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THE POWER OF FINANCIAL CONTROL

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How to Manage Your Cash Flow

Five Steps to Keeping Your Company ‘In the Black’

By MARK MOSES
editor@leaderonomics.com

Uber has raised more than US$11b from investors. Why? Because it has aavenous appetite for cash. This is to point fuels its growth. But this cash flow comes with a cost.

As Time wrote: “To return money to investors, it must grow. To grow, it must invest aggressively. To invest aggressively, it needs more money from investors.”

This rinse-repeat cycle of raising cash to fuel growth requires a delicate balance between investing to fund growth and profitably consolidating gains.

The jury is still out on how successful Uber will be in making the transition from a sucking business to a cash-squeezing one.

How about your company? Have you stricken the right balance between investing for growth and profitably funding that growth?

I’ve been around high-growth companies for decades. I have spent years building and coaching high-growth companies. And I know that when a company is growing quickly, like Uber, it faces an incredible drain on cash. So one of the first things you should do is make sure you have a handle on your cash flow situation.

Remember, profit does not equal cash. Accounts receivable do not equal cash. Inventory does not equal cash. Cash equals cash, plain and simple.

You could grow really fast and make a tremendous profit but still run out of cash. You run out of cash, you’re out of business.

I’ve also learned that while cash solves problems, a lack of positive cash flow creates them. The dilemma is that as a company grows and invests in people, equipment, space, etc., it eats cash. So how is it possible that a thriving business can be making a profit but lack positive cash flow? It’s because you invest a dollar today to grow the business, but you don’t get that dollar back in “cash in the bank” for 60 days. You can “grow broke” in those 60 days.

Your profit and loss account may show profit, but if your cash is tied up in product development, accounts receivable or inventory, you have a problem.

Here are five keys to managing your cash flow so you don’t “grow broke.”

1. REVIEW YOUR DAILY CASH POSITION

That’s right, take a look at your cash in the bank daily. Look at the trend: is it growing, shrinking, or staying the same? Compare it with accounts receivable and accounts payable. If accounts receivable is growing faster than your cash, you have a problem brewing.

2. SHORTEN YOUR CASH OPERATING CYCLE

Every firm needs to calculate its cash operating cycle. It measures the time from when the money leaves your business to the time you get it back in the form of cash in the bank. Take a look at the diagram (see Graphic 1).

All the way on the left is the time when you take the inventory on. Next you pay for the inventory. Then you get to the point where you actually sell that inventory. Finally, at some time out on the right side of the diagram, you get paid.

That is the cash operating cycle, and most firms have no idea what theirs is. Even in a service business, this cycle exists, minus the inventory part.

Keep in mind, the more you can decrease your cash operating cycle, the more cash you create. The more cash you create, the faster you can grow.

The best article I’ve seen written on this topic was in the Harvard Business Review. It’s called “How Fast Can Your Company Afford to Grow?” by Neil Churchill and John Mullins. It’s a short read, but I cannot imagine running a business without a grasp on those concepts.

Here are five ways to shorten your cash operating cycle:

- Ask your clients to pay you more quickly. If you give them 30 days to pay, make it 15. If you bill once a month, start billing twice a month. Simple idea but big results.
- Bill in advance. This works particularly well if you are a service business. Bill for your service 15 or 30 days in advance.
- Deliver your product or service quicker. The faster you can turn around your product or service, you sell and get paid and the less money you’ll have tied up in “work in progress.”
- Factor your accounts receivables. If you’re really in a cash crunch, you can “sell” your accounts receivable to a factoring company at a discount. You get the cash immediately. This is a short-term solution but an expensive long-term strategy.
- Reduce billing errors. Take time on the front end to ensure that your billing is accurate so you do not waste time (and money) on the back end fixing it.

Take a moment now and determine which of these five levers you want to pull in your business starting in the next 30 days.

3. IDENTIFY AND MONITOR THE KEY PERFORMANCE INDICATORS RELATED TO YOUR CASH FLOW

For example, you may need to monitor day sales are outstanding, inventory turnover, gross margin, and your current ratio. If the numbers are heading in the wrong direction, take action immediately.

4. MONITOR YOUR BUDGET ON A MONTHLY BASIS

Each month, take the time to review your budgeted expenses and compare them to what you have actually spent. Are you spending above or below budget? Discuss the variances and take action as needed.

5. REVIEW YOUR CASH FLOW STATEMENT ON A MONTHLY BASIS

A cash flow statement identifies how much cash came into the company and how much went out during a specified period. You might be generating a profit, but this statement will show if you’re turning that profit into cash fast enough to fund your growth.

It comes down to this: You really need to know your numbers. Unfortunately, most small firms—and many midsize firms—fall short in this area.

They just don’t have the right financial talent on board. As a short-term measure, you can outsource your number crunching to a good bookkeeper or an outsourced chief financial officer firm until you get the proper finance team on board.

My entrepreneurial coach used to tell me, “Show me a company without numbers, and I’ll show you a company that’s in trouble.” Cash solves problems, he emphasised. Loses create them.

It is the business leader’s job to know those numbers, the margins, and what drives them. A competent business leader will look at the critical numbers and the key performance indicators on a daily, weekly, and monthly basis.

I cannot emphasise enough the importance of monitoring your cash flow. I’ve seen too many businesses go off the rails because they got into a cash crunch.

Knowing your numbers and having a solid financial team will keep you “in the money.”
HOW ALEXANDER THE GREAT BUILT HIS EMPIRE

WHAT I LEARNED FROM THE GREATEST MILITARY MIND OF ALL TIME

By ROSHAN THIRAN

“D’o you think I have not just cause to weep, when I consider that Alexander at my age had conquered so many nations, and have all this done time nothing that is reasonable?”

It is said that these were the words of a young Julius Caesar who, while on his travels during his early 30s, came across a statue of Alexander the Great and wept at the Greek’s accomplishments.

Alexander (356 B.C.-323 B.C.) died of malaria at the age of 32, during his short lifetime, an empire stretching from Greece to modern-day Pakistan. Possibly the most brilliant military mind ever to have led an army, the young Alexander became a cavalry commander in his father’s army at the age of 18 and a king at 20 following his father’s death. At age 25, he conquered the Persian Empire and at 30, he was an explorer of the Indian frontier.

It’s easy to see why Julius Caesar felt like an under-achiever — Alexander’s obsession with greatness led him to demonstrate magnificent triumphs that military leaders since could only dream of. Educated by the philosopher Aristotle, when it came to assert his military authority, Alexander was well-prepared both mentally and physically to challenge the forces that stood in his way.

His greatest victory came at the Battle of Gaugamela, where a decisive Greek victory crippled Darius III’s Persian Empire, which not only fought with an army twice the size of Alexander’s, but also enjoyed a significant (though short-lived) strategic advantage.

Despite the best efforts of Darius III, Alexander became the great king of Persia at the age of 25. As a leader, he inspired tremendous loyalty in his army. In a military career spanning 13 years, only once did his men refuse to follow him — an impressive feat for the time, considering the volatility and constant fighting that took place.

THE ROLE MODEL LEADER

It was Alexander’s fervent belief that a leader should always set an example. To this end, he always led his troops from the front into battle and when they went hungry or thirsty, so did their commander. Whenever his men had to walk due to their horses succumbing to fatigue or injury, Alexander got off his horse and walked with them.

As I read the various accounts of his “leading by example” ways, it begins a question for the leaders of today. Are we similarly leading by example? Are we, as leaders, humble enough to “get off our fancy horses” and “walk with our troops”?

A year ago, I was visiting an office of a prominent leader in Malaysia. I had to be escorted into a special lift reserved for the leader and his visitors. Although this leader had a supposed “open door” policy, to access his “open door” required usage of this special lift to his office.

It is hard to imagine Alexander achieving all his success if he had been like other kings of the nations around him, that were far removed from their troops and didn’t know how to walk with their team. A key lesson we can learn from Alexander was his ability to connect and empathise with his troops almost literally as he endured the same pains his men went through.

THE VISIONARY LEADER

The young king was well aware of the power of vision, and put to good use his powerful rhetoric skills to speak to the collective imagination of those he sought to inspire. Invariably, he won the commitment of his followers, who were eager to serve his mission.

Alexander was also ahead of his time as a leader who recognised the importance of singling people out for their contributions. He would regularly acknowledge feats of bravery in battle, and recall acts of valor by fallen heroes within the ranks.

Few leaders before had been so attuned to the needs of their people than the great conqueror.

THE CEO TRAP

That said, and despite having never lost a single battle, Alexander fell into the trap that many leaders since have encountered — his success bred an air of invincibility that led to complacency and hubris.

Resulting from this, Alexander neglected to implement sustainable control systems. Therefore, he failed to fully integrate his conquests, which inevitably led to an unstable empire that quickly fell apart following his death.

The young king also gave little or no thought to a leadership succession plan. So caught up in his own glory, he either couldn’t or didn’t want to imagine the future of his empire after he was gone.

Alexander never truly understood governance, particularly in setting up the proper checks and balances that could help to prevent abuses of power. Early in his military career, he was immensely supportive and encouraging towards his men; however, with each successive triumph he became intoxicated by the sweet elixir of power.

As a consequence of his hubris, Alexander came to expect only applause and praise from those around him, which meant that any doubts his inner circle had about his decisions went unspoken. Predictably, this led to Alexander losing touch with reality — another factor that played a part in his neglect to consolidate his empire. This is a huge lesson for successful CEOs and leaders.

This is a huge lesson for successful CEOs and leaders. As we become more successful, we need to never forget our roots and how our success is not only the result of our hard work but the collective work of so many people and processes.

Power and fame tends to create significant blind spots. We have seen successful companies such as Motorola and then Nokia relinquish their throne because of complacency and the blind spots that come from being powerful.

In today’s world, regardless of how successful we are, we need to have a huge dose of humility and always be willing to learn from everyone and anyone.

FINAL THOUGHTS

The life and career of Alexander the Great is abundant and rich with lessons in leadership, both in terms of pitfalls to be avoided. There’s little doubt that his military genius and overall leadership heavily influenced the world and continues to serve as an inspiration for leaders.

Alexander’s leadership style was exemplary and tapped directly into a universal truth within today’s leadership world — if you understand people, you understand business.

The Greek politician, scholar and commander knew too well the importance of looking after the people he led and those he conquered. Indeed, the essence of his leadership ethos was best summed up by the man himself when he observed: “Upon the conduct of each depends the fate of all.”

Extraordinary leaders inspire, energise and mobilise followers. Leaders such as Alexander the Great do all that and more — with extraordinarily few resources and a nurturing nature much like mothers.

Leaderonomics’ Barefoot Leadership Programme is an innovative and experiential leadership programme that delivers creative encounters for you to achieve extraordinary breakthroughs in your business leadership and life direction. Find out how by e-mailing training@leaderonomics.com

Roshan Thiran
CEO of Leaderonomics and is constantly amazed by the numerous leadership lessons he picks up by historical figures. Roshan shares daily leadership tips on his LinkedIn page, Twitter and also on Facebook at www.facebook.com/roshanthiran.
**WHAT YOU’RE AFRAID TO ASK ABOUT MONEY**

**IT’S OK, WE ALL HAVE THE SAME WORRIES**

By AARON TANG
aaron.tang@leaderonomics.com

THERE are no stupid questions, but there are lazy questions. I can understand why people don’t want to study dry books on personal finance, as it’s all very scary and intimidating. Not to mention you don’t want to look stupid in front of your friends when asked something. Here’s the difference between DFP and PFR.

Adobe from my week at Leaderonomics as resident Campus head, I also write an international syndicated blog which often covers money, so I have a huge interest in the topic.

Here are 12 questions you might have about money, but were too embarrassed to ask. And here’s what I honestly think.

1. **HOW CAN I FORK A BASE WITHOUT SAVING LIKE THAT? KIND OF EMPLOYEE?**

Most people ask for a raise based on human emotion reasons. “The cost of living has changed” or “Others are earning more than me.” If that’s true, and with an added value you can bring to the company, “by doing so, I’m confident I can help increase our company revenues by x%.” Can we also look at a raise in your salary? Nothing wrong with living that kind of employee.

2. **HOW DO I GET PAST FOR WHAT WORTH IN TERMS OF FIXED DEPOSITS AND BONDS?**

Prove beyond a doubt what you’re worth in terms of noload mutual funds and bonds. To prove it, be brave and spending enough to walk away from your comfort zone to try new things. It’s a new role, department or company.

3. **HOW SHOULD I START INVESTING? WHERE DO I BEGIN?**

Here are at least three to six months of expenses in your savings first. Pay off your credit card debt.

Read about the following topics online: from lowest to highest risk: fixed deposits, bonds, Amanah Saham, Tabungan Jaya, Tesoro, EFT, ETFs and Stocks.

Take an account of your monthly salary, and run an expenditure to buying into one of the above mentioned investments for you to feel comfortable enough. Comfortable enough means not so only that you can’t sleep at night, rather attractive enough returns that it motivates you.

Monitor your investment, then start learning more about other investment vehicles. Consider investing in them with next month’s salary. Or add to your current investment.

Remember, baby steps and small wins are the keys to motivation.

4. **WHY NO PAY TO CREDIT CARDS?**

If you’re one of those people who don’t have the luxury to pay it off, then just make sure to keep it just one, with a low credit limit.

If you’ve got background problems doesn’t necessarily mean take for all the privileges, discontinue it. Credit card debt is charged at the astronomical rate of 7–25% per annum.

But if you ask it right, your bank may be able to restructure it as a lower-interest loan. If you have multiple debts, you can also request to consolidate them as one, so’s easier to keep track. Should things get really bad, you can wash out to the government agency Ask for counseling and help.

5. **HOW DO I IMPROVE MY CREDIT CARD DEBT?**

With credit cards, you have to do this:

- Pay at least the minimum payment

6. **PRB, FIXED DEPOSITS, INSURANCE, WHICH ONE IS SUPPOSED TO USE?**

There are different insurance policies with three very different objectives: Private Retirement Schemes are designed as an alternative to the Employees Provident Fund. You can also look at a charitable donation or don’t do it at all.

7. **WHY CAN I NEVER KEEP TO MY BUDGET?**

If your budget is controllable, or you don’t have discipline. Or, probably a combination of both.

To help make your budget realistic, track your spending every day for a month (the more the months the better) using a mobile application. Look at where most of your spending goes versus what you initially planned.

Then, benchmark your budget against financial budget you can find online. There’s a lot, but I like Nomad Money (for expenses, housing, transportation, utilities, travel, entertainment, holidays) and 20% on financial failures (savings, investment).

To help make you more disciplined, remember that envision human motivation when it comes to sticking to goals. So put yourself in an environment where you’re not constantly tempted to spend more money. Perhaps fewer trips to shopping malls, fewer nights out with your friends, if you want to make the Internet illegal, it won’t be banned in Malaysia. And South Korea), I’m predicting that is practically impossible.

8. **HOW MUCH SHOULD I ACTUALLY HAVE SAVED UP FOR RETIREMENT?**

As an absolute baseline, the CPF has a guide on the retirement amount you should have in CPF account at any age. Their minimum target for Malaysians is RM 228,000 at age 55.

Here are a couple of more tips:

- Age 30: RM 29,000
- Age 40: RM 55,000
- Age 50: RM 165,000

9. **HOW DO I MANAGE MY DEBT?**

Starting salaries have not kept up with the cost of living over the last 40 years. From a layman’s perspective at least, RM50,000 could buy you more 40 years ago than RM250,000 can buy today. RM100,000 may not be enough for a small family? I’ll explain. But the first thing I would look at is your car loan.

10. **DO YOU HAVE THE PROPER AMOUNT IN YOUR EMERGENCY FUND?**

You should have three to six months of monthly expenses in your emergency fund. If your cash conservation, maybe even more if you have way more than that in your emergency fund, consider moving it into your investment fund, to look forward to return.

11. **HOW TO GET THE MONEY YOU OWES YOU MONEY TO PAY BACK?**

I’m still trying to figure that one out. Probably one of the hardest things in the world to do, without hurting relationships. Perhaps as a future step, when you say you’re lending money, write it off as a charitable donation or don’t do it at all.

12. **5% BITCOIN SAFE AND LEGAL IN MALAYSIA?**

There’s been a lot of talk about Bitcoin before, saying Bitcoin is not legal tender and you can’t own it, and you can’t own it. This doesn’t mean Bitcoin is illegal, just that it’s not viewed as a proper currency like the U.S. dollar and ringgit.

But looking at several other governments around the world are already in the process of legalising it (or have already done so like Japan and South Korea), I’m predicting that is practically impossible.

**The Constraint on Performance is not Competence, it is Culture**

Joseph Tan
CEO & Founder of Leaderonomics Good Monday

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By MATT NAYLOR
matt.naylor@leaderonomics.com

As a bank, we need to go back to our foundations – something that Chris Naylor, MD of Business Banking at AmBank, is keen to address.

Chris’ own experiences have given him a unique angle to understand the challenges that many SMEs in Malaysia face.

“It sounds so simple when Chris says it: ‘it is crucial not just for your company, but for the people in the right positions with the right capability to make it past the three-year mark.’ Nonetheless, it is another impressive tower in a view of Malaysia's flourishing corporate environment, however, it is another impressive tower in a view of Malaysia’s past too with no shortage of interesting stories to tell that kicked off the story of this stage despite seemingly having all the right things ready, he said. It is a benefit that Chris is working with small and medium enterprises, and so understands the needs of many systems focusing on startups and helping them through their early stages of their business, the story goes.

“After that, they are left on their own and not given the support that they need to continue their journey. That is why we are focused on the SME sector; there is a lot of potential there that is not being harnessed,” Chris says.

The lack of sustained support is very much a continuing factor for the emerging businesses on companies that plateau in their growth and fail to expand internationally. Brought to AmBank in February 2017 to set up the new media banking unit, Chris held the firm at a well-rounded level of expertise in the industry. He used his passion to watch the growth of others, and to see them fail at a great young age, a university professor in an alternative timeline of growth.

Recognizing the challenges of the SME market with the need for the right advice to execute solutions to the problems, his approach is the point of view that many would expect from someone in the position to which he has worked tirelessly to ensure that AmBank can deliver, especially for those who are left on their own and for whom the failure rates are so high.

“With the right leadership team, people can learn to balance, then they need to keep their head and hold solid while planning their expansion.”

BUILDING A COMMUNITY

Helping companies grow people-first, AmBank is focused on the people within the company, who can help the leader to overcome any obstacles. AmBank can help people overcome any challenges they might face when starting out on a journey to success.

“We want to bring together experts from a wide variety of fields so that we can help SME owners to see in many different angles as possible and to share their own stories of success, failure.”

“Regardless of what industry you work in, everyone will have their own stories of success, failure. The only question is: What can you learn from these stories?”

Throughout AmBank’s 42-year history, they have assisted a phenomenal number of businesses. Even smaller companies go through a survey with AmBank, and they want to make sure that the SME sector is fully understood what they were up against and how to navigate the SME market up to information standards.

“We need to help SMEs not only by financing them, but also by giving them knowledge, skills and the opportunities that they need to move to the next level of success.”

Make sure you have the right leadership team in place. The business can survive long and in exceptional circumstances. In a typical SME structure, the key person is everything. Whatever that person is not around for when necessary, the business starts to struggle. The right leadership team is your insurance policy from a failure.

“The purpose of the race is to find which businesses are cut out, to discover them and give them the tools they need to move to the next level,” says Chris.

“We need to back for businesses with great potential, those that have the right business model in place. Once we have identified those companies with the help of our internal panel of judges, we will select everything they need to succeed.”

“We will give them coaching, mentorship, publicity support through our media partners and even in a lifetime experience that will help shape the future of these businesses.”

While keeping more details of the race closed to them, Chris ends the conversation with an interesting note and urges me to “watch this space.”

“Taking the first step towards your own corporate success.” Sign up for the AmBank BizCLUB and its valuable lineup of events for the coming year, visit ambankbizclub.com
A SKING for a raise is one of the toughest things there is to do – so much so that Diana Vreeland, the legendary editor of Harper’s Bazaar, famously went along on the same salary for 26 years rather than request an increase. You don’t want that to happen to you, so you can’t let fear of rejection, squeamishness about discussing money, or the desire to proclaim your own worth stop you. This is one of the most delicate conversations you are likely to have, so it’s important to say the right things, and even more important to avoid saying the wrong ones. Here’s a useful guide to get you started.

1  DON’T SAY, “IT’S BEEN A YEAR SINCE MY LAST INCREASE”
If your company’s practice is to give raises on a regular schedule, it likely has some system for doing that already and your boss doesn’t need your calendar reminder. Besides, if you’re a high achiever, then your salary increases shouldn’t be tied to (or limited to) an annual tradition. They should come in relation to what you accomplish.

Do say: “I’ve just taken on a new skill or a new responsibility. If you’ve just completed a successful project or training that boosts your job skills, or taken on a new task or responsibility, now is a great time to broach the subject of a salary increase. Tell your boss how your job now differs from what it was before, and therefore should command higher compensation.

2  DON’T SAY, I SHOULD HAVE THE SAME SALARY AS AND-AND-SO
I made this mistake early in my career when I found out a newer employee with similar responsibilities to mine had been given a higher salary (he was my boy-friend, which didn’t help). First of all, you don’t know – and can’t know – the ins and outs of someone else’s salary negotiation, or other factors that may come into play, such as a larger budget in one area than another.

Second, your worth really is not and should not be determined by comparison with another employee. Third, you’re now told your boss that you’re discussing your salary with other employees, which won’t endear you to him or her.

Do say: “Here are some average salaries for my job function in our industry in this region”

As you prepare for this all-important conversation, do a little research into what industry norms are for someone who’s been doing your job at your level of seniority. Now, instead of seeming like a gosip, you’ll come across as someone who’s done your homework and knows your own worth.

If industry norms are more than what you’re getting, you’ll also know that you might be able to get a big bump in pay by changing jobs. Your boss will know it too, and may start looking for ways to keep you around.

3  DON’T SAY, I REALLY NEED THE MONEY
If you’re facing a family illness or just had a new baby or totalled your car, your boss may be sympathetic. Ultimately, that might be a reason to give you a loan, but not a raise.

Your salary is based on the going rate for your job in your marketplace and what you do for your employer. It’s not based on your financial obligations.

Do say: “Here’s how I’m creating value”

Did the project you just completed increase revenues or reduce costs? Share the details with your boss. If you’re creating thousands of dollars of extra value because of your work, it makes sense for your employer to share some of that extra money with you.

4  DON’T SAY, IF YOU DON’T GIVE ME THIS RAISE, I’LL QUIT
Your boss won’t like being faced with an ultimatum and might even take you up on it out of resentment. Unless you actually do have an alternate offer in hand, that could be awkward and unpleasant for you.

You’ll have to back down and admit you were bluffing, or else you might wind up unemployed.

Do say: “If you can’t pay me more, here’s what I’d like instead”

Of course you don’t want to start the negotiation by telling your boss that you’ll accept more perks instead of higher pay. But if it turns out that a raise isn’t going to happen, don’t just go away dejected and empty-handed. Instead, be ready with some alternate requests that your boss may be likelier to grant having just denied you a raise. These might include working at home one day a week, additional time off, educational opportunities, company sports tickets, or even a meal budget for your department.

Use your imagination. You may well wind up with added perks that are worth more to you than the raise would have been.

By MINDA ZETLIN
editor@leaderonomics.com

Minda Zetlin is a business technology writer and speaker, co-author of The Geek Gap, and former president of the American Society of Journalists and Authors. To get in touch with Minda, email editor@leaderonomics.com

Here’s how you can make $50k more per employee

David was on his way home from a three-day business trip. When he booked his flight, he allowed himself an hour to reach his connecting flight home. It was a flimsy plan. Except it didn’t work.

When his plane touched down, he was delayed on the tarmac for 45 minutes. David missed his connection.

Tired and frustrated, he approached a gate attendant to book the next flight to his home city, but there were no seats available at that time.

The next day. When he asked about the possibility of flying standby, the gate attendant rolled his eyes and said, “No seats available means no seats are available. You’re stuck here tonight.” Then walked away.

Three airline employees witnessed the exchange. None offered to help David or report the incident. David had not flown on that airline since.

In a recent study, my colleagues and I found that the real problem in David’s disaster was not the unresponsive gate attendant but the three silent witnesses. The study showed that each employee who sits silently after witnessing bad customer service costs the company an average of $54,511 per year. You read that right – $54,511 per year!

But our study also revealed some good news: If you create a culture of candor, again the $50k—and possibly more.

On average, only 7 percent of employees can be counted on to speak up when they witness an incident of poor customer service. And yet, 66 percent of employees say they are capable of helping solve the customer’s problem.

In addition, our study also found:

● A typical employee witnesses 19 poor customer-service incidents per year.

● Those incidents together result in a 2.7 percent drop in revenue annually per affected customer.

● 75 percent of business-to-consumer (B2C) customers said poor service negatively affects the business they do with that company by 50 percent or more—vs. 42 percent of business-to-business (B2B) customers.

It turns out, that while it’s essential that you train employees to take good care of customers, you’ll never reach a level of excellence unless, in addition to that training, you build a culture where employees who see something say something.

The move from good to great happens when employees are willing and able to coach and assist each other when a colleague is falling short of your service standards. The real barrier to improvement is often not the poor service but the per- vasive silence. People simply don’t hold others accountable for their actions—or step in to help when a colleague is overwhelmed.

Whether it’s because it ‘makes me look bad’ or whatever the excuse may be, the business world is suffering from a serious case of ‘I’m-not-my-brother’s-keeper’. It’s an issue of silence – and it has a substantial effect on organisations.

To read the rest of Joseph’s piece and advice for how a company can avoid losing out because of poor customer service, visit bit.ly/makemoremoneywithemployees
FROM ZERO TO HERO
HOW ONE MAN’S FAILURE SPURRED HIM TO SUCCESS AND GREATNESS

“Failure is an experience that can make or break you...some people can view failure as an end-of-the-line travesty from which they are sure to never recover, or they can use negative experiences as a means to learn and grow as they advance through their careers.”

By SANDY CLARKE
editor@leaderonomics.com

THERE’S no such thing as succeeding without any failures at all in life — that’s the view of Jonny Yabut, season one winner of The Apprentice Asia.
The multi-award winning marketer served for one year as chief of staff to AirAsia head honcho Tan Sri Tony Fernandes and has since carved out a successful career as a motivational speaker and business leader.

In 2012, Yabut was named among the top seven marketers in the Philippines under the age of 35 to receive the “Seventh Wamsamth Young Market Marketer Award,” and is the author of South-East Asia’s 2015 bestseller From Grill to Great.

Yabut cuts a sharp figure, coming across like a man to whom success comes easily. He appears confident, self-assured, and at ease with a laser-like focus before he even speaks.

But it wasn’t always like that for the Filipino, whose success has been built on the back of some tough life lessons delivered to him by the failures he experienced early on in his career.

Having won a cut-throat competitive business reality show, you might think that someone with the business nous of Yabut would be the sort of person who would avoid making disastrous, rookie mistakes.

You’d be wrong.

COSTLY MISTAKE AND LEARNING POINTS

During his appearance on ‘The Apprentice’ during the first series, he recalls starting out as a management trainee for a telecommunications company in the Philippines.

As part of a promotional campaign, Yabut’s boss asked him to print two million flyers, which were to be the size of a laptop. The young trainee manager ordered two million flyers — but his order had the flyers down to be the size of calculators rather than laptops.

The mistake cost the company the equivalent of RM50,000.

Yabut says of the experience: “At 20, the first thing you think of is ‘Am I going to lose my job?’ The reason why I held the mistake was because I didn’t properly communicate to confirm the size; I didn’t take it seriously.

“You need to take every mistake seriously and communicate to confirm the size; I didn’t properly communicate to confirm the size; I didn’t take it seriously.

“Every time I succeed in life, I remind myself that you’re only as good as your last performance.”

“Every time I succeed in life, I remind myself that you’re only as good as your last performance and that mistake I made is something that is tattooed on me. I see failure as a reminder that, no matter how high you climb or how far you go — in any position or any achievement — things will always go wrong, and so you always need a plan to prevent them.”

For Yabut, failure is an experience that can make or break you, depending on how you choose to use it. Some people can view failure as an end-of-the-line travesty from which they are sure to never recover, or they can use negative experiences as a means to learn and grow as they advance through their careers.

TRULY LEADER SHARES THE LIMELIGHT

Yabut challenges anyone to find a success story where failure doesn’t come into the picture. Rather than being a negative force, failure can often act as a means to develop core values and beliefs in leadership.

As he was preparing for his first role in AirAsia, Yabut’s boss asked him to print presentation slides to be presented to senior management, and then presenting the material himself and gaining the credit. When he was up for another promotion, Yabut’s boss passed him over.

“Curious to know why, he asked his boss for feedback.

“She said, ‘You’re very good, but you haven’t yet learnt the value of leadership. It’s not about taking the throne, sitting down and hogging the limelight. Leadership is about taking a step back and making your own people shine.’"

One of the most important lessons he learnt from this particular failure was that, while many people cringe at the thought, effective leaders know how to share the limelight with others so that they can become empowered and, in turn, grow and develop.

PREPARE YOURSELF WELL AND BE PATIENT

When it comes to developing our own career, Yabut insists that patience and preparation are vital keys to success.

In the business world where challenges often arise unexpectedly, being patient and well-prepared will, more often than not, stand us in good stead when we take those challenges on.

Being afraid of failure could very well ensure that we stop growing and moving forward. It’s only when we embrace the possibility of failing, and look to learn from the lessons it provides, that we offer ourselves the possibility to move on to bigger and better things.

And there’s no better testament to that than the impressive career of Yabut.

Jonathan: “Every time I succeed in life, I remind myself that you’re only as good as your last performance.”

“For months, no matter what I did, it felt like the crushing grief all-consuming sadness. It turns out that counting your blessings can actually increase your blessings.

“My New Year’s Resolution this year was to write down three moments of joy before I go to bed each night. This simple practice has changed my life.

“Because no matter what happens each day, I go to sleep thinking of something cheerful. Try it. Start tonight when you have so many fun moments to list.”

Peter Economy has written more than 80 books on a variety of business and leadership topics. To connect with Peter, e-mail editor@leaderonomics.com.

Sandy is a freelance writer who has the misfortune of failing under the watch of some intimidating leaders. Thankfully, he has lived to benefit from the lessons that failure provides. Connect with Sandy by dropping us an email at editor@leaderonomics.com.

The Key to Resilience

By PETER ECONOMY
editor@leaderonomics.com

“I’ve been to more than a few commencement ceremonies over the years but, when I attended my daughter Skylar’s commencement for the UC Berkeley Class of 2016, I had no idea what was about to come — none of us did.

Long story short, Facebook CEO Sheryl Sandberg gave the most moving, heartfelt speech I’ve ever experienced — bar none.

As Sheryl pointed out, the typical commencement speaker tells students all the things he or she has learned in life, the graduates throw their caps in the air, their parents take lots of photos, and everyone goes home happy. However, Sheryl decided that this typical commencement address on its head.

She said Sheryl to the thousands in attendance: “Today will be a bit different. We will still do the caps and you still have to do the photos. But I am not here to tell you all the things I’ve learned in life. Today I will try to tell you what I learned in death.”

Through the tragic death of her husband, Dave Goldberg, a little over a year ago, Sheryl discovered a tremendous reservoir of resilience that helped get her through this terrible, life-altering experience.

According to Sheryl, she found this resilience by overcoming the three key to developing resilience.

PERMANENCE

Sheryl explained that perseverance is “the belief that an event will affect all areas of your life.”

And, in her case, the loss of her husband understandably led to all-consuming sadness. She continued: “I remember sitting in my first Facebook meeting in a deep, deep haze. All I could think was, ‘what is everyone talking about and how could this possibly matter?’ But then I got drawn into the discussion and for a second — a brief split second — I forgot about death. That brief second helped me see that there were other things in our life that were not awful.”

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PERMANENCE

According to Sheryl, permanence is “the belief that the sorrow will last forever.”

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GETTING AHEAD THROUGH NETWORKING
YOUR BUSINESS MAY ONLY BE AS STRONG AS THE CONNECTIONS YOU MAKE

By ASHVAANI RAMANATHAN
ashvaani.ramanathan@leaderonomics.com

I f you think networking is about the number of Facebook friends and LinkedIn followers one has, then it is time to revisit your professional and organisational branding strategy.

Though many of us have ambitions to move up the career ranks, most fall short in creating a professional edge that sets us apart. The question to ask is this: What makes you different in the sea of equally intelligent, equally ambitious, highly skilled and talented individuals? Unfortunately for most leaders, networking has become an afterthought and that thing you leave to the end of the to-do list, only to be visited when you do not have a choice or when you realise the lack of sign-ups for the upcoming sales event for which you are responsible.

The scenario is far too common in most organisations today—we are all juggling roles and responsibilities that are becoming more complicated and ever-demanding of our effort and time. It is extremely easy then to get lost in transactional, rather than transformational, activities.

This could be a potentially fatal mistake, both at an individual and organisational level, yet the lack of networking skills among leaders is truly understandable. Businesses are operating at breakneck speed, more partnerships are being forged between different industries, with demands of solutions and products on-the-go becoming the new norm.

It is no surprise then that the enterprises of today are increasingly complex and tougher to manage and lead. There is so much to do and so little time.

On the other hand, most managers are typically promoted based on their technical capabilities on the job and the ability to accomplish objectives that are mostly functional. The strategic focus and relationships-building spheres are often left to the handful of leaders right at the top.

By practising this over and over again, organisations neither leverage on broader networks of connections to get things done, nor do they develop their leaders to build better internal and external relationships that may benefit in the long term.

Let’s take a step back and think why leadership networking is important in the first place.

A well-known fact is that more than half of what you know is really about who you know. Once organisations get past the “busy-ness” of doing business, the realisation sinks in on the most pivotal question of “What should we be doing instead?”

Having a strong leadership network, especially with people outside of your immediate control, means that leaders are able to fully grasp the ins-and-outs of the organisation, assemble the right group of people and then seek to deliver the desired results.

Having great networking skills allows leaders to create a set of relationships and data sources that they can tap into, at the right time. It often becomes a strategic lifecycle that empowers organisations to keep up with business demands and overcome multiple challenges.

Businesses lacking a positive deposit into their social networking bank often lose out when crucial decisions are not made in time due to lack of information, when conflicts happen as a result of overall company silos and when there is a need to build a coalition through tough times.

Mastering the art of networking can be intimidating at first but, as a leader, it is one of the most important skills that you should have today.

Here are three ways to begin the process towards better networking:

CHANGE YOUR MINDSET FROM “DO LATER” TO “DO IT NOW”

The first step is always the hardest and yet there must be an increased level of intentional effort in getting rid of the initial mind-block. While it may be outside one’s comfort zone, leaders must begin by moving networking high up onto their list of to-dos.

Learn to leverage on your team and delegate work so that a big chunk of your week can be spent making and fostering business connections. Most importantly, do it sincerely.

It is not difficult to weed out the desperate, unethical and crafty attempts at wanting to know someone solely for your needs. Seek connections in a manner that spells YOU. Perhaps your need is one of growth, track record and overall intelligence and capability.

Unfortunately for most leaders, networking must be the outcome of your natural desire to give to your network, as much as you want to receive from it. It is often as easy as taking the initiative to first connect through a networking database such as LinkedIn, for example, and dropping a personal note introducing yourself. You may face a couple of rejections, not surprising even if you are a senior leader.

That aside, if you have never paid attention to networking before, then it is just as important to start by doing something simple. Make a list of connections you would like to have, and begin by just asking them and stating your desire. The outcomes may very well be desirable to you.

STAY ON-TRACK, EVEN IF IT TAKES TIME

Let’s be honest, networking is far from easy. It takes a lot of time and continuous effort. It is important to acknowledge this fact and stick to a route of consistently reaching out to people, no matter how tedious it gets.

It is a task that can easily be given up, especially when reaching out to people is not part of your natural inclination and you would rather focus your time on the daily work that matters. It is really crucial to set aside some time to be deliberate about networking.

Dedicate a fraction of your work week towards your preferred style of networking. Perhaps you would like to start your mornings by routinely sending birthday greetings. Or you prefer doing a round of golf or tennis with your contact.

Regardless, stick to it until it becomes a habit that you no longer shrug off.

Take a look around. Your peers and business competitors are either on par, catching up or are ahead of you in terms of growth, track record and overall intelligence and capability.

What should you set apart in your ambition and effort in building and managing the sophisticated web of relationships and networks across boundaries that eventually come together as your strategic alliance in fool-proofing the survival of your leadership and organisation.

Strong communication skills are important attributes any leaders should possess. Learn the art of compelling communication, effortlessly engage clients and colleagues and develop strong influencing skills through influential communication courses. Participants will explore different methods of communication and learn strategies to deal with conflicts resulting from a communication breakdown at the workplace. Contact @Leaderonomics for more details.

As a senior consultant within Leaderonomics, Ashvaani Ramanathan devotes his life to creating an extraordinary workplace culture in which their employees thrive. To explore a free consultation session with Leaderonomics, Good Monday, e-mail editor@leaderonomics.com
7 TIPS TO SALVAGE YOUR CAREER

THINGS AREN’T ALWAYS GOING TO GO THE WAY YOU HOPE

1. Put on your sleuthing hat
   What are the requirements for the position you want? Conduct research to find the job description or job postings of similar positions and compare yourself to the requirements. Do you have the right skills, the experience required, the education or certifications necessary?

2. Analyse the gaps
   What are the areas in which you do not meet the requirements? List these out on paper or electronically so you can see them in front of you. Brainstorm all the possible ways you can overcome these gaps. Are there classes you can take? Could you volunteer to lead projects to gain additional experience? Is there a certification you could earn?

3. Create your career development plan
   Based on your research and the analysis of your gaps, create and implement an action plan. Don’t sit still; strive to gain the skills and experience you’ll need to step into higher-level positions.

4. Ask for more responsibilities
   Upper management rarely gives promotions to employees who don’t ask for additional responsibilities. Why? Because they’re looking for employees who consistently strive to go above and beyond what’s asked of them and who want to become leaders within the organisation.

5. Prove your value
   Every day when you go to work, prove your value to the organisation. And while you’re at it, evaluate the quality of your work performance and kick your productivity level up a notch.

6. Think of yourself as an internal consultant
   Be more than just an employee. Consultants are hired to assess a current situation and then create action plans for improvement. They are paid for their expertise and their calm, professional demeanor, especially in times of difficulty. Act like a consultant and figure out ways you can add even more value to the company – because this will also help you get noticed by management.

7. Increase your visibility
   While we’re on the topic of getting noticed, make sure you’re spending enough time working face-to-face with your manager and co-workers. Don’t forget to network informally through coffee chats and lunch discussions. Whenever your career isn’t going the way you’d like, get analytical, get strategic and then implement actions that will get you from where you are today to where you want to be in the future. You can do it!

By LISA QUAST
editor@leaderonomics.com

If your career isn’t going the way you’d expected? Maybe you were hoping for a promotion, but didn’t receive it. Or maybe you’ve been going for interviews to land that higher-level dream job, but it’s just not happening. Instead of getting frustrated, now is the time to get analytical and strategic.

Happiness is not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort.
— Franklin D. Roosevelt

If you could have just one leadership quality that would be guaranteed to remain constant - something that lies at the heart of effective leadership - what would it be? Leaderonomics’ CEO Roshan Thiran believes that at the heart of effective leadership is self-reflection. Find out why at bit.ly/selfreflectingleader

For other great leadership insights from world-renowned writers, visit www.leaderonomics.com. If you missed any of our past issues, go to www.leaderonomics.com/publications and download them for FREE!
THERE is a chasm between what business leaders expect from recent graduates, and what these new hires offer. In a survey of 450 business leaders and 450 recent graduates based in India, the US, and China... a massive 76% of business leaders reported that entry-level workers and recent grads are not ready for their jobs.

In most cases, these hires are intelligent, ambitious, and technically savvy. They have proven their ability to accomplish the work. They’re committed and passionate about rising through the ranks. So what are these new professionals missing?

THE CHALLENGE

They’re lacking soft skills. These are the traits and behaviours that characterise our relationships with others. Specifically, these new grads are not ascribing enough value to emotional intelligence’s place in the workplace.

And we know that these qualities are necessary for strong motivation, sustained focus, and productive collaboration. As organisational structures evolve and globalisation speeds up, these soft skills are going to be more crucial than ever before.

Now, here’s the rub. Most new graduates and hires don’t realise how much leaders value these skills.

THE FACTS

Consider these statistics about recent graduates in the workforce:

- 69% believe that people skills get in the way of doing their jobs well.
- 70% believe that their technical skills are more valuable than their people skills.

While business leaders and HR directors report the opposite:

- 90% believe that employees with strong people skills deliver a better commercial impact.
- 85% see technical skills as the basic necessity for new hires, while soft skills are what sets them apart.
- 91% believe that employees with refined people skills advance faster.

When organisations conduct inquiries into the skills that make certain employees stars, they generally find that emotional intelligence-based competencies matter more than those based on technical and reasoning skills. It’s evident that a strong intellect and relevant experience are basic capacities — what someone needs to land a job. But they’re not what make that person soar.

For example, Claudio Fernández-Aráoz, a global hiring expert, did a study of C-level leaders who were fired. He concluded that the majority were hired for their cleverness and hard experience, but ended up being fired for their lack of emotional intelligence (EI).

Here are some characteristics of a person with a robust cache of soft skills:

- Collaborates well on a team
  As a business leader once told a consultant at McKinsey: “I have never fired an engineer for bad engineering, but I have fired an engineer for lack of teamwork.”
- Adaptable
  The ability to adjust to change signifies good self-management.
- Interacts easily with dissimilar people
  An emotionally intelligent person will generally have smooth interactions with co-workers, customers, and clients from different groups or cultures.
- Able to reason under pressure
  This requires a mix of self-awareness, focus, and quick stress recovery, which puts the brain in an optimal state in difficult circumstances.
- Lucid, compelling communicator
  An effective communicator is a great listener and has the ability to understand how another person thinks. This is an aspect of cognitive empathy.

To learn Daniel’s solution to the problems faced by organisations today, head to bit.ly/buildsoftskills