
The Pitfalls of Leadership...or Leadership without Strategy—a Doomed Enterprise

by Robbie Kellman Baxter



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I just returned from a conference about building strong businesses. The speaker said that leaders make or break businesses—and that everything else is just detail. Boy, did that hit me wrong. I’ve worked at companies with smart, charismatic leaders who have run a good idea right into the ground. A leader without a sound strategy is like a guide without a compass, a ship without a rudder or whatever other clichéd metaphor you like. There’s a reason why we have so many expressions for the impact of bad leadership—nearly all of us experienced it and know how very painful it can be!

Everyone is talking about leadership. About teamwork. About people. Amazon.com is having a “back to business” sale this week, and is pushing titles like “The 21 Indispensable Qualities of a Leader: Becoming the Person Others Will Want to Follow” and “The Five Dysfunctions of a Team: A Leadership Fable”. Business Schools are offering classes like “Interpersonal Dynamics” and “Principle Centered Leadership”. There is a whole industry being built around “leadership development”. But I worry that leadership is being championed as a panacea—or an excuse to ignore the question of how to build products customers are willing to pay for.

In fact, I believe leadership is worthless without a plan. Several years ago, I was on the executive team of a high-profile company. We spent hundreds of thousands of dollars on leadership development. We had a smart, charismatic, highly successful CEO and an equally impressive & charismatic COO. But everyone knew the real problem. There were two different strategies for building our business, and they were in

direct conflict. Without a single plan, one path that everyone understands and believes will lead to success, leadership is irrelevant.

Another example—an online retailer with an admired leader at the helm tried to grow too fast without first taking the time to prove his concept in small markets. Anyone looking carefully at the historical data and planned growth would have seen that the money would run out before the profits would trickle in—but no one was looking at the data. Everyone was looking at the leader.

You can have great people communicating effectively, with high morale, following a leader right into failure. They’ll all feel happy and empowered, and excited to be working together toward a great vision, but the KoolAid may kill them. Hang out in any bar in Silicon Valley, and you’ll hear the same story of a great company, with a charismatic leader and tons of people pulling together for glory and IPO greatness, but in hindsight, the business lacked a clear strategy. Craig Conway of PeopleSoft is the most recent example of great leadership gone bad.

To run a business effectively, you have to know where you’re going. You have to identify the pitfalls along the way. Where has the gold already been mined by competitors, or at least the land claimed by someone else? How do we gain trial, generate leads, build a pipeline? What are the keys to customer loyalty and repeat business in my industry? Which segments, products aren’t thriving? How can I shut them down so I can double down on my strengths?

These simple questions need to be answered in a way that makes sense to everyone, from

the board to the receptionist. There needs to be solid, compelling evidence to justify the plan, and clear milestones along the way to prove that the plan is working. Otherwise, you have no business, no leaders—and ultimately nothing to lead. To me, the difference between a successful business and a cult is that the successful business makes sense to objective outsiders as well as the highly loyal, potentially biased insiders. Jim Collins, in *Built to Last* goes so far as to say that he could identify no correlation between “great leaders” and solid businesses.

So go ahead, develop your Principle Centered Leadership (Steven Covey), your Primal Leadership (Daniel Goleman) and take your Leadership Pill (Ken Blanchard) every morning. These ideas can help and inspire you to overcome big challenges. Great leaders are more effective than the rest of us at effectively implementing tough strategies. Leaders can make a great strategy happen. But they can't be successful in a vacuum. Ultimately, when you lead your team down your chosen path, make sure you have a good map! Together, leadership & strategy can get you to the goal.