the kind of company they want if they do not establish some institutional goals based on some shared values.

The best way of passing on organizational values and principles to employees is by practicing what you preach. In this way, the leader's influence ripples ou
tward and cascades down through mid-level managers, says Bernard Meunier of Nestlé.

Besides setting an example, those at the top have to dedicate time for those at the next level of management to make sure that everyone knows exactly what is expected of them, offering training, guidance and correction as necessary.

In the end, it's not so much policies or strategic plans that build an organization, but people. Good executives seek human contact, get personally involved in problem solving and constantly monitor that organizational priorities and goals are being met.

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