

The International communicator

communicating with competence

Autumn 2005

From the Editor

Dear Readers,

At N Vision we believe that people are an organization's most valuable resource.

People in general resist change. They see it as a threat. So when a company is introducing change, it is important for it to take into account the concerns of employees (p. 2). Only if people can let go of old ways will they and the company they work for be able to change and move forward (p. 3).

Identifying with the company is important for everyone, especially for its leaders (p. 2).

Hard skills such as financial competence make it easier for leaders to make the right decisions (s. right). And successful key account management is in the end key player management (p. 4).

Let N Vision help you get in touch with the people in your organization.

Joe Butler, Editor

Contents

- Who Needs Financial Competence?
- Change Learning—The Three-Level Approach
- Leadership Principles—Fantasy or Reality
- Letting Go
- Word Watch: Envision
- The Key to Key Account Management

N Vision Learning

Who Needs Financial Competence?

Leaders who understand financial methods and procedures are able to make better decisions and manage people and assets more effectively.

At N Vision Learning Solutions we stress the importance of developing emotional competence. An effective leader needs to be able to operate on the emotional as well as the rational level to meet the demands of today's business. What about the hard skill of financial competence? In the current business world where technology and innovation are moving faster than ever before, financial decision making has become increasingly complex. Is that an argument for leaving everything to the "bean counters"? How well does a leader need to understand the mechanics of finance?

At every level in a company, goals are set and performance is measured largely in financial terms. The CEO has a target to improve the share price, a business unit manager has to meet a profit target, a project manager has to come in under budget, sales people have to meet sales targets. Behind every financial target lie certain accounting conventions and specific definitions. Does the profit target take account of head office expense allocations? Are there any costs in the project budget that can't be influenced by the project manager? Leaders will be more effective if they understand the components of their targets and what the drivers are. That presupposes a certain level of financial competence.

All managers have resources at their disposal—people and assets—that they have to manage effectively to achieve an economic goal. They are also faced with

“Leaders will be more effective if they understand the components of their targets and what the drivers are.”

choices of action that have different financial consequences. To that extent they are engaged in an investment activity. Hiring new people and purchasing assets are investments that have to be economically justifiable. What is the expected return of alternative courses of action? What are the opportunity costs of a particular option? Financial competence assists with these decisions.

Mike Assender

How financially competent are you? If you're interested in finding out, take the quiz on the N Vision website at www.nvision-learning.com/ic/articles/0504_financial_competence_quiz.html

Change Learning —The Three-Level Approach

When implementing change, you must integrate the three different levels within an organization.

In most change processes, huge amounts of time, energy and money are spent on the development of new business visions and strategies. However, the real work starts with implementation.

When implementing change, you have to deal with three different levels within an organization:

- 1 The organizational level
- 2 The group / team level
- 3 The individual level

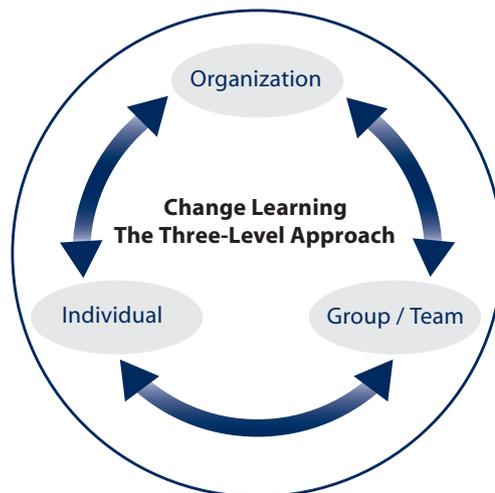
Many change initiatives fail because they focus on one or two levels only. Successful change initiatives focus on all three levels right from the beginning.

But how are the changes implemented at each of these three levels? What needs to happen so that the change initiative is supported by the organization as a whole, by its groups / teams and its individuals? And how can this process be facilitated?

- 1 At the organizational level we talk about modifications in systems and structures, about the distribution of power and influence between organizational units, about changes in the corporate culture and more. How can these factors be brought in line with the new direction of the business? What is the best organizational set-up to support change?
- 2 At the group / team level we deal with self-perceptions, communication channels and forms of cooperation, reporting lines, and new group tasks and respon-

sibilities. How can changes be facilitated? What kind of group dynamics can arise and how can these be managed?

- 3 At the individual level we have to look at the impact on each person, their changed roles and responsibilities, their particular fears and hopes, their personal interests and motivation, their attitudes and behavior, their skill



levels, their personal barriers and limitations arising from their own personal histories and experiences and the real or perceived threat that change means to them. When do we need to challenge people and when do we need to offer them support?

No matter at which level we start implementing changes, there will always be an impact on the other two levels. What we need to be sure of is that the different levels of change do not contradict each other. And that's the bottom line.

Julian Geuder

Leadership Principles: Fantasy or Reality?

Companies formulate leadership principles as a guideline for their leaders. But these principles only work when they are firmly rooted in reality.

Let's start simply. As an organization, we have a strategy to achieve our goals and realize our vision. Certain behaviors from our leaders will help us do this, others will get in the way. We want to encourage the helpful behaviors as much as possible. To this end we have leadership principles to serve us as a guide much like a compass on a journey.

However, too often leaders either don't know what their organization's principles actually say or the principles don't serve as a useful guide because they do not accurately reflect the reality of a leader in their organization.

What is this gap between what leaders are striving to do (ideal) and what they are actually doing (reality) costing the organization?

Probably more than most people think. That's why an organization should review its leadership principles and engage in a robust dialog with its leadership population. What leadership principles are already being applied consistently? How do we hold ourselves accountable? Are the principles particular to us and will they help us lead our organization in our unique business environment to the results we want to achieve?

When your leadership principles are embraced as an ideal by everyone in the organization, you know that you are closing the gap between fantasy and reality.

Michael Couch

The Learning Corner

Word Watch

Letting Go

Letting go is one part of a learning consultant's approach to enabling people to learn.

"If you always do what you've always done, you'll always get what you've always gotten."

Tough words, but sometimes the "kick-start" needed to activate learning and change in a person...

*recognition – acceptance –
understanding – change*

coupled with constant awareness of

intrinsic and external motivation

have long been important parts of my work in empowering people to learn skills such as presenting, running meetings, negotiating and working on or leading international teams.

Over the years, I have helped people **recognize** "unwanted behavior" (for example, saying "um" when presenting), **accept** that that really is what they do (via feedback from other participants) and **understand** why it is that way (being nervous when presenting at an earlier point in their lives, for instance). People are then able to **change** depending on their motivation.

Each person's balance of intrinsic and extrinsic motivation must be

considered. Is a person motivated by external factors such as money or intrinsic factors such as enjoyment? Intrinsic motivation is usually far stronger a motivator than extrinsic motivation. This is because learning mostly takes place when people *choose* to learn, as opposed to being forced.

But sometimes people get stuck at the stage of *understanding*. Some people resist change completely. Others resist changing one particular behavior. People com-

"Learning mostly takes place when people choose to learn."

monly spend a long time (years) finding many different reasons for their behavior.

If they truly want to change, to learn something new, do something differently, the reason will no longer apply to the new situation.

How to let go? One method of letting go is to find an instance where they don't demonstrate the behavior they want to change and focus on that (for example, a part of the presentation in which they don't say "um"). This approach has worked with specific people in specific situations.

We are all capable of change. We don't need to do what we've "always done" and get what we've "always gotten."

Jaquie Thomas

I would be interested in reading about learning moments in your working lives. Just e-mail me at jaquie.thomas@nvision-learning.com

Envision

The verb "envision" means to visualize, to contemplate or conceive something as being possible. It derives from Old French *en-* "to put in," and *vision*—from Latin *vision-*, *visio*, "sight, seeing, thing seen" (*Oxford English Dictionary*).

"At N Vision our common goal is 'nvisioned' in our Statement of Purpose."

Today the word is often used to describe a reflective process of inner dialog in which our deeper sense of purpose and values can emerge. Peter M. Senge explains in his book *The Fifth Discipline* that "we may never fully know that purpose, but choosing to continually listen for that sense of emerging purpose ... shifts an individual from a reactive to a creative orientation." Furthermore, it aligns us with something "bigger" and gives direction to our lives.

At N Vision our common goal is 'nvisioned' in our Statement of Purpose:

"N Vision Learning Solutions designs and delivers international learning programs and consulting services that enable people to do business more enjoyably and effectively in the global marketplace."

The discovery of a sense of common purpose is built on an ever-evolving process in which people at every level of the organization can speak from their heart about what really matters to them—and be heard. The quality and power of the results are determined by the openness and caring of the individuals in the group.

Ieva Gaidulis

Peter M. Senge, *The Fifth Discipline: The Art and Practice of the Learning Organization*, ISBN: 0385260946

Food for Thought

There is no formula for success except perhaps an unconditional acceptance of life and what it brings."

—Arthur Rubinstein
US (Polish-born) composer
and pianist (1886-1982)



The Key to Key Account Management

More than anything else, successful key account management is about establishing and maintaining rapport with key people.

For many companies, 80% of their current or potential revenues comes from just 20% of their current customer base. That's why successful key account management (KAM) is essential to creating sustainable competitive advantage.

The essentials to great key accounting can be found in your answers to the following key questions:

“Successful key account management is essential to creating sustainable competitive advantage.”

1. How truly “client-centric” is my key account management strategy? In other words, does my strategy address the real needs of the customer?
2. When I look at my key accounts, to what degree do I truly analyze and manage the appropriate psychographics and demographics (see box)?
3. How well have I identified and implemented my strategy for developing client loyalty based on value-added propositions versus price?

Statement of Purpose

N Vision Learning Solutions designs and delivers international learning programs and consulting services that enable people to do business more enjoyably and effectively in the global marketplace.

4. To what degree am I effectively managing stakeholders in my client organization?

At the end of the day, however, key account management is really key player management. It doesn't really matter how sophisticated your account management software is. What matters is how you manage the key people of your most valuable customers. And that's really the key to key account management.

Dan Norenberg

Demographics and Psychographics

Demographics include the size of the target group, current business conditions, the proximity to your locations and the compatibility of your products and services to the customer's existing business processes.

Psychographics include the values and attitudes shared in the organization, the importance placed on reputation, attitudes towards people (customers, suppliers and employees), openness to innovation and the relative importance of quality and quantity.



Numbers

We are now entering “the sixth Kondratieff.”

According to a controversial theory first put forward by the Russian economist Nikolai Kondratieff and championed today by his compatriot, Leo A. Nefiodow, there have been long-wave economic cycles (40-60 years long) that have been defined by specific historical events, inventions and developments. For example, the fifth Kondratieff wave, which is now coming to an end, is the information and knowledge era.

Nefiodow says we are now entering the sixth cycle, which will be driven by the human ability to communicate and cooperate effectively.

from Tony Klein,
“Sixth Wave Training—
A Conceptual Framework
for Change Management”