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Part 1: New Models, New Ways, New Places

A New Business Model An Insider's Guide

ABSTRACT

In August and September 2008, Anne Radford interviewed David Gilmour, Director of Marine Lubricants at BP and Joep C. de Jong, Director eLearning Solutions at BT Global Services. This article gives a unique insiders' guide to the new business model these two leaders use to sustain business success, as well as some of their leadership secrets and insights as they look back over the last few years.

Two business leaders have had extensive experience as well as spectacular business success using Appreciative Inquiry. While they believe in looking for what is working in a system and have developed businesses doing that, life has not all been a bed of roses. Dealing with adverse business climate, redundancies and the need to sustain business success have tested their resolve and commitment to using strength-based approaches.

Leadership secrets

Both leaders are clear they are not, and do not want to be, traditional leaders working out what needs to be done with peers or bosses and then telling global teams what they need to do. For them, business life is too complicated, too fast moving and has too many variables for any one person to mastermind and control business growth.

Appreciative Inquiry, which values multiple voices and perspectives, is well suited to the current climate where people need to work from their best, often with colleagues they see only rarely yet need to trust, as well as taking decisions at the most local level, aligning business goals with customer needs.

New business model

The traditional wisdom to sustain business success emphasises reducing costs and increasing revenue. Both these leaders have a different view. They work with a business model where financial ratios are important but also contextual. For them, numbers only have a certainty within a context together with a narrative, rather than having an objective validity. A key aspect of their leadership is about successfully bringing together the stories of people's successes, hopes and wishes, with the numerical information in the business.

With this approach, their experience leads them to sustain business growth by:

- Finding the positive core in the team and in the business and focusing on that.

'I have not heard trees talking to each other about how much they are going to grow year on year.'

- Finding out what a division or team aspires to be, co-creating a vision for the business and for the people in it, and co-constructing ways to live those dreams.
- Combining positive core and collective vision with external market information and customer needs – providing a powerful combination of skill, knowledge and compelling image of the future.
- Focusing on what enables each person to grow. This is more important than the numbers – especially at the beginning. For one leader the metaphor of growth in nature is especially powerful: 'I have not heard trees talking to each other about how much they are going to grow year on year. The tree grows according to its environment and condition. The same is true for people. I focused on them first and brought in the numbers later.'
- Sustaining relationships is key. Given the recent challenges of global economics and continual fluctuations both inside and outside the organisation, relationships need to be fundamentally strong to withstand these challenges and fluctuations: 'I am very aware that relationships and connectedness need to be effective beyond functions and there needs to be the right connections between people in the team, between the team and other teams; and with external stakeholders.'
- Looking for continuous improvement. Year-on-year increased growth is not necessarily what is either possible or desirable. People running the business need to set appropriate internal goals and strategies based on a good understanding of the external world. This becomes especially important in challenging environments such as the recent world financial and economic turmoil. Success at these times may emphasise looking for areas of continuous improvement such as reducing invoicing errors. This, in turn, leads to a better use of resources and the business working better.
- Continuing to be aspirational. In large, complex businesses, there can be much variation in business performance – some growing, declining or in a plateau. This gives rise to mixed tones and tensions. Staying aspirational can be a struggle but is even more important at those times. Reminding people of the overall purpose of their part of the business is important in maintaining morale and celebrating successes.

What this look likes in practice

Leading their teams

Both leaders are in very complex global businesses and accountable for delivering significant business performance. In their view, they can do this by leading in a special way:

- Asking 'big' questions
- Setting sights well beyond the current level of activity
- Providing space for people in the immediate teams to agree high level business purpose and intent
- Emphasising working together against constant change and gradually building up trust and sense of two-way equity between the leader and the teams

'I believe people in the teams have a bigger picture than next year's budget or the next order.' Focusing on the longer-term vision brings the business results.'

- Asking teams to address detailed operational issues such as improving the invoicing system while holding the big picture
- Highlighting where sustained relationships have created a sense of business purpose and delivered sustained performance
- Building a business culture so that people are confident to make decisions in local sites

Being inspired to accomplish something special

Many people faced with the challenges of these two leaders might be inclined to say, 'Thanks but no thanks!' In both cases, there were people around them who tempted them to think the impossible – something that was just beyond their immediate grasp. These people knew the two leaders well, knew what they were capable of, and knew how to challenge and support them at the same time.

In both situations, each had reservations about taking on a new role, yet the image of accomplishment and achievement was very strong. It needed to be: while there were successes there were also the dark moments – the times when it seemed easier to walk away and do something else. Yet they stayed, the business successes came, and emotional and financial rewards followed.

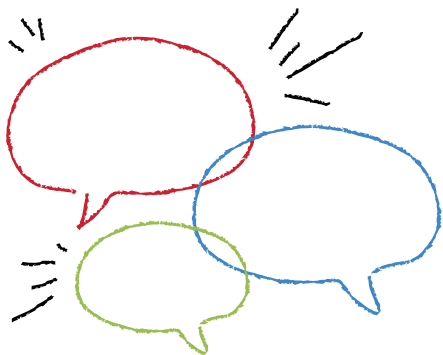
The shadow side of the new business model

While the new business model has delivered significant success, it has not been without its difficulties. These can be seen at different levels:

- Managers and staff can have moments of self-doubt that success will continue. The experience of using strength-based approaches to run the business is relatively recent, especially compared to people's experiences of the traditional finance-led business model. Without much of a track record of seeing sustained business success, perhaps it is not surprising that moments of self-doubt creep in.
- Group policy may conflict with a division's needs. In one situation, the division's costs were going to increase which was contrary to official policy of reducing costs. There was a robust business case for increasing costs: meet the needs of a particular set of customers which would, in turn, bring in significant profits. In another situation, there was a freeze on headcount. However, by winning a significant contract, more people would be needed. The outcome of these situations is unknown at this time.

Insights into the success of using this new business model

- Exploring possibilities is a key part of how people work with each other. With the current fast-moving market and business situations, people need to be agile in their thinking. To speculate, share unknowns or wonder 'what if' would be a career-limiting activity in some cultures. With these leaders, working together in this way is a key part of clarifying the collective thinking on how to move forward, which also continues to develop a creative and sustaining environment.



- 'I believe people in the teams have a bigger picture than next year's budget or the next order.' Focusing on the longer-term vision brings the business results. In exceptional circumstances, such as the recent currency crisis, one leader notes that he focussed on the numbers, not because it is the norm, but because of the immediate impact the dramatic currency fluctuations had on the balance sheet.
- The successes that have come from using this new business model are bigger and better than anyone would have thought possible. In one situation, the business has become a leading player in their area of expertise; they are handling much larger contracts than before and there are many more possibilities and opportunities on the horizon.
- Finances are important and they are part of the overall picture of the health of the business. However, in this business model, appreciative leadership focuses on the many steps and drivers linked to the financial ratios rather than the ratios per se. For these leaders, involving everyone to collectively discover ways of developing new customers, for example, is a key step. New customers improve turnover which is a major financial driver. One of the leaders thinks of this process using a nature metaphor: by taking good care of and nourishing the environment, there is more than a reasonable expectation of a positive outcome. It is necessary to stay alert and pay attention every day. For him, the same applies in business.
- Even with potentially very disruptive and demoralising activities such as organisational restructuring, people moving into new positions and others moving out of the business, it is possible for the outcomes to be much better than in the traditional way of handling these situations. In redundancies, by taking an affirming approach and looking for the best outcome for all, people were able to stay connected to the business even though they had left their previous positions. By working in the wider system, they continued to use their knowledge of the business rather than take that knowledge and experience to a competitor.
- For these leaders, the time has come for more businesses to reverse the model for business sustainability. The traditionally-branded businesses that have followed the finance-only model have already run into significant difficulties. However, times of crisis can be times of transformation. The current global turmoil provides an opportunity to use a new business model that not only delivers financial success but also leads to a far more successful business than thought possible which in turn brings benefits for all.
- However successful this new model of business is, it will continue to evolve as major customers of these global businesses put more pressure on them to work to the triple bottom line: people, planet and profits. There is still more for these leaders to explore and learn about these new horizons.

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Purpose of AI Practitioner

This publication is for people interested in making the world a better place using positive relational approaches to change such as Appreciative Inquiry.

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