Leadership development must, by necessity, develop an organisation’s capability to address a range of 21st century issues and challenges.

Leadership development is an investment in building individual, team and organisational capability. According to AGSM Executive Director, Caroline Trotman, any leadership development must, by necessity, develop an organisation’s capability to address a range of 21st century issues and challenges.

Caroline says the executive landscape has led to institutions like AGSM’s having a new conversation with business.

“That conversation is broad, and it is with many people in an organisation” she says. “It is a conversation focused on challenges, including, but not limited to optimising technology, developing strategy, managing enterprise risk and creating an innovative culture.”

Our focus is on the best solution to address both leadership and organisational capability” she says.

The conversation is being had at the highest levels. It extends to the fundamentals of competitiveness and how different scenarios could affect the enterprise. “By examining all the issues, we can identify the answers to the questions: how will the organisation have to change, and what capabilities will it need to compete?”

Caroline acknowledges the need for a change due to the constraints and challenges faced by business.

“It’s about our being more issues-focused rather than product-focused” she says.

“With a solution that aligns with their key challenges, business leaders see executive education as in investment rather than a cost.”

“AGSM is responding to the new landscape with competitiveness. We are offering programs that address pressing and critical issues that have not...
“In the past we’ve had a planned approach to strategy, or proactive strategy” says AGSM presenter, Craig Tapper. “But now we are seeing the need to become better at reactive strategy.”

Craig explains that reactive strategy requires a different skill set and mindset. “Leaders who can react and respond to change tend to move out of the analytical space and be more insightful and intuitive” he says.

But how do you develop insightfulness?

Craig says it’s about how we teach and the way we learn. “The learning needs to be action-oriented” he says. “The development process is more experiential. This places a much greater emphasis on teaching people to be observant about what they do. Especially about what they do well.”

On the subject of insightfulness, the Group Manager, Leadership Development & Succession Planning at Leighton Holdings Limited, Katherine Corrie, points out that “in order to develop insightfulness in a leader, he or she first needs to know what insightfulness is, and the value that it will bring to his or her leadership effectiveness.”

“Thereafter it’s critical that any organisational barriers that prevent curiosity and self-expression are removed, and that incisive questioning that challenges the status quo is encouraged,” says Katherine.

“An appetite and willingness to learn from others, to act on feedback received, to read fervently and to always ask ‘what if?’ are also key attributes,” she says.

From his experience, Craig Tapper believes that small business creates the right learning environment particularly well. “Small business tends to do it better than large organisations because they are less bureaucratic and don’t operate in silos” he says.

“Basically, they are more entrepreneurial to begin with.”

Craig says organisations that are strategically agile create a safe environment for their potential leaders to learn.

“They see every experience as a learning event, not just an episode” he says.

“Leaders who can react and respond to change tend to move out of the analytical space and be more insightful and intuitive”

AGSM Executive Director, Caroline Trotman, says the only thing certain in today’s business landscape is change. And business leaders now need to react and respond to issues and challenges that simply haven’t existed before.

Katherine Corrie agrees. She says that corporate life today is significantly different from yesterday and it will be significantly different tomorrow.

“As a result, the key to developing leaders today is to prepare them to respond to the ambiguity that they will face in the future,” she explains. “This can be achieved by providing targeted development opportunities across the three...
Customer centricity...you know what it means, don’t you? And because you understand what it means, you’re probably already achieving it, right?

You might be interested to know that research of hundreds of companies in the United States indicates that 90% of them claim to be customer focused. But alarmingly, only 10% of their customers agree.

It’s evident from this enormous gap there is a misunderstanding on the part of many leaders of what customer centricity actually means.

According to researcher and AGSM program presenter, Dr Linden Brown, many organisations fail to grasp the enormity of customer centricity.

“Some people think it’s having a strong marketing or customer service department” says Linden. “Others think it is all about new product development, when in actual fact, it is a culture.”

“To be customer focused, you must have a customer culture” he says. “That means the organisational mindset must have the customer at the heart of all decision-making. And the entire business must act and behave with the customer in mind – including HR, IT and finance” he stresses.

“We’ve identified seven customer centric factors that an organisation must have in order to deliver superior value for customers. And we can tie these factors back to profit, revenue growth, product success and innovation” he says.

Linden says organisations with a high level of competence across all seven factors will have high levels of business performance.

1. Customer insight – this is when organisations actively seek to understand what the needs of their customers actually are. And then they act on that information.

2. Customer foresight – where customer insight looks at current needs, customer foresight is looking to what future needs will be. A company that has done this incredibly well is Apple with its suite of iPod, iPhone and iPad products.

3. Competitor insight – looks at the current activity and positioning of competitors to factor into an organisation’s strategy the additional value needed for competitive advantage.

4. Competitor foresight – forward looking at potential changes and tactics by existing and potential new competitors. This behaviour takes into account all the ‘what ifs’ that might sound like they are out of left field at the time. For example, who would have anticipated Coles’ and Woolworths’ moving into insurance products?

5. Peripheral vision – this relates to changes in the external environment. Anticipating technological, social, legal and political changes is important as many organisations can be totally reshaped by external forces. For example, Kodak was not responsive to the technology that transformed the photographic market, and Nokia couldn’t adapt quickly to produce smart phones. Both of these organisations did not have a culture to change and so they just produced more of the same and lost competitiveness as a result.

6. Cross-functional collaboration – this is important because companies have to modify or
changes services and develop new products. Businesses that do not have cross-functional capabilities end up with a lot of duplication, inefficiency and they lack the agility to respond to change.

7. Strategic alignment – this is the organisation-wide interest in and understanding of the vision, values and strategy of the business. ‘I understand the strategy and I know what I can do to achieve it’ – this shared mindset that utilises individuals’ skills creates value for customers.

Dr Linden Brown has developed the Market Responsiveness Index™ which measures the 7 critical behaviours of customer centricity and enables companies to better understand their true level of customer centricity. In partnership with AGSM, Linden is delivering “Rethinking the Customer Experience” workshops designed to increase and strengthen an organisation’s understanding of its level of customer centricity. Participants will also learn how to translate these results into strategic imperatives and build competitive advantage.

“With this level of precision, we can start to close the gap between what companies and their customers think about customer centricity” says Linden.

For more information on AGSM’s Rethinking the Customer Experience workshops:
Go to agsm.edu.au/rce or
Call AGSM on 1800 MY AGSM

### Australian Mid-Market Growth Alliance Update

The Australian Mid-Market Growth Alliance continues to thrive. After hosting successful Mid-Market events in Sydney and Melbourne earlier this year, AGSM’s inaugural Mid-Market Consortium was launched in September.

The Mid-Market Consortium is a 3-day intensive (residential) program designed for senior leadership teams of mid-market companies to accelerate innovation through collaboration and shared knowledge.

As Anthony Spargo of GE Capital says, the aim of the program was to “deliver real-life solutions to Mid-Market businesses”. The participating organisations included Actron Air, Bisalloy Steel, Conplant Ltd, Fleetwood Construction, SNP Security and Toro Australia. Participants learned about new ideas and strategies to apply to their organisations, particularly in the areas of leading and managing change, strategy and innovation.

For highlights of the Mid-Market Consortium and the Mid-Market events in Sydney and Melbourne, please visit agsm.edu.au/mmevents.

Interested in attending the next Mid-Market Consortium? Please contact enquiries@agsm.edu.au or phone 1300 692 476 for more details.

### Upcoming Open Programs

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<td>70% of what organisations do is managing people.</td>
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<td>3 out of 4 managers consider leadership development to be either critically important or very important.</td>
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<td>Emerging Leaders Program</td>
<td>77% of large global companies lack a strong succession plan for top leadership.</td>
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<td><strong>Find out more or book online:</strong> agsm.edu.au/open</td>
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Big changes have been taking place in Australian businesses – particularly over the past five years.

Big changes have been taking place in Australian businesses – particularly over the past five years. Business leaders have become more outward looking as they transform into global operators. They’ve also been forced to become more strategically agile and cognisant of the need to manage risk.

These changes have significant implications for Human Resource leaders because they call for different capabilities. CEOs and executive managers are looking to HR as not just a business partner, but a driver of strategic execution.

AGSM Program Director, Eva Freedman, says this is a great time for senior HR practitioners. “Senior HR leaders are stepping up to the plate to meet these new challenges” she says. “And our new program, The New HR, ensures they are equipped to make the really big decisions their CEOs are relying on.”

“HR leaders today must enable the organisation to execute its strategy” says Eva. “That might be finding the right people to administer new business in China, or a call centre operation in the Philippines, or maybe sales and service professionals in Indonesia. What works in Australia won’t be the same in these new markets” she explains.

“We need globally consistent policies and branding, but there needs to be local flexibility with people. It’s a country by country analysis, and we need to be aware of cross-cultural diversity and how that can be leveraged” she says.

“It’s very interesting – and if any area of HR has changed significantly, it’s this one.”

The New HR program is structured with two three-day residential modules over three months, with a major organisational challenge undertaken between modules.

“In the first module we focus on making sure your own house is in order” says Eva. “Are your team members strategically aligned, can they enable organisational strategy, are they customer centric and do your people strategies enable customer centricity? Do you have appropriate policies and programs in place to achieve your strategic goals?”

“We examine best practice models, frameworks and case studies that focus on Asia, Australia and the Pacific.”

The program then moves into an eight-week strategic challenge involving development of an HR program for each individual’s organisation. Participants are mentored by world-leading organisational development professionals and further coaching and finesse of strategy is conducted during the second module.

“This is a very exciting time for senior HR professionals” says Eva. “Never has HR been so critical to making strategy happen.”

Any organisation with global aspirations or with efficiency and talent management as a top priority should look no further than The New HR.

For more on AGSM’s New HR program: Go to agsm.edu.au/nhr or call AGSM on 1800 MY AGSM
areas of 'exposure', 'experience' and ‘education’, with the ultimate objective of developing and deepening an open, adaptable and agile mind and a value-based, yet flexible leadership style.”

Caroline Trotman stresses that the issues around emerging technologies and competing in the Asian century are new challenges for today's leaders.

"Businesses with an innovative culture respond well to change. But it is a key leadership challenge to balance the goal of increasing returns with giving people the latitude to innovate, and to create a culture of experimentation” she says.

As leaders in executive education, Caroline sees AGSM as supporting leaders with “life-long learning opportunities to be willing and able to tackle the challenges they face.”

"And to truly support those leaders, AGSM is having deeper and broader conversations with business. By getting to the heart of their challenges we can deliver successful executive education that can be measured by tangible outcomes in the client organisation” she says.

Katherine Corrie takes the view that leaders who see themselves as lifelong learners are often acutely aware that they are yet to reach their full potential and that there are often more effective ways of doing things.

“There is no right or wrong to this perspective, but rather an opportunity to observe oneself at any given time, reflect on the thoughts and behaviours demonstrated and to adjust to ensure a better outcome is achieved,” she says.

“This is one element of re-invention that leads to mastery. Specific examples could be to:

• Look at how one can communicate with greater impact,
• Check how listening ability can be deepened and authentically demonstrated, or
• Monitor how stakeholders can be strategically influenced depending on their unique values and needs.”

“And to truly support those leaders, AGSM is having deeper and broader conversations with business…”

As Caroline Trotman points out, the reality is that there are much greater financial and competitive pressures on business leaders today. “But ongoing leadership development remains an imperative if a business is to successfully manage risk, improve productivity, proactively deal with change and drive high performance,” she says.

"Social media and its impact on corporate governance is just one example” she says. “For the CEO or a board director, this is a significant concern that could impact share price, brand reputation and liability.”

AGSM’s vision for the future is to deliver executive education that is extremely relevant, that is tied to tangible business outcomes and increases organisational capability.

“Our commitment to these objectives gives renewed impetus for business investment in executive education” says Caroline. “The organisation and helping leaders meet their challenges is front and centre in our minds.”