

GLOBAL PARTNERS, INC.

Global Web Seminar Series

Developing Leaders for Global Success

EXPLORE the characteristics of successful global leaders

EXAMINE how the most successful companies are developing a new wave of global leaders

PROVIDE a checklist for a program for global leadership

Host: Paul Sullivan – Managing Director

Developing Leaders for Global Success

Web Seminar Objectives

- **Discuss** the urgent need for more Global Leaders and their critical role in a company's global success
- **Understand** the characteristics of Global Leaders
- **Examine** how the most successful companies are developing a new wave of Global Leaders
- **Provide** a checklist for a program for Global Leadership
- **Gain** insights on how to become a Global Leader yourself



About Global Partners, Inc.

Global Partners, Inc. is an international consulting firm dedicated to helping companies grow their global businesses.

Our highly customized research, consulting and management development programs are focused on enabling our customers to achieve their most important business results on a global scale.

Today's Discussion

- 1. Why is Global Leadership so Critical Today?**
- 2. What are the Five emerging characteristics of global leaders?**
- 3. What are the key qualities of effective global leaders?**
- 4. How do the most successful companies develop global leaders?**
- 5. How can you begin growing “The Next Generation” of Global Leaders?**

Why are so many Companies Struggling Today?

- Is it the economy?
- Is it the marketplace?
- Is it their strategy?
- Or, is it the lack of strong global leaders?

It is our premise today that:

*“The lack of global leaders
will be a barrier to global growth.”*

The Debate Used to Be:



“Can you be a successful leader in one function and move to another function?”

Then It Became:



“Can you be a successful leader in one industry and move to another industry?”

Today It Is:



“Can you be a successful leader in one country and fly to another country?”

Sustaining your Competitive Advantage... “Focusing on People”

Yesterday	Today	Tomorrow
Career Silos	Diversity	Flexibility
“Nice” Performance Feedback	Development Feedback	Balanced, Ongoing Feedback
Set Technical Training	Personal Training & Development	Ongoing Learning Set by Employee Company
People are HRs’ Responsibility	People Linked to Business Strategies	People are Leaderships’ Responsibility
Rigid Performance Expectations	Focus on Change	Continually Raise Performance Bar
Pay Based on Seniority/Hierarchy	Pay Based on Performance	Pay Determined by Total Compensation System

“Leadership in the new century embraces change as a key driver in obtaining a unique and sustainable competitive advantage and in fostering new growth. It lays the foundation for a culture that not only accepts change, but also thrives on it.”

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Who is a Global Leader?



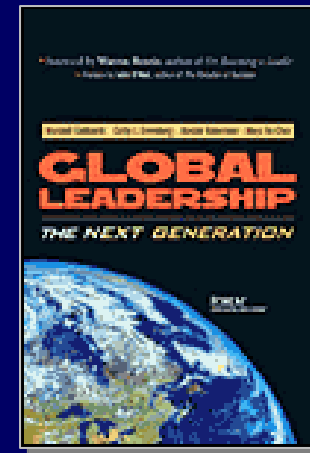
“Someone who is capable of **working across cultures** and is **competent in international business.**”

“85% of the Fortune 500 organizations felt that they did **NOT** have enough global leaders amongst their ranks.”

WHY?

Global Leadership Research

- Focus on the “Future”
- Over 200 “high potential” leaders in 120 global organizations
- Age - 60% under 40 (1/3 in their 20’s)
- Gender - 74% male, 26% female
- Six Regions - Africa, Asia, Australasia, Europe, N. America, S. America
- Industries - Telecom, media, pharmaceuticals, high tech, non-profit, governmental
- Sponsored by Accenture



Top 3 Success Factors for Global Leaders

PAST:

- 1) Demonstrating self-confidence as a leader**
- 2) Striving to achieve personal excellence in whatever he or she does**
- 3) Demonstrating honest, ethical behavior in all interactions**



PRESENT:

- 1) Demonstrating self-confidence as a leader (1)**
- 2) Creating and communicating a clear vision for her/his organization (8)**
- 3) Consistently treating people with respect and dignity (7)**

Top 3 Success Factors for Global Leader of the *Future*

- 1) Consistently treating people with respect and dignity (3/7)**
- 2) Understanding the impact of globalization on her or his business (71/77)**
- 3) Creating and communicating a clear vision for her or his organization (2/8)**

Five Emerging Characteristics of Global Leaders

“Many qualities of effective leadership—characteristics such as communicating a shared vision, demonstrating integrity, focusing on results, and ensuring customer satisfaction—will never change.”

1. **Thinking Globally**
2. **Appreciating Cultural Diversity**
3. **Developing Technological Savvy**
4. **Building Partnerships and Alliances**
5. **Sharing Leadership**



Skill #1: Think Globally

“Globalization impacts every area of a company from its customer base, vendors and distributors, and marketing strategy to its alliance networks, partnerships, and competitors.”

-Global Leadership: The Next Generation

Skill #1: Think Globally

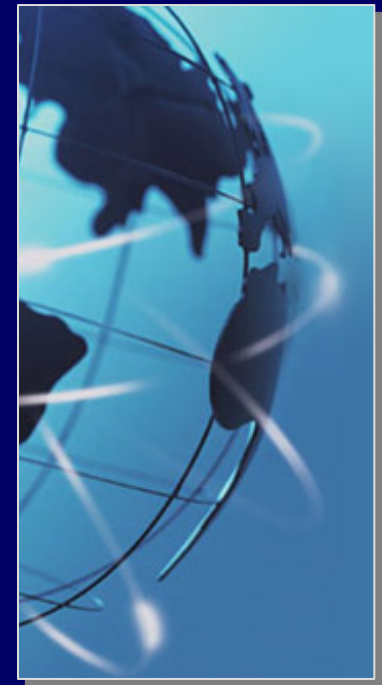
Trends:

- **Global competition imposes higher global standards of customer service, creativity, and innovation**
- **Alliances are formed between governments, industries, and companies**
- **Labels of competitors, partner, supplier, or customer are becoming interchangeable**

Skill #1: Think Globally

Key Skills:

- **Flexibility/Adaptability - Ability to refrain from labeling other perspectives as “right” or “wrong”**
- **“First hand” global experiences & knowledge**
- **A deep awareness of the cultural differences between Countries & within regions**



Skill #2: Appreciating Diversity

“...understanding both the ‘big things’ and the ‘small things’ that help form a **unique culture**, including **leadership and work styles** (formal vs. informal); **decision-making styles** (intuitive vs. analytical); **information sharing methods** (written, oral, format, face-to-face); and **motivations** (power, achievement, affiliation).”

- *Global Leadership: The Next Generation*

Skill #2: Appreciating Diversity

Generational Differences in the Workplace

	Xer	Boomer
Approach:	Innovation	Process
Environment:	Virtual	Physical
Role of Technology:	Strategic	Supportive
Enterprise:	Free Agent	Conglomerate
Competency:	Technology	Business Acumen
Management Style:	Energy to Influence	Monitor to Control
Leadership Style:	Make Your Mark	Fit the Mold

Skill #3: Developing Technological Savvy

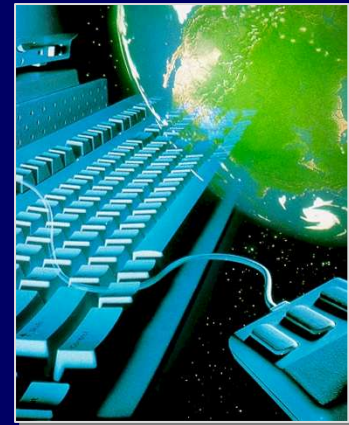
Challenges for Global Leaders:

- **Feeling intimidated by new technology**
- **Being available anytime, anyplace**
- **Knowing how to use the tools, which tool to use at what time, who to send the information to and what type of information is required**

Skill #3: Developing Technological Savvy

Key Skills:

- **Understanding the impact of technology**
- **Effectively recruiting experts**
- **Ability to work with technical experts and ultimately see the business value of their efforts**
- **Willingness to invest in time, money, and commitment into developing leaders**



Skill #4: Building Partnerships

Forging Partnerships:

Internally

- Partnering with Direct Reports
- Partnering with Co-workers
- Partnering with Managers
- Building Teams



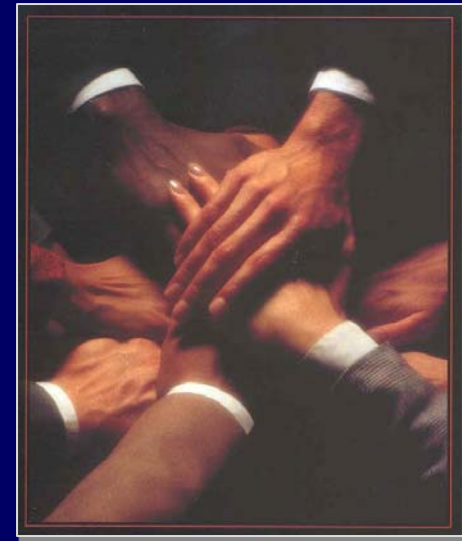
Externally

- Creating Networks Outside the Organization
- Partnering with Customers
- Partnering with Suppliers
- Partnering with Competitors

Skill #4: Building Partnerships

Creating Trust:

- **Treating co-workers as partners, not competitors**
- **Sharing knowledge openly and honestly**
- **Establishing an enduring relationship of trust and respect**
- **Sharing resources and talents**



Skill #4: Building Partnerships

Keeping it Positive:

- **Welcome constructive feedback**
- **Discourage destructive comments**
- **See the “Big Picture” - let go of history, ego and ambition**



Skill #5: Sharing Leadership

Shared leadership will become a mantra of the future as mergers and alliances create global entities of unprecedented size

- **Executive leadership is moving away from a singular role, i.e. co-CEOs**
- **Future leaders need to create an environment where all leaders can make *decisions through collaboration* rather than singular efforts**
- ***Shared leadership* combines the best of individual abilities as one solution to a growing business**

Skill #5: Sharing Leadership

Characteristics:

- Willingly shares leadership with business partners
- Defers to others when they have more expertise
- Strives to arrive at an outcome with others
- Creates an environment where people focus on the larger good (avoids politics & “turfism”)



Why Europe Breeds Great Global Managers

The best global managers don't come from the superpowers.



Look
To:

Belgium
Denmark
Sweden
Australia

Switzerland
Norway
Canada

the Netherlands
Finland
Singapore

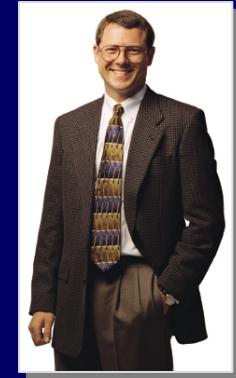
A report in *Across the Board*, The Conference Board magazine, shows that the big advantage of these countries is that **their executives understand, empathize and know how to work with multiple cultures.**

Consultant/author Karl Moore notes that companies like Nokia and Bombardier **"are light years ahead of others in being truly global. America still has a long way to go to catch up."**

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15 Dimensions of Effective Global Leaders



1. Thinking Globally
2. Appreciating Diversity
3. Developing Technological Savvy
4. Building Partnerships
5. Sharing Leadership
6. Creating a Shared Vision
7. Developing People
8. Empowering People
9. Achieving Personal Mastery
10. Encouraging Constructive Dialogue
11. Demonstrating Integrity
12. Leading Change
13. Anticipating Opportunities
14. Ensuring Customer Satisfaction
15. Maintaining a Competitive Advantage

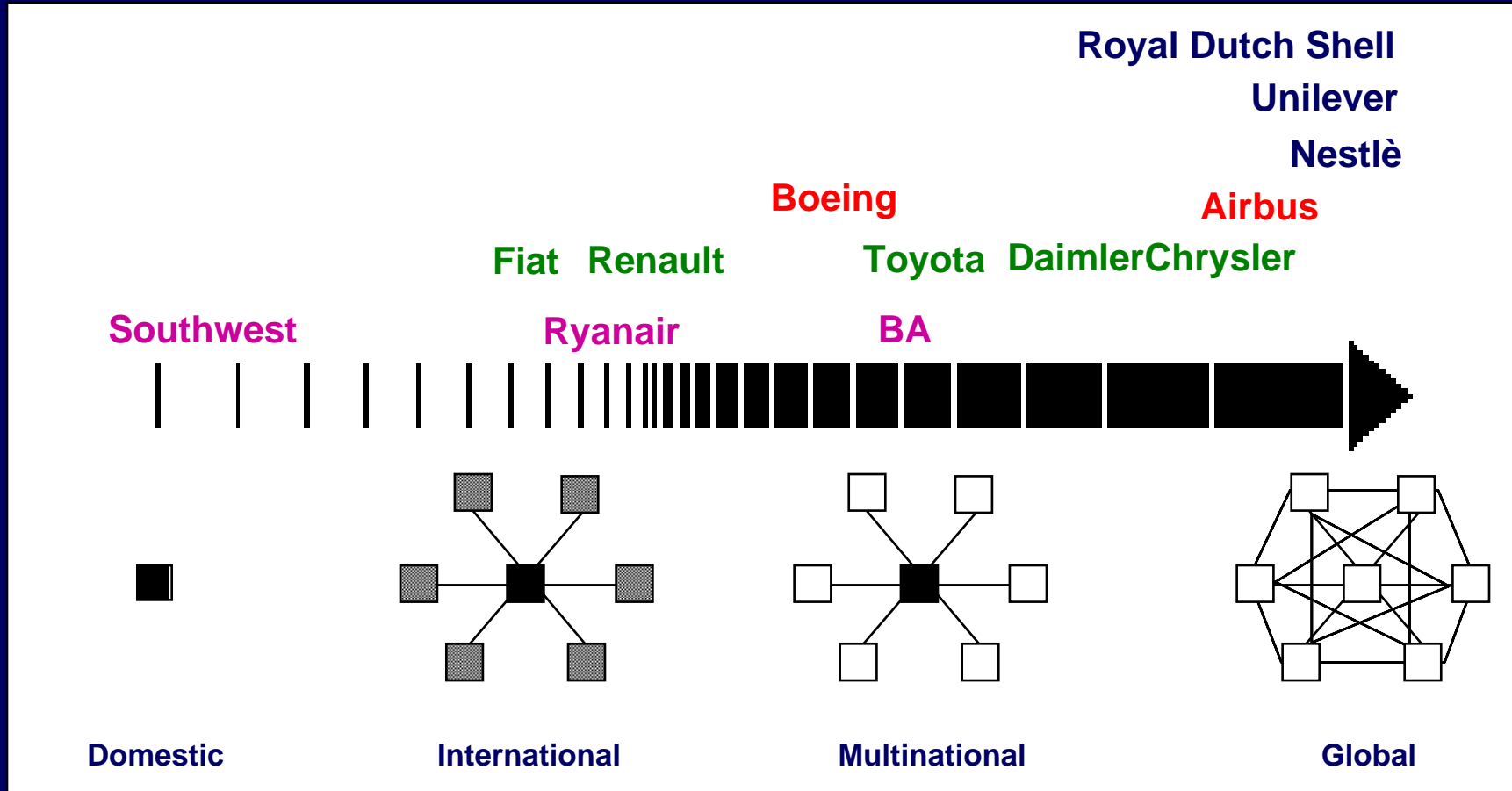
Organizational Role

- 1. There is no one “right” way of being successful globally**
- 2. Conduct regular top-level reviews to identify and publicize a set of truly global mission, vision and values statements**
- 3. Take plenty of time to get input and buy-in at all levels**

Organizational Role (cont.)

4. Ensure the global mission, vision and values are understood and practiced
5. Move towards flatter, more informal and more flexible organizational structures (<5 layers from CEO to entry level)
6. Build new matrices of real and virtual teams, letting individuals report to many different bosses

Companies with Worldwide Operations are Organized Differently



"Each customer organization is different and approaches global business differently. We have to adapt."

— Jeff Hickling, Director, Industry Development, GE Plastics Europe

Organizational Role (cont.)

- 7. Develop and maintain a competent, well-staffed HR department**
- 8. Simplify communication channels while expanding communication options**
- 9. Trust the employees by devolving decision-making power and accountability**
- 10. Build both tactical and strategic alliances, joint-ventures and partnerships with external counterparts around the world**

Why do so many “Fail” as Global Leaders?

- Spouse not able to acclimate
- Cultural awareness problems
- Unable to master different methods of influence
- They lack the Financial and Human Resource support activities they have become dependent upon
- They stop learning and global business is changing very rapidly

Where are Tomorrow's CEOs being Trained?

Rank	Total Shareholder Return*	CEO	Company
1	26.89	Sam Palmisano	IBM
2	26.25	Steven Ballmer	Microsoft
3	21.15	Jeff Immelt	General Electric
4	36.0	Bob Nardelli	The Home Depot
5	52.27	Michael Dell	Dell Computer
6	18.45	Frederick Smith	FedEx
7	24.72	Henry McKinnell	Pfizer
8	21.71	Reuben Mark	Colgate-Palmolive
9	9.33	Louis Camilleri	Phillip Morris
10	6.41	James Keyes	Johnson Controls
11	8.77	John Browne	BP
12	1.85	David Cote	Honeywell International
13	27.85	Charles Cotros	SYSCO
14	25.46	Laurence Hirsch	Centex
15	14.17	Craig Barrett	Intel
16	28.67	Sandy Weill	Citigroup
17	34.19	Robert Ulrich	Target
18	33.75	Jim Parker	Southwest Airlines
19	11.34	Iven Seidenberg	Verizon Communications
20	30.82	Scott McNealy	Sun Microsystems

*The return that a shareholder realized through stock-price appreciation and dividend reinvestment for the five-year period ending December 2001.

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How are Companies Developing these Leaders?

Per Cent	Use...
57%	External Leadership Training Programs (universities, executive education, professional organizations)
51%	Internal Leadership Training Programs
48%	Temporary “Stretch” Assignments
47%	International Assignments
45%	External Leadership Training Programs (consultants)
41%	Job Rotation
40%	Demanding Test Assignment
22%	Formal Mentoring Program

Why do so Many Companies Fail at Developing Global Leaders?

Of the Top 20...

Have...

Compared with...

91%	Early Identification Process of Leaders	61% of overall group
82%	Formal Mentoring Programs	Barely ½ of the firms
73%	Coaching Relationships	41% of the rest

A Model for Developing Global Leaders

- **Gain senior management involvement**
- **Align corporate learning to the global business strategies**
- **Utilize technology for continuous learning**
- **Assure a mix of international participants**
- **Provide instruction and best practices from around the world**
- **Break it into parts with Action Planning in between sessions**
- **Hold sessions in different regions of the world**
- **Measure the value and impact upon retention, promotion and knowledge sharing**



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How can You begin growing “The Next Generation” of Global Leaders?

Questions to Assess Your Global Leadership Program	Yes	No
1. Do you have a Global Leadership Development Program open to managers of all countries and cultures where you are doing business?		
2. Is the program aligned with your global business strategy?		
3. Does the program have your company’s senior management support?		
4. Does the program address practical business issues that enable managers to apply the concepts, skills and knowledge?		
5. Does it incorporate action learning?		
6. Do international teams work on “live” projects?		
7. Is the program conducted in multiple regions of the world?		
8. Are best practices from around the world exchanged?		
9. Do you use international facilitators and presenters?		
10. Are the program participants demonstrating a record of promotion and success?		
SCORE: total the numbers in each column		

How can You begin growing “The Next Generation” of Global Leaders?

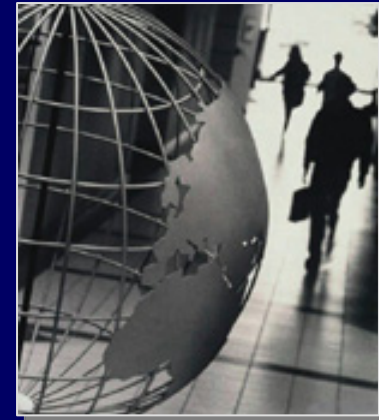
A total of:

- 0-4 Yes** – Your company may miss out on global growth
- 4-6 Yes** – You are not even international
- 6-8 Yes** – You are ready to go global
- 8-10 Yes** – Your company is developing global leaders

Summary

Portrait of a Global Leader

- Lived in a foreign country
- Worked on international projects
- Worked with an international team
- Managed an international workforce
- Improved global systems
- Global mindset
- Provides Leadership from afar



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