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Why keeping your head down may damage your company's future

By Dr Catherine Bailey

There are not many managers that haven't looked back over the last twelve months and said why didn't we see this coming? Now clearly there is no easy answer to that, but one of the things that we at Cranfield believe is important, is taking an external perspective (EP).

Businesses and their leaders need to be looking outward and looking forward if they are going to see the future coming, if they are going to shape it and if they are going to secure that future for their business.

Credibility gap

Our research shows that an external perspective is overwhelmingly valued, but widely lacking in business. The typical executive activity pattern reflects limited attendance at 'outside industry' events and courses, a reluctance to network widely, very little 'outside industry' benchmarking activity, and industry-specific reading and research.

Potential benefits

In our research study, executives believed EP development activities lead to the achievement of business objectives, more innovative decisions and solutions, new business opportunities, specific organisational changes, better business strategy, and enhanced personal credibility. What is needed is clearer thinking about the development of EP capability, informed use of approaches and appropriate management development support.

At a functional level you can contribute much more effectively to the organisation if you build a business perspective; if you have that wider business view, your decisions become more aligned. If you are working at a business level, as a senior manager, then of course you can perform that function so much more effectively if you have an industry view, if you understand what is happening in the industry and where your business is positioned. You can contribute much more effectively to the strategic agenda and to how the business operates.

If you are at a business leader level, then of course you have got to be looking much further out. The external perspective you need is outside your industry; of course you have to understand your industry, that is taken for granted, but it is looking outside. Where is the future of your industry coming from and how can you be at that future first?

Three separate levels of external perspective (business, industry and extra-industry) are attained by breaching functional, organisational and industry mindsets respectively. Our findings also confirm that strategically powerful benefits can only be expected through activities that develop an extra-industry perspective.

Blocks and Barriers

We have to dig deeper to look at why the practice of gaining an external perspective is relatively low.

The first one is that the idea of external perspective is rather vague, and yet it doesn't need to be. We can look at what it takes to be effective at different levels in an organisation and contribute to that wider view:

Second, we don't really understand how to do that really well. Yet there are obvious ways of building external perspective; each one of them can be used at whatever level we are talking about. Simply reading or researching yourself, investigating that competitor or that industry clearly; benchmarking; attending events whether it is within your industry, outside your industry or within your business. Simply putting yourself into a position where you come in contact with people; an open programme, for example, using development events as a way of building that perspective. And of course networking, both in your business, in your industry and externally.

The third barrier that stops people and businesses building external perspective is that businesses aren't favourable to taking time for the long term, and certainly the conditions are particularly unfavourable at the moment. Short term focus and operational delivery focus are not conducive to people looking wider. Development programmes don't seem to be working in that way in businesses at the moment; portfolios are being cut, they are focusing very much on here and now problems and issues – very understandable, very necessary, but where is the balance that is enabling people to look forward and look into the future, get that wider perspective? That is absolutely critical.

How to promote an external perspective

Approaches that offer the potential to discover truly innovative ideas include developing diverse experience, creating external networks, participating in external events, benchmarking external practices, personal reading and research and attending open management development programmes.

- Initiate activities such as an external speakers programme to spark discussion and debate among top managers
- Assess the EP level of the individuals in the top team. What can be done to initiate their EP development?
- Introduce EP development into personal development, career and succession planning at all levels
- Review the current management development portfolio. Which activities are developing an EP and at which level? Create internal opportunities to build an extra-industry perspective. Redefine the scope of management development in long-term talent management programmes or high potential development programmes to embrace diverse external experience
- Use personal development planning to challenge managers to think about how they develop an EP through their everyday activity. For example, deriving business level insights gained from cross-functional project working

Key Messages to Promote an External Perspective

Take advantage of everyday activity, do not wait for special events. If you know what is on your agenda – I need to know more about this part of the industry, for example – that conversation with a customer is an opportunity to understand a bit about the industry from their perspective.

Not only having the personal agenda, build it in every day, but then be selective about the development opportunities you take up. Will I be networking with the right level to build the perspective that I know that I need? If you are a business leader, where is it on the executive agenda? Where is the time in your diary for future thinking, or for asking other people what is happening in the industry or what is best practice in that part of the business worldwide?