



Mindshop
Business Leader
Insight Study 2016

Mindshop Business Leader Insight Study 2016

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About the study

Every year most experienced business leaders start off by reflecting on the year that has passed and asking themselves:

“What are the trends, opportunities and challenges I’m going to have to understand in order to put in the right strategies to achieve our growth and profit targets this year?”

The thought process that follows is informed by reading articles, talking to the team, reflecting on what worked and what didn’t over the past year and meeting with customers. Often this leads to excitement regarding various opportunities but also information overload followed by confusion over what to implement first and finally procrastination as the day-to-day workload once again kicks in.

Over the last few years hot topics that have been discussed have included:

- Innovation
- VUCA business environment (volatile, uncertain, complex and ambiguous)
- Challenger selling
- Change
- Leadership – moving from star performer to head coach
- Productivity &
- Future proofing the business

and as always...

- Profit
- Growth &
- People

Some business leaders take on board trends and insights in a methodical manner, continuously adapting their strategies based on what fits with their vision, but most do nothing with the result being ‘ground hog’ years with minimal change to their businesses. Regardless of what camp you are in, the business environment globally is adapting rapidly and leaders need to be ready to change. Understanding the top 3-4 insights to focus on in your business or division in order to achieve your growth targets in 2016 will be critical for success.

The purpose of the annual study conducted by Mindshop of its global community of leaders and advisors is to gather feedback on these emerging business trends, training needs, industry opportunities and challenges for the years ahead. In December 2015 responses were gathered from 128 experienced business leaders and advisors which provided various, informed perspectives on the market. These results then informed the Top 10 insights and respective strategies provided in this study. Some will be common sense for you, some you may be already implementing and others will force you to adapt your thinking.

As you review these Top 10 insights ask yourself:

Where are the 3 biggest gaps in my business?

Ensure these are then addressed using the suggested strategies as you update your plans for 2016.

TOP 10 INSIGHTS

BUSINESS LEADER INSIGHT STUDY 2016

GROWTH



1 Ensure growth is profitable

25% of business leaders identified 'growth in existing or new markets' as their number one opportunity for 2016.

However, growth for growth's sake is unsustainable, selling at good margins to the right customers should be the aim.



2 Future proof products and services

'Diversity of business experience and vision' were listed as the second and third lowest abilities of business leaders.

By intimately understanding your target customers' business goals and journey, you can ensure you re-shape your products and services accordingly. Ensure they are still relevant and future-proofed through innovation.



3 Better integrate technology

39% of respondents cited technology issues as having a game-changing impact on their industry over the next two years.

Businesses have fallen into two camps - those that ignore the need to innovate have fallen behind and those that have moved too quickly are bogged down in poorly integrated technologies.

TEAM PERFORMANCE



4 Adopt agile leadership

30% of respondents put 'leadership skills' in their top 5 opportunities for 2016.

Leaders need to free up time to drive change, get their hands dirty and leading by example over multiple projects. Agility is key.



5 Boost employee engagement

'Building the team' was the 2nd highest rating business theme for 2016.

A key driver of profitable growth will be team productivity, making employee engagement critical. Communication, leadership, clear job roles and frequent performance reviews will drive high engagement.



6 Attract and retain the best team

'Coaching and developing people' was the third highest ranked opportunity for 2016.

People join organisations but stay for great leaders. Coach and develop your people in order to lift productivity, profitability and retention.

CHANGE



7 Continuously sharpen the saw

'Openness to change' was the number one highest ability of business leaders in 2016.

Leaders are open to change but increasingly time poor, preventing them learning the skills required to drive new strategies and teams. Just-in-time learning solutions can be leveraged to address deficiencies.



8 Prioritise projects

Business leaders' lowest ability for 2016 was project prioritisation.

Businesses have become too cluttered with projects which restrict their ability to grow. In 2016 they need to focus on the top 3 projects that have the biggest impact on profit and growth.



9 Boost probability of change success

Growth has been on the top of the focus list for leaders for 4 years.

The question is what needs to be done differently to achieve change success, in terms of readiness, capability and belief. This will prevent 'ground-hog' years.



10 Problem solving culture

'Better implementation of strategies' was the number 4 opportunity for 2016.

Businesses are struggling with time pressures and the weight of too many projects. Teams need a common methodology for strategy implementation and problem solving to drive change.

Key findings



1. Ensure growth is profitable

Growth in existing or new markets is the number one opportunity for 2016 for business leaders with profit improvement coming in a close second. However it won't be a case of growth for growth's sake but rather ensuring growth comes from the right customers at the right level of profitability.

Many say that top line growth is vanity and bottom line growth is sanity. Too often business leaders will focus on growth at any cost to their detriment.

'Top line growth is vanity and bottom line growth is sanity.'

As business leaders push for growth they need to ensure they don't put more business through an incapable system.

What has been the track record of achieving growth targets over the past few years? If it has been poor then the systems, processes, products or people will need to be reviewed and potentially changed. Key finding number 9 - 'boost probability of change success' further discusses this fact.

Do you know what products or services are your most profitable?

Do you know which products or services actually lose you money each year?

Strategy

Firstly identify your growth targets for the year ahead by mapping your products and services, their average sale value and the amount sold to various target markets and customers.

Create a matrix of these figures (we call it an income matrix) for where you are NOW and WHERE you want to be from a growth perspective at the end of the year.

You will have a number of gaps between the NOW and the WHERE.

As you reflect on those growth gaps, determine which products or services provide the most profit and make them your strategy focus for the year ahead.



2. Future proof products and services

In a volatile and fast moving market-place continuous innovation of products and services is essential to ensure a business 'future proofs' itself and stays relevant to target market customers.

This takes a big investment of time, resources and money but also a mindset change of leaders to see it as a priority.

A recent global innovation survey by PWC re-inforced this fact by highlighting that financial resources and organisational culture were the two biggest barriers to businesses being more innovative.

Leaders need to be curious about their target market's industries and understand emerging trends and problems their products and services can resolve. To do this requires that they understand the 'journey' these businesses and industries are taking over the next 5-7 years.

By understanding the journey of a target market customer, a business leader can review what adaptations are required well in advance to allow for the required cultural shift and investment to continuously develop their products and services.

Are your products and services future proof?

Do you understand your target market customers' business journey?

Strategy

Read the 2015 article by Harvard Business Review to understand your target market customers' journeys:

<https://hbr.org/2015/11/competing-on-customer-journeys>

You or your team then need to write a paper on your target market and the journey their business and industry is taking and present that in your marketing material to customers.

Share this internally with your team to help them conduct a review of the products or services you currently provide. What innovations are required to future proof them? Also have a discussion as to what this customer journey means for products and services you need in the future which you need to start planning for now.

A product portfolio analysis plotting where your products and services are now and where you would like them to be in the future may also assist with driving your future product strategies.

Innovation is not a one off event or investment, but a continuous process that needs to be ingrained in the culture of the business.



3. Better integrate technology

39% of business leaders cited technology issues as having a game changing impact on their industry over the next two years.

For almost all modern businesses, technology is a critical part of operations from a productivity, leverage and innovation stand-point.

Poorly integrated technologies can actually have a negative impact on a business causing frustration, lost opportunities and impacting overall growth.

While there is sometimes a need to be an early adopter of new technologies, it is also important to move slowly and methodically when selecting new hardware and software to integrate.

Finding a good balance of pace when integrating new technologies will ensure they become embedded as part of the culture of the business and achieve the benefits as intended.

Reflect on best practice in your industry (what are the others using that is working) but don't just seek to replicate their approach without first planning what will work in the context of your own business.

Strategy

Establish a separate one page plan for the information and communication technology side of your business.

In this plan audit where you are now with regard to technology (what's working and what's not) and what 'types' of technology you will need to achieve your future growth goals.

Review best practice in your own industry and even explore best practice in other industries to make a short-list of potential technologies and the investment required.

Prioritise which technologies need to be implemented first and ensure this is done at a pace aligned with your available resources, targets and budget.

Ensure any new technology is first implemented via a small pilot group of 'super users' (hand picked to be early adopters) who can experiment with the new technology, iron out any bugs and provide valuable feedback. After this phase, aim for a wider roll-out across the business as you will be assisted with internal advocates who will help fend off any blockers to the process. Attempting to roll out company wide as a first step heightens the risk of people blocking the process and wasting considerable time and money.



4. Adopt agile leadership

To be agile is to have the power to move quickly and easily. It is also defined as having the ability to think and draw conclusions rapidly.

Often the term agility is used in a sporting context but in the modern business environment it is equally as important in a leadership context.

Leaders need to look at ways during the year to free up their time to:

- drive change
- get their hands dirty and
- lead by example over multiple projects

They will need to balance their time between strategy and implementation to see 'at the coal face' the challenges teams are facing and ensuring they help with removing implementation road blocks.

Leaders that stay too 'big picture' or too removed from the 'day to day' can quickly lose context with what is occurring with target customers. This then limits their ability to make robust decisions quickly which is essential in a fast moving market.

Equally, leaders that get too hands on can lose sight of the overall vision and in turn the focus for the entire team can drift onto urgent but unimportant matters.

To make quick but robust strategic decisions as an agile leader will require great clarity of vision for the business and the industry, good problem solving skills and the ability to balance their time between strategy and implementation.

Strategy

Ensure you upskill yourself in the latest leadership tools and methodologies by way of the Mindshop Leadership Development online course so you have a strong foundation of skills in place to be an agile leader in 2016.

Before commencing any sort of training complete an audit on your current leadership skills where you could rate yourself on a -5 to +5 scale (with -5 being very poor and +5 being very good) against 10 factors of:

1. Problem solving ability
2. Communication skills
3. Understanding of the business vision
4. Clarity of strategic plan
5. Project management skills
6. Understanding of key industry trends
7. Openness to change
8. Coaching ability
9. Level of intuition
10. Listening skills

This is not an exhaustive list so include or replace a factor if it has high importance in your context.

This list should provide gaps on which to focus during any skill development endeavours.



5. Boost employee engagement

A highly productive or efficient team will typically be one that is highly engaged.

Business leaders highlighted that building the team was their second highest rated business theme in 2016, showing the importance in which it's held.

So why is it such a challenge? The current pace of change, reduced resources internally and an influx of new technologies plays a major part in the current fatigue of team members and disconnection from others. This is not the case in all businesses but all at times will face this issue in some part of their business.

Frequent performance reviews, clear job roles, good communication skills (from leaders and between teams) and strong leadership will help guide team members to overcome any engagement issues.

Core values are important for a highly engaged team. Often these are written down on paper but there can be a disconnect between what is written and the reality of what is displayed by leaders.

Strategy

Perform a diagnostic on the current level of employee engagement within your organisation (for Mindshop members there is a diagnostic available online).

This will pin-point key areas on which to focus.

Look to change aspects of the way your team is managed which could include:

- Increase the frequency of performance reviews and make them more practical, coaching sessions aimed at unblocking challenges to them achieving their goals
- Have regular stand-up team meetings to ensure all are on the same page with projects and plans
- Ensure job descriptions are clear to each team member
- Have a regular forum for team members to learn problem solving skills, come together to work through challenges and discover leadership insights
- Have fun. Ensure wins, birthdays and milestones are celebrated by all

Importantly write down a set of values and get buy-in from the team on this process. Have no more than 5 core values noted and ensure these are communicated in layman's terms to the entire team. Leaders need to live by them.



6. Attract and retain the best team

Great leadership is essential in attracting and retaining the right team. A quality team will then attract quality clients.

Many leaders are so busy in the current volatile business environment they aren't spending the time needed to lead by example and coach their team.

Leading in any business is not just about generating the most sales or staying back the latest each day it is about helping the organisation, people and customers reach their full potential.



Strategy

Team members need to be confident that they will be challenged in their role and that the business is both innovative and taking advantage of emerging opportunities.

Leaders need to act more as the head coach rather than the star performer guiding the career development of each team member.

A growing, profitable business is one aspect to the challenge but leaders also need to communicate a clear 'purpose' or 'why' the business exists to the team.



7. Continuously sharpen the saw

Leaders are open to change but increasingly lack the time available to be continuously learning new skills to help them be more effective business leaders.

The mindset of many business leaders with regard to learning new skills needs to change. Currently many put aside time for learning but at time when the problems they learn to solve do not exist (meaning they have to re-learn those skills at a later date!).

An approach more suited to modern times is to use technology platforms that allow them to access the learning needed within minutes or hours (just-in-time) as problems or opportunities arise. Finding a blend of learning (face-to-face and online) that suits the needs of each individual will be important to ensure cut-through. This blend will be dictated by what has to be learnt, the time-frame, location of participant and learning style of the person.

Strategy

Business leaders who are part of Mindshop should be utilising the Mindshop Online site on their smart phones, tablets or PC daily to access 100's of tools and training for themselves or for use with customers anywhere, anytime.

Look for daily reasons to be utilising tools and seek to push yourself outside your comfort zone monthly to leverage a different tool for a different internal or customer challenge. Create new learning habits for yourself.

Reflect on your role in the business and identify gaps in confidence and capability which you can use to shape your training and development plan over the coming 12 months.



8. Prioritise projects

The lowest ability identified by business leaders in the Mindshop study was that of project prioritisation.

Each year this issue continues to grow as businesses are challenged to achieve more but in turn become cluttered with too many new projects. Change fatigue across the team is a consequence and productivity drops off rapidly.

Prioritising the top 3 projects to work on in 2016 for each team will be a critical strategy for success.

Strategy

What will be your top 3 projects to focus on first in 2016?

List the projects you anticipate focusing on over the next 3-6 months. Then rate them against two factors being:

- Fit with vision
- Impact on growth

You could choose other high priority factors to use as a filter but these two are a good starting point. Score each factor on a 1 to 10 scale with 1 being very low and 10 being very high. Add the two scores and see which projects come to the top of the list.



9. Boost probability of change success

Don't have ground hog years. Ensure you are ready for change for the year ahead.

Growth has been top of the focus list for business leaders for many years (and will continue to be) but many have had ground hog years with minimal growth. A lack of growth can lead to frustration for owners or the team and ultimately results in people leaving the business.

Strategy

Review the probability of change success model and what needs to be done differently with readiness, capability and beliefs to unlock the probability of successful change.

<http://www.web.mindshop.com/299/boost-your-probability-of-change-success/>

and then complete the diagnostic tool

<http://www.web.mindshop.com/change-success/>

Determine the areas where you have the biggest gap with regard to change success and develop 2-3 strategies to improve your score.



10. Problem solving culture

To drive change and implement strategies effectively, the entire team needs to be using a common methodology for strategy development and problem solving.

This methodology needs to be simple and powerful but also complementary to the skills and knowledge each team member brings with them to their role.

Having a problem solving culture cuts back on wasted time for business leaders usually drawn into the depths of each challenge by a team. Instead teams come to leaders with three potential solutions because they have already used a set of tools to work through the problem.

Having high levels of capability in the team is much like your 'ticket to the game' when driving change. Without it, the probability of a successful outcome is much, much lower.



Strategy

Implementing a problem solving culture can start with a simple and powerful over-arching change process - ask a team where they are NOW with regard to a change project, WHERE they want to be in a set time frame and then work with them on HOW they will get there.

Further problem solving tools include:

- Mindmapping
- Magic Wand
- Issue Ranking
- Pareto
- Force field &
- One page plan

These tools will be all a business leader needs to address 80% of strategic issues and drive them to some form of action.

To embed this into the team, leaders first need to learn them, embrace them into daily habits and then start training the team. Unless the tools are 'the way you do business' it will not be ingrained in the culture.

About Mindshop

Mindshop delivers everything business advisors need to successfully build, grow sell and deliver services to any sized customer, anywhere in the world.

Founded in 1994 in Melbourne, Australia by leading management consultant, Dr Chris Mason, Mindshop has now grown to support over 900 business advisors and leaders in 8 countries.

Mindshop supports advisors achieve their business goals by providing:

- Experienced coaching support
- Regular face-to-face and online training
- A community of hundreds of advisors to share best practice
- Hundreds of advisory solutions composed of tools, workshops, products and
- Innovative, coaching technology

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