



Global Engineering Management Conference
Tackling today's global management challenges.



High Quality Leadership in the Global Environment

ASME Global Engineering Management Conference
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Agenda

The Force of Globalization

High Quality Leadership

Putting It to Work



The global business environment is constantly changing, creating new challenges and opportunities

Top Global Companies

2009 Rank	2005 Rank	Company	HQ Country	2009 Revenues (\$ Billions)
1	4	Royal Dutch/ Shell	Netherlands/ UK	458
2	3	Exxon Mobil	US	443
3	1	Wal-Mart	US	406
4	2	BP	UK	367
5	11	Chevron	US	263
6	10	Total	France	235
7	12	ConocoPhillips	US	231
8	-	ING Group	Netherlands	227
9	-	Sinopec	China	208
10	7	Toyota	Japan	204
11	-	Japan Post Holdings	Japan	199
12	9	General Electric	US	183
13	-	China National Petroleum	China	181
14	15	Volkswagen	Germany	167
15	-	State Grid	China	164

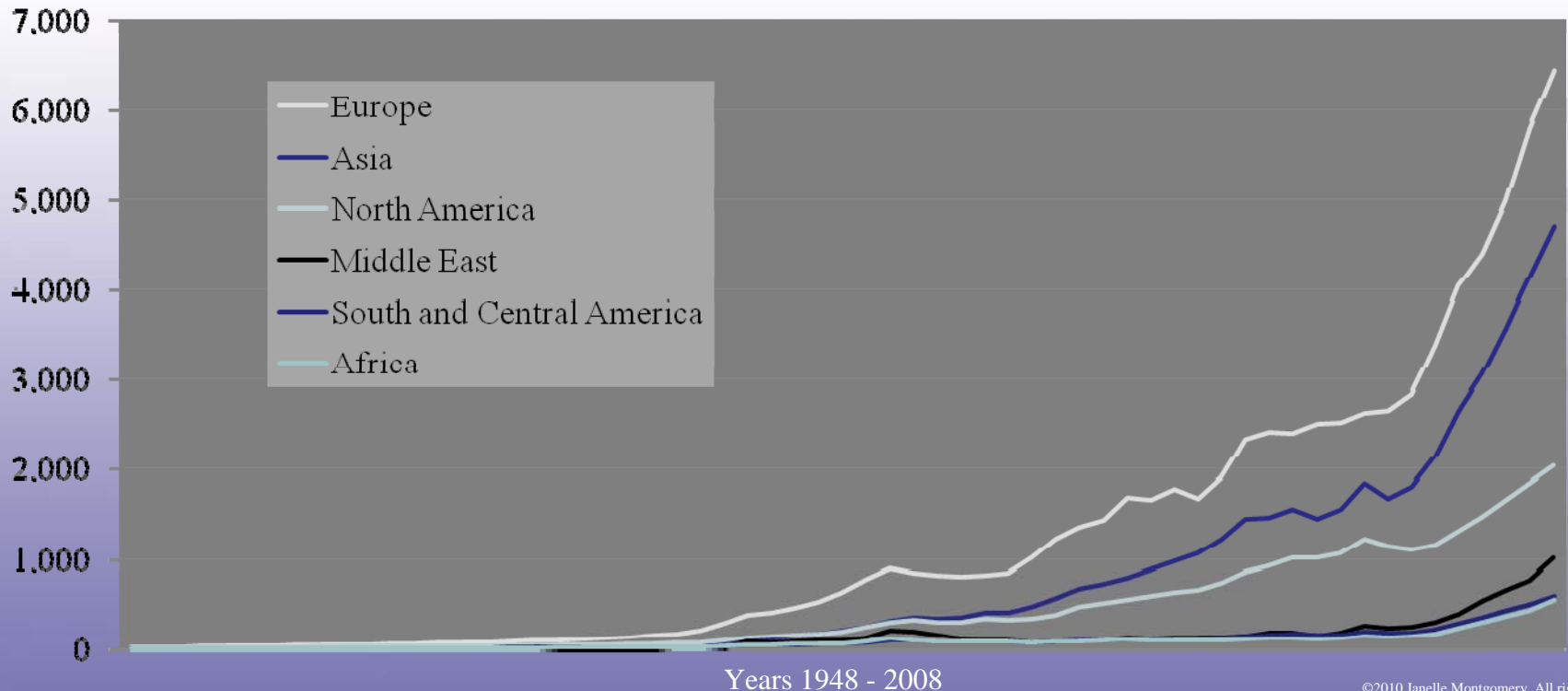
- More than 60% of revenues in the 2009 top 15 Fortune Global Companies are controlled by companies outside the US, up from 50% in 2005
- 33% of the list is new in 2009



The growth in international activity since World War II has been astounding, dominated by trade in goods

Merchandise Exports 1948 – 2008

(\$ Billions)

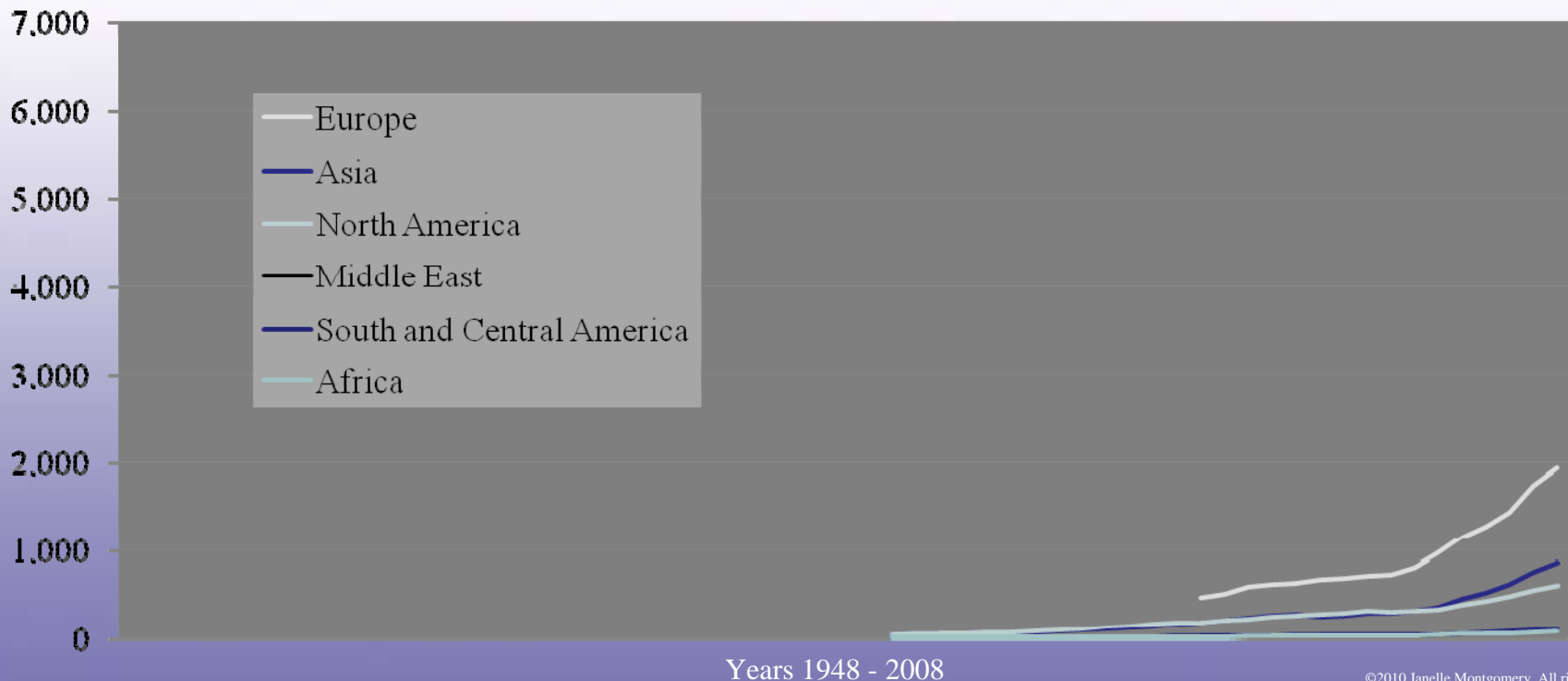


Source: World Trade Organization Statistics website, retrieved 10 Feb 2010

Even services that could “never be exported” – including healthcare and education - are going global

Services Exports 1948 – 2008

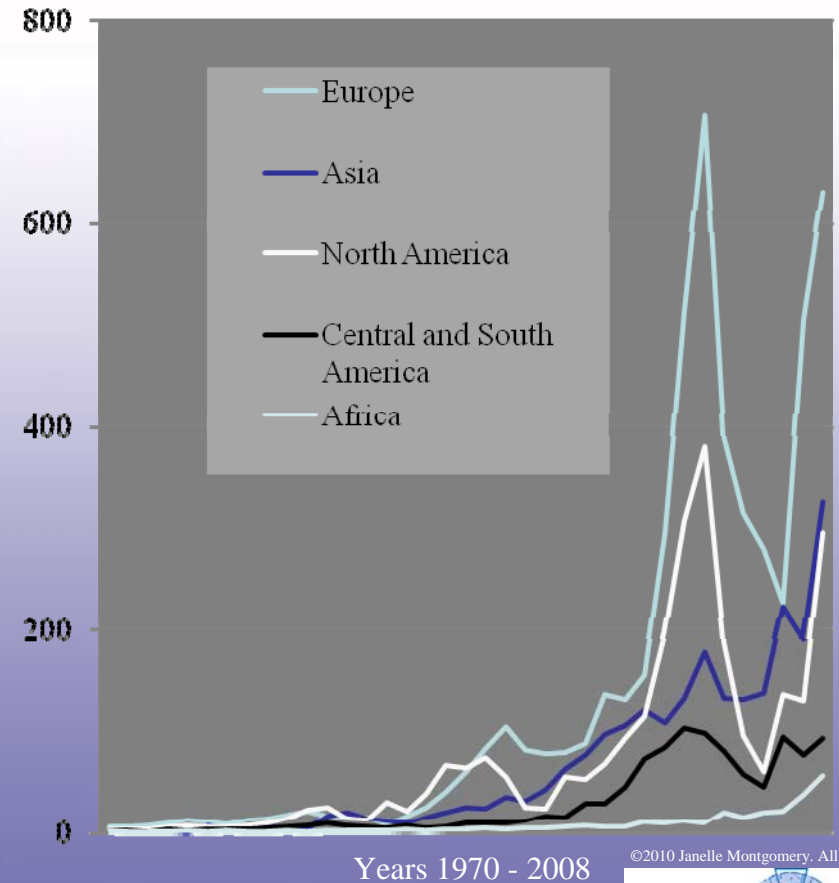
(\$ Billions)



Source: World Trade Organization Statistics website, retrieved 10 Feb 2010

Foreign direct investment is more volatile than trade flows, but a significant factor in globalization

Foreign Direct Investment Inflows 1970 – 2008
(\$ Billions)



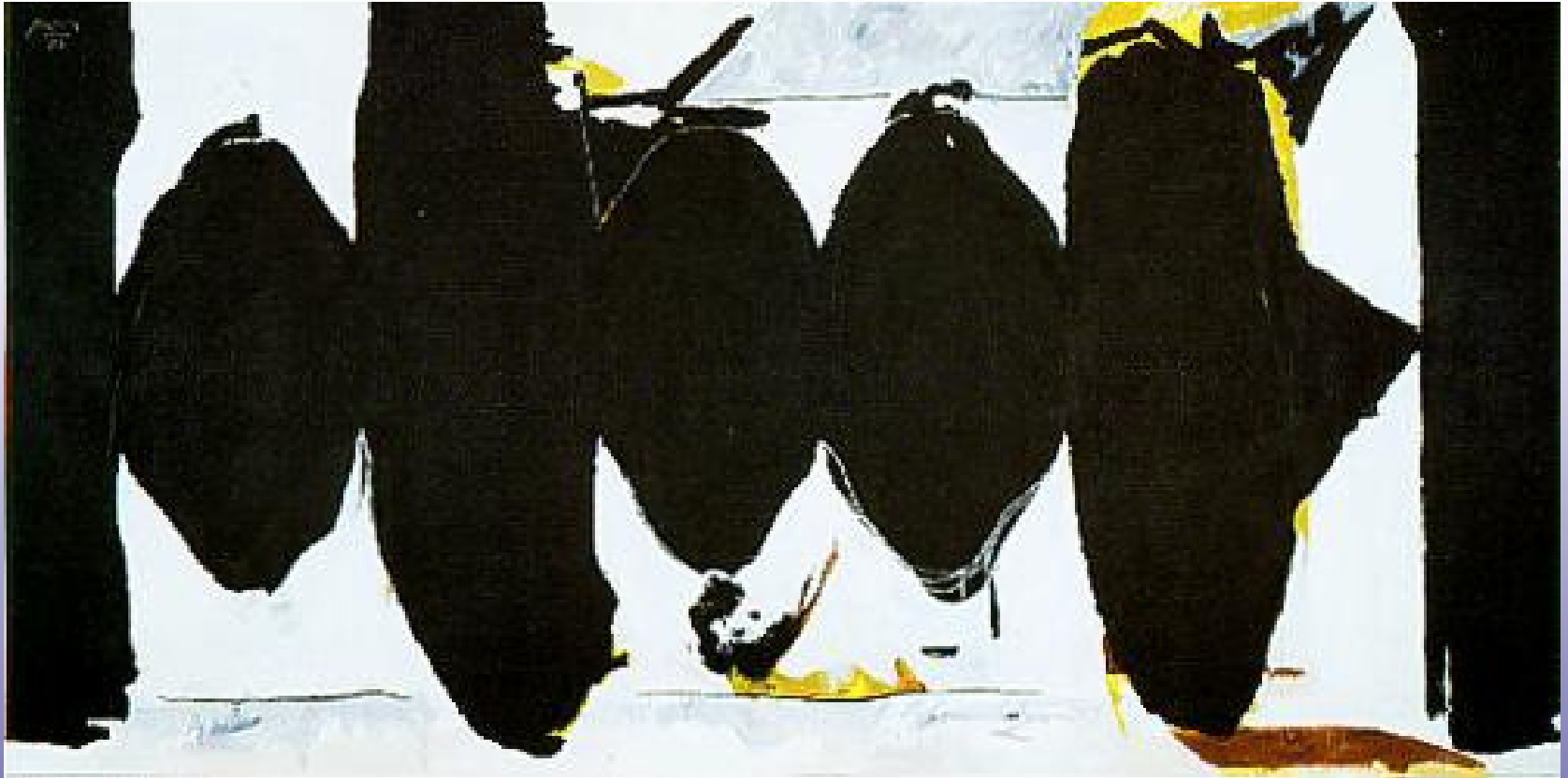
Cross Border Merger Activity

“...the cross border mergers and acquisitions wave of the late 1990s ... [was] at least five times larger [than its predecessor in the late 1980s]”

- Simon J. Evenett. NBER Working Paper No. 9655, April 2003

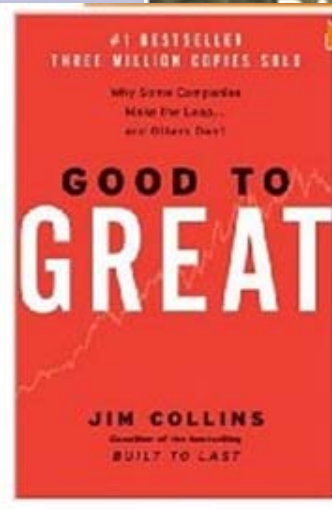
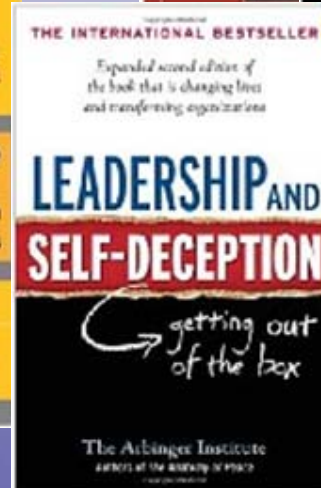
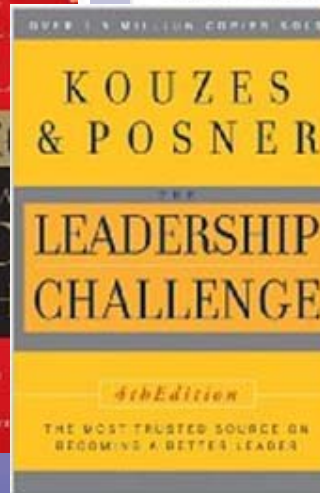
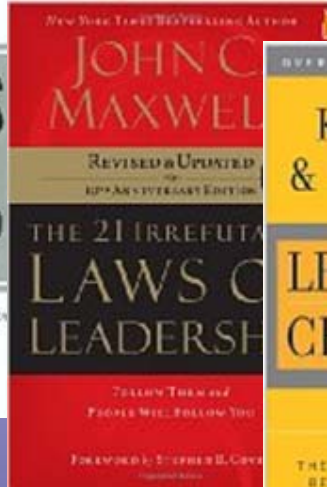
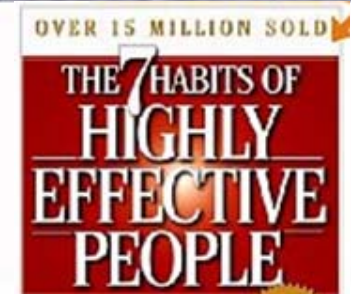
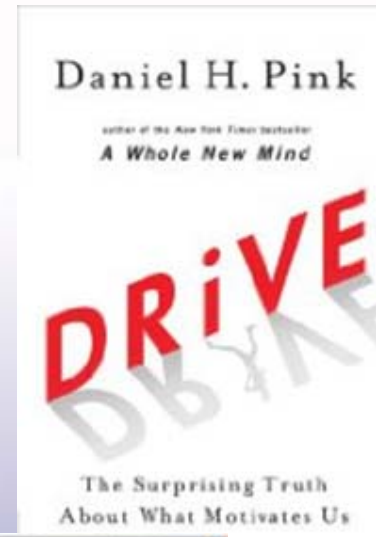
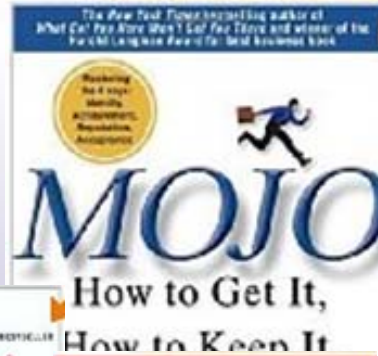
**Chances are good that at some point in your career you will
be leading an international team**

What is ~~art~~ leadership?



The world is full of leadership advice

- 58,252 books on “leadership” at Amazon
- 141,000,000 results on Google



Each of them has a formula

From Jack Welch's *Winning*:

When you become a leader, success is all about growing others. Eight rules:

1. Leaders relentlessly upgrade their team, using every encounter as an opportunity to evaluate, coach and build self-confidence.
2. Leaders make sure people not only see the vision, they live and breathe it.
3. Leaders get into everyone's skin, exuding positive energy and optimism.
4. Leaders establish trust with candor, transparency, and credit.
5. Leaders have the courage to make unpopular decisions and gut calls.
6. Leaders probe and push with a curiosity that borders on skepticism, making sure their questions are answered with action.
7. Leaders inspire risk taking and leading by setting the example
8. Leaders celebrate.

I think leadership comes down to three fundamentals

1. Know yourself, and be honest with yourself and others about your strengths and weaknesses
2. Respect others, their capabilities, needs and dreams
3. Have and articulate a compelling vision (but keep listening)

These principles have held true in every
culture I've experienced

Knowing yourself is harder than it sounds

Self Delusion: Self Ranking Studies

Self Rating	Blue Collar Group %	Engineers in Lab %	Accountants in Several Comps. %
Top 10%	46	29	37
Top 25%	66	86	77
Top 50%	98	100	97

Not least because our brains are wired to take new knowledge and make it fit with our preconceptions

- Neuroscience tells us that at least 80% of what we perceive is what our brain sees (comes from our memory), not what our senses capture (what is objectively “there”)
- The 80% of our perception that comes from memory is constrained by our already-held ideas, beliefs, social and cultural values, and myriad unrecognized assumptions
- When you encounter something that is at first counter-intuitive for you, treat it like the first line in a joke
 - Take it exactly as it is stated
 - If it makes no sense because it is not allowed by your current constraints, then like you do with the first lines in a joke, create it for yourself as a possibility
 - Treating it as true, what are the possibilities it makes available?

Fours ways to get to know yourself better

1. Introspection/ meditation/ religious practice
2. Education
3. Psychotherapy
4. Asking for and listening to feedback

Getting good feedback requires you to lower your defenses and consider the possibilities of the new information

Receiving Feedback

- Make a sincere effort not to be defensive
- Indicate to the provider that you are receptive
- Strive to achieve complete understanding
- Express your appreciation for the feedback

Self-understanding will increase your respect for others, but it also helps to question your assumptions about them

Are people basically..

- Lazy
- Work only for money
- Require direction and control
- Want social courtesy
- Resist change
- Have little growth potential
- Need to be pushed

Or are they...

- Active
- Like responsibility and challenge
- Can capably self-manage
- Want to be worthy of respect
- Initiate and manage change
- Have significant growth potential
- Play to win if given the chance

You will improve your relationships with others if you learn how to give effective feedback as well

Giving Feedback

- Sincerely intended to help the recipient
- Given directly, based on a foundation of mutual trust
- Descriptive rather than evaluative
- Specific, with good, clear and recent examples
- Focused on matters within the receiver's capability of resolution
- Limited to what the recipient can handle at the time

Receiving Feedback

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You and your team wish to develop a Teamwork Model to optimize the group's activities. Listed below – out of order – are the six steps you will include in your initial protocol. What is the correct sequence for these steps?

Teamwork Model Steps

a.	List the assumptions necessary to consolidate and focus the effort.
b.	Recognize the problem/opportunity.
c.	Listen and strive to understand each point of view given.
d.	Develop the rationale for working the task.
e.	Critique the team's performance.
f.	Work on the task identified and be aware of the time limits.

Effective listening is the first step in any team effort

Teamwork Model

1	c.	Listen and strive to understand each point of view given.
2	b.	Recognize the problem/opportunity.
3	d.	Develop the rationale for working the task.
4	a.	List the assumptions necessary to consolidate and focus the effort.
5	f.	Work on the task identified and be aware of the time limits.
6	e.	Critique the team's performance.

Having and articulating a compelling vision now seems like the easy part!

1. What is possible?
2. How can we get there?
3. When should we get there?

What is impossible to do in your business, but if it could be done, would fundamentally change it?

Communications and culture are the key challenges to leadership in a global environment

Communicating

- Take advantage of web and telephone conferencing technologies
- Don't use *only* web and telephone conferencing
 - In person visits mean a lot
 - Much easier to build trust face-to-face
 - Try to make sure everyone shares the travel burden
- Develop key messages with a cross-cultural team
 - Repeat them early and often
 - Use multiple media to get the message out

Tip: Language

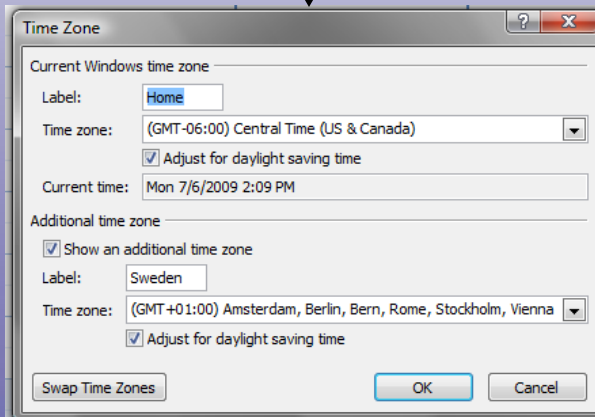
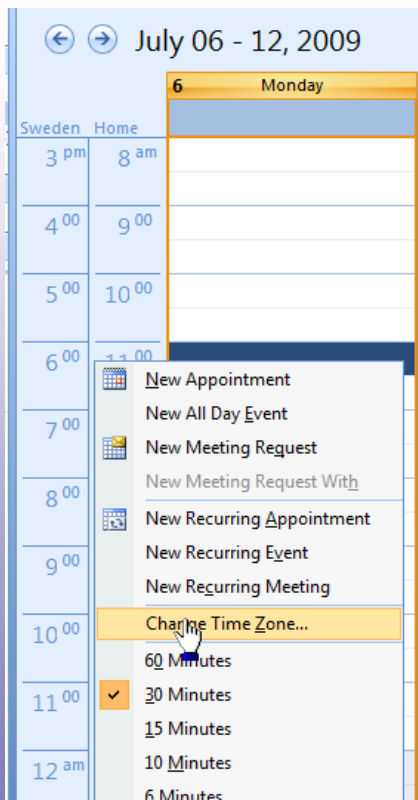
- It's important to learn just a few words
- Don't obsess over pronunciation
- People really appreciate the effort
- Don't let language be a barrier – get a translator
- Be patient working with anyone who speaks English as a second language

Understanding and respecting the cultures of the countries involved will make things happen more smoothly

- Decision-making
 - Consensus may be more important than speed
 - The coffee-break may be more important than the meeting
- Relationships
 - Time spent networking to get the “right” introduction may be well-spent
 - Participation in meals and other social activities may be critical to gaining the trust and cooperation of colleagues
- Deadlines
 - Family time may get higher priority than work time
 - Vacation time may be inviolate
- Communications
 - Americans are more direct than almost any other culture

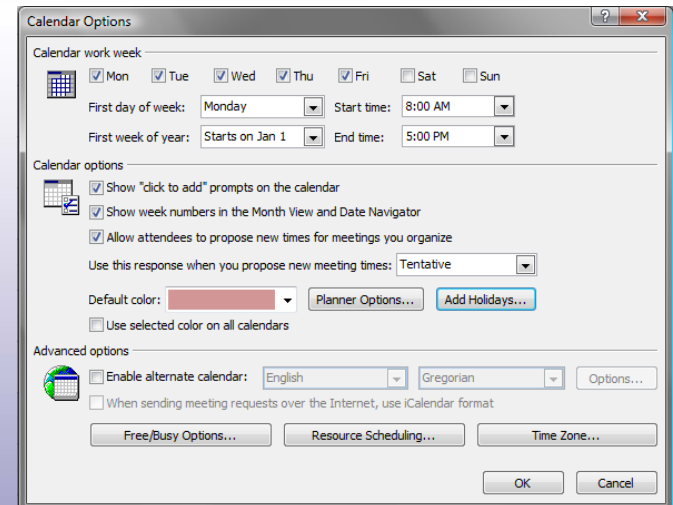
Time zones and holidays can confuse everyone

Tip: Time Zones in Outlook



Tip: Holidays in Outlook

Tools > Options > Calendar Options > Add Holidays

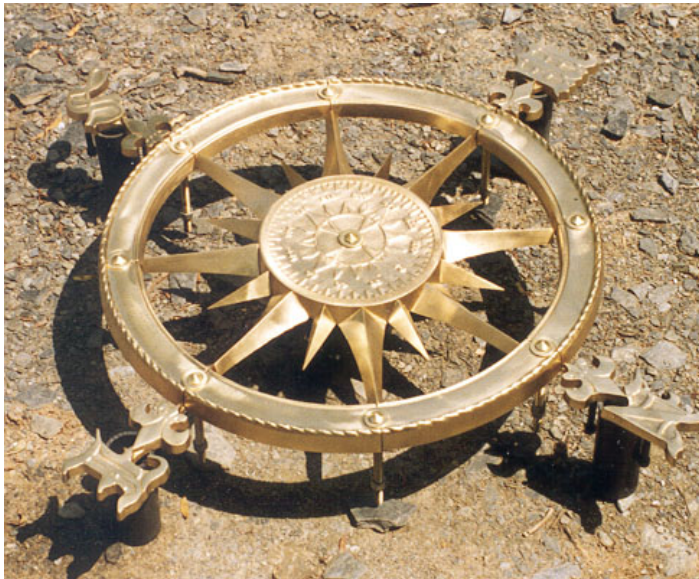


Tip: Conference Calls

You usually can't dial a toll-free conference call number from outside the United States

Case Study: Industrial Component Manufacturer

- We aim to turn XXX into one global company with a strong local presence
- The geographical and cultural boundaries are sometimes staggering but the fight is really worth fighting
- Sometimes it's a tough trade off between creating value here and now and making sure that everyone's on the bus
- As a company, we need to put even more resources and efforts into spanning the distances



Feedback

Questions?

Thank you