8 COMMON TRAITS OF BUSINESS-SAVVY LEADERS

THE ROLES THEY PLAY IN COST-EFFECTIVE INITIATIVES

By Dr Victor S.L. Tan
editor@leaderonomics.com

O ne of the great business dampers in organisations today is that there are too many bureaucratic leaders and too few business-savvy leaders. Bureaucratic leaders are internally focused. They spend too much time improving systems, processes and structures. Bureaucratic leaders take great pride in coming up with crisp slogans and a long-term plan but do little to improve business performance. They tend to delve into the challenges of managing a business rather than getting the business.

They become obsessed with analysis, planning and strategising rather than actually implementing strategies to grow the company. These leaders have the inclination to leave the real business to others while they occupy themselves with things that have little impact on winning customers and businesses in the marketplace.

In the 2014 PwC Global Survey, chief executive officers (CEOs) think that there are many opportunities for growth, in particular three areas:

- harnessing technology to create value in totally new ways.
- capitalising on demographic shifts to develop tomorrow’s workforce.
- serving consumers in a new economic landscape.

To capitalise on these growth areas, we need leaders who have the business acumen and energy to seize the opportunities to grow the business. They need not be the owners of the business. They can be employed managers who have gone through thick and thin attracting and growing businesses.

BUSINESS-SAVVY LEADERS

Business-savvy leaders are very business-minded and market-driven. They know their business very well and are discerning about the changes in the industry that have an impact on their companies. They take a keen interest in winning businesses, increasing market share and expanding the company into new markets. A study of successful companies in Asia indicates that there are eight dominant characteristics of business-savvy leaders.

1. MARKET-INTIMACY

Every leader, whether the financial controller, human resource director, chief information officer or operations director, needs to know the business he is in. He needs to know the industry, market realities and actual business opportunities in the environment. He must have a clear understanding of their competitors and how their products or services compare to those of his company. He must know intimately what his customers are and why they buy his company’s products. He needs to monitor the changes of the industry and its impact on the company. A close market-intimacy allows a leader to play a more effective role in leading his team towards the business goals of the organisation.

2. COST-CONSCIOUS

The business-savvy leader is cost-conscious. He utilises the resources of the company in the most efficient manner. He guards against unnecessary wastage or spending. He is a strong advocate of doing things right, the first time, to prevent rejects or rework. His sense of money is that to get the best return for the company for each ringgit spent. He knows that being cost-effective is not about going for the lowest cost but for the best value money can buy.

He knows that being cost-effective is vital to stay competitive in business in the long run.

3. COMPETITIVE

The business-savvy leader has a competitive streak. He works towards being better than the competitors in every area possible. He takes a keen interest to study the competitors and their products or services. To enable his company to compete, he leverages the strengths of his company, rectifies its weaknesses, capitalises on opportunities and counters threats in the marketplace.

He and his team contribute to their best capacity to enable the company to produce superior quality products, better pricing, lower cost and greater speed of delivery. He trains his team to be competent, committed and courteous.

4. RISK-TAKER

The business-savvy leader understands that taking risk is part and parcel of his job. He makes decisions professionally through analysis of facts and weights the pros and cons together with his team. He is courageous in taking on projects or implementing new ideas that will improve the performance of the organisation.

Once he has taken a calculated risk and decision to implement something, he would do whatever it takes to ensure success.

5. ACTION-ORIENTED

The business-savvy leader is biased towards actions that will help bring in more business to the company. He does not believe in paying lip-service. He knows that the true value of a leader comes from doing what one has planned and not from planning what to do. He is very business-minded and has a great sense of urgency when it comes to solving customer problems or winning business. His activities are geared towards improving current products or services, finding new markets and implementing new strategies to improve market share.

6. INNOVATIVE

The business-savvy leader loves to create new things. He is always seeking for a better, faster and a more cost effective way. He is creative in his approach in solving problems. He not only manages what is around but also those things which are not there. He is constantly studying the changing needs of the marketplace.

He seeks out opportunities to come out with new products or services that customers want but are not available in the marketplace. He invests in market studies and research and development and gets justifiable returns from such investments through his quick actions in translating them into new products and services in the marketplace.

7. BOTTOM-LINE DRIVEN

To the business-savvy leader, nothing is done for its own sake. All activities undertaken have some ways, directly or indirectly, an impact on the bottom line. Such leaders understand clearly the risk and how their decisions can affect their profit or cashflow by the specific strategies they choose to implement.

He justifies the spending on the organisation for activities that add value and contribute to the bottom line, either on the short-term or long-term. He believes that only by improving the bottom line can the company grow and expand.

8. SENSE OF OWNERSHIP

The ultimate characteristics of the business-savvy leader is his sense of ownership. Whatever he does, he puts his mind, heart and soul to achieve his best with the same feeling as if he truly owns the company.

The entrepreneurial leaders possess commitment and pride in putting their best foot forward and getting a rewarding outcome for the company.

CONCLUDING THOUGHTS

The best advice to unleash the business-savvy side of us in the workplace comes from Sir Richard Branson, the founder of Virgin Group.

Branson said it best: “I believe that drudgery and clock-watching are a terrible betrayal of that universal, inherent entrepreneurial spirit... There is no greater thing you can do with your life and your work than follow your passions – in a way that serves the world and you.”

Dr Victor S.L. Tan is an international authority on change management and is currently the CEO of KL Strategic Change Consulting Group. He is the author of many management books, including his book on Lessons of Success of Tan Sri Teh Hong Piow of Public Bank Berhad. He is also a panel speaker for Leaderonomics. If you are interested in his consulting services, please email training@leaderonomics.com.