



Jack Welch

1.) Quick Quote to Consider

"A leader is one who serves." Lao-tse, 6th century Chinese philosopher

2.) Jack: Straight From The Gut

by Jack Welch with John A. Byrne

Ever wanted to sit down with a bigger-than-life business guru and find out what helped to make him or her a huge success? And what were the biggest mistakes he made along the way?

Well now you can, sort of. We just finished reading Jack Welch's newest book, JACK. It's full of anecdotal detail and self-effacing humor about his highlights and lowlights that characterized his career at General Electric for 40 years. An especially interesting story is about the "Neutron Jack" years, when GE's staff count plummeted by more than 100,000 as part of a strategy to "fix, sell or close" each business. But if you want to know more about that story, give us a call and we'll fill you in. Or, buy the book!

You'll be disappointed if you're looking for a typical management book or specifics on how to be a great leader. JACK is written in first person and it's a story about his career and how others helped him along the way. But he does share a few pearls of wisdom about leadership that we wanted to share with you. These are just some of the things that helped Jack to become one of the most successful CEOs in American history.

"I certainly don't have a magic formula, but since I was presumptuous enough to write this book, I'll take a shot at sharing some of the ideas that worked for me. I hope some might be helpful. Pick and choose among them, or just toss them all.

Setting a Tone

The organization takes its cue from the person at the top. I always told our business leaders their personal intensity determined their organization's intensity. How hard they worked and how many people they touched would be emulated thousands of times over. The CEO sets the tone. Every day, I tried to get into the skin of every person in the place. I wanted them to feel my presence...

Maximizing an Organization's Intellect

Getting every employee's mind into the game is a huge part of what the CEO job is all about. Taking everyone's best ideas and transferring them to others is the secret. There's nothing more important. I tried to be a sponge, absorbing and questioning every good idea. The first step is being open to the best of what everyone, everywhere, has to offer. The second is transferring that learning across the organization. Work-Out drove boundaryless behavior and developed the ideas. We rigorously evaluated everyone on this value to reinforce its importance. Connecting all the meetings ("operating system") — from HR to strategy — gave new ideas increased momentum and helped refine them...

Searching for a better way and eagerly sharing new knowledge has today become second nature at GE.

People First, Strategy Second

Getting the right people in the right jobs is a lot more important than developing a strategy. This truth applied to all kinds of businesses. I sat in rooms for years, looking at promising strategies that never delivered results. We had great plans for ultrasound, but we could never make them happen until we found the perfect person with ultrasound in his veins... We learned the hard way that we could have the greatest strategies in the world. Without the right leaders developing and owning them, we'd get good-looking presentations and so-so results.

Passion

Whenever I went to Crotonville and asked a class what qualities define an "A player," it always made me happiest to see the first hand go up and say, "Passion." For me, intensity covers a lot of sins. If there's one characteristic all winners share, it's that they care more than anyone else. No detail is too small to sweat or too large to dream. Over the years, I've always looked for this characteristic in the leaders we selected. It doesn't mean loud or flamboyant. It's something that comes from deep inside. Great organizations can ignite passion.

Aligning Rewards with Measurements

You have to get this one right.

One time, I was surprised to see a great fourth quarter revenue line and no income to go with it. I asked, "What the hell happened here?"

"Well, we had a fourth quarter sales contest and everyone did a great job!"

"Where's the margin?"

"We didn't ask for margin."

That's the simplest example of a universal problem: What you measure is what you get--- what you reward is what you get.

Static measurements get stale. Market conditions change, new businesses develop, new competitors show up. I always pounded home the question "Are we measuring and rewarding the specific behavior we want?"

By not aligning measurements and rewards, you often get what you're not looking for.

Strategy

Business success is less a function of grandiose predictions than it is a result of being able to respond rapidly to real changes as they occur. That's why strategy has to be dynamic and anticipatory.

Bob Nelson, my longtime financial analyst and GE's resident history buff, exposed me to this thinking when he passed on an article about the Prussian general Helmut von Moltke. Von Moltke's beliefs brought us to a series of questions that were much more useful to me over the years than all the data crunching in strategic plans. Five simple questions brought strategic thinking to life for me:

- What is the detailed global position of your business and that of your competitors: market shares, strengths by product line, and by region today?
- What actions have your competitors taken in the past two years that have changed the competitive landscape?
- What have you done in the last two years to alter that landscape?
- What are you most afraid your competitors might do in the next two years to change the landscape?
- What are you going to do the next two years to leapfrog any of their moves?"

Reflective exercise:

You can become more a powerful leader no matter what your position or status in your organization. Leadership is mastering the art to influence others to think, act and follow.

We challenge you to take a few moments to reflect and answer the five questions Welch poses about strategic thinking (see above). Ask them from the perspective of your organization. Also, ask them from the perspective of you as a potential resource within the workforce. After answering them, list 3 - 5 actions you can take in the next 30 days to be prepared for your competition in 2002.

Action 1:

Action 2:

Action 3:

Action 4:

Action 5:

3.) Tis The Season To Give: Want To Help A Friend Or Colleague?

Do you have a friend or business colleague that is facing challenging professional or personal issues? Is there someone important to you that you'd like to assure his or her success? Would working with a coach enable him or her to make some profound breakthroughs?

If you've answered yes to any of these questions, please take a minute to e-mail their names and phone numbers to us. Or, better yet, give them a call about Northwood Consulting, Ltd. Since the best way to learn about coaching is to experience it, share our offer for a one-hour FREE coaching session. Call Karen at 301.990.6331 or Marti at 301.650.4160 to schedule a free one-hour coaching session.