

Dibeyendu Ganguly

SOME MONTHS AGO, Jeanne Liedtka of the University of Virginia's Darden School of Business received a message from one of her consulting clients that said: "We want to help our managers grow their businesses in these tough times. However, we are being fiscally conservative — the investment must be proven. Our Corporate Business Development function wants to build a cadre of professionals who can apply quantitative rigour to investments being made in a business. Can you help?"

It's a not unfamiliar line of reasoning. Most corporates want to be sure that investments in new lines of business will yield results, never more so than in these recessionary times when the environment is uncertain and the results are scarce. But as anyone who has come up with a bright idea knows, data that supports the feasibility of an innovation is not easy to come by and opportunities often slip away as they struggle to convince the naysayers. Liedtka calls this a 'growth gridlock', where the corporate intrapreneur's optimism and need for speed collide with the organisation's scepticism and need for control. "Getting out of this frustrating place requires a lot of creative manoeuvring," she says. "The internal organisation is even more of an impediment to growth than market conditions and competition. Moving an idea through the bureaucracy requires you to understand and crack the corporate code. Only a few exceptional people manage it."

In her new book, *The Catalyst: How You Can Become An Extraordinary Growth Leader*, Liedtka, presents a series of 54 original case studies of managers who have cracked their corporate codes and beaten the professional doubters at their own game. These include business heads in companies like Mars, Intuit, Corning and Raytheon (see box: No Secret). Liedtka, who is a former BCG consultant with an MBA from Harvard Business School and a PhD from Boston University, compares these managers to catalytic ash on a pile of bureaucratic sugar. "Nothing happens when you light match on a pile of sugar. But when you put a little cigarette ash on top of the sugar and light it, an inferno ensues," she says.

But the first finding from Liedtka's research study is likely to cause much consternation in corporate corner offices: she finds that corporate growth catalysts manage to find a way to move ahead without asking for permission from their seniors. "They all learned early on that asking 'Mother, may I?' to the corporate establishment would earn them a resounding 'No'. So they learned to ask forgiveness rather than permission and to rely on themselves rather than their bosses for direction," she says.

And how does an intrapreneur move on his project without telling his bosses? Most know that official permission is required only when a large resources need to be sanctioned, so they start small. In other words, instead of going for big launches that may fail, they go in for experiments. "Too much money often hurts innovation," says Liedtka. "You don't have to bet big in order to be successful — in fact, big bets often cause failure. When you have too much money, you're not motivated to conduct those experiments that get you to listen to the customer and get feedback from the marketplace."

Many of the managers that Liedtka interviewed co-opted their distributors into their experiments. For example, when Jeff Semenchuk wanted to try out a new line products at Pfizer, he managed to convince one retail chain to experiment with the products in just seven stores, where Semenchuk's staff monitored customer responses. These were on-the-go sachets of Listerine mouth wash and non-prescription drugs for headaches and allergies that eventually became Pfizer's fastest growing products. "After the success of the initial experiment, Semenchuk's team had the data they needed to convince the top management into allocating more funds for nation-wide distribution," says Liedtka. "It wasn't a dramatic breakthrough innovation of the new drug kind that the pharmaceutical industry is used to, but it wasn't a 'tweak a bit there and then raise prices' kind of thing either. It was based on a deeper understanding of customer needs, which is what entrepreneurship is all about."

One resource that Liedtka believes entrepreneurs should never stint on is talent. When Clay Presley, one of the case studies in *The Catalyst*, first arrives at Carolina Pad, the company is a loss-making commodity manufacturer of school notebooks. Presley eventually changes the company's value proposition, turning it into a marketer of trendy designer notebooks.

ROWTH GRIDLOCK RIDLOCK BIDLOCK

When the innovator's optimism collides with the organisation's scepticism, deft manoeuvring is required to break the impasse, says best-selling author **Jeanne Liedtka**



He does this by first bringing in a talented young design consultant and giving her all the power she needs to implement her ideas, which are then tested in retail chains. Then he sets about picking the people who would embrace the dramatic changes in the company, in the process weeding out what he calls the 'old paper guys.' In its new avatar, CPP Products has shut its factories and outsources all production to China.

"The catalysts teach you that you cannot settle for B team players when the environment is uncertain — you need to lead with a combination of cold pragmatism and genuine idealism," says Liedtka. "They combine two seemingly opposing forces: holding people ruthlessly accountable for delivering results while engaging people's passions. This sometimes involves eliminating people on their team who were not a fit, and then looking hard to find the right person for the job."

In their outlook and attitude, the 'catalysts' in Liedtka's book are actually no different from small and medium scale entrepreneurs, though they all work for large organisations. The way they go about executing their projects has elements of the classic Indian *jugaad* — finding a way to get around problems without stepping on too many toes. "For start-up entrepreneurs, it's always recession," says Liedtka. "They never have enough money, they never have guaranteed customers. Which is why growth catalysts function well in recessionary times like these."

Liedtka started researching her book three years ago, during the good times, but its release coincided with the one of the greatest downturns in American history. Fortunately for her, the lessons in her book hold good in the recession and she has stressed this in the many articles she has recently written.

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JEANNE LIEDTKA
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"Now there's gridlock everywhere and everybody needs to grow this way," she says.

And what advice did she give the consulting client that wanted to build a cadre of professionals who could be relied on to quantitatively prove their investments proposals would succeed? "I told them they didn't need me," says Liedtka. "They could shoot themselves in the foot immediately, without my help. They are setting themselves up to fail. Everything my colleagues and I have learnt about how managers succeed at growth and innovation points in the opposite direction from the path they have chosen."

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No Secret

How Raytheon moved to protect airports from shoulder-fired missiles

CASE IN
POINT

Michael Booen, former air force officer and astronaut, directed Raytheon's Missile Defence Systems business and managed some of its fanciest defensive technologies. Post 9/11 he, like many others, worried about the potential threat posed by terrorists using shoulder-fired missiles (ManPADS), available on the black market for as little as \$3000, to bring down commercial aeroplanes. But unlike others who worried, he believed that he had a solution.

The best technology publicly available at the time involved putting about \$2 million worth of protective gear on every commercial aeroplane. With roughly 7,000 civilian aeroplanes in the US, the total price to protect the flying public could top \$20 billion. Homeland Security realised the commercial fleet's weakness, but was simply unable to afford the available protection. "They thought they had to put something on the aircraft," said Booen.

Booen and his team had an alternative vision. For the previous decade Raytheon had worked with the US Department of Defence to develop a missile intercept system blending the company's existing capabilities for tracking and destroying missiles. This secret military technology used a missile detection subsystem to monitor incoming missiles. Simultaneously, the command and control systems guided defensive rockets to intercept hostile missiles. Booen's team believed that combining the tracking sub-system and command and control infrastructure with a high-power directed microwave array could produce an effective shield for an airport.

To make the system work, Booen pulled resources from throughout the organisation, combining missile detection capabilities with high-powered microwave-firing technology, tied together by command and control systems. Instead of firing more missiles into an area with friendly aircraft, the system guided a comparatively innocuous electromagnetic energy beam toward any ManPAD rocket to send it off course away from its intended aircraft target. To prevent accidentally targeting commercial planes, the system had already integrated the Federal Aviation Administration's aircraft identification systems. When the DOD decided not to use the original project developed for military purposes, Booen saw the potential for protecting commercial aircraft. "We knew this was such a good idea," Booen said, "that when the Department of Defence said, 'No, we don't want it'... we saw this opportunity to go to the commercial air traffic."

However, since Raytheon's military technology was classified as secret, no one from the company was allowed to talk to the Department of Homeland Security about it. Booen explained: "So we — myself and a technical guy — actually went over to the White House and talked to some folks over there that we could appropriately talk to. And we said: 'Hey, we could really help out the Department of Homeland Security with this terrible shoulder-fired missile problem, if you would only let us talk to them about the history of why we know we can stop these missiles.'"

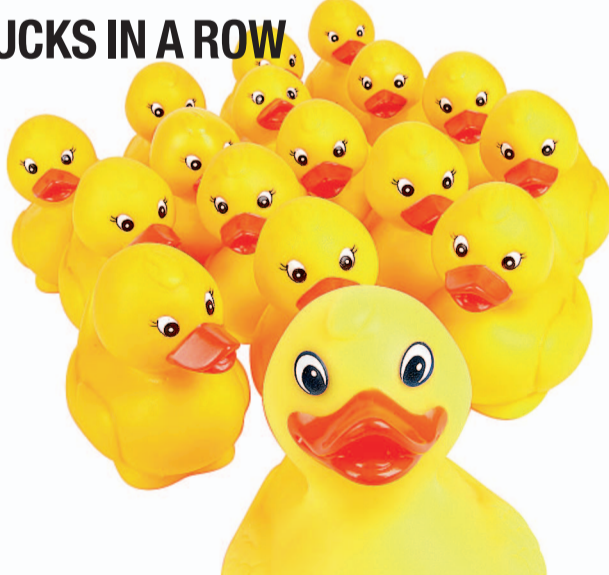
Finally, the administration let Booen tell Homeland Security about this prototype. Booen used an opportunity at the Paris Air Show to build visibility and support for Vigilant Eagle, showing video footage from field tests of the system successfully forcing shoulder-fired missiles off course. Homeland Security did not need much persuasion to see possible civilian applications at commercial airports. "We actually were able to show these decision-makers pictures of missiles missing their targets, because we had tested these things," he explained how the system worked: "Raytheon's system actually sits at an airport and it forms a protective dome around an airport, particularly for the takeoffs and landings. And the dome is quite large."

Since ManPADS were only effective at low altitudes, it was only at take-off and landings that planes were vulnerable. Hence, the insight that it was not necessary to protect individual planes if you protected the airport itself. Booen's team estimated that using this new approach could protect 25 airports at a cost of around \$1 billion to \$1.5 billion, a fraction of the cost of protecting every individual aeroplane. Thus, protection for about 70% of the domestic flying population could be provided at a bargain price. This kept his team motivated through what turned out to be a long process. Booen admitted that his approach to the counter-ManPAD problem entailed significant career risk: he saw it as one worth taking that risk for. Once Booen was able to get executives at his peer level enthusiastic about transferring the military program to a civilian purpose and then convincing them that Raytheon could execute it well, he felt that he had finally reached a tipping point. Booen reflected: "The lesson I learned is that it takes longer than you think to break into new business. So you've got to be willing to... stick it out for a longer haul...had we not done anything, it probably would have stayed a secret forever."

From Jeanne Liedtka's *The Catalyst: How You Can Become An Extraordinary Growth Leader*

Buzz Word

DUCKS IN A ROW



Meaning: To get one's ducks in a row essentially means to ensure all of the small details or elements are accounted for and in their proper positions, before embarking on a new project. To "have one's ducks in a row" also means that the person is doing a good job and has all of his or her duties taken care of in an efficient and timely manner.

Example: "We should meet later and line all our ducks in a row."

Provenance: The most popular theory suggests that "ducks in a row" came from the world of sports, specifically bowling. Early bowling pins were often shorter and thicker than modern pins, which lead to the nickname ducks. Another theory is that the idea of getting all of one's ideas or team members in an organised line would be similar to a mother duck getting all of her ducklings in a row.

Not to be confused with: The phrase, "like water off a duck's back", which means having no effect at all on someone.

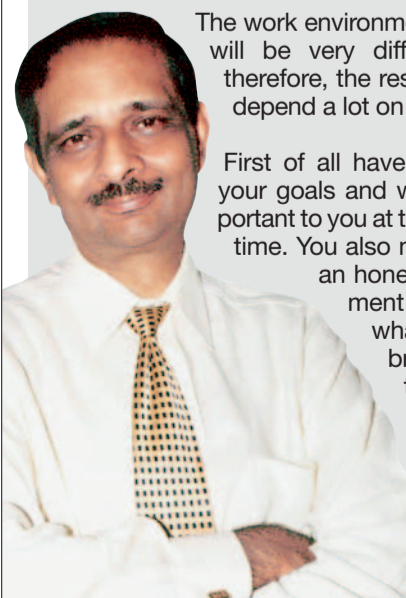
Used by: Someone really determined to sound important by using a buzz word.

Staying power: ** (2 out of 5)

Career Doctor

THE CROSSROADS

I am a CEO with 24 year of experience in India and overseas. I have basically worked with multinational companies mostly overseas and feel very comfortable working in that environment. I have just returned to India after six years in USA where I did exceptionally well. I now have an opportunity with an Indian corporate. They have made me a very generous offer with a good upside of wealth creation. They are a 4000+ crore group but I am not sure how it will reflect on my CV and have doubts about the work environment. I have also received an offer from a multinational company which is not paying me as much. I need guidance.



The work environment in both will be very different and therefore, the response will depend a lot on your DNA.

First of all have clarity on your goals and what is important to you at this point of time. You also must make an honest assessment about what you bring to the table and what you need to deliver. Post this,

Ronesh Puri, MD, Executive Access

do realise that you will need to adjust. You will have to be prepared for working in an environment that may not be as well structured or defined. At the same time you will find decision-making is much faster. You may not need to spend endless hours handling bureaucracy or seeking approvals. More often than not you will enjoy more empowerment and there may be far more hunger for accepting new out-of-the-box ideas.

The only issue that you need to validate is the value system. Be wary of corporates with questionable value systems and those who do not meet their commitments. A number of Indian corporates have come a long way in last three to five years both in terms of the degree of professionalism as well as providing an empowering environment

If the due diligence offers positive results, then on a medium-term and long-term you are likely to be better off in an Indian corporate. Of course, there is a risk element of compatibility and matching of mindsets. On the reward side good Indian Corporates tend to reward their employees who deliver very well. Do not worry about a stint with an Indian Corporate being perceived negatively. Today the paradigm has changed. Several Multinationals prefer hiring candidates who have worked in both MNC and Indian Corporates. The question to ask is how confident are you about delivering in a world that is becoming increasingly performance oriented.

Chip of the ol' blog

WHEN GOALS CAN GET IN THE WAY

Western society holds goal-setting in high esteem. But what happens if you decide to stick to your goal without seeing past it?

It came to me yesterday at the gym. It was cardio day and time for interval training. So I set the elliptical machine for a certain time, distance, and speed. This is what happened:

When I reached the goal I still had lots of juice left. What to do? If I stopped, I had reached the goal. If I decided to keep going I'd exceed it. (I kept going and stopped somewhere around "The Best of Otis Redding" on my iPod).

Here's the thing: You have to have something to shoot for at work and in life. I wonder how many of us who manage sometimes get so focused on "the plan" that we overlook its capacity to limit accomplishments?

All of us can, on a certain day, exceed what's been set. I know a lot of places that have "stretch" goals. My observation: they cause confusion. Am I going to be rewarded or punished for the budgeted goals or the stretch goals? For me, the decision was personal because it had a combination of achievement, satisfaction, and personal payoff. What does your organization do to support those three inherent energizers?

It's what management is all about.

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