

A Few Words About Leadership

In the American business press you don't read too much about industry leadership. For some reason, and perhaps by definition, it generally takes place behind the scenes, in such arenas as standards groups, cooperative research bodies, private boards and public commissions. Real industry leadership is usually unsung and under appreciated, performed by those who know its value and are confident enough not to need any credit.

But industry leadership is critical to the development of great leaders. If you ever get to the top, you'll really need this experience to effectively represent your company in the national economy. And if you haven't gotten industry experience before then, it will be too late to learn. Now is the time to consider what industry leadership opportunities you should pursue.

When It's Needed

In general, industry leadership is required when leaders within individual companies have to rise above parochial interests in order to achieve a greater, broader objective. Here are some classic examples of when industry leadership is needed.

1. Industry creation. Standards are often the issue that makes or breaks a new industry. Railroads needed a standard gauge. The Internet needed conventions and protocols. Today, the XML arena is ripe for leadership that will develop and invest in standards and technology.
2. Economic crisis. There are times when the fate of companies of an entire sector hangs on how it is treated within the context of the national economy— or how it treats itself. For example, today, it is the airline industry in the wake of Sept. 11 and the accounting industry post-Enron.
3. Technological change. If an industry does not address the technical and ethical issues that follow technological change, nonprofits and the government will. For example, if the biotechnology industry does not generate its own standards on cloning and genetically engineered foods, consumer or public sector leadership will fill the void.
4. Regulatory change. When an initiative is taken to change an industry structure — such as deregulation — industry leadership is required to aid and help shape in the restructuring.
5. Power struggles. When the balance of power shifts too far in the direction of one player, industry leadership is often needed to redress the balance. The antitrust actions against IBM and Microsoft, for instance, required industry leadership among competitors to have staying power and substance.
6. International conflict. In cases of war, industry leadership is required to conduct a planned or coordinated approach to personnel availability, new production capacity or even pricing in ways that would not be possible or even allowed in peacetime. The airline industry's failure to show leadership on the security issue, for instance, has resulted in a federal solution.

Distinguishing Features

Operating on an industry level is very different from working within a typical organizational setting. There are a number of features that are unique to industry leadership. These include:

1. A larger purpose. In an industry situation, people who have become used to protecting their company's more narrow interests need to make the transition to broader and more balanced interests. The only way I've found to achieve this is to make an effort to understand the varying interests and competing points of view while looking for areas of common ground. If you prove that you can do this, most often others will meet you halfway.
2. A different scale. Unless you're a monopolist, an industry is much, much bigger than your company. You'll realize that creating influence is not simply a result of asserting market power; you'll have to show the ability to identify constituencies, pinpoint real interests and cut fair deals.
3. Uncertain ROI. Large groups are a killer. With so many interests involved, it is very difficult to predict what will happen, or control what does. If you find yourself in a plenary session with dozens of people, either create an executive committee (formally or informally) or get out, because it will be difficult to get anything done otherwise.
4. Conflicting interests. Industry leadership sessions can generate a very high degree of interpersonal intensity. Yet each of the players needs to develop trust-based relationships to get anything done. To make this work, you have to know your own constituency and have a good understanding of both what is right for your company and what is right for the other companies in the group.
5. Unfamiliar methods. In your organization, you know which levers to pull to get things done. In an industry leadership setting, it will all be different. I've always found the simplest way to tackle this is to be direct and ask people, "How do we make decisions and get things done here?"

Getting the Job Done

There are a few actions you can take that will make you a much more effective leader at the industry level. These are:

1. Stand up. It's important to put yourself or someone else in charge, and step up with suggestions. One of my tricks is simply to stand up and raise the question, "How can we get ourselves organized to choose a leader?" and then suggest a rational process. You'd be surprised how often you get chosen, just for being the one who took that step.
2. Work with the right people. Make sure that the people who can and must make decisions are not hindered by the people who have little influence but like to hear themselves talk. If there is no process for decision making, establish one.
3. Take the blinders off. Inevitably, everyone comes into an industry situation with their own set of assumptions and limited set of facts. Be the first to suggest some common

sources of knowledge — a report, an article, a book, a study — that can anchor the group in the same framework.

4. Build political capital. Every person in a group has the potential to create the capital of trust for the group by showing independence and professionalism. When someone presents an idea, listen and develop a thoughtful, considerate point of view. Articulate your view with authority and give credit to those who came up with the idea. Such actions generate trust, which increases the flow of information. That leads to better decisions and the best possible results.

5. Let competence rule. With a lot of people in a room, and a lot of points of view, the opportunity cost of time is always expensive. Competence at framing issues, communicating points of view and making decisions really stands out quickly. When you see real competence emerge, give it a nudge. The faster you get the best people focused and leading the group, the better you'll work.

Industry leadership is not for everyone. But it is definitely not just for the elite. Whatever industry leadership challenge you take up, it will help you, your organization, the industry and the country.

Industry leadership not only promotes the greater good of all, it also helps create great leaders...