

Editor's letter

Leadership implosions, stumbles and face-plants are driving the daily news as I write my *Editor's letter*. The CEO of Tesla makes a cavalier remark on Twitter and his firm loses more than \$1 billion in value almost immediately. Another CEO, groomed for decades to lead one of America's most prestigious firms, is ushered out after serving only 11 months on the job. To give this event some context, it happened at venerable G.E., the last original member of the Dow Jones industrials. But superheroes of the upstart digital realm had banana-peel mishaps too. The two Instagram co-founders unexpectedly revealed they were resigning from Facebook six years after selling their company to Mark Zuckerberg for \$1 billion. And then there was the incident at the United Nations when the President of the United States was laughed at. That adds up to a lot of Trip-and-Fall executive action in just one week.

So it is timely that in this issue *Strategy & Leadership* we offer two articles, an interview and a guest editorial on leadership. Their authors look at how to effectively train leaders, how leaders are learning to manage agile organizations as they undertake transformational innovation, the value of leadership competency over charisma and how to think more wisely about the leadership phenomenon.

- Stephen Denning's article details how CEO Jeff Bezos manages continuous innovation **"The role of the C-suite in Agile transformation: the case of Amazon."** It's a credit to Bezos' leadership that **"Amazon demonstrates mastery of strategic agility by having successfully shifted into a whole series of new businesses on a massive scale."** One success secret: For Bezos, the medium-term road map for the future is **"pretty much all that he works on."**
- In Robert J. Allio's interview with Harvard leadership scholar Barbara Kellerman, **"There's a better way to train leaders,"** she indicts the deficiencies of the leadership industry. Based on research for her new book, *Professionalizing Leadership*, she offers a prescription for preparing leaders to be successful: educate, train and develop them, which in her view are three distinct processes. She asks, **"Why is it that we educate and train our doctors and lawyers with great care and competence, but not our leaders?"**
- In their article **"Evaluating potential transformational leaders: weighing charisma vs. credibility,"** Professors Deana Raffo and Ralph Williams of Middle Tennessee State University warn that **"Charismatic leaders can, by nature of their potent communication skills, distract their followers from fully evaluating challenging or opposing views."** They ask, **"We can be captivated by charisma, and sometimes mislead as a result, but doesn't the power or consequences of credibility, or its lack, have more significance?"**
- In his guest editorial **"The leadership phenomenon's puzzles and problems,"** veteran consultant Robert J. Allio helps us sort out what we actually know and really don't know about leadership. He insightfully notes, **"The leadership phenomenon itself is still a mystery. We cannot observe it directly, but we claim to observe its effects – although we can't agree on a metric for leader competence."**

Other articles in this issue describe processes and strategies for managing the risks and opportunities arising as a result of the discontinuities of our times.

- Readers familiar with *S&L*'s series of insightful masterclass articles by Brian Leavy, emeritus professor of strategy at Dublin City University, will welcome his latest: **"Cost innovation – a value-creation strategy to transform over-priced industries."** This masterclass, based on groundbreaking concepts by a number of internationally known

researchers, looks at methodologies for combining innovation and radical cost-cutting into a powerful duo, capable of reshaping markets and creating long-term competitive advantages.

- Oxford professor and veteran consultant Timothy J. Galpin exhorts leaders to establish a standard process to facilitate implementation of strategy. In his article, **“Realizing your strategy’s potential: A seven-step model for its effective execution,”** he describes a tested process that provides an integrated, actionable and agile approach to achieving a strategic win.
- Carsten Lund Pedersen and Thomas Ritter of Copenhagen Business School in Denmark see the problems of strategy execution in terms of **“The four executive challenges of project-based strategy.”** Using a four-scenario model, their approach **“Views strategy execution as the joint analysis and management of a dynamic collection of projects that are related to each other and that must be carefully matched with organizational resources in order to be executed.”**

And don’t miss the expanded book review section starring veteran reviewers Gayle Avery and Ken Grossberg!

Good reading!

Robert M. Randall

Editor

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